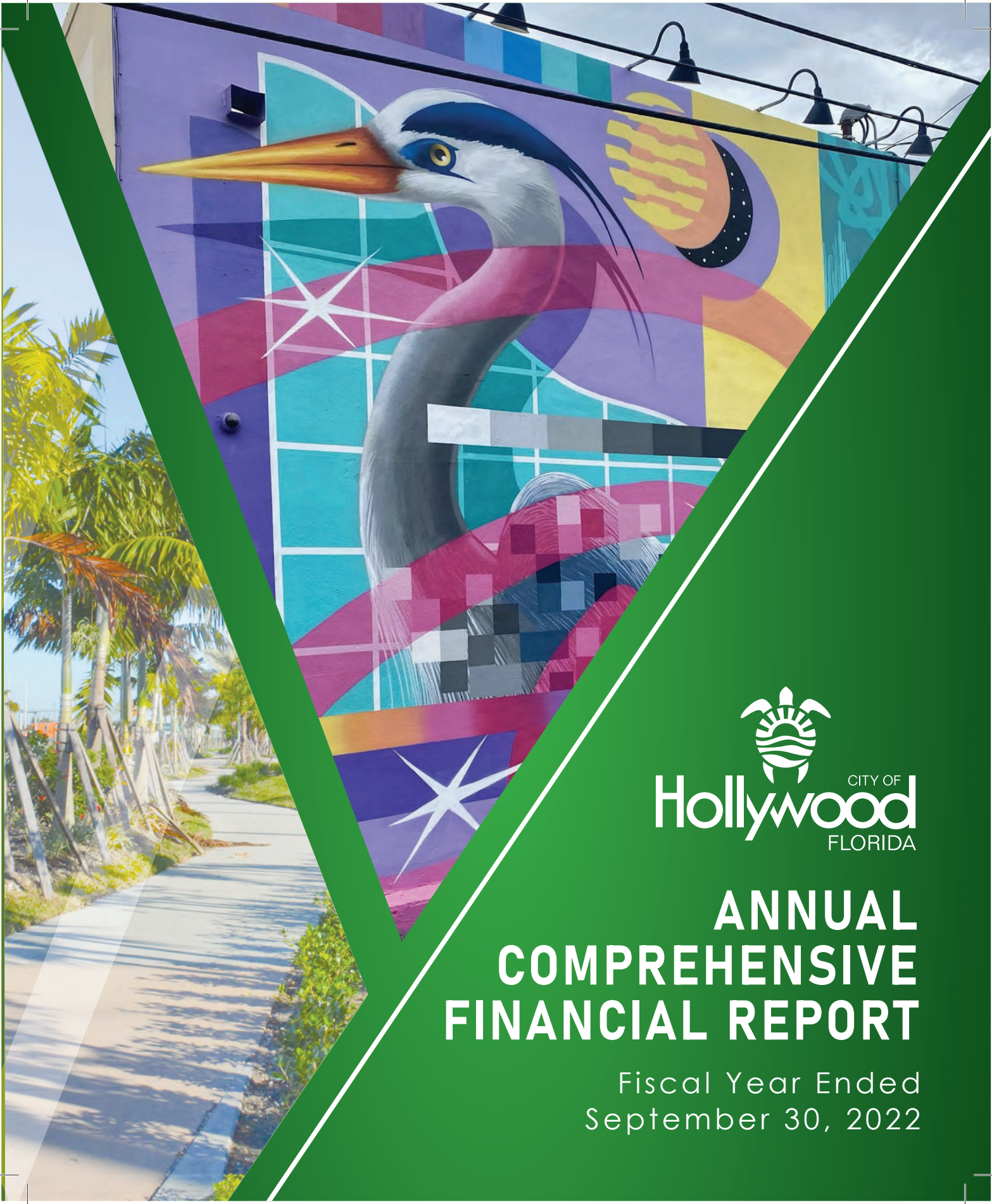




# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended  
September 30, 2022

# **ANNUAL COMPREHENSIVE FINANCIAL REPORT CITY OF HOLLYWOOD, FLORIDA**

**For the Fiscal Year Ended September 30, 2022**



**Prepared by  
Financial Services Department**

**CITY OF HOLLYWOOD, FLORIDA  
COMMISSION - MANAGER FORM OF GOVERNMENT  
SEPTEMBER 30, 2022**

**CITY COMMISSION**

**JOSH LEVY, Mayor**

**CARYL SHUHAM, Commissioner - District 1**

**LINDA HILL ANDERSON, Commissioner - District 2**

**TRACI CALLARI, Commissioner - District 3**

**ADAM GRUBER, Voice Mayor - District 4**

**KEVIN BIEDERMAN, Commissioner - District 5**

**IDELMA QUINTANA, Commissioner - District 6**

**(At September 30, 2022 - LINDA SHERWOOD, Commissioner - District 6)**

**CITY MANAGER**

**GEORGE R. KELLER, Jr. CPPT**

**CITY ATTORNEY**

**DOUGLAS R. GONZALES**

**Above officials are active at the time of issuance  
of these reports**

**Cover Photo: 441/State Road 7 Linear Park  
Downtown Mural - Migration of the Blue Heron**

# City of Hollywood, Florida

## ***MISSION STATEMENT***

***We are dedicated to providing a thriving community  
where quality living is available to all.***

## ***DIVERSITY STATEMENT***

***The City of Hollywood celebrates the diverse community  
it serves and embraces the differences in both the  
community and workforce.***

***We are committed to the values of integrity, fairness and  
inclusiveness in our decisions, behaviors  
and service delivery.***



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Hollywood  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

The City of Hollywood has received a certificate of Achievement for the last 47 consecutive years, fiscal year ended 1975 through 2021. Hollywood became the 29<sup>th</sup> municipality in the United States and the second city in Florida to receive this award when its first certificate was obtained for the City's 1956 annual financial report.

# CITY OF HOLLYWOOD, FLORIDA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED SEPTEMBER 30, 2022

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June 6, 2023

City of Hollywood Citizens, Honorable Mayor and Members  
of the City Commission  
City of Hollywood  
Hollywood, Florida

Dear Honorable Mayor, Vice Mayor, and City Commissioners:

We are pleased to submit the Annual Comprehensive Financial Report ("ACFR") of the City of Hollywood, Florida, ("the City") for the fiscal year ended September 30, 2022. This report, presented in conformity with generally accepted accounting principles ("GAAP"), was prepared by the City's Department of Financial Services and audited by an independent firm of certified public accountants, Marcum LLP, as mandated by both local ordinances and State statutes. The independent auditor has issued an unmodified opinion that the financial statements fairly present the financial position of the City and comply with applicable reporting standards. The Independent Auditors' Report is located at the front of the Financial Section of the report.

The City is responsible for the accuracy of the data and the completeness and fairness of the presentation including all disclosures. Management has established an internal control structure designed to ensure the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States ("US"). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. We believe the data, as presented, is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds.

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The City is required to undergo an annual single audit performed under the provisions of the US Office of Management and Budget Uniform Guidance and Chapter 10.550, Rules of the Auditor General, State of Florida. The information related to the Single Audit, including the schedule of expenditure of federal awards and state financial assistance, findings and recommendations, and auditors' reports on the internal control and compliance with applicable laws and regulations are included in a separate report.

The City's financial statements have been prepared using the reporting model in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis ("MD&A"). MD&A provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditors' Report.

#### PROFILE OF THE CITY

The City of Hollywood, incorporated in 1925, is a full service municipality located in Broward County on the southeastern coast of the State of Florida. The City comprises 30 square miles including 6 linear miles of Atlantic Ocean beaches. The 2022 permanent population of the City of Hollywood is estimated to be 154,909 (Bureau of Economic and Business Research, University of Florida).

The City of Hollywood operates under a commission-manager form of government. The City Commission is composed of a mayor elected at large and six commissioners elected by district. The seven members of the City Commission serve four-year terms with the even numbered commission districts and the mayor elected during each presidential election year and the odd numbered commission districts elected during the Florida gubernatorial election year.

In addition to general government services, the City also provides community planning and development, public safety, public works, and culture and recreation services to its residents. Furthermore, the City's water and sewer, stormwater, sanitation, golf, parking operations, and records preservation activities are reported as enterprise funds.

The financial reporting entity of the City includes all the funds of the City, as well as all of its component units and fiduciary funds. The Hollywood Community Redevelopment Agency ("CRA") and Emerald Hills Safety Enhancement District are component units, legally separate entities for which the City government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations. The Downtown Community Redevelopment District ("DCRA") and the Beach Community Redevelopment District ("BCRA"), which are districts of the CRA, are being reported as special revenue funds, in accordance with State statutory requirements, using the blended method. The Emerald Hills Safety Enhancement District was created on August 30, 2017 by City Ordinance under State statutory authority and is presented as a discretely Presented Component Unit.

The City of Hollywood is required to adopt an annual budget in accordance with the City Charter and State statutes. The City Manager is charged with preparing a proposed budget for submission in July of each year for the fiscal year that begins the following October 1. Appropriations by department within funds and tax levies are adopted in September. The budget may be amended by resolution. The budget also authorizes the number of full-time equivalent positions available to City departments to deliver services.

The City has three defined-benefit pension plans: 1) the General Employees Retirement Fund, 2) the Police Officer's Retirement System and 3) the Firefighter's Pension Plan. A board of trustees administers each plan. The boards are composed of members elected by active employees and appointees of the Mayor and Commissioners. The Boards have responsibility for investment of the pension assets and determination of benefits as employees retire or seek other benefits under the plans. At September 30, 2022, the plans had total combined assets of \$1.0 billion.

#### FACTORS AFFECTING ECONOMIC CONDITION

The City benefits from its strategic geographical location, relative affordability in the South Florida market, and its growing fiscal stabilization. The City's property taxable value for fiscal year 2022 was \$18.9 billion, an increase of 2.2% from prior year. The City's operating tax millage rate was 7.4810 mills in fiscal year 2022. The total debt service millage rate was 0.4156 mills. The total FY 2022 millage rate is 7.89666 mills which is unchanged from the prior year. Property tax revenue collections remained strong in fiscal year 2022. The City collected \$143.6 million of the \$143.6 million in fiscal year 2022 property taxes (over 99% collection rate).

As noted in the MD&A, Fitch and Moody's rated the City's recent borrowings as "Aa3" and "AA-" (September 13, 2022 and September 15, 2022). These ratings are considered high quality and subject to low credit risk.

The City is firmly committed to its ongoing investment (and reinvestment) in our employees, our neighborhoods, our public infrastructure and facilities, and our City as a whole. The City will continue to be one of the best places in the country to raise a family, start or expand a business, invest in real estate, seek high quality cutting edge health care, and enjoy the natural environment. Currently, Hollywood is committed to dealing with increasing personnel and health care costs, challenging economic changes, and infrastructure and/or maintenance needs.

The COVID-19 pandemic is ongoing since March 2020. In 2022, the pandemic continues to have a lingering impact on our community and national economies. With these challenges, the City has remained steadfast to consider and implement directives from the medical community. The City remains committed to the wellbeing of all residents, schools, medical facilities, and local businesses.

#### *Relevant Financial Policies*

One of the most important measures of the City's financial health is its fund balance. The restoration of the General Fund's fund balance reflects the positive financial results achieved after many difficult budget decisions made in prior years. The City's audited fund balance in the General Fund at the end of fiscal year 2022 was \$88.3 million, up from a low of \$4.3 million to start fiscal year 2012. Having a healthy fund balance gives the City financial flexibility, provides the ability to meet its cash flow needs, mitigates current and future financial risks, and ensures continuity of future governmental services. The City is committed to maintaining this progress to budgeting prudently to ensure continued fiscal health.

#### *Fund Balance Target*

The City's Fund Balance Policy, adopted by City Commission resolution in fiscal year 2011, and last updated in August 2019, is compliant with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." In addition to providing compliance with GASB Statement No. 54, the City's Fund Balance Policy will assist in stabilizing the long-term financial position of the City by setting standards for the use and replenishment of fund balance reserves. This policy also provides structural balance to the City's budget by limiting the use of reserves to cover recurring expenditures.

- The Fund Balance Policy establishes a minimum of 17% of General Fund operating expenditures to be maintained as reserves.
- The Fund Balance Policy sets an additional 5% of General Fund operating expenditures (within the committed fund balance definition) to provide for a disaster reserve to protect the City from adverse financial impacts in the event of unforeseen events.

#### *Projections*

Multi-year budget projections based on an enhanced budget forecast model are prepared by the City's Office of Budget and Performance Management to forecast out years. This tool allows the City to adjust revenue estimates and expenditure levels to prevent future financial difficulties. The Revenue Estimating Committee, established in 2012, continues to monitor revenue forecasts.

### **MAJOR INITIATIVES**

Several important documents, most significantly the City's Comprehensive Plan, help guide the future development of the City based on (1) quality of life, (2) relationship to existing plans and regulations, (3) feasibility to prioritize policy and design alternatives and (4) geographic proximity to Port Everglades (nearly 80% of the Port is located in Hollywood), Fort Lauderdale-Hollywood International Airport (located only two miles from the City limits), and major transportation corridors (I-95, the Florida Turnpike, 441/SR7, etc.). While few vacant parcels exist in the City, many parcels can be characterized as "under-developed," and therefore appear to be poised for redevelopment.

Significant redevelopment activity in recent years includes:

- Design Center of Hollywood – the redevelopment of a former manufacturing facility into the Design Center of Hollywood began in 2017. Home furnishing industry leader, Kravet opened a new 14,000 square foot office, showroom and warehouse in the facility located within the South Florida Design & Commerce Center. The build-out of an additional 46,000 square feet of showroom and office space is now complete featuring several interior design and home furnishings tenants.
- The Preserve at Emerald Hills – this completed development on the former site of Lake Eden is a master planned community consisting of approximately 30 luxury townhomes and 77 luxury single

family homes. The private community features open recreational space for residents. This \$60 million project was developed by MG3 Developers.

- Hollywood East – a completed 15-story mixed-use development featuring 247 Class A multi-family rental units in Downtown Hollywood. The project also includes nearly 4,800 square feet of commercial space.
- Pinnacle at Peacefield - is a multi-family development comprised of 120 units qualified as affordable rental housing for seniors. The three-story garden style apartment buildings are located in Hollywood's Regional Activity Center featuring associated parking, landscaping, and common recreational area and activity elements.
- Quint (aka Sunset Harbor) - This 10-unit residential luxury waterfront development with a private marina is recently completed. It occupies 0.47 acres within the 293-acre CRA Beach District and is located at 2800 N. Ocean Drive in Central Beach. These four-story townhomes have individual garages on the first floor of each unit. The development was previously owned by Sunset Harbor Residences, LLC and is now owned and operated by JQ Group of Companies.
- Memorial Joe DiMaggio Children's Hospital expansion – Memorial Healthcare System's Joe DiMaggio Children's Hospital is undergoing an approximately \$97 million expansion to add over 156,000 square feet to its existing facilities vertically by adding four floors. It will consolidate pediatric healthcare services (i.e. ICU, Operating Rooms, and Cardiac Surgery) on the same floor and expand private and semi-private rooms.
- 1818 Park (aka Block 40) - is a mixed-use development under construction at the southwest corner of Hollywood Boulevard and Young Circle at the site of the former Great Southern Hotel. The development is nearly complete and will include 170 upscale residential units and 103 hotel rooms with approximately 30,000 square feet of commercial space.
- Various Public Utility Projects – The City completed major improvements to the Deep Well Injections – Phase I (\$40.4 million) and Lift-Station W-14 improvements (\$2.4 million).
- Park Improvements: Various Citywide Park improvements were completed in fiscal year 2022. Improvements were made and placed in service at Linear Park, Cathy and Bob Anderson Park, and Zinkil Park.
- Underground and Overhead Utilities Phase III Projects within the CRA Districts were completed during fiscal year 2022 and provided \$12.5 million in improvements to infrastructure.
- Various equipment improvements were funded through the American Rescue Plan and provide public safety, government service, communication, and community enhancements. Improvements include police vehicles and radios for both the Police and Fire-Rescue Departments.
- Several major initiatives are underway in the City which include infrastructure improvements and development of condominium, luxury rental and resort projects (<https://www.hollywoodfl.org/845/Economic-Development>).

Major initiatives include the following projects:

- The Bread Building – is an approved mixed-use development currently under construction on the southeast corner of Hollywood Boulevard and Young Circle at the site of the former Hollywood Bread Building. The development includes 361 multifamily luxury rental units and 17,000 square feet of retail space.
- Monroe Residences - is a five story, 40-unit condominium development. The project is currently under construction and will feature four three-bedroom units, 16 two-bedroom units and 20 one-bedroom units. Amenities will include rooftop green space, access-controlled parking, a pool, gym and barbecue picnic area.
- Soleste Hollywood Blvd - is an approved mixed-use development at 2001 Hollywood Boulevard in the downtown area. Miami-based Estate Investment Group is slated to begin construction later this year on the development, which will include 324 apartments and 30,000 square feet of retail space.
- Pinnacle 441 – is a planned mixed-income, mixed-use development at the corner of Johnson Street and State Road 7. The eight-story project will feature 213 residential units and amenities, as well as 6,760 square feet of retail on the ground floor.

- Wyndham Dolce Kosher House Hotel – is a six-story hotel development located on South State Road 7 directly across from the Seminole Hard Rock Hotel. This development is currently under construction and will feature 100 guest rooms and a roof-top eatery.
  - Icon Office Building - is a 50,000 square feet of Class A office building under construction with retail bays and space for a financial institution on the ground floor located at 1895 Tyler Street in Downtown Hollywood.
  - 441 ROC – is an estimated \$48 million mixed-use project currently under construction, located at the northeast corner of US 441 and Griffin Road, and in close proximity to the Seminole Hard Rock Hotel and Casino. The plan calls for an 8-story apartment building with 180 units, a Wawa with 16 fueling stations, a Wendy's restaurant, and a self-storage facility. This development will add to continued growth of new development along the US 441/State Road 7 corridor in Hollywood.
  - The Tropic – is a planned 244 unit rental community featuring both workforce and market rate units along with 650 square feet of commercial space. The City has contributed funds towards this project.
  - Fire Engine and Replacement Vehicles – The City has utilized bond funds to purchase new rescue units and fire engines. These rescue units and engines will help reduce the burden of an aging fire response fleet and improve rescue capabilities.
  - New Police Headquarters – The City is in process of finalizing the design and planning for the construction of a new Police Headquarters. This will allow the department to provide enhanced and more efficient services to all City Residents.
  - Traffic and Transportation Controls – The City is in process of finalizing locations for new Neighborhood Sound Walls, Traffic Calming and Control structures and landscaping enhancements.
  - Various Public Utility Projects – The City has various improvements to inflow/infiltration, and infrastructure improvements to the Water, Sewer, and Sanitation Systems ongoing. These projects are needed for compliance and the overall health of the Utility.
    - Construction in process in the Water and Sewer funds is about \$74.2 million
    - Major improvements include:
      - improvements to Deep Well Injections
        - Deep Well injections are required to eliminate the ocean outfall disposal at the Southern Regional Wastewater Treatment Plant ("SRWWTP") per Ocean Outfall Legislation. The City began design, construction/drilling, and administration for two deep injection wells at SRWWTP. Upon completion, an additional 39.84 million gallons per day capacity will be achieved for disposal of secondary effluent from SRWWTP to Boulder Zone approximately 3,000 feet below grade elevation.
      - Various lift-stations
      - Water/Sewer Mains such as Royal Poinciana and Parkside.
  - A1A Overhead Utilities projects within the CRA district is in process to provide infrastructure type improvements to the District.
  - Various seawall reconstruction and tidal flooding improvements projects to combat sea level rise.
  - Various equipment improvements funded by the American Rescue Plan are in process and provide public safety, government service, communication, and community enhancements. Improvements include Police body worn cameras, the Safe Routes to School Project, public safety radio towers, street lighting, and various park and green space improvements.
  - Series 2019 General Obligation Projects:
    - The City has expended and/or encumbered \$2.9 million of \$15.4 million of projects dedicated for Neighborhood Improvements, Infrastructure, and Resiliency.
    - The City has expended and/or encumbered \$9.8 million of \$12.9 million of projects dedicated for Public Safety Facilities, Technology, and Equipment improvements.
    - The City has expended and/or encumbered \$19.9 million of \$41.9 million of projects dedicated for Parks, Open Space, Recreation, and Cultural Facilities.
- GOB Bond updates at: <https://www.hollywoodfl.org/1214/General-Obligation-Bond-Projects>

The City remains committed to providing stellar services, continuing infrastructure improvements, maintaining regulatory controls, spurring economic development, increasing business recruitment and stimulating the marketplace Citywide.

## Tax Abatements

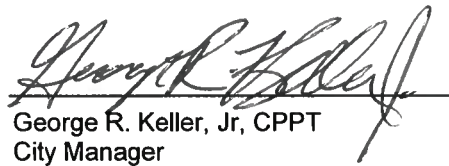
During the fiscal year, the City's Downtown Community Redevelopment Agency provided \$772,567 in incentives to the Block 55 Redevelopment project. The project has reduced blight and brought new development to the Young Circle ArtsPark area. In addition, \$397,624 was expended for property improvement programs and paint only programs

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hollywood, Florida for its Annual Comprehensive Financial Report for the year ended September 30, 2021. This was the forty-seventh consecutive year the City has received this prestigious national award. The City received this recognition by publishing a report that is usable, transparent, and goes beyond the minimum requirements of generally accepted accounting principles (and applicable legal requirements).

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Financial Services Department as well as various City departments and component units. Additionally, credit should be given to the Mayor, Vice Mayor and the City Commissioners for their policy initiatives, interest, and continued support.

Respectfully submitted,



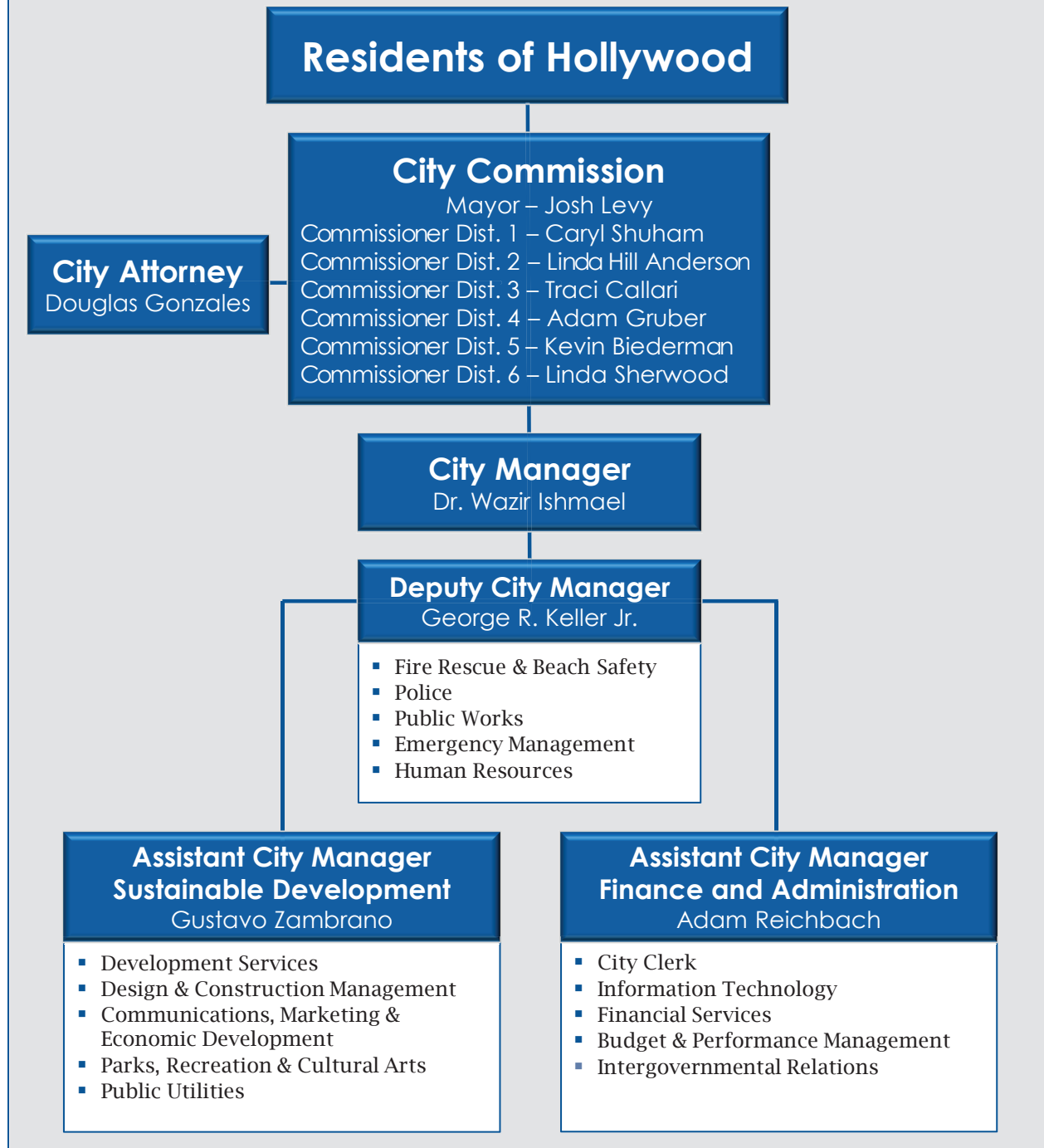
George R. Keller, Jr, CPPT  
City Manager



David E. Keller  
Director, Financial Services Department

# Citywide Organizational Chart

As of September 30, 2022



## **INDEPENDENT AUDITORS' REPORT**

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

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hollywood, Florida (the "City"), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Hollywood, Florida Community Redevelopment Agency (the "CRA"), which includes the Beach and Downtown Community Redevelopment funds as major governmental funds, which represents 14%, -15%, and 12%, respectively, of the assets, net position, and revenues of the governmental activities of the City as of September 30, 2022. We also did not audit the financial statements of the City of Hollywood Firefighters' Pension Fund and City of Hollywood Police Officers' Retirement System, fiduciary funds of the City, which represent 48%, 54% and -6%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information as of September 30, 2022. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plans and the CRA is based solely on the reports of the other auditors.

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical

responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 14 through 24, the budgetary comparison schedules, the schedule of changes in the City's total OPEB liability and related ratios, the schedules of changes in the City's net pension liability and related ratios, the schedules of City's proportionate share of the net pension liability, the schedules of City contributions – pensions, and notes to the required supplementary information on pages 137 through 155 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6 , 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Marcum LLP*

Fort Lauderdale, FL  
June 6, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
(Unaudited – See accompanying independent auditors' report)

The City offers readers of its financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and financial statements.

FINANCIAL HIGHLIGHTS

Under the Government-wide Statements Section:

- The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of fiscal year 2022 by \$208.5 million, net result of \$1,761.2 million in liabilities and deferred inflows of resources and \$1,552.7 million in assets and deferred outflows of resources.
- The City's total net position increased by approximately \$119.4 million in fiscal year 2022; governmental activities increased by \$91.3 million and business-type activities increased by \$28.1 million.
- The deficit in unrestricted net position for governmental activities totaled \$(817.9) million, a decrease of the deficit of \$100.9 million when compared to the prior year. The City's unrestricted net position was positively impacted by the increase and restoration of general revenues, such as sales and other state shared revenues, and reductions or stabilization of pension related and other post employment costs.
- The City's total long-term liabilities decreased by \$329.6 million during the current fiscal year primarily due to the decrease in pension related and other post employment liabilities.

Under the Fund Statements Section:

- As of the end of fiscal year 2022, the City's governmental funds reported combined ending fund balances of \$252.3 million, an increase of \$16.4 million which was a result of the following:
  - Increase of \$13.7 million in the General Fund due to increases in revenues that have recovered during the ongoing pandemic (for instance, sales taxes). Changes include a \$5.1 million increase in property tax revenues, a increase in charges for services of \$4.6 million, increase in utility service taxes of \$1.2 million, increase in franchise taxes of \$2.6 million, increase in intergovernment revenues of \$2.8 million, an increase in expenditures of \$13.5 million, and a \$12.1 million decrease in transfers out.
  - Increase of \$2.6 million in the Beach Community Redevelopment Fund primarily due to relatively consistent revenues of \$27.6 million offset by expenditures of \$25.2 million.
  - Increase of \$1.8 million in the Downtown Community Redevelopment Fund due to a consistent property tax increments.
  - Decrease of \$(1.6) million in other governmental funds due to capital outlay expenditures and the transfer of the net housing programs from the Special Programs Fund to the ILA and Community Development Funds.
- During the fiscal year, the City's governmental expenditures and other financing uses totaled \$314.6 million compared to \$331.0 million generated in revenues and other financing sources.
- At the end of fiscal year 2022, fund balance for the General Fund was \$88.3 million or 39.6% of General Fund expenditures. Of this balance, \$11.1 million was committed for economic stabilization reserves, \$1.4 million was assigned for the subsequent year's budget and \$75.7 million was unassigned (of this amount, \$37.8 million is internally reserved as a "rainy day" reserve).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report follows a format consisting of four parts – Management's Discussion and Analysis (this section), the basic financial statements, Required Supplementary Information, and Supplementary Information that presents combining statements for non-major governmental funds, non-major enterprise funds, internal service funds and fiduciary funds. The basic financial statements include two kinds of statements. The first two statements are government-wide financial statements that provide both

long-term and short-term information about the City's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

The governmental fund statements tell how general government services like public safety were financed in the short-term, as well as what remains for future spending. Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the water and sewer utility. Fiduciary fund statements provide information about the financial relationships – such as the retirement plans for the City's employees, in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of unaudited Required Supplementary Information that further explains and supports the information in the financial statements.

Following is a summary of the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

|                                        | Government-wide Statements                                                                                       | Fund Statements                                                                                                                                           |                                                                                                                                                                                          |                                                                                                                                                    |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
|                                        |                                                                                                                  | Governmental Funds                                                                                                                                        | Proprietary Funds                                                                                                                                                                        | Fiduciary Funds                                                                                                                                    |
| Scope                                  | Entire City Government (except fiduciary funds) and the City's component units                                   | The activities of the City that are not proprietary or fiduciary, such as police, fire, and parks                                                         | City operations similar to private businesses, such as the water and sewer system                                                                                                        | Instances where the City is the trustee for another entity's resources, such as employee retirement plans                                          |
| Required financial statements          | <ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul> | <ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>            | <ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Revenues, Expenses, and Changes in Net Position</li> <li>• Statement of Cash Flows</li> </ul> | <ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statements of Changes in Fiduciary Net Position</li> </ul> |
| Accounting bases and measurement focus | Accrual accounting and economic resources focus                                                                  | Modified accrual accounting and current financial resources focus                                                                                         | Accrual accounting and economic resources focus                                                                                                                                          | Accrual accounting and economic resources focus                                                                                                    |
| Type of asset/liability information    | All assets and liabilities, financial and capital, short-term and long-term                                      | Assets expected to be used and liabilities due during the year or soon thereafter; no capital assets or long-term debt                                    | All assets and liabilities, financial and capital, short-term and long-term                                                                                                              | All assets and liabilities, short-term and long-term                                                                                               |
| Type of inflow/outflow information     | All revenues and expenses regardless of when cash is received or paid                                            | Revenues earned and available (cash received within 60 days of year-end); expenditures for goods or services received and a payment liability is incurred | All revenues and expenses regardless of when cash is received or paid                                                                                                                    | All revenues and expenses regardless of when cash is received or paid                                                                              |

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

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

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

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, transportation, economic environment, physical environment, culture and recreation and emergency and disaster relief. The business-type activities of the City include water and sewer, sanitation, stormwater, golf, parking and records preservation activities.

The government-wide financial statements include not only the City itself (the primary government), but also two districts of the legally separate Community Redevelopment Agency (CRA) and Emerald Hills Safety Enhancement dependent district. Financial information for the CRA component units is blended with the financial information presented for the primary government itself, since board members are the same as the members of the City Commission and the CRA provides services that exclusively benefit certain areas of the City. Financial information for the Emerald Hills Safety Enhancement District is discretely presented and is reported as a separate column on the government-wide financial statements to emphasize that it is legally separate from the primary government.

In addition, the City has three defined benefit pension plans and one defined contribution plan established for the exclusive benefit of its employees and beneficiaries. The CRA has a defined contribution plan for its employees. The pension plans are reported as fiduciary funds in the fund financial statements of this report, but are not included in the government-wide statements.

**FUND FINANCIAL STATEMENTS** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. These statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-one (21) individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Beach Community Redevelopment Fund (BCRA) and Downtown Community Redevelopment Fund (DCRA), all of which are considered to be major funds. Data from the other eighteen (18) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report.

The City adopts an annual appropriation budget for all funds. A budgetary comparison statement has been provided for the General Fund as Required Supplementary Information in this report to demonstrate compliance with the budget. Also included as Required Supplementary Information are budgetary comparison statements for the Beach Community Redevelopment Fund, and Downtown Community Redevelopment Fund reflecting annual appropriations adopted by the CRA Board.

**PROPRIETARY FUNDS** – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, stormwater, sanitation, golf, parking and records preservation operations. Internal service funds are an accounting

device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central services and insurance operations. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of its operations that are considered to be major funds of the City. Both internal service funds balances have been incorporated into the functions of the governmental activities that benefited from these services. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

**FIDUCIARY FUNDS** – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

**NOTES TO THE FINANCIAL STATEMENTS** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**OTHER INFORMATION** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information such as budgetary comparison schedules for the General Fund and the CRA Funds and data concerning the City's progress in funding its obligation to provide pension and other postemployment benefits to its employees.

#### GOVERNMENT-WIDE FINANCIAL ANALYSIS

The two government-wide statements report the City's net position and how it has changed. Table 1 presents net position – the difference between the City's assets/deferred outflows and liabilities/deferred inflows. Over time, increases or decreases in net position may serve as one way to measure the City's financial health or position. Items that may affect revenues are economic conditions, changes in funding from intergovernmental and grant revenues and market impacts on investment income. Factors such as changes in service demand levels, salary increases and inflation affect expenses. Other nonfinancial factors such as changes in the City's property tax base and the condition of the City's infrastructure should be considered in assessing the overall health of the City.

Table 1  
Summary of Net Position  
As of September 30, 2022 and 2021  
(\$ in thousands)

|                                   | Governmental<br>Activities |              | Business-type<br>Activities |            | Total        |              |
|-----------------------------------|----------------------------|--------------|-----------------------------|------------|--------------|--------------|
|                                   | 2022                       | 2021         | 2022                        | 2021       | 2022         | 2021         |
| Current and Other Assets          | \$ 427,787                 | \$ 345,184   | \$ 328,432                  | \$ 318,387 | \$ 756,219   | \$ 663,571   |
| Capital Assets                    | 196,662                    | 182,439      | 417,170                     | 406,050    | 613,832      | 588,489      |
| Total Assets                      | 624,449                    | 527,623      | 745,602                     | 724,437    | 1,370,051    | 1,252,060    |
| Deferred Outflows of Resources    | 160,468                    | 208,499      | 22,153                      | 29,021     | 182,621      | 237,520      |
| Long-term Liabilities Outstanding | 880,445                    | 1,226,689    | 258,450                     | 241,780    | 1,138,896    | 1,468,469    |
| Other Liabilities                 | 89,889                     | 72,155       | 50,864                      | 117,919    | 140,753      | 190,074      |
| Total Liabilities                 | 970,334                    | 1,298,844    | 309,315                     | 359,699    | 1,279,649    | 1,658,543    |
| Deferred Inflows of Resources     | 414,354                    | 128,330      | 67,201                      | 30,668     | 481,557      | 158,998      |
| Net Position:                     |                            |              |                             |            |              |              |
| Net Investment in Capital         |                            |              |                             |            |              |              |
| Assets                            | 75,703                     | 83,103       | 239,324                     | 230,012    | 315,027      | 313,115      |
| Restricted                        | 142,408                    | 144,635      | 94,404                      | 79,760     | 236,811      | 224,395      |
| Unrestricted (Deficit)            | (817,883)                  | (918,790)    | 57,511                      | 53,319     | (760,372)    | (865,471)    |
| Total Net Position                | \$ (599,772)               | \$ (691,052) | \$ 391,239                  | \$ 363,091 | \$ (208,533) | \$ (327,961) |

The largest portion of the City's assets (44.8%) are capital assets (e.g., land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt and any associated deferred inflows or outflows, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position, \$236.8 million represents resources that are subject to external restrictions on how they may be expended.

During the fiscal year, the City's governmental activities experienced an increase in total assets of \$96.8 million primarily as a result of a \$58.8 million increase in lease receivables (Margaritaville lease) and a general increase in cash and equivalents due to increases in tax based revenues (property taxes). Long-term liabilities outstanding also experienced a decrease of \$346.2 million primarily due to decreases in pension and other post employment liabilities (and the related costs).

Business-type activities had an increase in its net position by \$28.1 million due to steady operating income and decreased costs for pension and other post employment benefits.

In summary, the combined net position of the City increased by \$119.4 million, substantially as a result of increase in revenues and decreased expenses (mainly pension and other post employment costs).

The following charts illustrate net position for business-type activities.

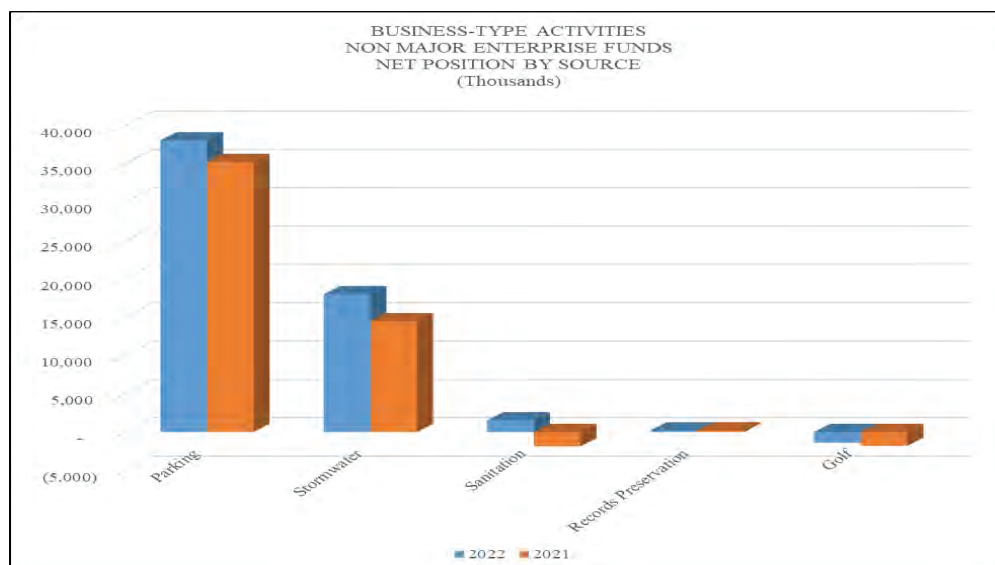
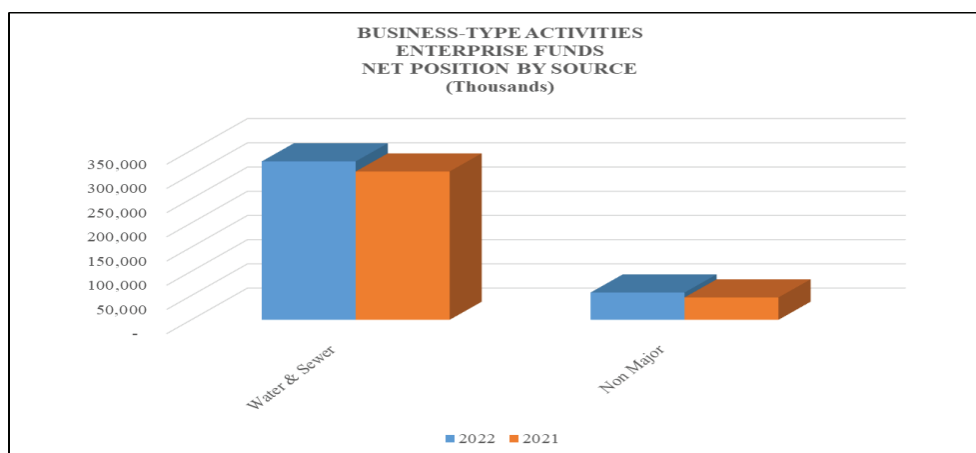


Table 2 presents a summary of the City's operations for fiscal year 2022 with comparative information for fiscal year 2021.

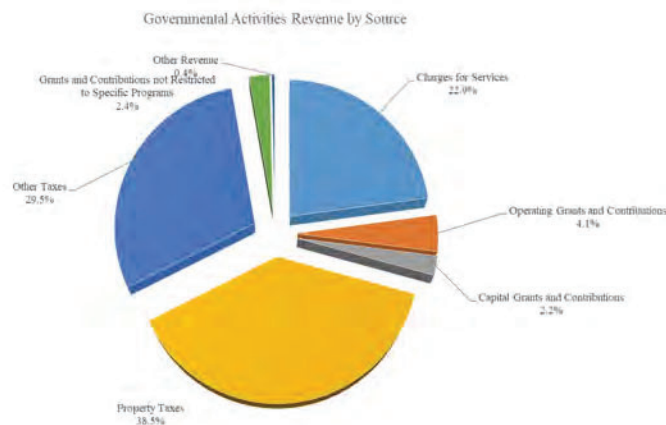
Table 2  
Summary Changes in Net Position  
As of September 30, 2022 and 2021  
(\$ in thousands)

|                                                              | Governmental<br>Activities |                     | Business-type<br>Activities |                   | Total               |                     |
|--------------------------------------------------------------|----------------------------|---------------------|-----------------------------|-------------------|---------------------|---------------------|
|                                                              | 2022                       | 2021                | 2022                        | 2021              | 2022                | 2021                |
| Revenues:                                                    |                            |                     |                             |                   |                     |                     |
| Program Revenues:                                            |                            |                     |                             |                   |                     |                     |
| Charges for Services                                         | \$ 73,093                  | \$ 67,657           | \$ 139,207                  | \$ 146,615        | \$ 212,300          | \$ 214,272          |
| Operating Grants and Contributions                           | 13,036                     | 12,846              | -                           | -                 | 13,036              | 12,846              |
| Capital Grants and Contributions                             | 7,041                      | 962                 | 1,235                       | 1,681             | 8,276               | 2,643               |
| General Revenues:                                            |                            |                     |                             |                   |                     |                     |
| Property Taxes                                               | 122,694                    | 117,634             | -                           | -                 | 122,694             | 117,634             |
| Other Taxes                                                  | 94,239                     | 89,127              | -                           | -                 | 94,239              | 89,127              |
| Grants and Contributions not Restricted to Specific Programs | 7,815                      | 6,590               | -                           | -                 | 7,815               | 6,590               |
| Other                                                        | 1,149                      | 4,887               | (7,371)                     | 560               | (6,222)             | 5,447               |
| Total Revenues                                               | <u>319,068</u>             | <u>299,703</u>      | <u>133,071</u>              | <u>148,856</u>    | <u>452,138</u>      | <u>448,559</u>      |
| Expenses:                                                    |                            |                     |                             |                   |                     |                     |
| General Government                                           | 38,931                     | 39,073              | -                           | -                 | 38,931              | 39,073              |
| Public Safety                                                | 147,853                    | 188,005             | -                           | -                 | 147,853             | 188,005             |
| Public Works                                                 | 11,957                     | 14,696              | -                           | -                 | 11,957              | 14,696              |
| Transportation                                               | 2,955                      | 3,229               | -                           | -                 | 2,955               | 3,229               |
| Economic Environment                                         | 12,404                     | 11,067              | -                           | -                 | 12,404              | 11,067              |
| Physical Environment                                         | 158                        | 892                 | -                           | -                 | 158                 | 892                 |
| Culture and Recreation                                       | 14,426                     | 15,108              | -                           | -                 | 14,426              | 15,108              |
| Emergency and Disaster Relief                                | (94)                       | 2,930               | -                           | -                 | (94)                | 2,930               |
| Interest and Fiscal Charges                                  | 4,887                      | 5,250               | -                           | -                 | 4,887               | 5,250               |
| Water                                                        | -                          | -                   | 30,973                      | 27,204            | 30,973              | 27,204              |
| Sewer                                                        | -                          | -                   | 38,571                      | 39,287            | 38,571              | 39,287              |
| Sanitation                                                   | -                          | -                   | 15,786                      | 15,369            | 15,786              | 15,369              |
| Stormwater                                                   | -                          | -                   | 3,367                       | 3,180             | 3,367               | 3,180               |
| Golf                                                         | -                          | -                   | 2,439                       | 2,290             | 2,439               | 2,290               |
| Parking                                                      | -                          | -                   | 8,059                       | 8,762             | 8,059               | 8,762               |
| Other                                                        | -                          | -                   | 40                          | 36                | 40                  | 36                  |
| Total Expenses                                               | <u>233,477</u>             | <u>280,250</u>      | <u>99,234</u>               | <u>96,128</u>     | <u>332,712</u>      | <u>376,378</u>      |
| Increase (Decrease) in Net Position Before Transfers         | 85,591                     | 19,453              | 33,837                      | 52,728            | 113,739             | 72,181              |
| Transfers In (Out)                                           | <u>5,689</u>               | <u>5,663</u>        | <u>(5,689)</u>              | <u>(5,663)</u>    | <u>-</u>            | <u>-</u>            |
| Increase (Decrease) in Net Position                          | 91,280                     | 25,116              | 28,148                      | 47,065            | 119,428             | 72,181              |
| Net Position - October 1                                     | <u>(691,052)</u>           | <u>(716,168)</u>    | <u>363,091</u>              | <u>316,026</u>    | <u>(327,961)</u>    | <u>(400,142)</u>    |
| Net Position - September 30                                  | <u>\$ (599,772)</u>        | <u>\$ (691,052)</u> | <u>\$ 391,239</u>           | <u>\$ 363,091</u> | <u>\$ (208,533)</u> | <u>\$ (327,961)</u> |

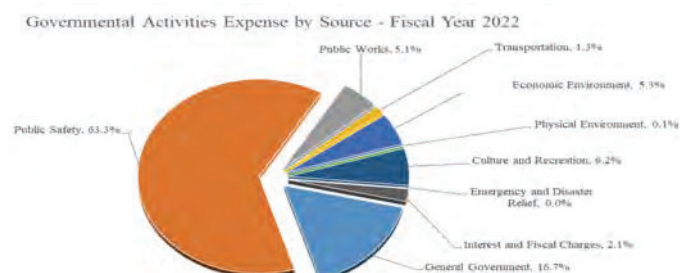
GOVERNMENTAL ACTIVITIES – Governmental activities net position was \$(599.8) million. Net position increased by \$91.3 million. The following describes the changes in revenues and expenses:

- Total revenues of \$319.1 million for governmental activities showed an overall increase of \$19.4 million primarily due to increase in overall tax based revenues, charges for services, and operating grant revenues.
- Increase in property taxes of \$5.1 million during the fiscal year, as a result of a 2.2% tax increase in the taxable assessed values (please refer to statistical section).
- Increase of \$5.1 million of other taxes.
- Increase of \$5.4 million in charges for services is due to the continuing recovery from the pandemic.
- Increase in operating/capital grants and contributions of \$6.1 million (mainly due to the American Rescue Plan Federal Grant) offset by decrease in other revenues of \$3.7 million primarily the result of the decrease of transactional rent fees (variable Margaritaville rent).
- Total expenses of \$233.5 million for governmental activities showed an overall decrease of \$46.8 million due to:
  - The public safety accounted for the largest decrease in expense - \$40.2 million. This is primarily due to reductions in pension and other post employment costs.
  - Decrease of \$2.7 million in Public Works expenses during fiscal year 2022 was due to the decrease in related to Public Work's allocation of Pension and other postemployment costs.
  - Decrease of \$3.0 million in Emergency Disaster Relief due to reduced COVID-19 grant eligible expenditures and no major disasters in fiscal year 2022.
  - Decrease of \$0.4 million in interest and fiscal charges due to reduced repayment of various loans.

The following chart compares program revenues for governmental activities for fiscal year 2022:

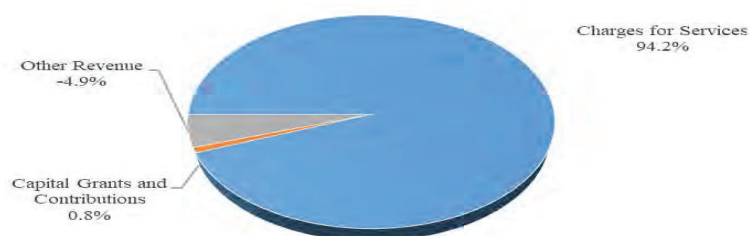


The following chart illustrates expenses by source for governmental activities for fiscal year 2022.

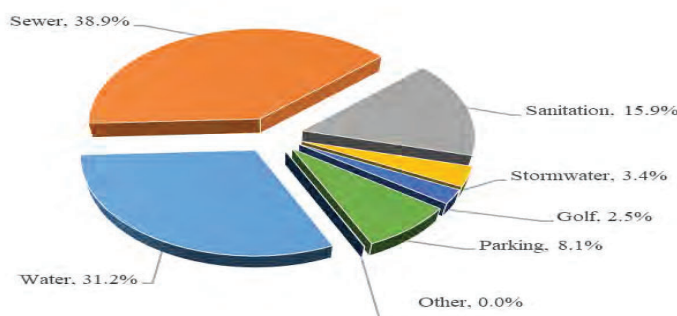


**BUSINESS-TYPE ACTIVITIES** – Business-type activities net position increased by approximately \$28.1 million in fiscal year 2022. The change in net position decreased \$18.9 million when compared to the prior year (\$47.0 million). Depreciation charges of \$20.8 million remained relatively unchanged from the prior year. Revenues decreased by \$15.8 million and operating expenses increased by \$3.1 million from 2021 to 2022. Revenues decreased to a net investment loss and a refund to the large users' of the sewer system. Expenses increased in the water and sewer system due to various feasibility and master plan studies taking place. During fiscal year 2022, business-type activities recorded capital contributions of approximately \$1.2 million. The following charts show revenues and expenses for business-type activities for fiscal year 2022.

Business-Type Revenue by Source - Fiscal Year 2022



Business-Type Expense by Source - Fiscal Year 2022



## FINANCIAL ANALYSIS OF CITY FUNDS

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

The General Fund is the chief operating fund of the City. At the end of fiscal year 2022, total fund balance of the General Fund was \$88.3 million and was classified as \$11.1 million committed, \$1.4 million assigned and \$75.7 million unassigned. The City's unrestricted fund balance is 34.0 percent of General Fund operating expenditures. Non-spendable, Restricted, Committed, and Assigned Fund balances comprised 5.6 percent of General Fund operating expenditures. For more information on the explanations for changes in fund balance, please refer to the next subsection of the MD&A.

The BCRA records overlapping governmental revenue and grants for financing redevelopment activity in the beach redevelopment district. Due to the multi-year nature of redevelopment activities, funds may be accumulated for the purpose of providing funding for ongoing or planned construction projects. Fund balance for this fund totaled approximately \$40.0 million at September 30, 2022 and is restricted for specified activities of the fund. Fund balance increased by \$2.6 million during the current fiscal year. Tax increment revenues decreased slightly from the prior within the BCRA. The decrease is primarily related to the decrease in tax increment property values within the Beach District. Property values subject to the Beach's tax increment decreased from \$3 billion in 2021 to \$2.90 billion in 2022. The most significant

operating expenses continue to be personnel costs and payments to the City for shared services (such as Police, Fire, etc.). The BCRA's capital expenditures increased by \$4.1 million primarily due to road and street improvements on A1A.

The DCRA records overlapping governmental revenue and grants for financing redevelopment activity in the downtown redevelopment district. Due to the multi-year nature of redevelopment activities, funds may be accumulated for the purpose of providing funding for ongoing or planned construction projects. Fund balance for this fund totaled approximately \$13.1 million at September 30, 2022 and is restricted for specified activities of the fund. Fund balance increased \$1.8 million during the current fiscal year due to property tax increments. The Downtown District's property values subject to the tax increment increased from \$794.42 million in 2021 to \$816.89 million in 2022. The DCRA's expenses increased by \$1.3 million primarily due to an increase of \$1.5 million in economic environment capital expenditures. The most significant capital expenditure relates to drainage projects within the DCRA's district.

Nonmajor governmental funds has a change in fund balance of (\$1.6) million. The most significant cause for this decrease in fund balance is the result of capital outlay expenditures in the Series 2019 General Obligation Bond Capital Project funds (bond proceeds were recognized in the prior year). This was offset by net operations in the General Capital Projects Fund (Transfers In). These funds receive funds in a year that may differ with the progress of capital project expenditures. For instance, bond funds will receive their funding in year 1 (year of debt issuance), but capital expenditures may be expenditures in subsequent years.

**PROPRIETARY FUNDS** – The City's proprietary funds provide the same type of information found in the Government-wide Financial Statements, but in more detail.

Unrestricted net position of the Water and Sewer Utility Fund and Other Enterprise Funds at the end of the fiscal year amounted to \$33.1 million and \$16.8 million, respectively. The Water and Sewer Utility Fund has an increase in net position of \$19.4 million. Nonmajor enterprise fund's net position increased by \$10.1 million. The Utility Funds increase is due to steady operating income that is billed via Utility Bills (Water and Sewer, Stormwater, and Sanitation) and the demand of beach and downtown parking. Enterprise Fund expenditures recorded credits for the pension and OPEB plans. The City's Regional Wastewater Treatment Facility provides services to residents of the City and those of six (6) other jurisdictions in southern Broward County. The terms and conditions of these services are set in Large User Wastewater Agreements entered into with those local governments.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the City revenue budgets remained significantly unchanged from original budget. Budget appropriations increased by approximately \$4.2 million due to expenses exceeding original budget estimates.

Total revenues for the fiscal year were higher than the amended revenues by approximately \$13.8 million. The most significant variances were attributed to actual revenues exceeding budget by \$5.8 million for utilities and franchise taxes, \$4.9 million for intergovernmental, \$2.0 million for charges for services and \$1.9 million for miscellaneous. The investment revenue loss is due to significant unrealized fair value losses; the City plans to hold most of its investments until maturity.

Overall, General Fund expenditures were less than final budgeted expenditures by \$13.4 million. This positive variance was due primarily to actual costs being less than expected; public safety for \$4.7 million, general government for \$5.0 million, public works for \$0.8, transportation for \$0.4 million economic environment for \$0.5 million, culture and recreation for \$1.2 million, and other for \$1.3 million.

The General Fund fund balance at fiscal year end was \$88.3 million or \$13.7 million higher than beginning fund balance. This is primarily due to increase in operating revenues and reduction in the transfers out from prior year. In addition, the American Rescue Plan allowed for governmental services to be incurred and reported within the American Rescue Plan Special revenue Fund as part of that grant program (and not within the General Fund).

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**CAPITAL ASSETS** – The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$613.8 million (net of accumulated depreciation and amortization) as presented in Table 3. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, streets, roads, and bridges. The total increase in the City's investment in capital assets for fiscal year 2022 was 4.3% or \$25.3 million (a 7.8% increase for governmental activities and a 2.7% increase for business-type activities). The most notable governmental capital asset event occurring during the year was the completion of the Phase III Overhead Utility Project within the CRA Districts. Within business type activities, the Water and Sewer fund completed \$40.5 million in various phases of the Deep Well Injection Project and \$2.8 million in lift station improvements.

Table 3  
Capital Assets  
As of September 30, 2022 and 2021  
(\$ in thousands)

|                                  | Governmental Activities |                   | Business-type Activities |                   | Total             |                   |
|----------------------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
|                                  | 2022                    | 2021              | 2022                     | 2021              | 2022              | 2021              |
| Land                             | \$ 52,770               | \$ 52,770         | \$ 6,285                 | \$ 6,285          | \$ 59,055         | \$ 59,055         |
| Buildings and Improvements - net | 71,161                  | 63,625            | 330,145                  | 305,234           | 401,306           | 368,859           |
| Machinery and Equipment - net    | 30,884                  | 24,992            | 1,666                    | 1,325             | 32,550            | 26,317            |
| Infrastructure - net             | 25,239                  | 23,537            | -                        | -                 | 25,239            | 23,537            |
| Right of Use Leased Assets, net* | 619                     | -                 | -                        | -                 | 619               | -                 |
| Construction in Progress         | 15,988                  | 17,516            | 79,074                   | 93,206            | 95,062            | 110,722           |
| <b>Total</b>                     | <b>\$ 196,661</b>       | <b>\$ 182,440</b> | <b>\$ 417,170</b>        | <b>\$ 406,050</b> | <b>\$ 613,831</b> | <b>\$ 588,490</b> |

\*Fiscal Year 2021's balance was adjusted due to the implementation of GASB 87 - Leases.

Additional information on the City's capital assets can be found in Note II.E. of this report.

**LONG-TERM DEBT** – At the end of fiscal year 2022, the City had total bonded debt outstanding of \$330.2 million. Of this amount, \$207.2 million is special obligation bonds and loans, \$2.8 million in capital leases and \$81.0 million in a general obligation note. The remainder of the City's debt represents other loans and notes secured solely by specified revenue sources.

Table 4  
Outstanding Debt  
As of September 30, 2022 and 2021  
(\$ in thousands)

|                                              | Governmental Activities |                   | Business-type Activities |                   | Total             |                   |
|----------------------------------------------|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
|                                              | 2022                    | 2021              | 2022                     | 2021              | 2022              | 2021              |
| General Obligation Bonds and Loans           | \$ 81,036               | \$ 85,274         | \$ -                     | \$ -              | \$ 81,036         | \$ 85,274         |
| Other Loans and Notes                        | 1,581                   | 13,848            | -                        | -                 | 1,581             | 13,848            |
| Revenue Bonds and Loans                      | 59,410                  | 52,913            | 163,717                  | 154,182           | 223,127           | 207,095           |
| Capital Lease Obligations                    | 3,683                   | 4,361             | 1,409                    | 2,045             | 5,092             | 6,406             |
| Lease Obligations (Right of Use)*            | 648                     | -                 | -                        | -                 | 648               | -                 |
| Total Bonds, Notes, Loans and Capital Leases | 146,358                 | 156,396           | 165,126                  | 156,227           | 311,484           | 312,623           |
| Bond Premium                                 | 11,693                  | 13,353            | 7,024                    | 8,111             | 18,717            | 21,464            |
| <b>Total</b>                                 | <b>\$ 158,051</b>       | <b>\$ 169,749</b> | <b>\$ 172,150</b>        | <b>\$ 164,338</b> | <b>\$ 330,201</b> | <b>\$ 334,087</b> |

\*City implemented GASB 87 - Leases during fiscal year 2022

During fiscal year 2022, the City's total debt decreased by \$3.9 million. Governmental activities total debt decreased by \$11.7 million. The decrease in governmental activities debt is mainly due to current debt service payments. Business-type activities had a net increase in total debt of \$7.8 million. The increase is due to increases in state revolving loans net current debt service payments.

The City achieved an "Aa3" rating from Moody's for its most recent borrowing, the \$84,800,000 General Obligation Bonds, Series 2022 (Refer to subsequent events footnote). The \$36,890,000 Capital Improvement Revenue and Refunding Bonds, Series 2016A maintained a rating of A1 from Moody's. The \$49,075,000 Community Redevelopment Agency Redevelopment Revenue and Refunding Bonds, Series 2015 maintained a rating of A2 from Moody's.

The City implemented GASB 87 - Leases during fiscal year 2022. Two lease obligations qualified for recognition under this standard. The leases are office space/building leases for the CRA and Parks and Recreation Departments. In addition, the City leases various assets through directing financing capital leases. These leases include equipment leases for vehicles, computers, etc.

Additional information on the City's capital leases and long-term debt can be found in Notes II.H. and II.I. of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At September 30, 2022, inflation, rising interest rates, rising energy costs, the supply chain issues, and overall economic instability have caused widespread cost increases across all operations. Property taxes have helped in the financial stability of the City.

All of these factors were considered in preparing the City's budget for fiscal year 2023. The budget was also developed using conservative assumptions of revenues and moderate growth for expenditures. The City adopted a budget that is \$99.3 million or 13.2% lower than the previous year. The decrease is largely attributable to decreases in the capital improvement plan. The City adopted an operating millage rate of 7.4665 which is the same as 2022. As a result of a 11.6% increase in the City's taxable property values, property tax revenues are expected to increase to \$149.1 million from \$134.7 million.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Financial Services, 2600 Hollywood Boulevard, Hollywood, Florida 33020.

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**CITY OF HOLLYWOOD, FLORIDA**

**STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

|                                             | Governmental<br>Activities | Business-type<br>Activities | Total                | Component Unit<br>Emerald Hills<br>Safety District |
|---------------------------------------------|----------------------------|-----------------------------|----------------------|----------------------------------------------------|
| <b>ASSETS:</b>                              |                            |                             |                      |                                                    |
| Cash                                        | \$ 505,382                 | \$ 103,130                  | \$ 608,512           | \$ 61,411                                          |
| Investments                                 | 339,188,990                | 190,951,344                 | 530,140,334          | -                                                  |
| Accounts Receivable - Net of Allowances     | 4,789,561                  | 11,460,056                  | 16,249,617           | -                                                  |
| Notes Receivable - Net of Allowances        | 6,165,140                  | -                           | 6,165,140            | -                                                  |
| Lease Receivable                            | 58,745,399                 | -                           | 58,745,399           | -                                                  |
| Reinsurance Receivable                      | 371,591                    | -                           | 371,591              | -                                                  |
| Due from Other Governments                  | 5,659,911                  | 22,086                      | 5,681,997            | -                                                  |
| Internal Balances                           | (6,670,234)                | 6,670,234                   | -                    | -                                                  |
| Inventories of Supplies                     | 271,053                    | 616,873                     | 887,926              | -                                                  |
| Prepaid Items                               | 841,515                    | 1,250                       | 842,765              | -                                                  |
| Assets Held for Sale                        | 932,516                    | -                           | 932,516              | -                                                  |
| Restricted Assets:                          |                            |                             |                      |                                                    |
| Investments                                 | 16,986,404                 | 118,049,039                 | 135,035,443          | -                                                  |
| Assessments - Net of Allowances             | -                          | 556,980                     | 556,980              | -                                                  |
| Capital Assets:                             |                            |                             |                      |                                                    |
| Non Depreciable                             | 68,758,198                 | 85,359,708                  | 154,117,906          | -                                                  |
| Depreciable - Net                           | 127,285,325                | 331,810,694                 | 459,096,019          | -                                                  |
| Right of Use Leased Assets - Net            | 618,308                    | -                           | 618,308              | -                                                  |
| <b>TOTAL ASSETS</b>                         | <b>624,449,059</b>         | <b>745,601,394</b>          | <b>1,370,050,453</b> | <b>61,411</b>                                      |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>      |                            |                             |                      |                                                    |
| Deferred Outflow General Employees          | 23,368,420                 | 9,145,715                   | 32,514,135           | -                                                  |
| Deferred Outflow Police                     | 33,686,816                 | -                           | 33,686,816           | -                                                  |
| Deferred Outflow Fire                       | 46,113,298                 | -                           | 46,113,298           | -                                                  |
| Deferred Outflow FRS                        | 233,338                    | -                           | 233,338              | -                                                  |
| Deferred Outflow for OPEB                   | 56,068,433                 | 12,587,477                  | 68,655,910           | -                                                  |
| SWAP                                        | 2,306                      | -                           | 2,306                | -                                                  |
| Deferred Charge on Refunding                | 995,341                    | 419,551                     | 1,414,892            | -                                                  |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b> | <b>160,467,952</b>         | <b>22,152,743</b>           | <b>182,620,695</b>   | <b>-</b>                                           |
| <b>LIABILITIES:</b>                         |                            |                             |                      |                                                    |
| Vouchers Payable                            | 8,581,390                  | 6,112,782                   | 14,694,172           | 500                                                |
| Accrued Wages                               | 4,488,545                  | 716,334                     | 5,204,879            | -                                                  |
| Construction Contracts                      | 374,699                    | 2,221,999                   | 2,596,698            | -                                                  |
| Due to Other Governments                    | -                          | 4,390                       | 4,390                | -                                                  |
| Interest Payable                            | 1,368,983                  | 12,309                      | 1,381,292            | -                                                  |
| Unearned Revenue                            | 36,249,813                 | -                           | 36,249,813           | -                                                  |
| Deposits Payable                            | -                          | 32,496                      | 32,496               | -                                                  |
| Payable from Restricted Assets:             |                            |                             |                      |                                                    |
| Construction Contracts                      | -                          | 6,190,234                   | 6,190,234            | -                                                  |
| Interest Payable                            | -                          | 496,565                     | 496,565              | -                                                  |
| Deposits                                    | 607,581                    | 16,804,734                  | 17,412,315           | -                                                  |

(Continued)

## CITY OF HOLLYWOOD, FLORIDA

(Continued)

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022

|                                                      | Governmental<br>Activities | Business-type<br>Activities | Total                   | Component Unit<br>Emerald Hills<br>Safety District |
|------------------------------------------------------|----------------------------|-----------------------------|-------------------------|----------------------------------------------------|
| LIABILITIES (Continued):                             |                            |                             |                         |                                                    |
| Noncurrent Liabilities:                              |                            |                             |                         |                                                    |
| Due Within One Year:                                 |                            |                             |                         |                                                    |
| Compensated Absences                                 | \$ 10,041,987              | \$ 1,654,432                | \$ 11,696,419           | \$ -                                               |
| Claims Payable                                       | 6,187,009                  | -                           | 6,187,009               | -                                                  |
| Bonds and Loans                                      | 20,014,256                 | 15,937,672                  | 35,951,928              | -                                                  |
| Capital Lease Obligations                            | 1,837,209                  | 679,863                     | 2,517,072               | -                                                  |
| Lease Obligations                                    | 138,515                    | -                           | 138,515                 | -                                                  |
| Due in More Than One Year:                           |                            |                             |                         |                                                    |
| Compensated Absences                                 | 7,801,897                  | 391,387                     | 8,193,285               | -                                                  |
| Claims Payable                                       | 9,733,136                  | -                           | 9,733,136               | -                                                  |
| Bonds and Loans                                      | 133,707,560                | 154,803,120                 | 288,510,679             | -                                                  |
| Capital Lease Obligations                            | 1,845,481                  | 729,456                     | 2,574,937               | -                                                  |
| Lease Obligations                                    | 509,895                    | -                           | 509,895                 | -                                                  |
| Total Other Postemployment Benefits Liability (OPEB) | 279,717,981                | 54,485,156                  | 334,203,137             | -                                                  |
| Net Pension Liability:                               |                            |                             |                         |                                                    |
| Net Pension Liability General Employees              | 110,776,797                | 48,041,275                  | 158,818,072             | -                                                  |
| Net Pension Liability Police                         | 194,087,136                | -                           | 194,087,136             | -                                                  |
| Net Pension Liability Fire                           | 141,415,914                | -                           | 141,415,914             | -                                                  |
| Net Pension Liability FRS                            | 848,741                    | -                           | 848,741                 | -                                                  |
| <b>TOTAL LIABILITIES</b>                             | <b>970,334,525</b>         | <b>309,314,204</b>          | <b>1,279,648,729</b>    | <b>500</b>                                         |
| DEFERRED INFLOWS OF RESOURCES:                       |                            |                             |                         |                                                    |
| Deferred Inflow General Employees                    | 27,267,143                 | 11,338,426                  | 38,605,569              | -                                                  |
| Deferred Inflow Police                               | 37,694,532                 | -                           | 37,694,532              | -                                                  |
| Deferred Inflow Fire                                 | 34,893,857                 | -                           | 34,893,857              | -                                                  |
| Deferred Inflow FRS                                  | 175,175                    | -                           | 175,175                 | -                                                  |
| Deferred Inflow for OPEB                             | 256,155,990                | 55,862,641                  | 312,018,631             | -                                                  |
| Deferred Inflow for Leases                           | 58,167,742                 | -                           | 58,167,742              | -                                                  |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>           | <b>414,354,439</b>         | <b>67,201,067</b>           | <b>481,555,506</b>      | <b>-</b>                                           |
| NET POSITION                                         |                            |                             |                         |                                                    |
| Net Investment in Capital Assets                     | 75,703,242                 | 239,324,114                 | 315,027,356             | -                                                  |
| Restricted for:                                      |                            |                             |                         |                                                    |
| Future Capital Projects                              | 52,843,935                 | 80,982,809                  | 133,826,744             | -                                                  |
| Future Debt Service                                  | 7,342,368                  | 3,420,816                   | 10,763,184              | -                                                  |
| Future Grants and Special Programs                   | 10,281,596                 | -                           | 10,281,596              | -                                                  |
| Future Community Redevelopment                       | 44,552,973                 | -                           | 44,552,973              | -                                                  |
| Building Operations                                  | 19,591,053                 | -                           | 19,591,053              | -                                                  |
| Water and Sewer Rate Stabilization Reserve           | -                          | 10,000,000                  | 10,000,000              | -                                                  |
| Future Public Safety Projects and Programs           | 6,863,136                  | -                           | 6,863,136               | -                                                  |
| Future Other Purposes                                | 932,515                    | -                           | 932,515                 | -                                                  |
| Unrestricted (Deficit)                               | (817,882,771)              | 57,511,127                  | (760,371,644)           | 60,911                                             |
| <b>TOTAL NET POSITION</b>                            | <b>\$ (599,771,953)</b>    | <b>\$ 391,238,866</b>       | <b>\$ (208,533,087)</b> | <b>\$ 60,911</b>                                   |

The notes to the financial statements are an integral part of this statement.

**CITY OF HOLLYWOOD, FLORIDA**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                                   | Program Revenue |                                                            |                                          | Net (Expense) Revenue and Changes in Net Position |                            |                             | Component Unit<br>Emerald Hills<br>Safety District |
|---------------------------------------------------|-----------------|------------------------------------------------------------|------------------------------------------|---------------------------------------------------|----------------------------|-----------------------------|----------------------------------------------------|
|                                                   | Expenses        | Charges for<br>Services, Fees,<br>Fines and<br>Forfeitures | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions            | Governmental<br>Activities | Business-type<br>Activities | Total                                              |
| <b>FUNCTIONS / PROGRAMS</b>                       |                 |                                                            |                                          |                                                   |                            |                             |                                                    |
| <b>PRIMARY GOVERNMENT:</b>                        |                 |                                                            |                                          |                                                   |                            |                             |                                                    |
| <b>GOVERNMENTAL ACTIVITIES:</b>                   |                 |                                                            |                                          |                                                   |                            |                             |                                                    |
| General Government                                | \$ 38,929,712   | \$ 17,729,790                                              | \$ 2,880,797                             | \$ 15,596                                         | \$ (18,303,529)            | \$                          | \$ (18,303,529)                                    |
| Public Safety:                                    |                 |                                                            |                                          |                                                   |                            |                             |                                                    |
| Police                                            | 82,534,157      | 1,710,701                                                  | 2,139,336                                | 5,333,250                                         | (73,350,870)               | -                           | (73,350,870)                                       |
| Fire                                              | 58,500,831      | 38,019,446                                                 | 1,132,530                                | 384,516                                           | (18,964,339)               | -                           | (18,964,339)                                       |
| Other Public Safety                               | 6,818,553       | 12,235,742                                                 | -                                        | -                                                 | 5,417,189                  | -                           | 5,417,189                                          |
| Public Works                                      | 11,956,550      | 266,886                                                    | -                                        | -                                                 | (11,689,664)               | -                           | (11,689,664)                                       |
| Transportation                                    | 2,954,945       | -                                                          | 193,004                                  | 891,498                                           | (1,870,443)                | -                           | (1,870,443)                                        |
| Economic Environment                              | 12,404,419      | 846,915                                                    | 6,079,398                                | -                                                 | (5,478,106)                | -                           | (5,478,106)                                        |
| Physical Environment                              | 158,405         | 352,427                                                    | -                                        | -                                                 | 194,022                    | -                           | 194,022                                            |
| Culture and Recreation                            | 14,426,461      | 1,931,348                                                  | 593,430                                  | 416,411                                           | (11,485,272)               | -                           | (11,485,272)                                       |
| Emergency and Disaster Relief *                   | (93,551)        | -                                                          | 17,348                                   | -                                                 | 110,899                    | -                           | 110,899                                            |
| Interest on Long-term Debt                        | 4,886,825       | -                                                          | -                                        | -                                                 | (4,886,825)                | -                           | (4,886,825)                                        |
| Total Governmental Activities                     | 233,477,307     | 73,093,255                                                 | 13,035,843                               | 7,041,271                                         | (140,306,938)              | -                           | (140,306,938)                                      |
| <b>Business-type Activities:</b>                  |                 |                                                            |                                          |                                                   |                            |                             |                                                    |
| Water                                             | 30,973,174      | 43,139,630                                                 | -                                        | 415,904                                           | -                          | 12,582,360                  | 12,582,360                                         |
| Sewer                                             | 38,571,477      | 54,601,523                                                 | -                                        | 819,178                                           | -                          | 16,849,224                  | 16,849,224                                         |
| Sanitation                                        | 15,785,604      | 19,281,741                                                 | -                                        | -                                                 | -                          | 3,496,137                   | 3,496,137                                          |
| Stormwater                                        | 3,366,847       | 7,663,928                                                  | -                                        | -                                                 | -                          | 4,297,081                   | 4,297,081                                          |
| Golf                                              | 2,439,157       | 2,650,295                                                  | -                                        | -                                                 | -                          | 211,138                     | 211,138                                            |
| Parking                                           | 8,058,655       | 11,839,310                                                 | -                                        | -                                                 | -                          | 3,780,655                   | 3,780,655                                          |
| Other                                             | 38,865          | 30,091                                                     | -                                        | -                                                 | -                          | (8,774)                     | (8,774)                                            |
| Total Business-type Activities                    | 99,233,779      | 139,206,518                                                | -                                        | 1,235,082                                         | -                          | 41,207,821                  | 41,207,821                                         |
| Total Primary Government                          | \$ 332,711,086  | \$ 212,299,773                                             | \$ 13,035,843                            | \$ 8,276,353                                      | \$ (140,306,938)           | \$ 41,207,821               | \$ (99,099,117)                                    |
| <b>Component Unit</b>                             |                 |                                                            |                                          |                                                   |                            |                             |                                                    |
| Emerald Hills Safety District                     | \$ 132,556      | \$ -                                                       | \$ -                                     | \$ -                                              | \$ -                       | \$ -                        | \$ (132,556)                                       |
| <b>General Revenues:</b>                          |                 |                                                            |                                          |                                                   |                            |                             |                                                    |
| Taxes:                                            |                 |                                                            |                                          |                                                   |                            |                             |                                                    |
| Property Taxes Levied for General Purpose         |                 |                                                            |                                          |                                                   | 115,100,364                | -                           | 115,100,364                                        |
| Property Taxes Levied for Debt Service            |                 |                                                            |                                          |                                                   | 7,594,205                  | -                           | 7,594,205                                          |
| Property Taxes Incremental                        |                 |                                                            |                                          |                                                   | 37,834,507                 | -                           | 37,834,507                                         |
| Utility Service Taxes                             |                 |                                                            |                                          |                                                   | 22,151,158                 | -                           | 22,151,158                                         |
| Franchise Taxes                                   |                 |                                                            |                                          |                                                   | 16,399,507                 | -                           | 16,399,507                                         |
| Sales Tax                                         |                 |                                                            |                                          |                                                   | 12,607,938                 | -                           | 12,607,938                                         |
| Gas Tax                                           |                 |                                                            |                                          |                                                   | 2,736,251                  | -                           | 2,736,251                                          |
| Local Business Tax                                |                 |                                                            |                                          |                                                   | 2,509,875                  | -                           | 2,509,875                                          |
| Contributions not Restricted to Specific Programs |                 |                                                            |                                          |                                                   | 7,815,426                  | -                           | 7,815,426                                          |
| Investment Revenue/(Loss)                         |                 |                                                            |                                          |                                                   | (4,468,764)                | -                           | (4,468,764)                                        |
| Miscellaneous                                     |                 |                                                            |                                          |                                                   | 4,319,022                  | -                           | 4,319,022                                          |
| Gain on Sale of Capital Assets                    |                 |                                                            |                                          |                                                   | 1,297,986                  | -                           | 1,297,986                                          |
| Transfers                                         |                 |                                                            |                                          |                                                   | 5,689,072                  | -                           | 5,689,072                                          |
| Total General Revenues and Transfers              |                 |                                                            |                                          |                                                   | 231,586,547                | -                           | 231,586,547                                        |
| Change in Net Position                            |                 |                                                            |                                          |                                                   | 91,279,609                 | 28,147,682                  | 119,427,291                                        |
| Net Position - Beginning                          |                 |                                                            |                                          |                                                   | (691,051,562)              | 363,091,184                 | (327,960,378)                                      |
| Net Position - Ending                             |                 |                                                            |                                          |                                                   | \$ (599,771,953)           | \$ 391,238,866              | \$ (208,533,087)                                   |

\*Represents prior year expenditures for Hurricane Irma that were deemed ineligible or not collectible as the FEMA claim finalized during fiscal year 2022.

The notes to the financial statements are an integral part of this statement.

**CITY OF HOLLYWOOD, FLORIDA**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2022

|                                                                                   | General                      | Beach<br>Community<br>Redevelopment | Downtown<br>Community<br>Redevelopment |
|-----------------------------------------------------------------------------------|------------------------------|-------------------------------------|----------------------------------------|
| <b>ASSETS:</b>                                                                    |                              |                                     |                                        |
| Cash                                                                              | \$ 12,300                    | \$ 200                              | \$ 200                                 |
| Investments                                                                       | 84,815,085                   | 35,044,748                          | 13,246,453                             |
| Accounts Receivable - Net of Allowances                                           | 4,470,075                    | 10,374                              | 3,989                                  |
| Lease Receivable                                                                  | 58,745,399                   | -                                   | -                                      |
| Notes Receivable - Net of Allowances                                              | -                            | -                                   | -                                      |
| Due from Other Funds                                                              | 3,601,996                    | -                                   | 144,000                                |
| Due from Other Governments                                                        | 2,966,045                    | -                                   | -                                      |
| Inventories of Supplies                                                           | 61,557                       | -                                   | -                                      |
| Assets Held for Sale                                                              | -                            | -                                   | -                                      |
| Prepays                                                                           | -                            | -                                   | -                                      |
| Restricted Assets:                                                                |                              |                                     |                                        |
| Investments                                                                       | -                            | 6,772,053                           | -                                      |
| <b>TOTAL ASSETS</b>                                                               | <u><u>\$ 154,672,457</u></u> | <u><u>\$ 41,827,375</u></u>         | <u><u>\$ 13,394,642</u></u>            |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES:</b>          |                              |                                     |                                        |
| <b>LIABILITIES:</b>                                                               |                              |                                     |                                        |
| Vouchers Payable                                                                  | \$ 1,546,056                 | \$ 1,503,911                        | \$ 214,170                             |
| Accrued Wages and Leave                                                           | 3,795,701                    | 79,026                              | 30,385                                 |
| Construction Contracts Payable                                                    | -                            | 226,493                             | -                                      |
| Due to Other Funds                                                                | -                            | -                                   | -                                      |
| Due to Other Governments                                                          | -                            | -                                   | -                                      |
| Unearned Revenue                                                                  | -                            | -                                   | -                                      |
| Deposits Payable                                                                  | 483,614                      | -                                   | 3,577                                  |
| <b>Total Liabilities</b>                                                          | <u>5,825,371</u>             | <u>1,809,430</u>                    | <u>248,132</u>                         |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                                             |                              |                                     |                                        |
| Unavailable or Advanced Revenue                                                   | 2,400,692                    | -                                   | -                                      |
| Deferred Inflow for Leases                                                        | 58,167,742                   | -                                   | -                                      |
| <b>Total Deferred Inflows of Resources</b>                                        | <u>60,568,434</u>            | <u>-</u>                            | <u>-</u>                               |
| <b>FUND BALANCES:</b>                                                             |                              |                                     |                                        |
| Nonspendable                                                                      | 61,557                       | -                                   | -                                      |
| Restricted                                                                        | -                            | 40,017,945                          | 13,146,510                             |
| Committed                                                                         | 11,121,392                   | -                                   | -                                      |
| Assigned                                                                          | 1,380,000                    | -                                   | -                                      |
| Unassigned                                                                        | 75,715,703                   | -                                   | -                                      |
| <b>Total Fund Balances</b>                                                        | <u>88,278,652</u>            | <u>40,017,945</u>                   | <u>13,146,510</u>                      |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES<br/>AND FUND BALANCES</b> | <u><u>\$ 154,672,457</u></u> | <u><u>\$ 41,827,375</u></u>         | <u><u>\$ 13,394,642</u></u>            |

The notes to the financial statements are an integral part of this statement.

| Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|--------------------------------|
| \$ 20,200                      | \$ 32,900                      |
| 138,657,542                    | 271,763,828                    |
| 114,077                        | 4,598,515                      |
| -                              | 58,745,399                     |
| 34,969,462                     | 34,969,462                     |
| -                              | 3,745,996                      |
| 2,693,866                      | 5,659,911                      |
| -                              | 61,557                         |
| 932,516                        | 932,516                        |
| 680,228                        | 680,228                        |
| 10,214,351                     | 16,986,404                     |
| <u>\$ 188,282,242</u>          | <u>\$ 398,176,716</u>          |

|                   |                   |
|-------------------|-------------------|
| \$ 4,729,332      | \$ 7,993,469      |
| 158,236           | 4,063,348         |
| 148,206           | 374,699           |
| 1,457,886         | 1,457,886         |
| (10)              | (10)              |
| 33,926,829        | 33,926,829        |
| 120,390           | 607,581           |
| <u>40,540,869</u> | <u>48,423,802</u> |

|                   |                   |
|-------------------|-------------------|
| 36,836,786        | 39,237,478        |
| -                 | 58,167,742        |
| <u>36,836,786</u> | <u>97,405,220</u> |

|                    |                    |
|--------------------|--------------------|
| 680,228            | 741,785            |
| 88,512,531         | 141,676,986        |
| 20,606,938         | 31,728,330         |
| 3,063,635          | 4,443,635          |
| (1,958,745)        | 73,756,958         |
| <u>110,904,587</u> | <u>252,347,694</u> |

|                       |                       |
|-----------------------|-----------------------|
| <u>\$ 188,282,242</u> | <u>\$ 398,176,716</u> |
|-----------------------|-----------------------|

# CITY OF HOLLYWOOD, FLORIDA

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2022

|                                                                                                                                                                                                                                                                                                                          |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <b>Total fund balances - governmental funds</b>                                                                                                                                                                                                                                                                          | <b>\$ 252,347,694</b>   |
| Amounts reported for Governmental Activities in the Statement of Net Position are different because:                                                                                                                                                                                                                     |                         |
| Capital and Right of Use Leased assets, net of accumulated depreciation/amortization, are not financial resources, and therefore are not reported in the funds.                                                                                                                                                          | 183,693,964             |
| Some liabilities are not due and payable in the current period therefore, are not reported in the funds. Those liabilities consist of                                                                                                                                                                                    |                         |
| Bonds, loans, leases payable                                                                                                                                                                                                                                                                                             | (148,596,407)           |
| Compensated absences                                                                                                                                                                                                                                                                                                     | (16,843,430)            |
| Accrued interest payable                                                                                                                                                                                                                                                                                                 | (1,279,432)             |
| Total OPEB liability                                                                                                                                                                                                                                                                                                     | (268,022,935)           |
| Net pension liability - General Employees                                                                                                                                                                                                                                                                                | (93,128,081)            |
| Net pension liability - Police                                                                                                                                                                                                                                                                                           | (194,087,136)           |
| Net pension liability -Fire                                                                                                                                                                                                                                                                                              | (141,415,914)           |
| Net pension liability - FRS                                                                                                                                                                                                                                                                                              | <u>(848,741)</u>        |
| Total long-term liabilities                                                                                                                                                                                                                                                                                              | (864,222,076)           |
| Unavailable revenue that meet the criteria for recognition in the Statement of Activities.                                                                                                                                                                                                                               | 8,110,172               |
| In governmental funds, deferred outflows and inflows of resources relating to pensions and deferred refunding costs are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.                      |                         |
| Deferred refunding costs                                                                                                                                                                                                                                                                                                 | 995,341                 |
| Deferred outflows of resources relating to the General Employees Pension                                                                                                                                                                                                                                                 | 18,390,657              |
| Deferred outflows of resources relating to the Police Pension                                                                                                                                                                                                                                                            | 33,686,816              |
| Deferred outflows of resources relating to the Fire Pension                                                                                                                                                                                                                                                              | 46,113,298              |
| Deferred outflows of resources relating to the FRS Pension                                                                                                                                                                                                                                                               | 233,338                 |
| Deferred outflows of resources relating to OPEB                                                                                                                                                                                                                                                                          | 52,603,953              |
| Deferred inflows of resources relating to the General Employees Pension                                                                                                                                                                                                                                                  | (22,382,749)            |
| Deferred inflows of resources relating to the Police Pension                                                                                                                                                                                                                                                             | (37,694,532)            |
| Deferred inflows of resources relating to the Fire Pension                                                                                                                                                                                                                                                               | (34,893,857)            |
| Deferred inflows of resources relating to the FRS Pension                                                                                                                                                                                                                                                                | (175,175)               |
| Deferred inflows of resources relating to OPEB                                                                                                                                                                                                                                                                           | <u>(242,685,966)</u>    |
| Total net deferred outflows and inflows                                                                                                                                                                                                                                                                                  | (185,808,876)           |
| Internal Service funds are used by management to charge the costs of fleet management, property management, central services, self insurance, and communications to individual funds. The assets and liabilities of the Internal Service funds are included in governmental activities in the statement of net position. | 15,065,513              |
| Adjustment to Enterprise Funds for Internal Service Funds look-back.                                                                                                                                                                                                                                                     | <u>(8,958,344)</u>      |
| Net Position of Governmental Activities                                                                                                                                                                                                                                                                                  | <u>\$ (599,771,953)</u> |

The notes to the financial statements are an integral part of this statement

**CITY OF HOLLYWOOD, FLORIDA**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

|                                                              | General            | Beach<br>Community<br>Redevelopment | Downtown<br>Community<br>Redevelopment |
|--------------------------------------------------------------|--------------------|-------------------------------------|----------------------------------------|
| REVENUES:                                                    |                    |                                     |                                        |
| Property Taxes                                               | \$ 115,005,945     | \$ 15,182,441                       | \$ 5,805,623                           |
| Utilities Service Taxes                                      | 22,151,158         | -                                   | -                                      |
| Franchise Taxes                                              | 16,399,507         | -                                   | -                                      |
| Licenses and Permits                                         | 2,467,053          | -                                   | -                                      |
| Intergovernmental                                            | 20,633,517         | 12,130,004                          | 4,716,439                              |
| Charges for Services                                         | 62,681,257         | -                                   | -                                      |
| Parking Impact Fees                                          | -                  | -                                   | -                                      |
| Fines and Forfeitures                                        | -                  | -                                   | -                                      |
| Investment Revenue/(Loss)                                    | (2,265,122)        | 296,985                             | 51,351                                 |
| Miscellaneous                                                | 4,471,154          | 32,741                              | 227,408                                |
| Total Revenues                                               | <u>241,544,469</u> | <u>27,642,171</u>                   | <u>10,800,821</u>                      |
| EXPENDITURES:                                                |                    |                                     |                                        |
| Current:                                                     |                    |                                     |                                        |
| General Government                                           | 27,337,536         | 9,854,788                           | 5,167,338                              |
| Public Safety                                                | 163,745,145        | -                                   | -                                      |
| Public Works                                                 | 13,076,245         | -                                   | -                                      |
| Transportation                                               | 2,169,123          | -                                   | -                                      |
| Economic Environment                                         | 2,953,313          | 862,087                             | 288,609                                |
| Physical Environment                                         | -                  | -                                   | 156,378                                |
| Culture and Recreation                                       | 12,318,388         | 280,375                             | -                                      |
| Emergency and Disaster Relief                                | -                  | -                                   | -                                      |
| Other                                                        | 42,672             | -                                   | -                                      |
| Capital Outlay:                                              |                    |                                     |                                        |
| General Government                                           | 88,520             | -                                   | -                                      |
| Public Safety                                                | 40,890             | -                                   | -                                      |
| Transportation                                               | -                  | 5,476,997                           | 6,934                                  |
| Economic Environment                                         | -                  | 337,153                             | 1,637,073                              |
| Physical Environment                                         | -                  | 1,136,827                           | -                                      |
| Culture and Recreation                                       | 510,213            | 41,660                              | -                                      |
| Debt Service:                                                |                    |                                     |                                        |
| Principal                                                    | 438,081            | 6,374,607                           | 1,717,094                              |
| Interest on Long-term Debt                                   | 76,052             | 858,640                             | 117,276                                |
| Total Expenditures                                           | <u>222,796,178</u> | <u>25,223,134</u>                   | <u>9,090,702</u>                       |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>18,748,291</u>  | <u>2,419,037</u>                    | <u>1,710,119</u>                       |

| Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|--------------------------------|
| \$ 7,594,205                   | \$ 143,588,214                 |
| -                              | 22,151,158                     |
| -                              | 16,399,507                     |
| 6,813,188                      | 9,280,241                      |
| 22,387,759                     | 59,867,719                     |
| 2,512,409                      | 65,193,666                     |
| 395,250                        | 395,250                        |
| 457,250                        | 457,250                        |
| (894,122)                      | (2,810,908)                    |
| 174,997                        | 4,906,300                      |
| <u>39,440,936</u>              | <u>319,428,397</u>             |
| 3,515,302                      | 45,874,964                     |
| 12,401,970                     | 176,147,115                    |
| -                              | 13,076,245                     |
| 1,257,984                      | 3,427,107                      |
| 6,529,741                      | 10,633,750                     |
| -                              | 156,378                        |
| 1,079,899                      | 13,678,662                     |
| (93,551)                       | (93,551)                       |
| -                              | 42,672                         |
| 1,914,049                      | 2,002,569                      |
| 9,244,463                      | 9,285,353                      |
| 2,535,689                      | 8,019,620                      |
| 1,113,862                      | 3,088,088                      |
| 148,830                        | 1,285,657                      |
| 4,261,242                      | 4,813,115                      |
| 8,658,536                      | 17,188,318                     |
| 4,906,080                      | 5,958,048                      |
| <u>57,474,096</u>              | <u>314,584,110</u>             |
| <u>(18,033,160)</u>            | <u>4,844,287</u>               |

(Continued)

**CITY OF HOLLYWOOD, FLORIDA**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

|                                         | <u>General</u>              | <u>Beach<br/>Community<br/>Redevelopment</u> | <u>Downtown<br/>Community<br/>Redevelopment</u> |
|-----------------------------------------|-----------------------------|----------------------------------------------|-------------------------------------------------|
| OTHER FINANCING SOURCES (USES):         |                             |                                              |                                                 |
| Transfers In                            | \$ 6,712,112                | \$ -                                         | \$ -                                            |
| Transfers Out                           | (18,044,459)                | -                                            | -                                               |
| Sale of Assets                          | 1,217,699                   | -                                            | -                                               |
| Lease (right-of-use asset) Acquired     | 488,189                     | 217,312                                      | 57,213                                          |
| Debt Issued                             | <u>4,530,827</u>            | <u>-</u>                                     | <u>-</u>                                        |
| Total Other Financing<br>Sources (Uses) | <u>(5,095,632)</u>          | <u>217,312</u>                               | <u>57,213</u>                                   |
| Change in Fund Balances                 | 13,652,659                  | 2,636,349                                    | 1,767,332                                       |
| Fund Balances - Beginning               | <u>74,625,993</u>           | <u>37,381,596</u>                            | <u>11,379,178</u>                               |
| Fund Balances - Ending                  | <u><u>\$ 88,278,652</u></u> | <u><u>\$ 40,017,945</u></u>                  | <u><u>\$ 13,146,510</u></u>                     |

| Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--------------------------------|--------------------------------|
| \$ 20,788,832                  | \$ 27,500,944                  |
| (4,942,597)                    | (22,987,056)                   |
| 167,545                        | 1,385,244                      |
| -                              | 762,714                        |
| 369,941                        | 4,900,768                      |
| <u>16,383,721</u>              | <u>11,562,614</u>              |
| (1,649,439)                    | 16,406,901                     |
| <u>112,554,026</u>             | <u>235,940,793</u>             |
| <u>\$ 110,904,587</u>          | <u>\$ 252,347,694</u>          |

The notes to the financial statements are an integral part of this statement.

# CITY OF HOLLYWOOD, FLORIDA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Net Change in Fund Balances - Governmental Funds \$ 16,406,901

Amounts reported for governmental activities in the  
Statement of Activities are different because

Governmental funds report capital outlays as expenditures.  
However in the statement of activities the cost of those assets is  
allocated over their estimated useful lives and reported as  
depreciation expense. In the current period, these amounts are:

|                                                           |                     |           |
|-----------------------------------------------------------|---------------------|-----------|
| Capital outlay                                            | 26,145,260          |           |
| Right of use Leased Asset Outlay                          | 2,349,142           |           |
| Contributions of capital assets to proprietary funds, net | (6,919,420)         |           |
| Deletions/Disposals                                       | (531,446)           |           |
| Depreciation and amortization expense                     | <u>(11,554,761)</u> |           |
| Excess of capital outlay over depreciation expense        |                     | 9,488,775 |

The issuance of long-term debt (e.g. bonds, loans) provides current financial  
resources to governmental funds, while the repayment of the principal of  
long-term obligations is an expenditure in the governmental funds. Neither  
transaction, however, has any effect on net position. Also, governmental  
funds report the effect of premiums, discounts, and similar  
items when debt is first issued, whereas these amounts are deferred and  
amortized in the statement of activities.

In the current year, these amounts consist of:

|                                                                       |                   |            |
|-----------------------------------------------------------------------|-------------------|------------|
| Bond, loan, and lease principal retirement                            | 17,069,681        |            |
| Right of Use Lease assets acquisition                                 | (762,714)         |            |
| Loan proceeds (Series 2022 Bank Loan)                                 | (4,900,768)       |            |
| Lease principal repayments                                            | 118,637           |            |
| Accrual of deferred long-term legal settlement                        | 6,514,199         |            |
| Amortization of unamortized refunding costs                           | (276,397)         |            |
| Amortization of net bond premium(s)                                   | 1,602,495         |            |
| OPEB                                                                  | <u>23,424,574</u> |            |
| Total long term-debt retirements, issuances, and related transactions |                   | 42,789,707 |

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.

These activities consist of:

|                                      |                |           |
|--------------------------------------|----------------|-----------|
| Increase in compensated absences     | (437,905)      |           |
| Increase in accrued interest expense | <u>106,828</u> |           |
| Total additional expense             |                | (331,077) |

In government funds, pension costs are recognized when employer  
contributions are made. In the statement of activities, pension  
costs are recognized on the accrual basis. This year,  
the difference between accrual-basis pension costs  
and actual employer contribution was:

|                           |           |  |
|---------------------------|-----------|--|
| General Employees pension | 9,748,386 |  |
| Police pension            | 4,391,756 |  |

(Continued)

**CITY OF HOLLYWOOD, FLORIDA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                                                                                                                                                                             |                  |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|-----------------------------|
| Fire pension                                                                                                                                                                                | 7,895,461        |                             |
| FRS pension                                                                                                                                                                                 | <u>20,114</u>    | 22,055,717                  |
| Unearned revenue that meet the revenue recognition criteria in the Statement<br>of Activities, but not the fund statements, i.e. property taxes.                                            |                  | (686)                       |
| Internal Service funds are used by management to charge the costs of fleet<br>management, property management, central services, self insurance,<br>and communications to individual funds: |                  |                             |
| Internal Service Funds Change in Net Position                                                                                                                                               | (570,733)        |                             |
| Look-Back adjustment                                                                                                                                                                        | <u>1,441,005</u> |                             |
| Total internal service funds activity                                                                                                                                                       |                  | <u>870,272</u>              |
| Changes in Net Position of Governmental Activities                                                                                                                                          |                  | <u><u>\$ 91,279,609</u></u> |

The notes to the financial statements are an integral part of this statement.

**CITY OF HOLLYWOOD, FLORIDA**

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2022

|                                                    | Business Activities - Enterprise Funds |                              |               | Governmental<br>Activities -<br>Internal Service<br>Funds |
|----------------------------------------------------|----------------------------------------|------------------------------|---------------|-----------------------------------------------------------|
|                                                    | Water and<br>Sewer Utility             | Other<br>Enterprise<br>Funds | Total         |                                                           |
| ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES:      |                                        |                              |               |                                                           |
| ASSETS:                                            |                                        |                              |               |                                                           |
| CURRENT ASSETS:                                    |                                        |                              |               |                                                           |
| Cash                                               | \$ 700                                 | \$ 102,430                   | \$ 103,130    | \$ 472,482                                                |
| Investments                                        | 139,841,133                            | 51,110,211                   | 190,951,344   | 67,425,162                                                |
| Accounts Receivable - Net of<br>Allowances         | 8,135,443                              | 3,324,613                    | 11,460,056    | 191,046                                                   |
| Reinsurance Receivable                             | -                                      | -                            | -             | 371,591                                                   |
| Due from Other Governments                         | 22,086                                 | -                            | 22,086        | -                                                         |
| Inventories of Supplies                            | 616,873                                | -                            | 616,873       | 209,496                                                   |
| Prepaid Items                                      | -                                      | 1,250                        | 1,250         | 161,287                                                   |
| Restricted Investments                             | 22,580,945                             | 1,064,469                    | 23,645,414    | -                                                         |
| Total Current Assets                               | 171,197,180                            | 55,602,973                   | 226,800,153   | 68,831,064                                                |
| NONCURRENT ASSETS:                                 |                                        |                              |               |                                                           |
| Restricted Assets:                                 |                                        |                              |               |                                                           |
| Investments                                        | 94,403,625                             | -                            | 94,403,625    | -                                                         |
| Total Restricted Assets                            | 94,403,625                             | -                            | 94,403,625    | -                                                         |
| Capital Assets:                                    |                                        |                              |               |                                                           |
| Land                                               | 3,697,837                              | 2,587,662                    | 6,285,499     | -                                                         |
| Buildings                                          | 51,197,766                             | 51,374,197                   | 102,571,963   | 1,141,350                                                 |
| Improvements                                       | 661,649,247                            | 15,837,685                   | 677,486,932   | -                                                         |
| Machinery and Equipment                            | 6,021,149                              | 3,349,034                    | 9,370,183     | 42,402,730                                                |
| Accumulated Depreciation                           | (422,682,531)                          | (34,935,853)                 | (457,618,384) | (34,070,661)                                              |
| Construction in Progress                           | 74,163,233                             | 4,910,976                    | 79,074,209    | 3,494,448                                                 |
| Total Capital Assets                               | 374,046,701                            | 43,123,701                   | 417,170,402   | 12,967,867                                                |
| Other Assets:                                      |                                        |                              |               |                                                           |
| Assessments - Net of Allowances                    | 556,980                                | -                            | 556,980       | -                                                         |
| Total Noncurrent Assets                            | 469,007,306                            | 43,123,701                   | 512,131,007   | 12,967,867                                                |
| Total Assets                                       | 640,204,486                            | 98,726,674                   | 738,931,160   | 81,798,931                                                |
| DEFERRED OUTFLOWS OF RESOURCES:                    |                                        |                              |               |                                                           |
| Deferred Outflow - General Employees Pension       | 7,217,447                              | 1,928,268                    | 9,145,715     | 4,977,763                                                 |
| Deferred Outflow for OPEB                          | 8,260,700                              | 4,326,777                    | 12,587,477    | 3,464,480                                                 |
| Deferred Charge on Refunding                       | 419,551                                | -                            | 419,551       | -                                                         |
| Total Deferred Outflows of Resources               | 15,897,698                             | 6,255,045                    | 22,152,743    | 8,442,243                                                 |
| TOTAL ASSETS AND DEFERRED<br>OUTFLOWS OF RESOURCES | 656,102,184                            | 104,981,719                  | 761,083,903   | 90,241,174                                                |

(CONTINUED)

**CITY OF HOLLYWOOD, FLORIDA**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS (CONTINUED)  
 SEPTEMBER 30, 2022

|                                                           | Business Activities - Enterprise Funds |                              |                       | Governmental<br>Activities -<br>Internal Service<br>Funds |
|-----------------------------------------------------------|----------------------------------------|------------------------------|-----------------------|-----------------------------------------------------------|
|                                                           | Water and<br>Sewer Utility             | Other<br>Enterprise<br>Funds | Total                 |                                                           |
| LIABILITIES AND DEFERRED INFLOWS OF<br>RESOURCES:         |                                        |                              |                       |                                                           |
| LIABILITIES:                                              |                                        |                              |                       |                                                           |
| CURRENT LIABILITIES:                                      |                                        |                              |                       |                                                           |
| Vouchers Payable                                          | \$ 4,170,605                           | \$ 1,942,177                 | \$ 6,112,782          | \$ 587,931                                                |
| Accrued Wages and Leave                                   | 564,402                                | 151,932                      | 716,334               | 425,197                                                   |
| Compensated Absences                                      | 1,317,233                              | 337,199                      | 1,654,432             | 674,190                                                   |
| Construction Contracts                                    | -                                      | 2,221,999                    | 2,221,999             | -                                                         |
| Due to Other Funds                                        | -                                      | 2,288,110                    | 2,288,110             | -                                                         |
| Due to Other Governments                                  | -                                      | 4,390                        | 4,390                 | -                                                         |
| Interest Payable                                          | -                                      | 12,309                       | 12,309                | 89,551                                                    |
| Claims Payable                                            | -                                      | -                            | -                     | 6,187,009                                                 |
| Deposits Payable                                          | -                                      | 32,496                       | 32,496                | -                                                         |
| Payable from Restricted Assets:                           |                                        |                              |                       |                                                           |
| Matured Bonds and Interest                                | 496,565                                | -                            | 496,565               | -                                                         |
| Construction Contracts                                    | 6,190,234                              | -                            | 6,190,234             | -                                                         |
| Deposits                                                  | 15,740,265                             | 1,064,469                    | 16,804,734            | -                                                         |
| Bonds Payable - Net                                       | 6,756,200                              | 16,238                       | 6,772,438             | 338,627                                                   |
| Capital Lease Obligations                                 | 415,224                                | 264,639                      | 679,863               | 1,836,825                                                 |
| Loans Payable                                             | 8,921,216                              | 244,018                      | 9,165,234             | 617,590                                                   |
| Total Current Liabilities                                 | <u>44,571,944</u>                      | <u>8,579,976</u>             | <u>53,151,920</u>     | <u>10,756,920</u>                                         |
| NONCURRENT LIABILITIES:                                   |                                        |                              |                       |                                                           |
| Compensated Absences                                      | 298,802                                | 92,585                       | 391,387               | 326,265                                                   |
| Claims Payable                                            | -                                      | -                            | -                     | 9,733,136                                                 |
| Bonds Payable - Net                                       | 39,358,213                             | 142,629                      | 39,500,842            | 3,081,182                                                 |
| Capital Lease Obligations                                 | 445,513                                | 283,943                      | 729,456               | 1,850,197                                                 |
| Loans Payable                                             | 114,456,482                            | 845,796                      | 115,302,278           | 1,729,781                                                 |
| Total Other Postemployment Benefits Liability<br>(OPEB)   | 41,964,577                             | 12,520,579                   | 54,485,156            | 11,695,046                                                |
| Net Pension Liability - General Employees                 | 39,175,137                             | 8,866,138                    | 48,041,275            | 17,648,716                                                |
| Total Noncurrent Liabilities                              | <u>235,698,724</u>                     | <u>22,751,670</u>            | <u>258,450,394</u>    | <u>46,064,323</u>                                         |
| Total Liabilities                                         | <u>280,270,668</u>                     | <u>31,331,646</u>            | <u>311,602,314</u>    | <u>56,821,243</u>                                         |
| DEFERRED INFLOWS OF RESOURCES:                            |                                        |                              |                       |                                                           |
| Deferred Inflow - General Employees Pension               | 9,132,190                              | 2,206,236                    | 11,338,426            | 4,884,394                                                 |
| Deferred Inflow for OPEB                                  | 40,807,500                             | 15,055,141                   | 55,862,641            | 13,470,024                                                |
|                                                           | <u>49,939,690</u>                      | <u>17,261,377</u>            | <u>67,201,067</u>     | <u>18,354,418</u>                                         |
| TOTAL LIABILITIES AND<br>DEFERRED<br>INFLOWS OF RESOURCES | <u>330,210,358</u>                     | <u>48,593,023</u>            | <u>378,803,381</u>    | <u>75,175,661</u>                                         |
| NET POSITION:                                             |                                        |                              |                       |                                                           |
| Net Investment in Capital Assets                          | 199,784,701                            | 39,539,412                   | 239,324,113           | 4,379,913                                                 |
| Restricted for:                                           |                                        |                              |                       |                                                           |
| Future Capital Projects                                   | 80,982,809                             | -                            | 80,982,809            | -                                                         |
| Future Debt Service                                       | 3,420,816                              | -                            | 3,420,816             | -                                                         |
| Rate Stabilization                                        | 10,000,000                             | -                            | 10,000,000            | -                                                         |
| Unrestricted (Deficit)                                    | <u>31,703,500</u>                      | <u>16,849,284</u>            | <u>48,552,784</u>     | <u>10,685,600</u>                                         |
| TOTAL NET POSITION                                        | <u>\$ 325,891,826</u>                  | <u>\$ 56,388,696</u>         | <u>\$ 382,280,522</u> | <u>\$ 15,065,513</u>                                      |

The notes to the financial statements are an integral part of this statement.

**CITY OF HOLLYWOOD, FLORIDA**

**RECONCILIATION OF THE STATEMENT OF NET POSITION OF PROPRIETARY FUNDS  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022**

|                                                                     |                       |
|---------------------------------------------------------------------|-----------------------|
| Net Position - Proprietary Funds                                    | \$ 382,280,522        |
| Adjustment to Enterprise Funds for Internal Service Funds look-back | <u>8,958,344</u>      |
| Net Position of Business-type Activities                            | <u>\$ 391,238,866</u> |

The notes to the financial statements are an integral part of this statement.

**CITY OF HOLLYWOOD, FLORIDA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                                     | <u>Business-type Activities - Enterprise Funds</u> |                                       |                       | <u>Governmental<br/>Activities -<br/>Internal Service<br/>Funds</u> |
|-----------------------------------------------------|----------------------------------------------------|---------------------------------------|-----------------------|---------------------------------------------------------------------|
|                                                     | <u>Water and<br/>Sewer Utility</u>                 | <u>Other<br/>Enterprise<br/>Funds</u> | <u>Total</u>          |                                                                     |
| <b>OPERATING REVENUES:</b>                          |                                                    |                                       |                       |                                                                     |
| Intergovernmental                                   | \$ 415,904                                         | \$ -                                  | \$ 415,904            | \$ -                                                                |
| Charges for Sales and Services                      | 97,075,396                                         | 39,971,127                            | 137,046,523           | 64,061,856                                                          |
| Fines and Forfeitures                               | -                                                  | 941,624                               | 941,624               | -                                                                   |
| Impact Fees                                         | 819,178                                            | -                                     | 819,178               | -                                                                   |
| Miscellaneous                                       | <u>665,757</u>                                     | <u>552,614</u>                        | <u>1,218,371</u>      | <u>3,948,949</u>                                                    |
| Total Operating Revenues                            | <u>98,976,235</u>                                  | <u>41,465,365</u>                     | <u>140,441,600</u>    | <u>68,010,805</u>                                                   |
| <b>OPERATING EXPENSES:</b>                          |                                                    |                                       |                       |                                                                     |
| Personal Services and Benefits                      | 15,482,852                                         | 3,580,096                             | 19,062,948            | 7,784,967                                                           |
| Supplies, Services and Claims                       | 31,551,013                                         | 23,167,230                            | 54,718,243            | 62,432,209                                                          |
| Depreciation                                        | <u>18,311,404</u>                                  | <u>2,447,297</u>                      | <u>20,758,701</u>     | <u>4,576,133</u>                                                    |
| Total Operating Expenses                            | <u>65,345,269</u>                                  | <u>29,194,623</u>                     | <u>94,539,892</u>     | <u>74,793,309</u>                                                   |
| Operating Income (Loss)                             | <u>33,630,966</u>                                  | <u>12,270,742</u>                     | <u>45,901,708</u>     | <u>(6,782,504)</u>                                                  |
| <b>NONOPERATING REVENUES<br/>(EXPENSES):</b>        |                                                    |                                       |                       |                                                                     |
| Investment Revenue/(Loss)                           | (5,986,190)                                        | (1,301,498)                           | (7,287,688)           | (1,657,856)                                                         |
| Interest Expense                                    | (3,188,500)                                        | (64,382)                              | (3,252,882)           | (361,702)                                                           |
| Gain/(Loss) on Disposals                            | 14,175                                             | (96,174)                              | (81,999)              | 136,725                                                             |
| Other Income (Expense)                              | <u>(1,380)</u>                                     | <u>-</u>                              | <u>(1,380)</u>        | <u>-</u>                                                            |
| Total Nonoperating Revenues<br>(Expenses)           | <u>(9,161,895)</u>                                 | <u>(1,462,054)</u>                    | <u>(10,623,949)</u>   | <u>(1,882,833)</u>                                                  |
| Income (Loss) Before<br>Contributions and Transfers | <u>24,469,071</u>                                  | <u>10,808,688</u>                     | <u>35,277,759</u>     | <u>(8,665,337)</u>                                                  |
| <b>CONTRIBUTIONS:</b>                               |                                                    |                                       |                       |                                                                     |
| Capital Contributions                               | -                                                  | 230,649                               | 230,649               | 6,688,771                                                           |
| <b>TRANSFERS IN (OUT):</b>                          |                                                    |                                       |                       |                                                                     |
| Transfers In                                        | 350,882                                            | -                                     | 350,882               | 2,416,228                                                           |
| Transfers Out                                       | <u>(5,380,404)</u>                                 | <u>(890,199)</u>                      | <u>(6,270,603)</u>    | <u>(1,010,395)</u>                                                  |
| Total Transfers In (Out)                            | <u>(5,029,522)</u>                                 | <u>(890,199)</u>                      | <u>(5,919,721)</u>    | <u>1,405,833</u>                                                    |
| Change in Net Position                              | <u>19,439,549</u>                                  | <u>10,149,138</u>                     | <u>29,588,687</u>     | <u>(570,733)</u>                                                    |
| Net Position - Beginning                            | <u>306,452,277</u>                                 | <u>46,239,558</u>                     | <u>352,691,835</u>    | <u>15,636,246</u>                                                   |
| Net Position - Ending                               | <u>\$ 325,891,826</u>                              | <u>\$ 56,388,696</u>                  | <u>\$ 382,280,522</u> | <u>\$ 15,065,513</u>                                                |

The notes to the financial statements are an integral part of this statement.

**CITY OF HOLLYWOOD, FLORIDA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION OF PROPRIETARY FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                                                                                                                                                |                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| Net Change in Net Position - Proprietary Funds                                                                                                                 | \$ 29,588,687        |
| Net revenue of the Internal Service Funds (funds used to charge the costs of certain activities to individual funds) is reported with Governmental Activities. |                      |
| Consolidated adjustment to Enterprise Funds for Internal Service Funds look-back                                                                               | <u>(1,441,005)</u>   |
| Changes in Net Position of Business-type Activities                                                                                                            | <u>\$ 28,147,682</u> |

The notes to the financial statements are an integral part of this statement.

**CITY OF HOLLYWOOD, FLORIDA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                                                         | <u>Business-type Activities - Enterprise Funds</u> |                                   |                       | <u>Governmental<br/>Activities -<br/>Internal<br/>Service<br/>Funds</u> |
|-------------------------------------------------------------------------|----------------------------------------------------|-----------------------------------|-----------------------|-------------------------------------------------------------------------|
|                                                                         | <u>Water and<br/>Sewer Utility</u>                 | <u>Other Enterprise<br/>Funds</u> | <u>Total</u>          |                                                                         |
| <b>CASH FLOWS FROM OPERATING<br/>ACTIVITIES:</b>                        |                                                    |                                   |                       |                                                                         |
| Cash Received from Customers,<br>Employees and Other Governments        | \$ 114,470,969                                     | \$ 41,856,341                     | \$ 156,327,310        | \$ 67,922,798                                                           |
| Payments to Suppliers for Goods and Services                            | (33,096,557)                                       | (22,104,120)                      | (55,200,677)          | (27,305,559)                                                            |
| Payments to Employees for Services                                      | (26,928,778)                                       | (6,859,215)                       | (33,787,993)          | (11,425,808)                                                            |
| Payments for claims and judgements                                      | -                                                  | -                                 | -                     | (34,726,749)                                                            |
| Payments for Interfund Services                                         | -                                                  | (118,866)                         | (118,866)             | -                                                                       |
| Other Operating Receipts                                                | 505,200                                            | -                                 | 505,200               | -                                                                       |
| Net Cash Provided (Used)<br>by Operating Activities                     | <u>54,950,834</u>                                  | <u>12,774,140</u>                 | <u>67,724,974</u>     | <u>(5,535,318)</u>                                                      |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES:</b>             |                                                    |                                   |                       |                                                                         |
| Transfers In                                                            | 350,882                                            | -                                 | 350,882               | 2,416,228                                                               |
| Transfers Out                                                           | (5,380,404)                                        | (890,199)                         | (6,270,603)           | (1,010,395)                                                             |
| Net Cash Provided (Used) by<br>Noncapital Financing Activities          | <u>(5,029,522)</u>                                 | <u>(890,199)</u>                  | <u>(5,919,721)</u>    | <u>1,405,833</u>                                                        |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES:</b>    |                                                    |                                   |                       |                                                                         |
| Proceeds from Bonds and Other Borrowings                                | 21,763,755                                         | 473,595                           | 22,237,350            | 4,085,252                                                               |
| Principal Paid on Bonds, Notes and Equipment Contracts                  | (12,960,317)                                       | (378,770)                         | (13,339,087)          | (2,600,114)                                                             |
| Interest Paid on Bonds, Notes and Equipment Contracts                   | (4,198,978)                                        | (71,172)                          | (4,270,150)           | (455,124)                                                               |
| Proceeds from Sale of Equipment                                         | 14,175                                             | 73,057                            | 87,232                | 145,045                                                                 |
| Acquisition and Construction of Capital Assets                          | (27,445,444)                                       | (4,372,538)                       | (31,817,982)          | (2,629,368)                                                             |
| Impact Fees, Special Assessments, Other Capital Receipts                | (1,380)                                            | -                                 | (1,380)               | -                                                                       |
| Net Cash Provided (Used) by Capital<br>and Related Financing Activities | <u>(22,828,189)</u>                                | <u>(4,275,828)</u>                | <u>(27,104,017)</u>   | <u>(1,454,309)</u>                                                      |
| <b>CASH FLOWS FROM INVESTING<br/>ACTIVITIES:</b>                        |                                                    |                                   |                       |                                                                         |
| Net investment inflows/(outflows)                                       | <u>(5,986,190)</u>                                 | <u>(1,301,498)</u>                | <u>(7,287,688)</u>    | <u>(1,657,856)</u>                                                      |
| Net Cash Provided (Used) by<br>Investing Activities                     | <u>(5,986,190)</u>                                 | <u>(1,301,498)</u>                | <u>(7,287,688)</u>    | <u>(1,657,856)</u>                                                      |
| Net Increase (Decrease) in Cash                                         | 21,106,933                                         | 6,306,615                         | 27,413,548            | (7,241,650)                                                             |
| Cash and Investments - beginning of year                                | <u>235,719,470</u>                                 | <u>45,970,495</u>                 | <u>281,689,965</u>    | <u>75,139,294</u>                                                       |
| Cash and Investments - end of year                                      | <u>\$ 256,826,403</u>                              | <u>\$ 52,277,110</u>              | <u>\$ 309,103,513</u> | <u>\$ 67,897,644</u>                                                    |
| <b>Classified as:</b>                                                   |                                                    |                                   |                       |                                                                         |
| Current assets                                                          | \$ 139,841,833                                     | \$ 51,212,641                     | \$ 191,054,474        | \$ 67,897,644                                                           |
| Restricted assets                                                       | 116,984,570                                        | 1,064,469                         | 118,049,039           | -                                                                       |
|                                                                         | <u>\$ 256,826,403</u>                              | <u>\$ 52,277,110</u>              | <u>\$ 309,103,513</u> | <u>\$ 67,897,644</u>                                                    |

(Continued)

The notes to the financial statements are an integral part of this statement.

|                                                                                                             | Business-type Activities - Enterprise Funds |                           |               | Governmental<br>Activities -<br>Internal<br>Service<br>Funds |
|-------------------------------------------------------------------------------------------------------------|---------------------------------------------|---------------------------|---------------|--------------------------------------------------------------|
|                                                                                                             | Water and<br>Sewer Utility                  | Other Enterprise<br>Funds | Total         |                                                              |
| RECONCILIATION OF OPERATING INCOME (LOSS)<br>TO NET CASH PROVIDED (USED)<br>BY OPERATING ACTIVITIES:        |                                             |                           |               |                                                              |
| Operating Income (Loss)                                                                                     | \$ 33,630,966                               | \$ 12,270,742             | \$ 45,901,708 | \$ (6,782,504)                                               |
| Adjustments to Reconcile Operating<br>Income (Loss) to Net Cash Provided<br>(Used) by Operating Activities: |                                             |                           |               |                                                              |
| Depreciation                                                                                                | 18,311,404                                  | 2,447,297                 | 20,758,701    | 4,576,133                                                    |
| Pension Expense Adjustment                                                                                  | (4,221,487)                                 | (872,981)                 | (5,094,468)   | (831,113)                                                    |
| OPEB Expense Adjustment                                                                                     | (4,583,145)                                 | (1,792,078)               | (6,375,223)   | (1,831,927)                                                  |
| Change in Assets, Liabilities and Deferred<br>Inflows/Outflows:                                             |                                             |                           |               |                                                              |
| (Increase) Decrease in Accounts Receivable                                                                  | 14,503,937                                  | 339,175                   | 14,843,112    | (88,007)                                                     |
| (Increase) Decrease in Inventory                                                                            | 1,114,218                                   | -                         | 1,114,218     | (3,346)                                                      |
| (Increase) Decrease in Prepaid Items                                                                        |                                             | -                         | -             | (99,930)                                                     |
| Increase (Decrease) in Due From Other<br>Governments                                                        | 89,296                                      | -                         | 89,296        | -                                                            |
| Increase (Decrease) in Vouchers Payable                                                                     | 2,797,028                                   | (469,405)                 | 2,327,623     | (382,295)                                                    |
| Increase (Decrease) in Accrued<br>Expenses, Wages and Leave                                                 | (8,098,084)                                 | 1,051,785                 | (7,046,299)   | (977,802)                                                    |
| Increase (Decrease) in Claims Payable                                                                       | -                                           | -                         | -             | 885,473                                                      |
| Increase (Decrease) in Due To Other<br>Governments                                                          | -                                           | (133,330)                 | (133,330)     | -                                                            |
| Increase (Decrease) in Due To Other Funds                                                                   | -                                           | (118,866)                 | (118,866)     | -                                                            |
| Increase (Decrease) in Deposits Payable                                                                     | 1,406,701                                   | 51,801                    | 1,458,502     | -                                                            |
| Total Adjustments                                                                                           | 21,319,868                                  | 503,398                   | 21,823,266    | 1,247,186                                                    |
| Net Cash Provided (Used) by<br>Operating Activities                                                         | \$ 54,950,834                               | \$ 12,774,140             | \$ 67,724,974 | \$ (5,535,318)                                               |

The notes to the financial statements are an integral part of this statement.

**CITY OF HOLLYWOOD, FLORIDA**

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2022

|                                          | <u>Total<br/>Pension<br/>Plans</u> |
|------------------------------------------|------------------------------------|
| ASSETS:                                  |                                    |
| Investments                              |                                    |
| U.S. Government Securities               | \$ 56,333,648                      |
| Money Market Funds                       | 21,139,850                         |
| Corporate Equities                       | 405,827,758                        |
| Corporate Bonds and Other                | 29,749,494                         |
| Asset Backed Securities                  | 2,771,514                          |
| Mutual Funds                             | 404,266,411                        |
| Pooled Investment Funds                  | <u>86,947,419</u>                  |
| Total Investments                        | 1,007,036,094                      |
| Interest Receivable                      | 801,548                            |
| Accounts Receivable                      | 3,602,630                          |
| Prepaid Items                            | 3,092,329                          |
| Non Depreciable                          | <u>799,213</u>                     |
| <br>TOTAL ASSETS                         | <br><u>1,015,331,814</u>           |
| LIABILITIES:                             |                                    |
| Vouchers Payable                         | 5,664,508                          |
| Voucher Payable - Purchase of Investment | <u>140,643</u>                     |
| <br>TOTAL LIABILITIES                    | <br><u>5,805,151</u>               |
| NET POSITION:                            |                                    |
| Restricted for Pension Benefits          | <u><u>\$ 1,009,526,663</u></u>     |

The notes to the financial statements are an integral part of this statement.

**CITY OF HOLLYWOOD, FLORIDA**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

|                                     | Total<br>Pension<br>Plans |
|-------------------------------------|---------------------------|
| ADDITIONS:                          |                           |
| Contributions:                      |                           |
| City                                | \$ 74,475,429             |
| Local or State Excise Tax           | 3,601,214                 |
| Members                             | 8,487,627                 |
| Total Contributions                 | <u>86,564,270</u>         |
| Investment Income/(Loss):           |                           |
| Net Decrease in Fair                |                           |
| Value of Plan Investments           | (154,264,191)             |
| Interest and Dividends              | 17,752,767                |
|                                     | <u>(136,511,424)</u>      |
| Less: Investment Expense            | (4,966,349)               |
| Net Investment Income/(Loss)        | <u>(141,477,773)</u>      |
| Other Income                        | 16,731                    |
| Total Additions                     | <u>(54,896,772)</u>       |
| DEDUCTIONS:                         |                           |
| Pension Benefits                    | 120,443,846               |
| Refund of Contributions             | 1,166,167                 |
| Administrative Expenses             | 2,446,109                 |
| Total Deductions                    | <u>124,056,122</u>        |
| Change in Net Position              | (178,952,894)             |
| Net Position Restricted for Pension |                           |
| Benefits - Beginning of Year        | <u>1,188,479,557</u>      |
| Net Position Restricted for Pension |                           |
| Benefits - End of Year              | <u>\$ 1,009,526,663</u>   |

The notes to the financial statements are an integral part of this statement.

# CITY OF HOLLYWOOD, FLORIDA

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## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

#### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the City of Hollywood, Florida's (the City) Significant Accounting Policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable or has operational responsibility. Component units, although legally separate entities, are in substance part of the City's operations.

The basic financial statements include both government-wide and fund financial statements. The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The fund financial statements focus on short-term results of operations and financing decisions at a specific fund level.

Internal service funds of a government (which traditionally provide services primarily to other funds of the government) are presented, in summary form, as part of the proprietary fund financial statements. Since the principal users of the internal services are the City's governmental activities, financial statements of internal service funds are consolidated into the governmental activities column when presented at the government-wide level. The costs of these services are allocated to the appropriate functional activity.

The City's fiduciary funds are presented in the basic financial statements by type (i.e. pension). Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

- A. **FINANCIAL REPORTING ENTITY** – The City is a political subdivision of the State of Florida, located in Broward County along the lower southeast coast of the State. The City is governed by an elected mayor and six elected commissioners. The City operates under a commission-manager form of government. The City, which was incorporated in 1925 under Section 25-11519, 1925 Laws of Florida, is approximately 30 square miles in area. In addition to the general government, public safety, public works, culture and recreation services provided to its residents, the City operates and provides water and sewer, stormwater, sanitation, golf, parking services and records preservation activities.

The Downtown Community Redevelopment Agency (DCRA) and Beach Community Redevelopment Agency (BCRA) are districts of the Hollywood Community Redevelopment Agency (CRA), which is legally separate from the City. The CRA was established in accordance with Florida Statutes Chapter 163 Part III Community Redevelopment to finance and redevelop the City's 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 downtown and beach areas. The City has financial and operational responsibility of the CRA. The DCRA and BCRA are blended component units into the primary government. The CRA issues standalone financial statements. The standalone CRA statements may be obtained online at <https://www.hollywoodfl.org/538/Annual-Financial-Pension-Fund-Reports>.

The Hollywood Employees' Retirement Fund, Hollywood Firefighters' Pension System and City of Hollywood Police Officers' Retirement System account for separate pension plans for general employees, fire and police personnel, respectively. Each plan is administered by a board of trustees. The pension plans are combined and reported as fiduciary funds in the basic financial statements of this report, but are not included in the government-wide statements. Each of these

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

pension plans issues a publicly available financial report. Each report may be requested by or viewed electronically as noted below:

|          | General Employees'<br>Retirement System                                   | Fire Pension Fund                                                                                      | Police Retirement System                                                                       |
|----------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| By Mail/ | City Hall Annex, Room 20                                                  | Michelle Rodriguez,                                                                                    | 4205 Hollywood Blvd., Suite 4                                                                  |
| E-mail:  | 2600 Hollywood Boulevard                                                  | Foster & Foster,                                                                                       | Hollywood, Florida 33021                                                                       |
|          | Hollywood, FL 33020                                                       | Pension Administrator,                                                                                 |                                                                                                |
|          | Phone: 954-921-3333                                                       | Phone: 239- 333-4872                                                                                   | Phone: 954-967-4395                                                                            |
|          | Fax: 954-921-3332                                                         |                                                                                                        | Toll Free: 866-738-4776                                                                        |
|          | Email:                                                                    | <a href="https://foster-foster.com/">https://foster-foster.com/</a>                                    | Fax: 954-967-4387                                                                              |
|          | <a href="mailto:info@hollywoodpension.com">info@hollywoodpension.com</a>  | <a href="https://www.hollywoodfl.org/164/Firefighters-Pension-Board">https://www.hollywoodfl.org/1</a> | <a href="http://www.hollywoodpolicepensionfund.com/home.asp">http://www.hollywoodpolicepen</a> |
| Website: | <a href="https://hollywoodpension.com/">https://hollywoodpension.com/</a> | <a href="https://www.hollywoodfl.org/164/Firefighters-Pension-Board">64/Firefighters-Pension-Board</a> | <a href="http://www.hollywoodpolicepensionfund.com/home.asp">sionfund.com/home.asp</a>         |

In addition, the City has the following dependent districts:

Central Residential Neighborhood Improvement District No. 1 – created on September 7, 1988 by City Ordinances O-88-52 and O-88-78 under State statutory authority Section 163.506 F.S. for the purpose of neighborhood improvement.

City of Hollywood 441 Corridor Business NID No. 2 – created on November 7, 1988 by City Ordinances O-88-53 and O-88-79 under State statutory authority Section 163.506 F.S. for the purpose of neighborhood improvement.

Emerald Hills Safety Enhancement District – created on August 30, 2017 by City Ordinance O-2018-13 under State statutory authority Section 189.02 F.S. for the purpose of safety enhancement.

Emerald Hills Safety Enhancement District had reportable activity in the 2022 fiscal year and is shown as a discretely presented component unit. The District is a legally separate entity in which the City appoints the board, has the ability to impose its will, and has a non-fiduciary relationship. The District collects fees for security services provided specifically to the Emerald Hills community only. An independent firm compiled the financials of the District. The District's website is <https://ehsed.org/>. However, the financial statements may not be readily available due to the timing of the board's adoption of such statements.

- B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a governmental activities column, and a reconciliation is presented, which briefly explains the adjustments necessary to reconcile funds based on financial statements with the governmental activities column of the government-wide presentation. Under this basis, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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, other postemployment benefits, pensions, claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

The BEACH COMMUNITY REDEVELOPMENT FUND accounts for governmental revenue and grants for financing redevelopment projects within the beach redevelopment district.

The DOWNTOWN COMMUNITY REDEVELOPMENT FUND accounts for governmental revenue and grants for financing redevelopment projects within the downtown redevelopment district. This fund is determined as major by management for public interest purpose.

The City reports the following major proprietary funds:

The WATER AND SEWER UTILITY FUND accounts for the operations of the City's regional water and sewer utility system.

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's proprietary fund function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, as well as fees, fines and forfeitures, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues, rather than as program revenues. Likewise, general revenues include all taxes.

The City maintains two different types of proprietary funds; enterprise funds and internal service funds. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Activities accounted for in the City's major enterprise funds are noted above.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, information technology and communications systems as well as its insurance operations.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by unrestricted resources as they are needed.

#### D. ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION

1. **POOLED CASH AND INVESTMENTS** – The City's cash and demand deposits are considered to be cash on hand. The City has established an investment policy in accordance with Section 218.415, State Statutes that allows the City to invest in relatively low risk securities. Investments are stated at fair value based on quoted market prices. Resources of all funds, with the exception of the pension funds, have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and realized and unrealized gains and losses on investments. Investment revenue on pooled investments is allocated monthly based upon equity balances of the respective funds. As required by GASB Statements these notes include a presentation of deposit and investment risk disclosures.
2. **ACCOUNTS AND PROPERTY TAX RECEIVABLES** – All accounts and property tax receivables are shown net of an allowance for uncollectibles. Accounts receivable in excess of 90 days comprise the accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 100% of outstanding property taxes at September 30, 2022.

Real and personal property values are assessed on a county-wide basis by the Broward County Property Appraiser as of January 1, each year. Taxable value of property within the City is certified by the Property Appraiser on July 1. The City levies a property tax millage rate upon that taxable value to provide revenue required for the fiscal year beginning October 1. Taxes for the fiscal year beginning October 1 are billed in the month of November and are due March 31. If taxes are paid between November and February, a 1% per month discount

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

is applied to the tax bill. On April 1, unpaid amounts become delinquent with interest and penalties added thereafter. Beginning June 1, tax certificates representing delinquent amounts are sold by Broward County, with remittance to the City for its share of those receipts.

3. **REINSURANCE RECEIVABLE** – The City uses reinsurance to reduce its exposure to large losses on certain lines of insurance as described in Note III.C. Amounts expected to be received from the re-insurers for claims due under these policies are recorded as such at fiscal year end in the Insurance Fund.
4. **DUE TO/DUE FROM** – Activity between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

5. **INVENTORIES** – Inventories are maintained on a perpetual system and are stated at cost (using the average cost method). Inventories in all funds are recorded as expenditures or expenses when consumed.
6. **ASSETS HELD FOR SALE** – The assets held for sale represent lands and buildings purchased by the City and the DCRA with the expressed intent to sell. These lands and buildings are recorded at the lower of cost or net realizable value. See Note III.B. for listing of assets held for sale.
7. **RESTRICTED ASSETS** – Certain revenue bond proceeds in various funds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet or statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Certain notes receivable have been pledged as collateral as required by the U.S. Department of Housing and Urban Development for Section 108 funds loaned to the City and are also reflected as restricted assets in the City’s financial statements. Restricted assets in business-type activities originate due to City ordinance bond covenants and other agreements that require segregation and restriction of these assets. See Note III.A. for listing of major components.
8. **CAPITAL ASSETS** – Capital assets, which include property, plant, equipment, intangible, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets are capitalized based on the accumulated amounts charged to specific capital projects on an annual basis. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one (1) year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred, net of interest earned, during the construction phase of capital assets of business-type activities is not included as part of the capitalized value of the assets constructed due to implementation of GASB 89.

The City records impairment losses on long lived assets used in operations when events or circumstances indicate the assets might be impaired. No impairment losses have been recorded.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u>              | <u>Years</u> |
|----------------------------|--------------|
| Buildings                  | 15 to 40     |
| Building Improvements      | 5 to 40      |
| Infrastructure             | 20 to 50     |
| Vehicles                   | 3 to 20      |
| Office Equipment           | 2 to 15      |
| Computer Software/Hardware | 2 to 6       |

Intangible right of use leased assets are amortized on a straight line basis over the shorter of their estimated useful life or the lease contract term.

9. 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. Deferred Outflows of resources represent a consumption of net assets that applies to future periods and that Deferred Inflows of resources represent an acquisition of net assets that applies to future periods. The City reports the following deferred outflows of resources: interest rate swap, deferred charge on refunding, deferred pension outflows, and deferred OPEB outflows. The interest rate swap represents the fair value balance of the outstanding derivative instrument. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. The City also reports deferred outflows for pensions due to pension contributions made subsequent to the pension plan's actuarial measurement date and will be expended in the following fiscal year, changes in actuarial assumptions, and the difference between expected and actual experience. The deferred outflows relating to changes in assumptions and the difference between expected and actual experience are amortized over the average, expected remaining service lives of all employees that are provided with pension benefits. Deferred outflows relating to OPEB represent changes in actuarial assumptions and are amortized over a closed period equal to the average of the remaining service lives of all active and inactive employees that are provided with OPEB.

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 applicable to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City reports the following deferred inflows of resources: Unearned revenues, deferred pensions, and deferred other post-employment benefits (OPEB). Unearned revenues are deferred and recognized as revenues in the period that the amounts become available. Deferred inflows of resources relating to pensions account for the net difference between projected and actual earnings on pension plan investments which are deferred and amortized over a closed five year period. Deferred Inflows related to OPEB are due to change in assumptions which are deferred, and amortized similarly to the deferred outflows of resources for OPEB.

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

10. **COMPENSATED ABSENCES** – It is the City's policy to permit employees to accumulate earned but unused vacation, sick, and other leave pay benefits. A portion of accumulated sick pay benefits are paid upon separation, based on number of years of service. All vacation pay and applicable portion of sick pay balances are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.
11. **LONG-TERM OBLIGATIONS** – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond Issuance costs are expended as incurred except for any bond insurance costs.
- In the fund financial statements, governmental fund types recognize bond premiums and discounts 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, are reported as debt service expenditures. Payments related to the interest rate swap are netted by each party to the other and made on a quarterly basis.
12. **UNEARNED REVENUE** – Unearned revenue is recorded for governmental fund receivables that are not both measurable and available. In addition, inflows that do not yet meet the criteria for revenue recognition, such as contract revenue collected in advance, are recorded as deferred inflow of resources in the government-wide and the fund statements.
13. **FUND BALANCE** – The Governmental Accounting Standards Board Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54) established consistency in the fund balance information reported by many governments and enables financial statement users to readily interpret reported fund balance information. This pronouncement requires governmental fund balances be classified as nonspendable, restricted, committed, assigned or unassigned. The City has disclosed information about governmental fund balance reporting as required in the Notes to the Financial Statements.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the City Commission has provided otherwise in its commitment or assignment actions.

Net position of the government-wide and proprietary funds is categorized as investment in capital assets, reduced by accumulated depreciation, any outstanding debt incurred and related deferred inflows/outflows to acquire, construct or improve those assets excluding unexpended bond proceeds, restricted or unrestricted to arrive at net investment in capital assets. This category represents net position related to property, plant, equipment, intangible, and infrastructure. The restricted category represents the balance of net position restricted by requirements of debt indentures and other externally imposed constraints or by legislation in excess of the related liabilities payable from restricted assets. Unrestricted net position

**CITY OF HOLLYWOOD, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

consists of all net position that does not meet the definition of either of the other two components.

14. ESTIMATES – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows/outflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's estimates.

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## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

#### NOTE II – DETAILED NOTES ON ALL FUNDS

- A. CASH – The City's bank balances, including balances for its component unit, the Hollywood Community Redevelopment Agency, and the three City-sponsored employee pension plans (reported as fiduciary funds), were entirely insured either by federal depository insurance or via the banks' participation as qualified public depositories pursuant to Florida Statutes, Chapter 280, "Security for Public Deposits" as of September 30, 2022. The City's cash and demand deposits are considered to be cash on hand.
- B. INVESTMENTS – The City's comprehensive investment policy was established in accordance with Section 218.415, Florida Statutes and has been revised periodically as required to reflect changes to those statutes. The investment policy applies to all investments held or controlled by the City with the exception of the three City-sponsored employee pension plans and its debt issuances where there are other existing policies or indentures in effect for the investment of related funds. The City maintains an internal cash and investment pool which most funds participate in. In addition, the City separately invests cash and debt proceeds related to capital projects so that it may time the duration of investment maturities with the anticipated project cash flows. The City also separately invests any debt-related cash reserves that are required by debt covenant, in accordance with the terms of the respective debt agreements. The City's total deposits and investments, including their investment maturities, are shown in this note classified by pooled versus non-pooled investments. The capital project and debt reserve related investments are subclassified to differentiate the investments of the City (primary government unit) and the City's Community Redevelopment Agency (component unit).

The City's investment policy allows for the following investments: SBA Investment Pool, United States government securities, United States government agencies, federal instrumentalities, interest bearing time deposits or savings accounts, including certificates of deposit and demand deposits, repurchase agreements, commercial paper, mutual funds consisting of United States government obligations, registered investment companies (money market mutual funds) and intergovernmental investment pools. The City did not invest in any repurchase agreements, commercial paper or mutual funds during fiscal year 2022.

The City maintains three defined benefit pension plans covering substantially all full-time employees. These plan's investment policies are compliant with Section 112.661 Florida Statutes. The investment of these pension plans are managed in accordance with the plan provisions as established by each pension board. Pension investments are carried at fair value, except as noted below, which is determined as follows: securities traded on a national exchange are valued at the last reported sales price on the last business day of the fiscal year; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price; commercial paper, time deposits and money market funds are reported at cost. Alternative investments which include real estate investment trusts and private equity, where no readily ascertainable value exists, management in consultation with the general partner and investment advisors, has determined the fair values for the individual investments based upon the assets most recent available financial information.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

At September 30, 2022, the City and its three employee pension plans (Fiduciary Funds) had the following maturities and credit ratings for cash and investments:

|                                     | Investment Maturities |                       |                       |               |                            |                      |
|-------------------------------------|-----------------------|-----------------------|-----------------------|---------------|----------------------------|----------------------|
|                                     | Reported Value        | Less Than 1 Year      | 1 - 5 Years           | Credit Rating | Average Maturity in Months | Percent Distribution |
| <b>CITY CASH &amp; INVESTMENTS:</b> |                       |                       |                       |               |                            |                      |
| Pooled Cash:                        |                       |                       |                       |               |                            |                      |
| Demand Deposits                     | \$ 26,551,246         | \$ 26,551,246         | \$ -                  |               |                            | 3.99 %               |
| Money Market                        | 165,550,419           | 165,550,419           | -                     |               |                            | 24.87                |
| Non-pooled Cash:                    |                       |                       |                       |               |                            |                      |
| Insurance Fund:                     |                       |                       |                       |               |                            |                      |
| Cash with Paying Agent              | 471,982               | 471,982               |                       |               |                            | 0.07                 |
| Capital Projects/Bond Related       |                       |                       |                       |               |                            |                      |
| Golf Enterprise Funds               |                       |                       |                       |               |                            |                      |
| Orangebrook cash                    | 100,000               | 100,000               | -                     |               |                            | 0.02                 |
| Total City Cash                     | <u>192,673,647</u>    | <u>* 192,673,647</u>  | <u>-</u>              |               |                            |                      |
| Pooled Investments:                 |                       |                       |                       |               |                            |                      |
| Demand Deposits                     | 27,310,409            | 27,310,409            | -                     |               |                            | 4.10                 |
| Money Market                        | 168,344               | 168,344               | -                     |               |                            | 0.03                 |
| Florida Cooperative Liquid Assets   |                       |                       |                       |               |                            |                      |
| Securities Systems (FLCLASS)        | 51,667                | 51,667                | -                     | AAAm          | 3.15                       | 0.01                 |
| Florida Public Assets for Liquidity |                       |                       |                       |               |                            |                      |
| Liquidity Management (FLPALM)       | 90,313,289            | 85,313,289            | 5,000,000             | AAAm          | 2.07                       | 13.56                |
| Florida Star (FLSTR)                | 2,006,616             | 2,006,616             |                       | AAAm          | 0.50                       | 0.30                 |
| Local Government Investment Pool    | 470,487               | 470,487               | -                     | AAAm          | 0.70                       | 0.07                 |
| Corporate Bonds                     | 37,024,101            |                       | 37,024,101            |               |                            | 5.56                 |
| Municipal Bonds                     | 10,369,908            |                       | 10,369,908            |               |                            | 1.56                 |
| U.S. Government Instruments:        |                       |                       |                       |               |                            |                      |
| Federal Home Loan Bank              | 5,047,648             |                       | 5,047,648             |               | 0.70                       | 0.76                 |
| Federal National Mortgage Assoc.    | 9,473,689             |                       | 9,473,689             |               | 0.70                       | 1.42                 |
| U.S. Treasury                       | 173,533,362           | 13,054,405            | 160,478,957           |               | 2.57                       | 26.06                |
| Total Pooled Investments            | <u>355,769,520</u>    | <u>128,375,217</u>    | <u>227,394,303</u>    |               |                            |                      |
| Non-Pooled Investments:             |                       |                       |                       |               |                            |                      |
| Community Redevelopment Agency:     |                       |                       |                       |               |                            |                      |
| Money Market                        | 55,063,254            | 55,063,254            | -                     |               |                            | 8.27                 |
| Total Community                     |                       |                       |                       |               |                            |                      |
| Redevelopment Agency                | <u>55,063,254</u>     | <u>55,063,254</u>     | <u>-</u>              |               |                            |                      |
| Capital Projects/Bond Related       |                       |                       |                       |               |                            |                      |
| Reserves:                           |                       |                       |                       |               |                            |                      |
| Demand Deposits                     | 7,920,983             | 7,920,983             | -                     |               |                            | 1.19                 |
| Florida Cooperative Liquid Assets   |                       |                       |                       |               |                            |                      |
| Securities Systems (FLCLASS)        | 38,642,701            | 38,642,701            |                       | AAAm          | 2.27                       | 5.80                 |
| Money Market                        | 15,714,184            | 15,714,184            | -                     |               |                            | 2.36                 |
| Total Non-Pooled Investments        | <u>117,341,122</u>    | <u>117,341,122</u>    | <u>-</u>              |               |                            | <u>100.00 %</u>      |
| Total City Investments              | <u>473,110,642</u>    | <u>245,716,339</u>    | <u>227,394,303</u>    |               |                            |                      |
| Total City Cash & Investments       | <u>\$ 665,784,289</u> | <u>\$ 438,389,986</u> | <u>\$ 227,394,303</u> |               |                            |                      |

\* Demand deposits include petty cash amounts held by various City departments totaling \$36,530.

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# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

|                                            | Fair<br>Value  | Less Than 1<br>Year | 1 - 5<br>Years | 6 - 10<br>Years | More Than<br>10 Years |
|--------------------------------------------|----------------|---------------------|----------------|-----------------|-----------------------|
| <b>FIDUCIARY FIXED INCOME INVESTMENTS:</b> |                |                     |                |                 |                       |
| U. S. Government Securities:               |                |                     |                |                 |                       |
| U. S. Treasuries:                          |                |                     |                |                 |                       |
| General Employees                          |                |                     |                |                 |                       |
| Retirement Fund                            | \$ 2,196,432   | \$ -                | \$ 631,289     | \$ 880,095      | \$ 685,048            |
| Fire Pension Fund                          | 20,399,021     | -                   | -              | 20,399,021      | -                     |
| Police Retirement Fund                     | 18,179,310     | -                   | 7,124,531      | 10,011,576      | 1,043,203             |
| Total U. S. Treasuries                     | 40,774,763     | -                   | 7,755,820      | 31,290,692      | 1,728,251             |
| U. S. Government Agencies:                 |                |                     |                |                 |                       |
| General Employees                          |                |                     |                |                 |                       |
| Retirement Fund                            | 420,897        | -                   | 356,279        | -               | 64,618                |
| Fire Pension Fund                          | 9,381,653      | -                   | -              | 9,381,653       | -                     |
| Police Retirement Fund                     | 5,756,335      | -                   | -              | -               | 5,756,335             |
| Total U. S. Government Agencies            | 15,558,885     | -                   | 356,279        | 9,381,653       | 5,820,953             |
| Total U. S. Government Securities          | 56,333,648     | -                   | 8,112,099      | 40,672,345      | 7,549,204             |
| Corporate Bonds and Notes:                 |                |                     |                |                 |                       |
| General Employees                          |                |                     |                |                 |                       |
| Retirement Fund                            | 3,781,021      | -                   | 1,445,757      | 1,890,682       | 444,582               |
| Fire Pension Fund                          | 4,378,629      | -                   | -              | 4,378,629       | -                     |
| Police Retirement Fund                     | 12,563,924     | -                   | 3,084,027      | 6,450,091       | 3,029,806             |
| Total Corporate Bonds and Notes            | 20,723,574     | -                   | 4,529,784      | 12,719,402      | 3,474,388             |
| Asset Backed Securities                    |                |                     |                |                 |                       |
| General Employees                          |                |                     |                |                 |                       |
| Retirement Fund                            | 2,771,514      | -                   | -              | 2,771,514       | -                     |
| Total Asset Backed Securities              | 2,771,514      | -                   | -              | 2,771,514       | -                     |
| Bond Mutual Funds                          |                |                     |                |                 |                       |
| General Employees                          |                |                     |                |                 |                       |
| Retirement Fund                            | 33,199,479     | -                   | -              | 33,199,479      | -                     |
| Total Bond Mutual Funds                    | 33,199,479     | -                   | -              | 33,199,479      | -                     |
| Total Fiduciary Fixed Income Investments   | \$ 113,028,215 | \$ -                | \$ 12,641,883  | \$ 89,362,740   | \$ 11,023,592         |

1. **INTEREST RATE RISK** – Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in the market interest rates. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution. The City also attempts to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, the City's investment policy limits the maturities to five years from the date of purchase. The City's FL CLASS, FL PALM, and U.S. Treasury investments have a "weighted average maturity" of 2.27, 2.07, and 9.52 months respectively. The City's investments in U. S. Government Instrumentalities are all callable within a shorter period hence allowing the City to address any rising interest rate risk quicker than full maturity.

As a means of limiting their exposure to interest rate risk, the employee pension plans diversify their investments by security type and institution, and limit holdings by type of investment and with any one issuer. Information about the sensitivity of the fair values of the funds' debt securities to market interest rate fluctuations is provided by the above table that shows the distribution of the funds' fixed income investments by maturity at September 30, 2022.

2. **CREDIT RISK** – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits its

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

investment to a grade of A or higher. All of the City's non-pension related investments were comprised of demand deposits, money market accounts and U.S. Government Instruments at September 30, 2022 (\$665.8 million).

Investment policies for the pension plans limit equity securities to those listed on a national securities exchange or traded in the over-the-counter market and quoted in the National Association of Securities Dealers Automatic Quotation Service. Investments in any issuing company are limited to not more than five percent (5%) of the fair value of the assets. Fixed income portfolios are to be invested in marketable securities rated in the highest four (4) quality grades as established by one or more of the nationally recognized bond rating services.

The following table discloses credit ratings by fixed income investment type for the City's three pension plans at September 30, 2022, as applicable:

|                                                             | Fair<br>Value         | Percentage<br>of Portfolio |
|-------------------------------------------------------------|-----------------------|----------------------------|
| <b>EMPLOYEES RETIREMENT FUND:</b>                           |                       |                            |
| Fixed Income Securities                                     | \$ 114,209,266        | 94.57 %                    |
| AAA                                                         | 2,981,400             | 2.47                       |
| AA+                                                         | 121,722               | 0.10                       |
| A                                                           | 377,816               | 0.31                       |
| A-                                                          | 497,243               | 0.41                       |
| Baa3                                                        | 169,909               | 0.14                       |
| BBB+                                                        | 528,985               | 0.44                       |
| BBB                                                         | 635,318               | 0.53                       |
| BBB-                                                        | 624,494               | 0.52                       |
| BB+                                                         | 261,111               | 0.22                       |
| BB                                                          | 271,508               | 0.22                       |
| BB-                                                         | 83,029                | 0.07                       |
| Total Credit Risk Debt Securities                           | 6,552,535             | 5.43                       |
| Total Employees Retirement Fund<br>Fixed Income Securities  | 120,761,801           | 100.00                     |
| <b>FIRE PENSION FUND:</b>                                   |                       |                            |
| U. S. Government Guaranteed (a)                             | 29,780,674            | 68.96                      |
| Quality Rating of Credit Risk Debt Securities:              |                       |                            |
| A                                                           | 13,404,549            | 31.04                      |
| Total Fire Pension Fund Fixed<br>Income Securities          | 43,185,223            | 100.00                     |
| <b>POLICE RETIREMENT FUND:</b>                              |                       |                            |
| U. S. Government Guaranteed (a)                             | 23,935,645            | 65.58                      |
| Quality Rating of Credit Risk Debt Securities:              |                       |                            |
| AAA                                                         | 1,009,940             | 2.77                       |
| AA+                                                         | -                     | -                          |
| AA                                                          | -                     | -                          |
| AA-                                                         | 955,610               | 2.62                       |
| A+                                                          | -                     | -                          |
| A                                                           | 2,052,855             | 5.62                       |
| A-                                                          | 5,818,923             | 15.94                      |
| BBB+                                                        | 1,678,862             | 4.60                       |
| BBB-                                                        | 1,047,734             | 2.87                       |
| Total Credit Risk Debt Securities                           | 12,563,924            | 34.42                      |
| Total Police Retirement Fund Fixed<br>Income Securities     | 36,499,569            | 100.00                     |
| <b>Total Combined Pension Funds Fixed Income Securities</b> | <b>\$ 200,446,593</b> |                            |

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

### COMBINED PENSION FUNDS:

|                                                      |                |        |
|------------------------------------------------------|----------------|--------|
| U. S. Government Guaranteed (a)                      | 167,925,585    | 0.84   |
| Quality Rating of Credit Risk Debt Securities:       |                |        |
| AAA                                                  | 3,991,340      | 0.02   |
| AA                                                   | 1,077,332      | 0.01   |
| A                                                    | 22,151,386     | 0.11   |
| Baa3                                                 | 169,909        | -      |
| BB                                                   | 615,648        | -      |
| BBB                                                  | 4,515,393      | 0.02   |
| Total Credit Risk Debt Securities                    | 32,521,008     | 0.16   |
| Total Combined Pension Funds Fixed Income Securities | \$ 200,446,593 | 1.00 % |

(a) Obligations of the U.S. government or obligations explicitly or implicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

3. CUSTODIAL CREDIT RISK – This is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City's investment policy requires securities, with the exception of certificates of deposit and overnight repurchase agreements (one business day), to be held with a third party custodian; and that all securities purchased by, and all collateral obtained by or on behalf of the City be properly designated as an asset of the City. The securities are held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. As of September 30, 2022, the City's investment portfolios were held with a third party custodian as required by the City's investment policy.

Consistent with the pension plans' investment policies, pension plan investments are held by third party safekeeping custodians selected by their boards of trustees and registered in the plans' name, except for certificates of deposit and other time deposits, which are collateralized in accordance with Florida Statutes.

4. CONCENTRATION OF CREDIT RISK – The City's investment policy has established asset allocation limits on the following investments designed to reduce concentration of credit risk of the investment portfolio. A maximum of 100% of available funds may be invested in cash equivalents and United States government securities. Seventy-five percent (75%) of available funds may be invested in each of the following categories: federal instrumentalities (United States Government Sponsored Enterprises,"GSE"), non-negotiable interest bearing deposits, money market or savings accounts. Fifty percent (50%) may be invested in United States government agencies. Thirty percent (30%) of available funds may be invested in intergovernmental investment pools with both stable and floating net asset values, the Florida Local Government Surplus Funds Trust Fund(Florida Prime/SBA) and municipal bonds. Twenty-five percent (25%) of available funds may be invested in repurchase agreements and corporate notes and twenty percent (20%) may be invested in each of the following categories: commercial paper, mortgage-backed securities(MBS), asset-backed securities (ABS), and registered investment companies (money market mutual funds).

The investment policies of the pension plans contain limitations on the amount that can be invested in any one issuer as well as portfolio allocation ranges and maximum percentages by types of investments. There were no individual investments that represent five percent (5%) or more of the Fire Pension Fund at September 30, 2022. At September 30, 2022, the Police Officers' Retirement System had the following investments that represented more than 5% of the Plans total investments: RhumbLine S&P Mid Cap 400 Polled Infx Fund (10.9%), and

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

U.S. Real Estate Investment Fund (10.7%). The General Employee's Retirement Fund held certain investments that exceed 5 percent or more of the Plan's net position. These investments included:

| Investment                                             | % of Plan<br>Net Position |   |
|--------------------------------------------------------|---------------------------|---|
| S&P 500 Index Fund - Non Lending                       | 15.60                     | % |
| Wellington Trust Company - CTF International           | 10.40                     |   |
| Baird Core Plus Bond Fund                              | 8.60                      |   |
| Neuberger Berman - Crossroads XXI Fund                 | 5.90                      |   |
| Neuberger Berman - Short Duration Emerging Market Fund | 5.70                      |   |

5. **FOREIGN CURRENCY RISK** - Foreign currency risk is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. Dollars and the carrying value of foreign investments. At September 30, 2022, the Police Officers' Retirement system had 1.1% of its total investments in foreign investments. No other investments were subject to this risk either due to no investments or prohibition per investment policies.
6. **INVESTMENT VALUATION** – GASB 72 establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the specific characteristics of the investment.

Fair value represents the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Investments traded in an active market with available quoted prices for identical assets as of the reporting date.

Level 2 – Investments not traded on an active market but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date.

Level 3 – Investments not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

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

Net asset value (NAV) is a common measurement of fair value for level 1, level 2 and level 3 investments. A fund's NAV is simply its assets less its liabilities, and is often reported as a per share amount for fair value measurement purpose. The plans would multiply the NAV per share owned to arrive at fair value. Level 1 investments in funds such as mutual funds report

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

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

The following tables summarize the valuation of the City’s and the three pension plans’ investments in accordance with the above mentioned fair value hierarchy levels as of September 30, 2022:

### City of Hollywood Investments

|                                                                  | September 30,<br>2022 | Fair Value Measurements Using:                                           |                                                           |
|------------------------------------------------------------------|-----------------------|--------------------------------------------------------------------------|-----------------------------------------------------------|
|                                                                  |                       | Quoted Price in<br>Active Market<br>for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) |
| Investments by Fair Value Level:                                 |                       |                                                                          |                                                           |
| U.S. Government Instrumentalities:                               |                       |                                                                          |                                                           |
| U.S. Treasury                                                    | \$ 173,533,362        |                                                                          | \$ 173,533,362                                            |
| Federal Home Loan Bank                                           | 5,047,648             |                                                                          | 5,047,648                                                 |
| Federal National Mortgage Assoc.                                 | 9,473,689             |                                                                          | 9,473,689                                                 |
| Corporate Bonds                                                  | 37,024,101            |                                                                          | 37,024,101                                                |
| Municipal Bonds                                                  | 10,369,908            | \$ -                                                                     | 10,369,908                                                |
|                                                                  | <u>\$ 235,448,708</u> | <u>\$ -</u>                                                              | <u>\$ 235,448,708</u>                                     |
| Investments Measured at the Net Asset Value (NAV):               |                       |                                                                          |                                                           |
| Florida Cooperative Liquid Assets<br>Securities System (FLCLASS) | 38,694,368            |                                                                          |                                                           |
| Florida Public Assets for Liquidity<br>Management (FLPALM)       | 90,313,289            |                                                                          |                                                           |
| Total Investment measured at the NAV                             | <u>129,007,657</u>    |                                                                          |                                                           |
| Demand Deposits                                                  | 61,782,638            |                                                                          |                                                           |
| Money Market                                                     | 236,496,201           |                                                                          |                                                           |
| Cash with Paying Agents                                          | 471,982               |                                                                          |                                                           |
| Florida Prime - SBA Local Government Surplus Trust Fund          | 470,487               |                                                                          |                                                           |
| Florida Star Government Fund                                     | 2,006,616             |                                                                          |                                                           |
| Orangebrook Demand Deposit                                       | 100,000               |                                                                          |                                                           |
| Total Investments                                                | <u>\$ 665,784,289</u> |                                                                          |                                                           |

| Investments Measured at the NAV:                               | Fair Value            | Redemption<br>Frequency | Notice<br>Period |
|----------------------------------------------------------------|-----------------------|-------------------------|------------------|
| Florida Cooperative Liquid Assets Securities Systems (FLCLASS) | \$ 38,694,368         | Daily                   | Same day         |
| Florida Public Assets for Liquidity Management (FLPALM)        | 90,313,289            | Daily                   | Same day         |
|                                                                | <u>\$ 129,007,657</u> |                         |                  |

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an external local government investment pool created by interlocal agreement under F.S. 163.01. The pool is supervised by an appointed Board of Trustees comprised of eligible participants of the program. The Board acts as the liaison between the participants, the custodian, and the program administrator. The fund is an S&P AAAM rated money market product offering a fiscally conservative diversification option for Florida local governments. The objective of the fund is to provide investors with liquidity, stable share price and as high a level of current income as is consistent with preservation of principal and liquidity. The weighted average maturity is 68 days as of September 30, 2022.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

Florida Public Assets for Liquidity Management (FLPALM) is a common law trust organized under the F.S. 163.01 The Fund is directed by a board of trustees comprised of eligible participants of the program The fund is an S&P AAAM rated money market product designed to meet the cash management and short term investment needs of school districts, political subdivisions of the State or instrumentalities of political subdivisions of the State. The objective of the fund is to provide investors with the highest possible investment yield, while maintaining liquidity and preserving capital. The weighted average maturity is 62 days as of September 30, 2022.

Florida PRIME is a government investment pool exclusive for governmental agencies within the State of Florida. The pool is supervised by Federated Investors. The portfolio invests primarily in bank instruments, repurchase agreements, commercial paper, and corporate fixed income securities. The objective of the fund is to provide investors with a liquid investment product with competitive yields. The weighted average maturity is 21 days as of September 30, 2022.

FLSTAR Government Fund is a government investment pool exclusive for governmental agencies within the State of Florida. The fund invests primarily in treasury and agency securities and repurchase agreements fully collateralized by government securities -- no commercial paper. The objective of the fund is to provide investors with preservation and protection of principal, liquidity and efficiency. The weighted average maturity is 15 days as of September 30, 2022.

### Employees Retirement Fund Investments

| Investment by Fair Value Level                        | September 30, 2022 | Fair Value Measurements Using                                         |                                                           |
|-------------------------------------------------------|--------------------|-----------------------------------------------------------------------|-----------------------------------------------------------|
|                                                       |                    | Quoted Price in<br>Active Market for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) |
| Bond Mutual Fund                                      | \$ 33,199,479      | \$ 33,199,479                                                         | \$ -                                                      |
| U.S. Government Agencies                              | 420,897            | -                                                                     | 420,897                                                   |
| U.S. Treasuries                                       | 2,196,432          | -                                                                     | 2,196,432                                                 |
| Fixed Income Composites                               | 53,731,067         | 14,756,964                                                            | 38,974,103                                                |
| Corporate Bonds                                       | 3,781,021          | -                                                                     | 3,781,021                                                 |
| Asset Backed Securities                               | 2,771,514          | -                                                                     | 2,771,514                                                 |
| Domestic Stocks                                       | 13,917,028         | 12,516,210                                                            | 1,400,818                                                 |
| Large Cap Equity<br>Investment Fund                   | 60,077,324         | -                                                                     | 60,077,324                                                |
| Small Cap Equity<br>Investment Fund                   | 20,934,052         | -                                                                     | 20,934,052                                                |
| International Equity Investment Fund                  | 63,622,863         | 16,611,240                                                            | 47,011,623                                                |
| Total Investments by<br>Fair Value Level              | 254,651,677        | \$ 77,083,893                                                         | \$ 177,567,784                                            |
| Investments Measured at the<br>Net Asset Value (NAV): |                    |                                                                       |                                                           |
| Private Equity Investment Funds                       | 42,514,399         |                                                                       |                                                           |
| Private Debt Investment Funds                         | 24,661,391         |                                                                       |                                                           |
| Real Estate Investment Funds                          | 44,589,770         |                                                                       |                                                           |
| Infrastructure Investment Funds                       | 12,755,908         |                                                                       |                                                           |
| Total Investments<br>Measured at NAV                  | 124,521,468        |                                                                       |                                                           |
| Money Market (exempt)                                 | 7,095,536          |                                                                       |                                                           |
| Total Investments                                     | \$ 386,268,681     |                                                                       |                                                           |

Bond Mutual Fund – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

Fixed Income Composites – Valued by using one or more of the following methods: securities exchange quotations/listed market prices, by using pricing services, by obtaining broker-dealer quotations, using independent review of good-faith estimates of fair value through third party appraisers, and lastly by utilizing a pricing method approved by the pricing committee.

Domestic Stocks – Valued at the closing price reported for similar assets in active markets.

Equity Investment Funds – Valued at market prices for similar assets in active markets.

At present the Plan does not value any of its investments using level 3 inputs.

| Investments Measured at NAV                   | Reported Value<br>September 30,<br>2022 | Unfunded<br>Commitments | Redemption<br>Frequency | Notice<br>Period |
|-----------------------------------------------|-----------------------------------------|-------------------------|-------------------------|------------------|
| Private Equity Investment Funds:              |                                         |                         |                         |                  |
| NB Crossroads Fund XXI - Asset Allocation, LP | \$ 22,610,546                           | \$ 5,400,000            | Not Eligible            | N/A              |
| HarbourVest Dover Fund IX, LP                 | 6,610,624                               | 1,500,000               | Not Eligible            | N/A              |
| GoldPoint Co-Investment VI, LP                | 13,293,229                              | 972,779                 | Not Eligible            | N/A              |
| Total Private Equity Investment               | <u>42,514,399</u>                       | <u>7,872,779</u>        |                         |                  |
| Private Debt Investment Fund:                 |                                         |                         |                         |                  |
| AG Direct Lending Fund II, LP                 | 5,837,329                               | 1,121,497               | Not Eligible            | N/A              |
| NB Private Debt Fund IV, LP                   | 10,420,040                              | 10,000,000              | Not Eligible            | N/A              |
| Brightwood Capital Fund V, LP                 | 3,289,121                               | 4,500,000               | Not Eligible            | N/A              |
| Marathon Healthcare Finance Fund, LP          | 5,114,901                               | 1,121,497               | Not Eligible            | N/A              |
|                                               | <u>24,661,391</u>                       | <u>16,742,994</u>       |                         |                  |
| Real Estate Investment Funds:                 |                                         |                         |                         |                  |
| AG Realty Value Fund X, LP                    | 9,301,005                               | -                       | Not Eligible            | N/A              |
| Morgan Stanley - Prime Property Fund, LLC     | 15,409,210                              | -                       | Quarterly               | 90 Days          |
| Principal Enhanced Property Fund, LP          | 16,943,674                              | -                       | Quarterly               | 90 Days          |
| Marathon Healthcare Finance Fund, LP          | 2,935,881                               | 3,007,457               | Not Eligible            | N/A              |
| Total Investment in Real Estate Funds         | <u>44,589,770</u>                       | <u>3,007,457</u>        |                         |                  |
| Private Infrastructure Investment Fund:       |                                         |                         |                         |                  |
| IFM Global Infrastructure Investment Fund     | 12,755,908                              | -                       | Quarterly               | 90 Days          |
| Total Investments Measured at NAV             | <u>\$ 124,521,468</u>                   | <u>\$ 27,623,230</u>    |                         |                  |

NB Crossroads Fund XXI – Assets Allocation, LP was formed in January 15, 2015 as a Delaware limited partnership for the purpose of acquiring, holding, selling and exchanging, either directly or indirectly, interest in limited partnerships or other pooled investment vehicles that are organized to make investments in large-cap buyout, mid-cap buyout, special situations and venture/growth capital investment funds, as well as securities, including co-investments. The general partner of the fund uses the best information it has reasonably available to determine or estimate fair value. Valuations of the investments are reviewed and approved quarterly by the general partner. Valuation methods employed are comparable public company valuation, comparable transaction valuation analysis and other methodologies, as appropriate. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

GoldPoint Partners Co-Investment VI, LP was formed on July 24, 2017 as a Delaware limited partnership. The fund will seek a highly diversified portfolio of middle market transactions by primarily targeting co-investments alongside Core Partners with fund size less than \$5 billion. The fund will typically invest \$10 million to \$40 million in any given transaction, although

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

smaller or larger investments may be made where appropriate. The Fund targets opportunities where the sponsor has relevant expertise, a quantifiable history of successful investing, and a proven ability to add tangible value to the target company. The Fund seeks to invest in companies that have proven management teams, strong and sustainable cash flows, and competitive advantages in industries with barriers to entry. A high priority will be placed on companies that have minimal exposure to cyclical downturns, a low threat of obsolescence or rapid technological change, and limited customer and geographic concentrations. The fund's limited partners include public and private pension funds, financial institutions, insurance companies, endowments, family offices and high-net worth individuals. The partners of the fund uses the best information it has reasonably available to determine or estimate fair value. Valuation methods employed are comparable public company valuation, comparable transaction valuation analysis and other methodologies, as appropriate.

HarbourVest Dover Fund IX, LP is a closed-end fund. The goal is to provide investors with attractive risk adjusted returns by leveraging the firm's proven strategy of constructing a well-diversified portfolio of secondary investments with a focus on the less efficient segments of the secondary market. HarbourVest's investment and accounting teams measure fair value on a quarterly basis. The following methods are used for partnership investments fair value principles and are applied by managers in their financial reports in accordance with U.S. GAAP; publicly traded and quoted securities shall be valued at the closing price at the end of the valuation period; for non-marketable securities and direct investments the value is most likely to be an existing price in an orderly arm's length transaction between market participants as of the valuation date, using one of the acceptable valuation methods under U.S. GAAP (Guideline Company Method, Similar Transaction Method or Discounted Cash Flow). Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

Marathon Healthcare Finance Fund, LP is a Delaware limited partnership which was formed on February 2, 2021, commenced operations on August 16, 2021. The partnership's investment objective is to seek to generate attractive, recession resilient, risk adjusted returns in the healthcare market by providing capital solutions primarily to healthcare companies focused on Food and Drug Administration approved therapeutics to address clinical needs in growth markets. The partnership's investments consist of affiliated private equity, affiliated private debt, and a special purpose vehicle ("SPV"). The following methods are used by the investment manager to measure the fair value of investments in affiliated private equity and affiliated private debt: broker quotations including sale negotiations and/or indicative purchase offers received from independent parties; recent market transactions of the instruments; independent third-party appraisals; recent sales valuations of comparable investments; and if the above are not available, other valuation methods including discounted cash flows, enterprise value/income approach, and/or recovery analysis. For the SPV, management determined the fair value of the investment using the net asset value as of the reporting measurement date as a practical expedient. The partnership periodically engages the services of an independent third-party valuation firm to assist in determining a reasonable range of fair values for particular investments.

AG Direct Lending Fund II, LP is a Delaware limited partnership which commenced operations on November 14, 2016. The partnership has been established to capitalize on investment opportunities available in middle market direct lending. The Partnership intends to provide corporate financing support to North American middle-market companies, focusing on senior secured debt and other debt instruments, including unitranche facilities, second lien debt, mezzanine loans and equity co-investments. The fair value of the investment in this fund has been determined using the NAV per unit of the ownership interest in the partners' capital. This fund is not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

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### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NB Private Debt Fund IV, LP is a Delaware limited partnership commenced operations on December 9, 2020. The fund's objective is to create a portfolio through several holding partnerships in which the fund owns approximately 60%, which seek to provide attractive risk-adjusted returns by making investments in senior secured floating rate loans and complementary investments. The fund's investments most notably consist of 1st lien loans, 2nd lien loans, unitranche loans, and revolvers. The fund's private debt and equity investments are valued at fair value on a quarterly basis. The fund's advisors estimate the enterprise value of each portfolio company and compares such amount to the total amount of the company's debt and equity as well as the level of debt senior to the fund's interest. These estimates are based on specific measures such as EBITDA, free cash flow, net income, book value, or NAV, as believed most relevant for the given company, and compares this metric in relation to comparable company valuations based on the same metric. In determining the enterprise value, the advisors further consider factors such as the company's acquisition prices, credit metrics, historical and projected operational and financial performance, liquidity, industry trends, general economic conditions, scale, and competitive advantages. In certain cases, debt and equity securities are valued on the basis of prices from an orderly transaction between market participants provided by reputable dealers or pricing services.

Brightwood Capital Fund V, LP is a Delaware limited partnership that commenced operations on June 24, 2021. The fund is organized for the principal purposes of making investments in loans, notes and other debt instruments, total return swaps and other derivative instruments, participation interests, warrants, equity securities including common stock, preferred stock, direct equity investments, and structured equity products. For private equity and debt investments in operating companies for which prices are not observable, the fund measures fair value based on Level 3 inputs by reference to public market or private transactions or valuations for comparable companies or assets in the relevant asset class when such amounts are available. If investments cannot be valued by reference to observable valuation measures for comparable companies, then the primary analytical method used to estimate fair value of such investments is the discounted cash flow method. The fund estimates the fair value of debt securities using recently executed transactions, market price quotations and traded yields of corporate transactions when observable. When observable data is not available, fair value is estimated based on analysis of collateral, cash flow models with yield curve analysis, seniority of the debt, enterprise value relative to debt levels, projected financial condition and operating result, payment history and ability to generate sufficient cash flows to make payments when due, and prepayment penalties. Investments in equity and debt securities of portfolio companies may also be valued at cost for a period of time after acquisition as the best indicator of fair value.

AG Realty Value Fund X, LP is a Delaware limited partnership which was formed on February 5, 2018, commenced operations on August 2, 2018. Investments are in real estate limited partnerships/companies include equity interests in limited partnerships and limited liability companies for the purpose of investing in real estate. The General Partner primarily utilizes an income valuation approach methodology including discounted cash flow analyses or direct capitalization analyses to value the Partnership's real estate investments. Unlevered cash flows utilized in discounted cash flow analyses are derived from property rental revenue less operating expenses, real estate taxes and capital and other costs, plus projected sales proceeds in the year of exit.

Morgan Stanley Prime Property Fund, LLC (The Fund) is an open-end fund established for the purpose to acquire, own, hold for investment and ultimately dispose of investments in real estate and real estate related assets with the intention of achieving current income, capital appreciation or both. All properties invested in as September 30, 2022 were located throughout the United States. An independent appraiser will perform quarterly appraisals of the Funds underlying properties and is reviewed by asset managers. The Fund determines individual investment values based on such appraisals. These processes are designed to assure that valuation is prepared using reasonable inputs and assumptions which are consistent with market data or with assumptions that would be used by a third party

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

participant and assume highest and best use of the real estate investment. The fair value of the investment in this Fund has been determined using the NAV per unit of the ownership interest in the fund.

Principal Enhanced Property Fund, LP is an open-end fund that will seek to make investments in stabilized, income producing assets, plus value-added and development projects in accordance with the investment guidelines. All properties invested in at September 30, 2022 were located throughout the United States. Principal will use a third-party appraisal firm, with approximately 25% of the portfolio appraised each quarter. Principal will use the appraised value and updated quarterly valuations for purpose of determining the fund's gross asset value and net asset value. The fair value of the investment in this fund has been determined using the NAV per unit of the ownership interest in the partners' capital.

Affiliated Housing Impact Fund, LP is a real estate fund that seeks to, indirectly through subsidiary entities, acquire or lease potential real estate development sites, including parcels of raw land or other sites or properties, in the State of Florida, and subsequently construct, develop, operate, lease, manage, renovate, finance, and/or market thereon affordable multifamily apartments for rent (which may also include ancillary retail or mixed-use components). As of September 30, 2022, the fund wholly owned certain real estate assets in the State of Florida which were either pre-development or under construction. The fund measures the fair value of these real estate investments using methods including annual third-party appraisals of each property.

IFM Global Infrastructure Investment Fund seeks to acquire and maintain a well-diversified portfolio of infrastructure investments. The strategy is to subject investment decisions to rigorous fundamental analysis and a disciplined investment process. The goal is to construct and maintain portfolios which consist of long-term, core infrastructure assets. Infrastructure investments are valued at the end of each quarter by independent valuation firms. The valuation method is employed for each asset at the discretion of the appointed independent valuer but must fall within the standards prescribed under AASB 139, U.S. GAAP ASC 820 and ASC 825 as appropriate. IFM Investors' infrastructure investments are typically valued on a discounted cash flow approach by the independent valuers. Discount rates are also determined by the valuer. Valuations are cross-checked with public market information and recent transactions.

#### Rate of Return

For the year ended September 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -9.70%. The annual money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

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# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

### Fire Pension Fund Investments

| Investment by Fair Value Level                        | September 30, 2022    | Fair Value Measurement Using:                                         |                                                           |                                                    |
|-------------------------------------------------------|-----------------------|-----------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
|                                                       |                       | Quoted Price in<br>Active Market for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| U.S. Government Securities                            | \$ 20,399,021         | -                                                                     | \$ 20,399,021                                             | \$ -                                               |
| U.S. Government Agencies                              | 9,381,653             | -                                                                     | 9,381,653                                                 | -                                                  |
| Corporate Bonds                                       | 4,378,629             | -                                                                     | 4,378,629                                                 | -                                                  |
| International Fixed Income<br>Investment Fund         | -                     | -                                                                     | -                                                         | -                                                  |
| Domestic Stocks                                       | 71,646,637            | 71,646,637                                                            | -                                                         | -                                                  |
| Domestic Equity Investment Fund                       | 71,932,294            | 71,932,294                                                            | -                                                         | -                                                  |
| International Fixed Income<br>Investment Fund         | 1,199,009             | 1,199,009                                                             | -                                                         | -                                                  |
| International Equity Investment Fund                  | 18,859,482            | 18,859,482                                                            | -                                                         | -                                                  |
| International Stock                                   | 23,387,863            | 23,387,863                                                            | -                                                         | -                                                  |
| Timber Investment Fund                                | 750,806               | -                                                                     | -                                                         | 750,806                                            |
| Temporary Investments                                 | 4,285,000             | 4,285,000                                                             | -                                                         | -                                                  |
| Total Investments by<br>Fair Value Level              | 226,220,394           | <u>\$ 191,310,285</u>                                                 | <u>\$ 34,159,303</u>                                      | <u>\$ 750,806</u>                                  |
| Investments Measured at the<br>Net Asset Value (NAV): |                       |                                                                       |                                                           |                                                    |
| Real Estate Investment Funds                          | 38,999,686            |                                                                       |                                                           |                                                    |
| Domestic Fixed Income<br>Investment Fund              | 7,826,911             |                                                                       |                                                           |                                                    |
| Total Investments<br>Measured at NAV                  | 46,826,597            |                                                                       |                                                           |                                                    |
| Pooled Cash and<br>Equivalents                        | 16,873                |                                                                       |                                                           |                                                    |
| Total Investments<br>Measured at Fair Value           | <u>\$ 273,063,864</u> |                                                                       |                                                           |                                                    |

**Debt Securities** – Debt securities classified in Level 1 or Level 2 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used by International Data Pricing and Reference Data, LLC to value securities based on the securities' relationship to benchmark quoted prices.

**Mutual Funds** - The rationale for inclusion in Level 1 or Level 2 points to the unobservable inputs involved in mutual fund pricing. Mutual funds do not trade using bid and ask, as with ETF's or common stock. Instead, the prices are determined by the net asset value of the underlying investments at the close of business for the next day's open. The underlying assets themselves may include a variety of Level 1 and Level 2 securities and some may be valued using matrix pricing which interpolates the price of a security based on the price of similar securities.

**Fixed Income Funds** – Valued using pricing models maximizing the use of observable input for similar securities. This includes basing value on yield currently available on comparable securities of issues with similar credit ratings.

**Equity Funds** – Valued at market prices for similar assets in active markets.

**Common Stock** – Valued at quoted market prices for identical assets in active markets.

The Timber Investment Fund known as the Sustainable Woodlands Fixed II, LP records its investments in timber and timberlands at fair value which is determined using Level 3 inputs. The fair value of timber and timberlands is determined by adjusting the latest third party appraisals for recent activity. A summary of quantitative information regarding significant unobservable inputs (Level 3) to the latest third party appraisals follows:

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## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

**Income Approach** – In order to value timberlands using the income approach, which is the most prevalent method for valuing timber and timberlands, independent third party appraisers (Appraisers) develop cash flow models. A model requires the Appraisers, in conjunction with the limited partnership management, to develop estimates around the future growth and harvest of timber, a forecast of future timber and timberlands prices, a reliable estimate of the cash flows necessary to sustain the existing inventory and the development of an appropriate discount rate.

**Discount Rate** – A significant unobservable input used in the income approach to valuation is the discount rate, which is the interest rate used to convert a stream of future cash flows to present value, and which represents the risk-adjusted required return the particular asset should earn. Current timber models project cash flows over 3 – 20 year periods and use a reversion value to estimate the fair value of timber and timberland assets. One method used for estimating the discount rate for modeling is the capital asset pricing model (CAPM), which uses a risk-free rate of return, timberland beta and market risk premium estimates to determine the appropriate required return. Additionally, the appraisers use market information, such as implied discount rates on recent transactions and other market based information, to estimate discount rates for each valuation.

**Future Timber Pricing** – A significant unobservable input used in the income approach to valuation is market selling prices for merchantable timber during the estimated year of harvest. Income approach models use estimated income for the expected volumes of timbers to be harvested during the discount period and such valuation methodology requires an estimate of the sales price of timber during the year of final harvest and thinning (where appropriate). Future price projections are based on a number of factors, including but not limited to local market dynamics, projected macroeconomic climates, assumptions around current and forecasted demand, estimates of housing starts and expected product mix.

| Investments Measured at NAV:                     | Fair Value           | Unfunded Commitments | Redemption Frequency | Notice Period |
|--------------------------------------------------|----------------------|----------------------|----------------------|---------------|
| <b>Real Estate Investment Funds:</b>             |                      |                      |                      |               |
| U.S. Real Estate Investment Fund, LLC            | \$ 17,629,375        | \$ 3,503,889         | Quarterly            | 90 Days       |
| Affiliated Housing Impact Fund                   | 2,935,881            | 3,368,153            | Quarterly            | 60 Days       |
| JPMCB Special Situation Property Fund            | 18,434,430           | -                    | Quarterly            | 45 Days       |
| Total Real Estate Investment Funds               | 38,999,686           | 6,872,042            |                      |               |
| <b>Domestic Fixed Income Investment Fund:</b>    |                      |                      |                      |               |
| Crescent Direct Lending Levered Fund             | 2,431,178            | 914,665              | Indefinite           | 90 Days       |
| LBC Credit Partners, IV, L.P. Fund               | 2,161,797            | 3,622,007            | Indefinite           | n/a           |
| EntrustPermal Special Opportunities Fund IV, LTD | 3,233,936            | 1,125,001            | Indefinite           | 90 Days       |
| <b>Total</b>                                     | <b>7,826,911</b>     | <b>5,661,673</b>     |                      |               |
| <b>Total Investments Measured at NAV</b>         | <b>\$ 46,826,597</b> | <b>\$ 12,533,715</b> |                      |               |

**Real Estate Investment Funds** – are open end, commingled private real estate and net lease portfolios. These real estate-based funds are structured as limited partnerships. Their primary focus is to invest in well-based income producing properties and leases within major U.S. markets. The fair values of the investments in these funds have been determined using the NAV per unit of the Plan's ownership interest in partners' capital. The investments of the fund are valued quarterly. Withdrawal requests must be made on an average of 60 days in advance and may be paid in one or more installments.

Crescent Direct Lending Levered Fund is intended to:

- Generate high current income while preserving capital by investing all capital contributions in the master fund and participating in its indirect investments primarily in senior secured loans (including first lien, unitranche and second lien loans) of private U.S. lower middle-market companies and in other permitted investments, including swap and hedging transactions; and
- To enter into and perform any contracts and agreements and carry on any activities necessary in the fund for, or incidental to, the accomplishment of the foregoing purpose.

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

- Investments in the fund are valued at cost or fair value on the most recent practicable date, less outstanding indebtedness incurred to acquire, or for the purpose of acquiring, the investments;
- For commodities, valuation is based on the initial margin or option premium deposited with the futures commission merchant. Swap agreements and similar financial contracts are valued at fair value of cost (not notional amount).
- “Fair Value” shall mean a) with respect to securities (other than marketable securities) that are traded in the interdealer market, external pricing sources, to the extent available, including broker/dealer quotes or pricing services, as determined in good faith by the general partner, b) with respect to marketable securities:
  - That are primarily traded on a securities exchange, the closing sale price on the principal securities exchange on which they are traded on the date of determination or, if no sales occurred on such date, the mean between the closing bid and asked prices on such date and
  - The principal market for which is or is deemed to be the over-the-counter market, the closing sales price on the date of determination as published by NASDAQ or any similar organization, or if such price is not so published on any such date, the mean between the closing bid and asked prices, if available, on such date, which prices may be obtained from any reputable pricing service broker or dealer.

The Plan understands that no market exists for these investments and it is not registered as an investment company under the Investment Company Act of 1940.

#### LBC Credit Partners, IV, L.P. Fund

The fund will originate and manage a diversified portfolio of secured, middle market loans to North American borrowers. LBC defines middle market companies as those with revenues of typically less than \$750 million EBITDA of \$5 million to \$50 million. LBC provides transitional capital fund acquisitions, refinancing, growth, recapitalizations, and turnarounds on a sponsored or unsponsored basis. LBC stresses cash flow sustainability and proven business models when selecting borrowers and prefers secured debt to unsecured debt and equity. While their strategy is industry agnostic, LBC avoids service companies with low competitive barriers and trends to avoid the retail, general distribution and real estate development sectors. Typical investments will range in size and maturity between \$10 million and \$50 million and three to seven years, respectively. The Fund will target 45-55 investments.

- LBC employs a value oriented investment approach; seeking to maximize current return while providing downside protection. As such, LBC intends to structure the majority of its investments as secured debt with either a first or second lien on the company's assets which provides the potential to create a recovery floor. LBC typically seeks to obtain all of the rights and remedies of a senior secured lender and in the case of a junior secured transaction, lien subordination rather than debt subordination so as to reduce the risk of payment blockage. LBC also focuses on negotiating strict inter-creditor provision that can limit debt layering and maximize their rights in the event of a bankruptcy.
- LBC seeks to structure its investments with floating rate coupons linked to short-term market base rates (typically LIBOR or the Prime Rate), which helps reduce interest rate risk. The components of the investment yield will typically consist of up-front fees (1% to 3%), cash-pay interest (7% to 15%), PIK interest (up to 3%) and ancillary and recurring fees including anniversary servicing, and monitoring fees (up to 3%). Opportunistically structures may also include conversion rights, warrants, and other types of equity yield

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

enhancements, including equity participations, which could yield on those investments by an additional 2% to 5%.

- Lastly, loan agreements will typically contain covenants designed to maintain the credit risk profile of the borrower in an effort to protect the rights of the fund to receive timely payments of principal and interest and to preserve the enterprise value of the borrower.

### EnTrustPermal Special Opportunities Fund IV, LTD.

- EnTrustPermal Special Opportunities Fund is a pooled investment fund dedicated exclusively to co-investments, which target high-conviction ideas that are catalyst-driven and/or designed to exploit market dislocations.
- EnTrustPermal launched its coinvestment program a decade ago, as it saw an opportunity to extract a premium by capitalizing on situations requiring longer-duration capital amidst the liquidity crunch of the global financial crisis. EnTrustPermal manages assets on behalf of a wide range of clients, including public pension funds, high net worth individuals, foundations and sovereign wealth funds.
- Given existing mandates and continued investor demand for co-investments in the alternative space, EnTrustPermal anticipates allocating additional capital to its co-investment strategy going forward.

### Affiliated Housing Impact Fund

- Affiliated Housing Impact Fund provides equity capital to finance real estate developer's pipeline of workforce housing projects and investments. The Fund's overall investment objective is to generate a positive social and environmental impact as well as delivering attractive risk-adjusted returns for investors. The strategy is to capitalize the development of high-quality and reem multi-family housing at attainable rents.

### Police Retirement Fund Investments

|                                                       | September 30, 2022 | Fair Value Measurement Using:                                         |                                                           |
|-------------------------------------------------------|--------------------|-----------------------------------------------------------------------|-----------------------------------------------------------|
|                                                       |                    | Quoted Price in<br>Active Market for<br>Identical Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) |
| Investment by Fair Value Level                        |                    |                                                                       |                                                           |
| U.S. Government Securities                            | \$ 23,935,645      | \$ 16,613,564                                                         | \$ 7,322,081                                              |
| Corporate Bonds and Notes                             | 12,563,924         | -                                                                     | 12,563,924                                                |
| Equity Securities - Common Stocks                     | 166,954,120        | 166,954,120                                                           | -                                                         |
| REITs                                                 | 759,521            | 759,521                                                               | -                                                         |
| Comingled Equity Funds                                | 52,287,841         | 52,287,841                                                            | -                                                         |
| Total Investments by<br>Fair Value Level              | 256,501,051        | \$ 236,615,046                                                        | \$ 19,886,005                                             |
| Investments Measured at the<br>Net Asset Value (NAV): |                    |                                                                       |                                                           |
| Real Estate Funds                                     | 58,448,860         |                                                                       |                                                           |
| Hedge Funds                                           | 18,709,324         |                                                                       |                                                           |
| Total Investments<br>Measured at NAV                  | 77,158,184         |                                                                       |                                                           |
| Money Market Funds (exempt)                           | 14,044,314         |                                                                       |                                                           |
| Total Investments                                     | \$ 347,703,549     |                                                                       |                                                           |

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

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

Common Stocks and REITs – Valued at the closing price reported on the New York Stock Exchange.

Commingled Equity Funds – Valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Government Securities – Valued using pricing models maximizing the use of observable inputs for similar securities.

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

Real Estate Funds – Valued at the net asset value of shares held by the Plan at year end. The Plan has investments in private market real estate investments for which no liquid public market exists.

Hedge Funds – Value based on the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investment.

Money Market Funds – Considered short-term investment reported at amortized cost.

The Fund's valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2022 are as follows:

| Investments Measured at NAV       | Fair Value           | Unfunded Commitments | Redemption Frequency | Notice Period |
|-----------------------------------|----------------------|----------------------|----------------------|---------------|
| Real Estate Fund (1)              | \$ 37,358,276        | \$ -                 | Quarterly            | 90 Days       |
| Real Estate Fund (2)              | 4,411,632            | 4,511,186            | N/A                  | N/A           |
| Real Estate Fund (3)              | 16,678,953           | -                    | N/A                  | N/A           |
| Hedge Fund (4)                    | 5,345,677            | 224,998              | Quarterly            | 95 Days       |
| Hedge Fund (5)                    | 102,963              | -                    | N/A                  | N/A           |
| Hedge Fund (6)                    | 2,030,780            | 2,999,131            | N/A                  | N/A           |
| Hedge Fund (7)                    | 6,593,814            | 5,769,000            | N/A                  | N/A           |
| Hedge Fund (8)                    | 4,636,089            | 1,717,510            | N/A                  | N/A           |
| Total Investments Measured at NAV | <u>\$ 77,158,184</u> | <u>\$ 15,221,825</u> |                      |               |

- (1) Real Estate Fund – The fund is an open-end, real estate investment fund investing primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemption must be received by the fund 90 days prior to quarter end.
- (2) Real estate fund - This fund was formed in 2020 to invest through subsidiary entities in the acquisition or lease of real estate development sites located in the State of Florida to construct, develop and finance multifamily and mixed-used real estate and make available for lease upon future completion. The investment is valued at NAV and no redemptions are allowed.
- (3) Real estate fund - The Partnership is engaged in the acquisition and resale of value-added investments in real estate and real estate-backed assets with a focus on opportunities in the Southeast, Southwest, Mid East, and Mountain regions of the

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

United States of America. The investment is valued at NAV and no redemptions are allowed.

- (4) Hedge Fund – This fund is dedicated exclusively to co-investments, which target high-conviction ideas that are catalyst -driven and/or designed to exploit market dislocations. The investment is valued at NAV and redemptions, which are only allowed for class A, must be received by the fund 95 days prior to quarter end.
- (5) Hedge Fund – This fund is an open-end, diversified portfolio of private investment entities and/or separately managed accounts managed by investment managers specialized primarily in activist related alternative investment strategies. The investment is valued at NAV and is liquidating, therefore, no redemptions are allowed.
- (6) Hedge Fund – This funds seeks to generate high current income while preserving capital by participating in levered investments in directly originated senior secured loans (primarily first lien and unitranche loans), to private U.S. lower middle-market companies in conjunction with private equity investments firms and, where opportunities arise, to upper-middle market companies. The fund may also invest in other debt and equity securities and in other permitted investments, including swap and hedging transactions. The investment is valued at NAV and no redemptions are currently allowed.
- (7) Hedge Fund – This fund is a limited partnership that seeks to invest in highly attractive, select investment opportunities by maintaining investments through private investment entities and/or separately managed accounts with investment management professionals specializing in various alternative investment strategies. The investment is valued at NAV and no redemptions are currently allowed.
- (8) Hedge Fund – This fund seeks to generate long-term, consistent investor returns, predominantly in the form of income distributions, from direct lending and similar financing opportunities to vessel owners and operators, and other maritime businesses. The investment is valued at NAV and no redemptions are allowed

C. RECEIVABLES – As of year-end, receivables for the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for collectible accounts are as follows:

|                                     | Governmental Activities  |                         |                   |                                          |                                          | Net Total<br>Accounts<br>Receivable |
|-------------------------------------|--------------------------|-------------------------|-------------------|------------------------------------------|------------------------------------------|-------------------------------------|
|                                     | Taxes                    | Accounts                | Reinsurance       | Inter-<br>governmental                   | Less:<br>Allowance for<br>Uncollectibles |                                     |
| General                             | \$ 1,987,347             | \$ 6,481,364            | \$ -              | \$ 2,966,045                             | \$ (3,998,636)                           | \$ 7,436,120                        |
| Beach Community<br>Redevelopment    | -                        | 10,374                  | -                 | -                                        | -                                        | 10,374                              |
| Downtown Community<br>Redevelopment | -                        | 179,956                 | -                 | -                                        | (175,967)                                | 3,989                               |
| Other Governmental                  | -                        | 120,577                 | -                 | 2,693,866                                | (6,500)                                  | 2,807,943                           |
| Internal Service                    | -                        | 191,046                 | 371,591           | -                                        | -                                        | 562,637                             |
|                                     | <u>\$ 1,987,347</u>      | <u>\$ 6,983,317</u>     | <u>\$ 371,591</u> | <u>\$ 5,659,911</u>                      | <u>\$ (4,181,103)</u>                    | <u>\$ 10,821,063</u>                |
|                                     | Business-type Activities |                         |                   |                                          |                                          | Net Total<br>Accounts<br>Receivable |
|                                     | Accounts                 | Due From<br>Other Govt. | Assessments       | Less:<br>Allowance for<br>Uncollectibles |                                          |                                     |
| Water & Sewer Utility               | \$ 11,212,372            | \$ 22,086               | \$ 556,980        | \$ (3,076,929)                           | \$ 8,714,509                             |                                     |
| Other Enterprise                    | 4,507,967                | -                       | -                 | (1,183,354)                              | 3,324,613                                |                                     |
|                                     | <u>\$ 15,720,339</u>     | <u>\$ 22,086</u>        | <u>\$ 556,980</u> | <u>\$ (4,260,283)</u>                    | <u>\$ 12,039,122</u>                     |                                     |

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

Per the Large User Agreements with Broward County, City of Dania, City of Hallandale, City of Miramar, Town of Pembroke Park, and the City of Pembroke Pines, the estimated fiscal year bills must be adjusted to actual cost at fiscal year end. For fiscal year 2022, the Water & Sewer Fund owed the large users \$1,567,066 for this true up (actual costs < billings). The amount is recorded in fiscal year 2022 (10% applied to RRI accounts and 90% applied to operating) and will be applied to the large users' accounts in fiscal year 2023. Governmental funds report a deferred inflow of resources in connection with receivables and revenue received in advance that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenues in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

|                                                               | Deferred<br>Inflows    | Unearned               |
|---------------------------------------------------------------|------------------------|------------------------|
| Local Business Taxes and Other Charges (General Fund)         | \$ (2,400,692)         | \$ -                   |
| Deferred Grant and Contract Revenue (Nonmajor Funds)          | (36,836,786)           | (33,926,829)           |
| Total Deferred Inflow/Unearned Revenue for Governmental Funds | <u>\$ (39,237,478)</u> | <u>\$ (33,926,829)</u> |

### D. NOTES RECEIVABLE – The notes receivable balances are comprised of the following:

|                                                          | 2022                  |
|----------------------------------------------------------|-----------------------|
| GOVERNMENTAL ACTIVITIES:                                 |                       |
| Housing Long-term Loans                                  | \$ 35,555,590         |
| Less: Allowance for Uncollectibles                       | (29,390,450)          |
| Notes Receivable - Net                                   | <u>6,165,140</u>      |
| Pinnacle at Peacefield: Developer Loan (HUD/City Funded) | \$ 578,000            |
| Less: Allowance for Uncollectibles                       | (578,000)             |
| Notes Receivable - Net                                   | <u>-</u>              |
| Downtown Community Redevelopment:                        |                       |
| Long-term Loans                                          | \$ 3,500,000          |
| Less: Allowance for Uncollectibles                       | (3,500,000)           |
| Notes Receivable - Net                                   | <u>-</u>              |
| GOVERNMENTAL FUNDS:                                      |                       |
| Long-term Loans:                                         |                       |
| Community Development                                    | 17,168,715            |
| Interlocal Agreement-County                              | 6,157,553             |
| State Local Housing Assistance                           | 11,750,958            |
| American Rescue Plan                                     | 478,364               |
|                                                          | <u>35,555,590 (a)</u> |
| Less: Allowance for Uncollectibles                       | (586,128)             |
| Notes Receivable - Net                                   | <u>34,969,462</u>     |
| Total Notes Receivable - Net                             | <u>\$ 34,969,462</u>  |

(a) The notes receivable reported in the Community Development, Interlocal Agreement, and State Local Housing Assistance funds are comprised of collateralized home improvement loans and/or promissory notes to affordable housing developers (Pinnacle and Tropic). Most loans are forgivable at maturity (principal and any interest, if applicable). The deferred housing loans represent individual borrowings (limited to \$70,000) that are generally only payable if a house is sold prior to the maturity of the note. The notes receivable in the Downtown Community Redevelopment Fund consist of loans to developers and others to assist in approved projects. The American Rescue Plan note is promissory note to the developer of the Tropic affordable housing project for the purchase of real estate to be used for affordable housing. The Tropic Funding totaled \$500,000 and was funded \$478,364 from the American Rescue Plan funds and the remainder from the Interlocal Agreement Fund. Loans are secured by mortgages on real property and repayable over various time periods at various interest rates.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

E. CAPITAL ASSETS – Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

|                                                   | Beginning<br>Balance* | Additions      | Retirements   | Transfers | Ending<br>Balance |
|---------------------------------------------------|-----------------------|----------------|---------------|-----------|-------------------|
| Governmental Activities:                          |                       |                |               |           |                   |
| Capital Assets, Not Being Depreciated:            |                       |                |               |           |                   |
| Land                                              | \$ 52,769,947         | \$ -           | \$ 106        | \$ -      | \$ 52,769,841     |
| Construction in Progress                          | 17,516,036            | 12,079,736     | 13,607,415    | -         | 15,988,357        |
| Total Capital Assets, Not Being Depreciated       | 70,285,983            | 12,079,736     | 13,607,521    | -         | 68,758,198        |
| Capital Assets, Being Depreciated:                |                       |                |               |           |                   |
| Buildings and Improvements                        | 194,379,877           | 14,197,687     | -             | -         | 208,577,564       |
| Machinery and Equipment                           | 85,426,287            | 13,880,406     | 10,673,769    | -         | 88,632,924        |
| Infrastructure                                    | 107,153,623           | 3,386,313      | 1,183,488     | -         | 109,356,448       |
| Total Capital Assets, Being Depreciated           | 386,959,787           | 31,464,406     | 11,857,257    | -         | 406,566,936       |
| Right of Use Leased Assets, Being Amortized:      |                       |                |               |           |                   |
| Leased Buildings *                                | 274,525               | 488,189        | -             | -         | 762,714           |
| Total Right of Use Leased Assets, Being Amortized | 274,525               | 488,189        | -             | -         | 762,714           |
| Total Assets being Depreciated and Amortized      | 387,234,312           | 31,952,595     | 11,857,257    | -         | 407,329,650       |
| Less Accumulated Depreciation For:                |                       |                |               |           |                   |
| Buildings and Improvements                        | 130,755,243           | 6,661,198      | -             | -         | 137,416,441       |
| Machinery and Equipment                           | 60,433,913            | 7,643,937      | 10,329,346    | -         | 57,748,504        |
| Infrastructure                                    | 83,617,218            | 1,681,354      | 1,181,906     | -         | 84,116,666        |
| Total Accumulated Depreciation                    | 274,806,374           | 15,986,489     | 11,511,252    | -         | 279,281,611       |
| Less Accumulated Amortization For:                |                       |                |               |           |                   |
| Leased Buildings                                  | -                     | 144,406        | -             | -         | 144,406           |
| Total Amortization                                | -                     | 144,406        | -             | -         | 144,406           |
| Total Accumulated Depreciation and Amortization   | 274,806,374           | 16,130,895 (1) | 11,511,252    | -         | 279,426,017       |
| Total Capital Assets, Being Depreciated - Net     | 112,427,938           | 15,821,700     | 346,005       | -         | 127,903,633       |
| Governmental Activities, Capital Assets - Net     | \$ 182,713,921        | \$ 27,901,436  | \$ 13,953,526 | \$ -      | \$ 196,661,831    |

\* Beginning balance as of October 1, 2021 reported as a result of implementation of GASB Statement No. 87 - Leases.

(1) Depreciation and amortization expense was charged to functions as follows:

|                                                                                                                                        |               |
|----------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Governmental Activities:                                                                                                               |               |
| General Government                                                                                                                     | \$ 1,251,557  |
| Public Safety - Police                                                                                                                 | 371,270       |
| Public Safety - Fire                                                                                                                   | 2,089,196     |
| Other Public Safety                                                                                                                    | 10,826        |
| Public Works                                                                                                                           | 1,921,114     |
| Transportation                                                                                                                         | 10,506        |
| Economic Environment                                                                                                                   | 2,027         |
| Physical Environment                                                                                                                   | 2,934,049     |
| Culture and Recreation                                                                                                                 | 2,964,216     |
| Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets | 4,576,133     |
| Total Governmental Activities Depreciation Expense                                                                                     | \$ 16,130,894 |

For the current year, governmental funds contributed \$6.9 million in vehicles and equipment to the Central Services Fund and \$0.2 million in equipment to the Golf Enterprise Fund. At the government wide level, all capital contributions are accounted for in the transfers line item.

**CITY OF HOLLYWOOD, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

|                                                     | Beginning<br>Balance  | Additions            | Retirements          | Transfers   | Ending<br>Balance     |
|-----------------------------------------------------|-----------------------|----------------------|----------------------|-------------|-----------------------|
| Business-type Activities:                           |                       |                      |                      |             |                       |
| Capital Assets, Not Being Depreciated:              |                       |                      |                      |             |                       |
| Land                                                | \$ 6,285,499          | \$ -                 | \$ -                 | \$ -        | \$ 6,285,499          |
| Construction in Progress                            | 93,206,302            | 30,948,477           | 45,080,570           | -           | 79,074,209            |
| Total Capital Assets, Not Being Depreciated         | 99,491,801            | 30,948,477           | 45,080,570           | -           | 85,359,708            |
| Capital Assets, Being Depreciated:                  |                       |                      |                      |             |                       |
| Buildings and Systems                               | 734,963,341           | 45,245,436           | 149,882              | -           | 780,058,895           |
| Machinery and Equipment                             | 8,623,329             | 862,234              | 115,380              | -           | 9,370,183             |
| Total Capital Assets, Being Depreciated             | 743,586,670           | 46,107,670           | 265,262              | -           | 789,429,078           |
| Less Accumulated Depreciation For:                  |                       |                      |                      |             |                       |
| Buildings and Systems                               | 429,730,123           | 20,237,566           | 53,708               | -           | 449,913,981           |
| Machinery and Equipment                             | 7,298,647             | 521,135              | 115,379              | -           | 7,704,403             |
| Total Accumulated Depreciation                      | 437,028,770           | 20,758,701           | 169,087              | -           | 457,618,384           |
| Total Capital Assets, Being Depreciated - Net       | 306,557,900           | 25,348,969           | 96,175               | -           | 331,810,694           |
| Business-type Activities Capital Assets - Net       | <u>\$ 406,049,701</u> | <u>\$ 56,297,446</u> | <u>\$ 45,176,745</u> | <u>\$ -</u> | <u>\$ 417,170,402</u> |
| Business-type Activities:                           |                       |                      |                      |             |                       |
| Water and Sewer                                     |                       |                      |                      |             | 18,311,404            |
| Nonmajor Enterprise Funds                           |                       |                      |                      |             | 2,447,297             |
| Total Business-type Activities Depreciation Expense |                       |                      |                      |             | <u>\$ 20,758,701</u>  |

**F. CONSTRUCTION COMMITMENTS** – The City has outstanding commitments for construction and acquisition of capital assets. These commitments were approved by the City's commission and budgeted. These commitments were fully funded through bond proceeds and other reserves for the respective funds at September 30, 2022:

|                                   |                       |
|-----------------------------------|-----------------------|
| General Fund                      | \$ 624,237            |
| Beach CRA                         | 24,139,043            |
| Downtown CRA                      | 10,703,720            |
| Nonmajor Governmental Funds       | 85,619,402            |
| Water and Sewer                   | 121,015,468           |
| Nonmajor Enterprise Funds         | 4,883,302             |
| Central Services Internal Service | 605,682               |
|                                   | <u>\$ 247,590,854</u> |

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**CITY OF HOLLYWOOD, FLORIDA**

NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022

**G. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS** – The composition of interfund balances as of September 30, 2022, is as follows:

| Due From                    | Due to:             |                                                  |                     |
|-----------------------------|---------------------|--------------------------------------------------|---------------------|
|                             | General Fund        | Downtown<br>Community<br>Redevelopment<br>Agency | Total               |
| Special Programs Fund       | \$ -                | \$ 144,000                                       | \$ 144,000          |
| Police Grants Fund          | 530,705             | -                                                | 530,705             |
| Emergency and Disaster Fund | 783,181             | -                                                | 783,181             |
| Golf Enterprise Fund        | 2,288,110           | -                                                | 2,288,110           |
| Total Due From              | <u>\$ 3,601,996</u> | <u>\$ 144,000</u>                                | <u>\$ 3,745,996</u> |

The above mainly represents cash advanced by the General Fund to other Funds which are outstanding at September 30, 2022.

|                              | Transfers In:       |                             |                         |                        |                      |
|------------------------------|---------------------|-----------------------------|-------------------------|------------------------|----------------------|
|                              | General Fund        | Nonmajor Governmental Funds | Water and Sewer Utility | Internal Service Funds | Total Transfers Out  |
| Transfers Out:               |                     |                             |                         |                        |                      |
| General Fund                 | \$ -                | \$ 15,628,231               | \$ -                    | \$ 2,416,228           | \$ 18,044,459        |
| Nonmajor Governmental Funds  | 450,000             | 4,492,597                   | -                       | -                      | 4,942,597            |
| Water and Sewer Utility Fund | 5,380,404           | -                           | -                       | -                      | 5,380,404            |
| Nonmajor Enterprise Funds    | 539,317             | -                           | 350,882                 | -                      | 890,199              |
| Internal Service Funds       | 342,391             | 668,004                     | -                       | -                      | 1,010,395            |
| Total Transfers In           | <u>\$ 6,712,112</u> | <u>\$ 20,788,832</u>        | <u>\$ 350,882</u>       | <u>\$ 2,416,228</u>    | <u>\$ 30,268,054</u> |

Bond covenants and City financial policies require use of interfund transfers to move financial resources from funds designated to receive them to funds required to expend them. Business-type fund payments-in-lieu of taxes are also reported as interfund transfers to the General Fund. The \$15.6 million transfer between the General Fund and the Nonmajor Governmental Funds was mainly to fund debt service and general capital projects (non-grant and non-bond funded capital projects). The \$6.71 million of transfers into the General Fund were primarily to offset administrative costs for services provided to other funds. The \$2.4 million transferred into the Internal Service Funds are primarily to fund capital asset acquisitions (such as fleet vehicles).

**H. LEASES (GASB-87)**

The City is a lessor and lessee in various leases. GASB 87 governs accounting and disclosures for leases that qualify under the standard. GASB Statement 87 defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. This GASB is required for existing and new leases beginning in fiscal year 2022. The Statement also determines or defines lease terms, how to value lessee and lessor transactions and disclosure requirements for each lease. Below are the City's lease transactions that meet the requirements of GASB 87. The City has other operating leases that do not qualify for GASB 87 accounting and are accounted for as rent (operating expenses).

City as Lessor:

On February 2011 and amended on May 2013 the City (lessor) entered into an initial development agreement and land lease with Margaritaville Hollywood Beach Resort, LLC (lessee). The purpose of the lease was to provide the lessee to develop the Margaritaville Resort (opened 2015) and related amenities (parking, commercial space, redevelopment). The

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

minimum guaranteed rent is \$1,000,000 beginning October 2015. Minimally guaranteed rent increased 15% every fifth year until year 99 (see inflows in the below table). Rent is due monthly. "Participation Rent" and "Transaction Rent" is a variable rent due based on the lessee's prior audited financial statements or property transfer. Only the minimum guaranteed rent is included in the schedule below. For FY 2022, the City received \$1.15 million in minimally guaranteed rent. The lease was valued in accordance of GASB 87 beginning October 2021. At this time, the leased value was \$58.8 million and interest is approximately 4.13%. The lease is recorded in the General Fund as a "Lease Receivable - GASB 87" and deferred inflow for "Leases - GASB 87". At the end of FY 2022, the lease receivable was \$58.8 million and the related deferred inflow was \$58.2 million. The lease may be terminated by the City if the developer is in excessive default of payment or bankruptcy.

The schedule of inflows as of September 30, 2022 is below:

| Fiscal Year Ending<br>September 30, | Principal            | Interest              | Inflows               | Outstanding   |
|-------------------------------------|----------------------|-----------------------|-----------------------|---------------|
| 2023                                | \$ 56,900            | \$ 1,093,100          | \$ 1,150,000          | \$ 58,688,499 |
| 2024                                | 59,297               | 1,090,703             | 1,150,000             | 58,629,202    |
| 2025                                | 61,794               | 1,088,206             | 1,150,000             | 58,567,408    |
| 2026                                | 64,396               | 1,258,104             | 1,322,500             | 58,503,012    |
| 2027                                | 67,108               | 1,255,392             | 1,322,500             | 58,435,904    |
| 2028-2032                           | 380,388              | 6,628,862             | 7,009,250             | 58,055,516    |
| 2033-2037                           | 467,520              | 7,593,118             | 8,060,638             | 57,587,996    |
| 2038-2042                           | 574,610              | 8,695,123             | 9,269,733             | 57,013,386    |
| 2043-2047                           | 706,230              | 9,953,963             | 10,660,193            | 56,307,156    |
| 2048-2052                           | 867,999              | 11,391,223            | 12,259,222            | 55,439,157    |
| 2053-2057                           | 1,066,823            | 13,031,282            | 14,098,105            | 54,372,334    |
| 2058-2062                           | 1,311,190            | 14,901,632            | 16,212,822            | 53,061,144    |
| 2063-2067                           | 1,611,531            | 17,033,214            | 18,644,745            | 51,449,613    |
| 2068-2072                           | 1,980,668            | 19,460,788            | 21,441,456            | 49,468,945    |
| 2073-2077                           | 2,434,360            | 22,223,314            | 24,657,674            | 47,034,585    |
| 2078-2082                           | 2,991,975            | 25,364,351            | 28,356,326            | 44,042,610    |
| 2083-2087                           | 3,677,317            | 28,932,458            | 32,609,775            | 40,365,293    |
| 2088-2092                           | 4,519,643            | 32,981,597            | 37,501,240            | 35,845,650    |
| 2093-2097                           | 5,554,913            | 37,571,514            | 43,126,427            | 30,290,737    |
| 2098-2102                           | 6,827,322            | 42,768,069            | 49,595,391            | 23,463,415    |
| 2103-2107                           | 8,391,188            | 48,643,511            | 57,034,699            | 15,072,227    |
| 2108-2112                           | 10,313,275           | 55,276,630            | 65,589,905            | 4,758,952     |
| 2113-2117                           | 4,758,952            | 23,704,590            | 28,463,542            | -             |
|                                     | <u>\$ 58,745,399</u> | <u>\$ 431,940,744</u> | <u>\$ 490,686,143</u> |               |

### City as Lessee:

When the City is a lessee, the asset is noted in the Capital Asset footnote and the liability is included as part of the Schedule of Changes in Long-Term Liabilities footnote.

#### I. McNichol Middle School - Building - November 2021

In November 2021, The City's Parks and Recreation Department (General Fund) leased office space at McNichol Middle School from Broward County School Board. The purpose of the lease is to fund office space to provide parks and recreation services to the community. Payments are due monthly and the lease term is 60 months (5 years). Payments are \$9,484.55, \$9,769.09, \$10,062.16, \$10,364.02, and \$10,674.94 per month at the beginning of years 1 - 5 of the lease. The lease's interest rate is about 9%. The Office Space's cost was \$488,189 and currently has \$89,501 in accumulated depreciation.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

The payment schedule as of September 30, 2022 is below:

| Fiscal Year Ending<br>September 30, | Principal         | Interest         | Total Outflows    |
|-------------------------------------|-------------------|------------------|-------------------|
| 2023                                | \$ 84,431         | \$ 32,513        | \$ 116,944        |
| 2024                                | 95,561            | 24,892           | 120,453           |
| 2025                                | 107,786           | 16,281           | 124,067           |
| 2026                                | 121,207           | 6,582            | 127,789           |
| 2027                                | 10,601            | 75               | 10,676            |
|                                     | <u>\$ 419,586</u> | <u>\$ 80,343</u> | <u>\$ 499,929</u> |

### II. CRA Building Lease - May 2016

In May 2016, the CRA leased office space at 1948 Harrison Street from 1948 Harrison Street LLC. The purpose of the lease is to provide office space to provide community redevelopment services within the CRA's districts. Payments are due monthly and the lease term is 120 months (12 years). Payments are \$5,416.67 in years 1-5 and \$5,958.34 in years 5-10. The lease's interest rate is about 8.5%. The Office Space's cost was \$274,525 and currently has \$54,905 in accumulated depreciation.

The payment schedule as of September 30, 2022 is below:

| Fiscal Year Ending<br>September 30, | Principal         | Interest         | Total Outflows    |
|-------------------------------------|-------------------|------------------|-------------------|
| 2023                                | \$ 54,468         | \$ 17,032        | \$ 71,500         |
| 2024                                | 59,294            | 12,206           | 71,500            |
| 2025                                | 64,548            | 6,952            | 71,500            |
| 2026                                | 46,181            | 1,488            | 47,669            |
|                                     | <u>\$ 224,491</u> | <u>\$ 37,678</u> | <u>\$ 262,169</u> |

I. LONG-TERM DEBT – Summarized below are the City's debt issued to finance the acquisition and construction of major capital facilities that were outstanding as of September 30, 2022:

#### 1. GOVERNMENTAL ACTIVITIES DEBT:

- \$43,922,000 General Obligation Refunding Note, Series 2015 – Note was issued on July 9, 2015 for the purpose of refunding, on a current basis, the outstanding Series 2005 General Obligation Bonds and certain costs of issuing the note. Note was issued under the provisions of applicable governing law and Resolution R-2015-224 enacted by the City Commission on July 8, 2015. Revenue for ad valorem taxes levied on all taxable property in the City will be used to pay the debt service on the note through its maturity date (June 1, 2030). The interest rate on the note is fixed at 2.92%. The refunding resulted in an economic gain of \$5,407,232.

Annual debt service requirements to maturity for the General Obligation Refunding Note, Series 2015

| Fiscal Year Ending<br>September 30, | Principal            | Interest            | Total                |
|-------------------------------------|----------------------|---------------------|----------------------|
| 2023                                | \$ 2,892,000         | \$ 749,155          | \$ 3,641,155         |
| 2024                                | 2,977,000            | 664,709             | 3,641,709            |
| 2025                                | 3,062,000            | 577,780             | 3,639,780            |
| 2026                                | 3,152,000            | 488,370             | 3,640,370            |
| 2027                                | 3,247,000            | 396,332             | 3,643,332            |
| 2028-2030                           | 10,326,000           | 608,878             | 10,934,878           |
|                                     | <u>\$ 25,656,000</u> | <u>\$ 3,485,224</u> | <u>\$ 29,141,224</u> |

# CITY OF HOLLYWOOD, FLORIDA

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- \$8,595,000 PNC Bank Refunding Revenue Note, Series 2017 – Note was issued on February 3, 2017 for the purpose of refunding, on a current basis, the outstanding Series 2012 FFGFC Refunding Revenue Bonds. The Note was issued with the same terms and conditions as the bonds with bi-annual payments starting July 1, 2017 through maturity on July 1, 2022. The interest rate on the note is fixed at 2.60% per annum. There was no economic gain from the refunding. In the event of default of payment, covenant, bankruptcy, or compliance with notice requirements, the outstanding principal and accrued interest is immediately due. This note was paid in full during fiscal year 2022.
- \$6,515,000 Pinnacle Public Finance, Inc. Refunding Revenue Note, Series 2017 – Note was issued on February 3, 2017 for the purpose of refunding, on a current basis, the outstanding Series 2014 FFGFC Refunding Revenue Bonds. Note was issued with the same terms and conditions as the bonds with bi-annual payments starting July 1, 2017 through maturity on July 1, 2024, resulting in no economic gain. The interest rate on the note is fixed at 2.37% per annum. In the event of default of payment, covenant, bankruptcy, or compliance with notice requirements, the outstanding principal and accrued interest is immediately due.

Annual debt service requirements to maturity for the Pinnacle Public Finance Refunding Revenue Note, Series 2017:

| Fiscal Year Ending<br>September 30, | Principal           | Interest         | Total               |
|-------------------------------------|---------------------|------------------|---------------------|
| 2023                                | \$ 780,000          | \$ 37,446        | \$ 817,446          |
| 2024                                | 800,000             | 18,960           | 818,960             |
|                                     | <u>\$ 1,580,000</u> | <u>\$ 56,406</u> | <u>\$ 1,636,406</u> |

- \$36,890,000 Capital Improvement Revenue and Refunding Bonds, Series 2016A – On March 3, 2016 the City issued Series 2016A bonds for the purpose of advance refunding various City outstanding debts, construction of various capital projects citywide, acquisition of vehicles and equipment, and to pay for issuance costs related to the bonds. Of the \$44,469,136 of proceeds and premiums plus \$1,635,339 of other available resources, \$24,808,874 was used for advance refunding (of which \$4,914,208 in principal plus \$133,866 in interest and costs related to refunding business-type activity FFGFC series notes), \$21,000,000 for capital items and the remaining balance for costs related to the debt. The Series 2016A bonds are secured by the City's half-cent sales tax revenue and the City's simplified communications tax revenue. The coupon interest rate on these bonds is 5.0% for the first payment, decreasing to 3.0% on the last payment on July 1, 2031. In the event of default of payments, covenants, or bankruptcy existing for more than 30 days, the City must pay to the Paying Agent, Registrar, or Holders of the Bonds not less than 25.00% of the outstanding principal.

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Annual debt service requirements to maturity for the Government Activities portion of the Capital Improvement Revenue and Refunding Bonds, Series 2016A:

| Fiscal Year Ending<br>September 30, | Principal            | Interest            | Total                |
|-------------------------------------|----------------------|---------------------|----------------------|
| 2023                                | \$ 2,593,395         | \$ 1,371,443        | \$ 3,964,838         |
| 2024                                | 2,723,739            | 1,241,773           | 3,965,512            |
| 2025                                | 3,591,201            | 1,105,586           | 4,696,787            |
| 2026                                | 3,770,985            | 926,026             | 4,697,011            |
| 2027                                | 2,925,997            | 737,477             | 3,663,474            |
| 2028-2032                           | 13,245,643           | 1,411,400           | 14,657,043           |
|                                     | 28,850,960           | 6,793,705           | 35,644,665           |
| Premium/(Discount)                  | 2,663,646            | -                   | 2,663,646            |
|                                     | <u>\$ 31,514,606</u> | <u>\$ 6,793,705</u> | <u>\$ 38,308,311</u> |

- \$49,075,000 Community Redevelopment Agency Redevelopment Revenue and Refunding Bonds, Series 2015 – On October 29, 2015, the City of Hollywood's Beach Community Redevelopment Agency (BCRA) issued the Series 2015 bonds for the purpose of refunding the Redevelopment Revenue Bond – Series 2004, advance refunding of the Redevelopment Revenue Bond – Series 2007, construction of a new parking garage at Nebraska and Nevada Streets, undergrounding of overhead utilities and streetscape beautification for six blocks from Oklahoma to Taft Street, fully fund the Series 2015 Debt Service Reserve Fund, and to pay for issuance costs related to the bonds. Of the \$55,287,321 of proceeds and premium plus \$3,816,694 of other available resources, \$39,205,979 was used in the refunding, \$14,000,000 was for capital items, \$5,528,732 was to fund the Series 2015 debt service reserve, and the remaining balance was for costs related to the debt. The Series 2015 bonds are payable solely from and secured by BCRA revenues and assets. The City and BCRA have also entered into an Interlocal Agreement pursuant to which the City covenants to pledge certain designated non-ad valorem revenues of the City to the payment of the Series 2015 bonds under certain conditions. The coupon interest rate on these bonds is 2.0% for the first payment, then increasing to 5.0% for the remaining payments with a final maturity date of March 1, 2024.

Annual debt service requirements to maturity for the community Redevelopment Agency Redevelopment Revenue and Refunding Bonds, Series 2015:

| Fiscal Year Ending<br>September 30, | Principal            | Interest          | Total                |
|-------------------------------------|----------------------|-------------------|----------------------|
| 2023                                | \$ 6,655,000         | 515,625           | \$ 7,170,625         |
| 2024                                | 6,985,000            | 174,625           | 7,159,625            |
|                                     | 13,640,000           | 690,250           | 14,330,250           |
| Premium/(Discount)                  | 295,163              | -                 | 295,163              |
|                                     | <u>\$ 13,935,163</u> | <u>\$ 690,250</u> | <u>\$ 14,625,413</u> |

- \$33,500,000 Community Redevelopment Agency Loans – Loans committed to fund certain redevelopment projects and/or redevelopment incentives of the Downtown Community Redevelopment Agency as approved by its governing board. The DCRA has pledged its tax increment revenues for repayment of these loans. The interest rates on \$2,500,000, \$4,000,000 and \$2,000,000 of these loans are fixed at 5.44%, 5.61% and 2.84%. The loans will mature in November 2022 and August 2024. The interest rates on the remaining outstanding borrowings are variable and equal to the one month London Interbank Offered Rate (LIBOR) as published periodically in the Wall Street Journal plus 1.75%. Interest rate on these borrowings was 1.83% at September 30, 2022. In the event of default of payment, covenant, bankruptcy, or compliance with notice requirements, the outstanding principal and accrued interest is immediately due. For the \$2,000,000, upon default, the loan's interest rate will increase to the maximum

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

allowed per law. In addition, a late fee of 4.00% may be applied to late payments. For the \$4,000,000 loan, upon default, a late fee of 0.10% may be applied to payments due but not paid. For each of the loans, the outstanding balance of the obligation may be declared immediately due and payable upon default.

### Annual debt service requirements to maturity for the Community Redevelopment Agency Loans

| Fiscal Year Ending<br>September 30, | Principal           | Interest         | Total               |
|-------------------------------------|---------------------|------------------|---------------------|
| 2023                                | \$ 686,667          | \$ 23,644        | \$ 710,311          |
| 2024                                | 355,000             | 7,596            | 362,596             |
|                                     | <u>\$ 1,041,667</u> | <u>\$ 31,240</u> | <u>\$ 1,072,907</u> |

On September 22, 2006, the Downtown District of the Hollywood Community Redevelopment Agency issued its Promissory Note, Series 2006A (2006A Note) in the principal amount of \$20,500,000 for the purpose of refunding its Promissory Notes Series, 2004B, 2005A and 2005B (Previous Notes) also totaling \$20,500,000. The 2006A Note and the Previous Notes carry the same interest rate, 175 basis points over the 1-month LIBOR, and all were issued as bank loans/lines of credit by the same financial institution. The only cost of issuance for both the 2006A Note and the Previous Notes was limited to minimal counsel fees which were fully expended the year transactions were entered into. There was no gain or loss as a result of this refunding which basically consolidated three notes into one with no other financial reporting effect. This transaction constitutes an interest rate swap which is accounted for as an effective hedge as further described below.

On September 22, 2006 the DCRA entered into a fixed payer swap with Bank of America for the purpose of fixing its debt payments to manage the interest rate risk associated with variable rate debt. The swap is related to the 2006A Note described above, resulting in a synthetic fixed rate debt. The swap's notional amount as of September 30, 2006 was \$20,500,000. The swap has an effective date of September 22, 2006 and a termination date of November 1, 2022. The DCRA pays a fixed rate of 7.075% and receives the 1-month LIBOR plus 1.75%. Payments are netted by each party to the other and made on a quarterly basis. There was no cash paid or received when the swap was initiated.

At September 30, 2022, the underlying swap with Bank of America had a fair value of (\$134,041). The notional value of \$1,708,332 of this borrowing is included in bonds, loans and leases payable in the statement of net position. This fair value was obtained from the counterparty's mark to market report submitted to the DCRA. The swap counterparty's ratings at September 30, 2022 by Moody's/Standard and Poor's were A2/A-. The DCRA will have a market breakage risk if it decides to unwind the swap in a lower rate environment. The transaction has no basis risk since the swap payments the DCRA receives match the payments it is making on the underlying loan and both use the same index. There is no tax risk since the swap is indexed to LIBOR, a taxable index.

Using rates at September 30, 2022, the debt service requirements of the DCRA's variable-rate debt and related swap are as follows. As rates vary, variable-rate bond interest payments will vary.

| Fiscal Year Ending<br>September 30, | Principal         | Interest        | Swap Rate<br>Interest | Total             |
|-------------------------------------|-------------------|-----------------|-----------------------|-------------------|
| 2023                                | \$ 341,665        | \$ 1,118        | \$ 897                | \$ 343,680        |
|                                     | <u>\$ 341,665</u> | <u>\$ 1,118</u> | <u>\$ 897</u>         | <u>\$ 343,680</u> |

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

- \$5,585,000 U.S. Department of Housing and Urban Development Section 108 Loan Guarantee Program (HUD Section 108 Loans) – Funds committed to finance several major housing rehabilitation programs anticipated and/or underway in the City. Funds may be used only for payment of approved HUD Section 108 activity costs. The initial variable interest rate on this borrowing is set on the first day of each month at twenty (20) basis points above the LIBOR – three months as published on that day in the Wall Street Journal or certain other recognized financial publications. Interest on the unpaid principal balance is due and payable quarterly on the first day of February, May, August and November. Interest rate on this borrowing was approximately 0.34% at September 30, 2022. Annual principal payments continue through maturity on August 1, 2022. In the event of default of payment, the U.S. Department of Housing and Urban Development may withhold grant funds owed to the City. This loan was fully repaid during fiscal year 2022.
- \$60,045,000 General Obligation Bonds, Series 2019 – On September 10, 2019, the City issued the Series 2019, General Obligations bonds. The bond was issued at a premium of \$10,692,757. The bond is payable semiannually commencing on January 1, 2022 and on each January 1 and July 1 thereafter. The bonds mature on July 1, 2044. The bonds are secured by the City's ad valorem taxes. Interest on the bonds varies from 4.00% to 5.00%. In the event of default of payments, covenants, or bankruptcy existing for more than 30 days, the majority bond holders may declare all outstanding principal and interest immediately due.

The purpose of the bonds are to fund capital projects relating to:

- Neighborhood Infrastructure and Resiliency Projects -\$15,398,905
- Public Safety Projects - \$12,853,297
- Parks, Open Space, Golf and Recreational and Cultural Arts - \$41,747,798 and
- Issuance costs \$737,757

Annual debt service requirements to maturity for the General Obligation Bonds, Series 2019:

| Fiscal Year Ending<br>September 30, | Principal            | Interest             | Total                |
|-------------------------------------|----------------------|----------------------|----------------------|
| 2023                                | \$ 1,495,000         | \$ 2,403,350         | \$ 3,898,350         |
| 2024                                | 1,570,000            | 2,328,600            | 3,898,600            |
| 2025                                | 1,655,000            | 2,250,100            | 3,905,100            |
| 2026                                | 1,730,000            | 2,167,350            | 3,897,350            |
| 2027                                | 1,820,000            | 2,080,850            | 3,900,850            |
| 2028-2032                           | 10,545,000           | 8,945,750            | 19,490,750           |
| 2033-2037                           | 13,180,000           | 6,300,200            | 19,480,200           |
| 2036-2040                           | 16,035,000           | 3,444,200            | 19,479,200           |
| 2041-2044                           | 7,350,000            | 444,000              | 7,794,000            |
|                                     | <u>55,380,000</u>    | <u>30,364,400</u>    | <u>85,744,400</u>    |
| Premium/(Discount)                  | 8,734,460            | -                    | 8,734,460            |
|                                     | <u>\$ 64,114,460</u> | <u>\$ 30,364,400</u> | <u>\$ 94,478,860</u> |

- \$11,700,000 Series 2020A and Series 2020B Bank Loans – On May 20, 2020, the City issued the Series 2020A and Series 2020B Bank Loans. The loan is payable quarterly commencing on August 1, 2020. The bonds mature on May 1, 2030. The bonds are secured by the City's business taxes. Interest on the bonds equals 2.34% for Series 2020A to 2.27% for Series 2020B. The purpose of the loans are to fund capital projects.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

Annual debt service requirements to maturity for the Series 2020A and Series 2020B Bank Loans:

| Fiscal Year Endind<br>September 30, | Bank Loans, 2020A   |                   |                     | Bank Loans, 2020B   |                  |                     |
|-------------------------------------|---------------------|-------------------|---------------------|---------------------|------------------|---------------------|
|                                     | Principal           | Interest          | Total               | Principal           | Interest         | Total               |
| 2023                                | \$ 871,436          | \$ 163,075        | \$ 1,034,511        | \$ 350,869          | \$ 36,410        | \$ 387,279          |
| 2024                                | 892,007             | 142,504           | 1,034,511           | 358,902             | 28,377           | 387,279             |
| 2025                                | 913,064             | 121,447           | 1,034,511           | 367,119             | 20,160           | 387,279             |
| 2026                                | 934,617             | 99,893            | 1,034,510           | 375,524             | 11,756           | 387,280             |
| 2027                                | 956,680             | 77,830            | 1,034,510           | 282,499             | 3,185            | 285,684             |
| 2028-2032                           | 2,726,404           | 95,975            | 2,822,379           | -                   | -                | -                   |
|                                     | <u>\$ 7,294,208</u> | <u>\$ 700,724</u> | <u>\$ 7,994,932</u> | <u>\$ 1,734,913</u> | <u>\$ 99,888</u> | <u>\$ 1,834,801</u> |

- \$9,900,000 Series 2022A and Series 2022B Bank Note – On April 21, 2022, the City issued the Series 2022A and Series 2022B Bank Notes. The note is payable quarterly commencing on August 1, 2022. The notes mature on May 1, 2027. The notes are secured by the City's electric franchise fees. Interest on the notes equals 2.03% for Series 2022A and 1.90% for Series 2022B. The purpose of the notes is to fund the repayment of the general employees' pension settlement agreement debt (contributions owed) and the acquisition of municipal vehicles.

Annual debt service requirements to maturity for the Series 2022A and Series 2022B Bank Notes:

| Fiscal Year Ending<br>September 30, | Bank Note, 2022A    |                   |                     | Bank Note, 2022B    |                  |                     |
|-------------------------------------|---------------------|-------------------|---------------------|---------------------|------------------|---------------------|
|                                     | Principal           | Interest          | Total               | Principal           | Interest         | Total               |
| 2023                                | \$ 1,916,670        | \$ 94,763         | \$ 2,011,433        | \$ 308,256          | \$ 25,526        | \$ 333,782          |
| 2024                                | 1,954,933           | 55,505            | 2,010,438           | 313,621             | 19,888           | 333,509             |
| 2025                                | 1,495,766           | 15,218            | 1,510,984           | 314,247             | 13,985           | 328,232             |
| 2026                                | -                   | -                 | -                   | 310,000             | 8,146            | 318,146             |
| 2027                                | -                   | -                 | -                   | 235,000             | 2,233            | 237,233             |
|                                     | <u>\$ 5,367,369</u> | <u>\$ 165,486</u> | <u>\$ 5,532,855</u> | <u>\$ 1,481,124</u> | <u>\$ 69,778</u> | <u>\$ 1,550,902</u> |

- Capital Lease Obligations (Direct Financing/Direct Borrowing):
  - Johnson Controls Equipment Loan - In May 2008, the City's Central Services Internal Service Fund, Water and Sewer Fund, and Parking Fund obtained a loan from Johnson Controls (JCI) to purchase capital equipment. The equipment included the technology licenses for automated wifi water and parking meters. Payments are due quarterly on November, February, May, and August of each year. The lease's interest rate is about 3.79%. The equipment's original cost was \$16,226,230. Currently, Water and Sewer fund's asset cost was \$6.87 million with \$5.49 million in accumulated depreciation. The assets in the Parking Fund and Central services fund have been retired. The debt service schedule as of September 30, 2022 is below:

| Fiscal Year Ending<br>September 30, | Governmental Activities |                  |                   | Business Type Activities |                  |                     |
|-------------------------------------|-------------------------|------------------|-------------------|--------------------------|------------------|---------------------|
|                                     | Principal               | Interest         | Debt Service      | Principal                | Interest         | Debt Service        |
| 2023                                | \$ 211,176              | \$ 14,308        | \$ 225,484        | \$ 679,863               | \$ 46,064        | \$ 725,927          |
| 2024                                | 226,582                 | 5,668            | 232,250           | 729,456                  | 18,250           | 747,706             |
|                                     | <u>\$ 437,758</u>       | <u>\$ 19,976</u> | <u>\$ 457,734</u> | <u>\$ 1,409,319</u>      | <u>\$ 64,314</u> | <u>\$ 1,473,633</u> |

- Motorola Equipment Loan - On December 23, 2013, the City's Central Services Internal Service Fund obtained a loan from Motorola Solutions to purchase capital equipment. The equipment included the public safety radio equipment. Ownership passed to the City upon acceptance of the goods. Payments are due annually in January of each year. The lease's interest rate is about 3.12%. The original loan balance was for \$4.3 million. The debt service schedule as of September 30, 2022 is below:

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

| Fiscal Year Ending<br>September 30, | Principal         | Interest         | Debt Service        |
|-------------------------------------|-------------------|------------------|---------------------|
| 2023                                | \$ 477,590        | \$ 30,257        | \$ 507,847          |
| 2024                                | 492,486           | 15,361           | 507,847             |
|                                     | <u>\$ 970,076</u> | <u>\$ 45,618</u> | <u>\$ 1,015,694</u> |

- Key Government License Loans - In November 2015 and August 2018, the City's Central Services Internal Service Fund obtained a loan from Key Government Finance, Inc. to purchase telecommunications software. Payments are due annually in October of each year. The lease's interest rate is about 5.12%. The equipment's original cost was \$1.67 million. The debt service schedule as of September 30, 2022 is below:

| Fiscal Year Ending<br>September 30, | Principal         | Interest        | Debt Service      |
|-------------------------------------|-------------------|-----------------|-------------------|
| 2023                                | \$ 105,241        | \$ 5,383        | \$ 110,624        |
|                                     | <u>\$ 105,241</u> | <u>\$ 5,383</u> | <u>\$ 110,624</u> |

- Police Vehicle Equipment Loan - In February 2018, the City's Central Services Internal Service Fund(Fleet) obtained a loan from GM Financial to purchase police vehicles. Ownership transfers to the City at the time of purchase. . Payments are due annually on in February of each year. The lease's interest rate is about 3.90%. The equipment's original \$1.9 million. This loan was fully repaid during FY 2022.
- Dell - Police Laptops - March 2021 - In March 2021, The City's Central Services Internal Service Fund (Information Technology) leased 300 Panasonic Toughbook computers from Dell Financial Services. The purpose of the lease is to fund the replacement of existing and aging police vehicle laptops. Payments of \$301,873.60 are due annually from March 2021 through March 2023 (three year lease term). The lease's interest rate is about 9%. The computer's cost was \$764,891 and currently has \$403,694 in accumulated depreciation.

The payment schedule as of September 30, 2022 is below:

| Fiscal Year Ending<br>September 30, | Principal         | Interest         | Total<br>Outflows |
|-------------------------------------|-------------------|------------------|-------------------|
| 2023                                | \$ 277,091        | \$ 24,783        | \$ 301,874        |
|                                     | <u>\$ 277,091</u> | <u>\$ 24,783</u> | <u>\$ 301,874</u> |

- Enterprise - Police Vehicles - September 2021 - In September 2021, the City's Central Services Internal Service Fund (Fleet) leased 45 Chevrolet Tahoe Police SUVs from Enterprise Fleet Management. The purpose of the lease is to fund the replacement of aging police vehicles. The vehicles were placed in service in batches based on delivery date; 21 vehicles were placed in service in FY 2021 and the remainder were placed in service in FY 2022. Payments of \$64,267 are due monthly. The lease term is 36 months from delivery date (three year lease term). The lease's interest rate is about 5.4%. The SUV's cost was \$2,449,554 and currently has \$848,271 in accumulated depreciation.

The payment schedule as of September 30, 2022 is below:

| Fiscal Year Ending<br>September 30, | Principal           | Interest          | Total Outflows      |
|-------------------------------------|---------------------|-------------------|---------------------|
| 2023                                | \$ 697,471          | \$ 76,855         | \$ 774,326          |
| 2024                                | 984,468             | 36,736            | 1,021,204           |
|                                     | <u>\$ 1,681,939</u> | <u>\$ 113,591</u> | <u>\$ 1,795,530</u> |

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

- Dell - Laptop Lease - August 2022 - In August 2022, the City's Central Services Internal Service Fund leased 300 Dell Latitude 5520 computers from Dell Financial Services. The purpose of the lease is to fund the replacement of existing and aging city laptops. Payments of \$78,738.40 are due annually from August 2021 through August 2025 (four year lease term). The lease's interest rate is about 5%. The computer's cost was \$280,000 and currently has \$11,700 in accumulated depreciation.

The payment schedule as of September 30, 2022 is below:

| Fiscal Year Ending<br>September 30, | Principal         | Interest         | Total<br>Outflows |
|-------------------------------------|-------------------|------------------|-------------------|
| 2023                                | \$ 68,256         | \$ 10,482        | \$ 78,738         |
| 2024                                | 71,585            | 7,153            | 78,738            |
| 2025                                | 75,077            | 3,661            | 78,738            |
|                                     | <u>\$ 214,918</u> | <u>\$ 21,296</u> | <u>\$ 236,214</u> |

### 2. BUSINESS-TYPE ACTIVITIES DEBT:

- \$47,160,000 Water and Sewer Refunding Revenue Bonds, Series 2014 – On November 25, 2014 the City issued Water and Sewer Refunding Revenue Bonds, Series 2014. The bonds were issued for the purpose of providing funds to refund and defease the outstanding Series 2003 Water and Sewer Refunding and Improvement Revenue Bonds and to pay issuance costs and other costs. The bonds mature of September 30, 2023 and are collateralized by a pledge of utility system revenues and carry interest rates from 2.0% to 5.0%. In the event of default of payments, covenants, or bankruptcy existing for more than 30 days, the majority bond holders may declare all outstanding principal and interest immediately due.

Annual debt service requirements to maturity for the Water and Sewer Refunding Revenue Bonds Series 2014:

| Fiscal Year Ending<br>September 30, | Principal           | Interest          | Total               |
|-------------------------------------|---------------------|-------------------|---------------------|
| 2023                                | \$ 5,580,000        | \$ 279,000        | \$ 5,859,000        |
|                                     | 5,580,000           | 279,000           | 5,859,000           |
| Premium/(Discount)                  | 185,016             | -                 | 185,016             |
|                                     | <u>\$ 5,765,016</u> | <u>\$ 279,000</u> | <u>\$ 6,044,016</u> |

- \$52,345,000 Water and Sewer Improvement Revenue Bonds, Series 2010 – On January 27, 2010 the City issued Water and Sewer Improvement Revenue Bonds, Series 2010 ("Series 2010 Bonds") totaling \$52,345,000. The bonds issued were comprised of \$4,185,000 of Series 2010A Bonds and \$48,160,000 Series 2010B Bonds (Build America Bonds – Direct Payment). The Series 2010 Bonds are being issued for the purpose of providing funds, together with other available funds, to (i) finance the acquisition, construction and equipping of certain improvements and upgrades to the City's water and sewer utility system; (ii) fund the 2010 Reserve Subaccount of the Reserve Account; and (iii) pay certain costs of issuance with respect to Series 2010 Bonds. Interest rates on the Series 2010A Bonds range from 2% to 3%. The bonds mature on October 1, 2039. Interest from Series 2010A Bonds is excludable from gross income for federal income tax purposes. Interest rates on the Series 2010B bonds range from 4.687% to 6.056%. Interest from 2010B Bonds is not excludable from gross income for federal income tax purposes. In the event of default of payments, covenants, or bankruptcy existing for more than 30 days, the majority bond holders may declare all outstanding principal and interest immediately due. The bonds were fully refunded by the Water and Sewer Refunding Revenue Bonds, Series 2020.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

- \$30,425,000 Water and Sewer Refunding Revenue Bonds, Series 2020 – On October 15, 2020 the City issued Water and Sewer Refunding Revenue Bonds, Series 2020 (“Series 2020 Bonds”) totaling \$30,425,000. The Series 2020 Bonds are issued for the purpose of providing funds, together with other available funds, to (i) currently refund all of the Series 2010 bonds and (ii) pay certain costs of issuance with respect to the Series 2020 bonds. Interest rates on the Series 2020 Bonds range from 3% to 5%. The bonds mature on October 1, 2039. In the event of default of payments, covenants, or bankruptcy existing for more than 30 days, the majority bond holders may declare all outstanding principal and interest immediately due. The refunding resulted in \$10.7 million in net present value savings, \$0.5M in deferred refunding, and defeased the remaining \$40.8 million outstanding Series 2010 Revenue Bonds. Annual debt service requirements to maturity for the Series 2020 bonds:

| Fiscal Year Ending<br>September 30, | Principal            | Interest             | Total                |
|-------------------------------------|----------------------|----------------------|----------------------|
| 2023                                | -                    | \$ 1,375,200         | \$ 1,375,200         |
| 2024                                | 1,295,000            | 1,375,200            | 2,670,200            |
| 2025                                | 1,360,000            | 1,310,450            | 2,670,450            |
| 2026                                | 1,430,000            | 1,242,450            | 2,672,450            |
| 2027                                | 1,500,000            | 1,170,950            | 2,670,950            |
| 2028-2032                           | 8,710,000            | 4,651,250            | 13,361,250           |
| 2033-2037                           | 11,040,000           | 2,314,350            | 13,354,350           |
| 2038-2042                           | 5,090,000            | 255,500              | 5,345,500            |
|                                     | 30,425,000           | 13,695,350           | 44,120,350           |
| Premium                             | 6,456,774            | -                    | 6,456,774            |
|                                     | <u>\$ 36,881,774</u> | <u>\$ 13,695,350</u> | <u>\$ 50,577,124</u> |

- \$122,171,006 State of Florida Revolving Fund Loans – Funds borrowed and outstanding to finance the construction of a reuse wastewater system and Drinking Water Systems. Currently, the State has committed to loan the City a total of approximately \$94.4 million for qualifying projects under this loan program. The loans are collateralized by a pledge of the reuse system and utility system revenues. The final loan matures on December 15, 2040. Interest accrues at rates of 0.00% and 0.13% annually. In the event of default of payment, covenant, bankruptcy, or compliance with notice requirements, the loans may be accelerated at a rate of 1.667 times the financing rate.

Annual debt service requirements to maturity for the State of Florida Revolving loans:

| Fiscal Year Ending<br>September 30, | Principal             | Interest             | Total                 |
|-------------------------------------|-----------------------|----------------------|-----------------------|
| 2023                                | \$ 8,345,161          | \$ 1,338,214         | \$ 9,683,375          |
| 2024                                | 8,997,708             | 1,292,284            | 10,289,992            |
| 2025                                | 8,266,854             | 1,143,535            | 9,410,389             |
| 2026                                | 8,379,424             | 1,007,493            | 9,386,917             |
| 2027                                | 6,222,514             | 885,100              | 7,107,614             |
| 2028-2032                           | 31,258,515            | 3,291,211            | 34,549,726            |
| 2033-2037                           | 28,340,328            | 1,573,801            | 29,914,129            |
| 2038-2042                           | 20,517,920            | 428,369              | 20,946,289            |
| 2043-2047                           | 1,842,582             | 4,521                | 1,847,103             |
|                                     | <u>\$ 122,171,006</u> | <u>\$ 10,964,528</u> | <u>\$ 133,135,534</u> |

- \$36,890,000 Capital Improvement Revenue and Refunding Bonds, Series 2016A – On March 3, 2016 the City issued Series 2016A bonds for the purpose of advance refunding FFGFC Series 2006 loans and to pay for issuance costs related to the bonds. Only \$3,728,700 of the \$36,890,000 face value of the borrowing relates to business-type activities. The bonds mature on July 1, 2031. In the event of default of

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

payments, covenants, or bankruptcy existing for more than 30 days, the City must pay to the Paying Agent, Registrar, or Holders of the Bonds not less than 25.00% of the outstanding principal.

Annual debt service requirements to maturity for the business type portion of the Capital Improvement Revenue and Refunding Bonds, Series 2016A:

| Fiscal Year Ending<br>September 30, | Principal           | Interest          | Total               |
|-------------------------------------|---------------------|-------------------|---------------------|
| 2023                                | \$ 291,605          | \$ 154,207        | \$ 445,812          |
| 2024                                | 306,261             | 139,627           | 445,888             |
| 2025                                | 403,799             | 124,314           | 528,113             |
| 2026                                | 424,015             | 104,124           | 528,139             |
| 2027                                | 329,003             | 82,923            | 411,926             |
| 2028-2032                           | 1,489,357           | 158,700           | 1,648,057           |
|                                     | 3,244,040           | 763,895           | 4,007,935           |
| Premium/(Discount)                  | 382,450             | -                 | 382,450             |
|                                     | <u>\$ 3,626,490</u> | <u>\$ 763,895</u> | <u>\$ 4,390,385</u> |

- \$4,090,122 Promissory Note, Series 2009A – Funds were borrowed to refinance an existing variable rate loan outstanding. Funds were originally borrowed to finance the acquisition and construction of two public parking garages in the City's downtown area. Principal and interest payments are due annually beginning December 1, 2009 through maturity on December 2, 2022. The interest rate on the note is fixed at 6.46%. In the event of default of payment, covenant, bankruptcy, or compliance with notice requirements, the outstanding principal and accrued interest is immediately due. This note was full paid off during fiscal year 2022.
- \$8,400,000 Series 2022A Bank Note – On April 21, 2022, the City issued the Series 2022A Bank Note. The note is payable quarterly commencing on August 1, 2022. The note mature on May 1, 2027. The note is secured by the City's electric franchise fees. Interest on the notes equals 2.03% for Series 2022A. The purpose of the note is to fund the repayment of the general employees' pension settlement agreement debt (contributions owed).

Annual debt service requirements to maturity for the Series 2022A Bank Note:

| Fiscal Year Ending<br>September 30, | Principal           | Interest         | Total               |
|-------------------------------------|---------------------|------------------|---------------------|
| 2023                                | \$ 820,073          | \$ 40,545        | \$ 860,618          |
| 2024                                | 836,446             | 23,748           | 860,194             |
| 2025                                | 639,987             | 6,511            | 646,498             |
|                                     | <u>\$ 2,296,506</u> | <u>\$ 70,804</u> | <u>\$ 2,367,310</u> |

### 3. BOND RESOLUTION AND GENERAL DEFAULT TERMS

Except as otherwise noted herein, the City's "Bond Resolution" determines default remedies to debtors. Per the resolution, upon default, applicable loans and bonds may become immediately due and payable.

### 4. LINES OF CREDIT

The City has an emergency line of credit with City National Bank in the amount of \$10 million. The line of credit was unused as of and during the fiscal year ended September 30, 2022.

**CITY OF HOLLYWOOD, FLORIDA**

**NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022**

**5. CHANGES IN LONG-TERM LIABILITIES – The following is a summary of changes in the long-term liabilities for the year ended September 30, 2022:**

|                                                           | Beginning<br>Balance | Additions     | Reductions     | Ending<br>Balance | Amounts<br>Due Within<br>One Year |
|-----------------------------------------------------------|----------------------|---------------|----------------|-------------------|-----------------------------------|
| Governmental Activities:                                  |                      |               |                |                   |                                   |
| Bonds and Loans Payable:                                  |                      |               |                |                   |                                   |
| Indirect Borrowings:                                      |                      |               |                |                   |                                   |
| General Obligation                                        |                      |               |                |                   |                                   |
| Notes, Series 2015                                        | \$ 28,469,000        | \$ -          | \$ 2,813,000   | 25,656,000        | \$ 2,892,000                      |
| Capital Improvement                                       |                      |               |                |                   |                                   |
| Bonds, Series 2016A                                       | 30,190,356           | -             | 1,339,396      | 28,850,960        | 2,593,395                         |
| General Obligation Bond,<br>Series 2019                   | 56,805,000           | -             | 1,425,000      | 55,380,000        | 1,495,000                         |
| Redevelopment Revenue                                     |                      |               |                |                   |                                   |
| Bonds                                                     | 19,975,000           | -             | 6,335,000      | 13,640,000        | 6,655,000                         |
| Bond Premium/(Discount)                                   | 13,352,727           | -             | 1,659,458      | 11,693,269        | 1,464,963                         |
| Total Indirect Borrowings                                 | 148,792,083          | -             | 13,571,854     | 135,220,229       | 15,100,358                        |
| Direct Borrowings:                                        |                      |               |                |                   |                                   |
| Redevelopment Loans*                                      | 2,748,334            | -             | 1,706,667      | 1,041,667         | 686,667                           |
| PNC Refunding Note,<br>Series 2017                        | 1,280,000            | -             | 1,280,000      | -                 | -                                 |
| Pinnacle Refunding Note,<br>Series 2017                   | 2,345,000            | -             | 765,000        | 1,580,000         | 780,000                           |
| Bank Loan Series 2020                                     | 10,223,476           | -             | 1,194,355      | 9,029,121         | 1,222,305                         |
| Bank Loan Series 2022                                     | -                    | 7,399,591     | 551,098        | 6,848,493         | 2,224,926                         |
| Total Direct Borrowings                                   | 16,596,810           | 7,399,591     | 5,497,120      | 18,499,281        | 4,913,898                         |
| Total Bonds, Notes<br>and Loans Payable                   | 165,388,893          | 7,399,591     | 19,068,974     | 153,719,510       | 20,014,256                        |
| Other Liabilities:                                        |                      |               |                |                   |                                   |
| Compensated Absences                                      | 17,454,582           | 10,441,092    | 10,051,790     | 17,843,884        | 10,041,987                        |
| Claims and Judgments                                      | 15,034,672           | 50,650,945    | 49,765,472     | 15,920,145        | 6,187,009                         |
| Lease Obligations (Right of Use)*                         | 274,525              | 488,189       | 114,304        | 648,410           | 138,515                           |
| Capital Lease Obligations (Direct<br>Financing)           | 4,360,873            | 1,586,429     | 2,264,612      | 3,682,690         | 1,837,209                         |
| Other Liabilities                                         | 7,239,392            | -             | 7,239,392      | -                 | -                                 |
| Other Postemployment<br>Benefits Liability                | 473,236,770          | -             | 193,518,789    | 279,717,981       | -                                 |
| Net Pension Liability                                     |                      |               |                |                   |                                   |
| General                                                   | 152,373,820          | -             | 41,597,023     | 110,776,797       | -                                 |
| Police                                                    | 240,864,372          | -             | 46,777,236     | 194,087,136       | -                                 |
| Fire                                                      | 185,966,998          | -             | 44,551,084     | 141,415,914       | -                                 |
| FRS                                                       | 244,667              | 604,074       | -              | 848,741           | -                                 |
| Total Other Liabilities                                   | 1,097,050,671        | 63,770,729    | 395,879,702    | 764,941,698       | 18,204,720                        |
| Total Governmental<br>Activities Long-term<br>Liabilities | \$ 1,262,439,564     | \$ 71,170,320 | \$ 414,948,676 | \$ 918,661,208    | * \$ 38,218,976                   |

\* Variance between long-term liability on Statement of Net Position and this note is due to fair value of the DCRA swap agreement related to Series 2006A Promissory Note of (\$2,306) and implementation of GASB No. 87 - Leases.

Payments on the bonds and loans payable that pertain to the City's governmental activities are made by the Debt Service Fund, except for the capital lease obligations, which are being repaid directly from an Internal Service Fund and other funds. The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund. The General Fund comprises 89.9% of the governmental activities compensated absences.

The claims and judgments liability is generally liquidated through the City's Insurance Internal Service Fund (See Note III.C). That fund finances the payment of claims by charging other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

Currently, the General Fund and Water and Sewer Utility bear approximately 74.3% and 17.5% respectively of all insurance costs; no other individual fund is charged more than 5% of the total amount.

The General Fund has been used to liquidate on average approximately 60% of the City's General Employees' net pension liability and 100% of the Police and Fire Pensions. Required contributions for the City's other postemployment benefit obligations are based on a pay-as-you-go basis of which approximately 76.0% is assigned to the General Fund.

|                                                                        | Beginning<br>Balance | Additions     | Reductions    | Ending<br>Balance | Amounts<br>Due Within<br>One Year |
|------------------------------------------------------------------------|----------------------|---------------|---------------|-------------------|-----------------------------------|
| Business-Type Activities:                                              |                      |               |               |                   |                                   |
| Bonds and Loans Payable:                                               |                      |               |               |                   |                                   |
| Indirect Borrowings:                                                   |                      |               |               |                   |                                   |
| Water and Sewer<br>Revenue Bonds,<br>Series 2014 (a)                   | \$ 11,570,000        | \$ -          | \$ 5,990,000  | \$ 5,580,000      | \$ 5,580,000                      |
| Capital Improvement<br>Revenue and Refunding<br>Bonds, Series 2016 (a) | 3,394,644            | -             | 150,604       | 3,244,040         | 291,605                           |
| Water and Sewer<br>Revenue Bonds,<br>Series 2020                       | 30,425,000           | -             | -             | 30,425,000        | -                                 |
| Bond Premium/Discount                                                  | 8,110,550            | -             | 1,086,310     | 7,024,240         | 900,833                           |
| Total Indirect Borrowings                                              | 53,500,194           | -             | 7,226,914     | 46,273,280        | 6,772,438                         |
| Direct Borrowing:                                                      |                      |               |               |                   |                                   |
| Bank Loan Series 2022                                                  | -                    | 2,500,406     | 203,900       | 2,296,506         | 820,073                           |
| State Revolving Loans                                                  | 108,792,670          | 19,736,942    | 6,358,606     | 122,171,006       | 8,345,161                         |
| Total Direct Borrowings                                                | 108,792,670          | 22,237,348    | 6,562,506     | 124,467,512       | 9,165,234                         |
| Total Bonds, Notes<br>and Loans Payable                                | 162,292,864          | 22,237,348    | 13,789,420    | 170,740,792       | 15,937,672                        |
| Other Liabilities:                                                     |                      |               |               |                   |                                   |
| Compensated Absences                                                   | 2,356,781            | 1,343,468     | 1,654,430     | 2,045,819         | 1,654,432                         |
| Capital Lease Obligations (Direct<br>Financing)                        | 2,045,295            | -             | 635,976       | 1,409,319         | 679,863                           |
| Other Liabilities                                                      | 3,097,476            | -             | 3,097,476     | -                 | -                                 |
| Other Postemployment<br>Benefits Liability                             | 91,113,512           | -             | 36,628,356    | 54,485,156        | -                                 |
| Net Pension Liability                                                  | 66,199,899           | -             | 18,158,624    | 48,041,275        | -                                 |
| Total Other Liabilities                                                | 164,812,963          | 1,343,468     | 60,174,862    | 105,981,569       | 2,334,295                         |
| Total Business-Type<br>Activities Long-term<br>Liabilities             | \$ 327,105,827       | \$ 23,580,816 | \$ 73,964,282 | \$ 276,722,361    | \$ 18,271,967                     |

These amounts are reflected in the financial statements net of unamortized premium/discount of \$7,024,240.

6. UNAMORTIZED PREMIUMS AND DISCOUNTS – Original issue discounts and premiums on long-term debt are amortized over the life of the respective liability in the enterprise funds. Such amounts are amortized using the effective interest method.
7. Pension Settlement - On December 10, 2019, the City and the General Employee's Pension Board settled a dispute relating to supplemental pension distributions. The terms call for the City to pay the Board the supplemental distributions plus interest from FY 2022 through FY 2025. Interest is accrued based on the Board's long-term discount rate. The City repaid this loan in full during FY 2022.
8. PLEDGED REVENUE – General long-term debt bonds/notes are collateralized by multiple sources. For example, the general obligation note is secured by ad valorem taxes on all taxable property within the City and the full faith and credit and taxing power of the City. The City has pledged certain revenue to repay certain bonds and loans outstanding as of September 30, 2022.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

The following table reports the revenue pledged for each debt issue, the amounts of such revenue received in the current year, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount of the remaining principal and interest on the bonds and loans at September 30, 2022:

| Bond/Loan Description                                      | Pledged Revenue                                              | Revenue Received | Principal and Interest Paid | Outstanding Principal and Interest | Pledged Through |
|------------------------------------------------------------|--------------------------------------------------------------|------------------|-----------------------------|------------------------------------|-----------------|
| <b>Governmental Activities:</b>                            |                                                              |                  |                             |                                    |                 |
| General Obligation Note, Series 2015                       | Ad Valorem Revenues                                          | \$ 122,600,150   | \$ 3,644,295                | \$ 25,656,000                      | 2030            |
| Capital Improvement Revenue & Refunding Bonds, Series 2016 | Half Cent Sales Tax & Simplified Communications Tax Revenues | 17,727,515       | 2,778,708                   | 28,850,960                         | 2031            |
| BCRA Redevelopment Revenue Bonds, Series 2015              | Increment Tax Revenues                                       | 27,312,445       | 7,175,375                   | 13,640,000                         | 2024            |
|                                                            | Designated Non-Ad Valorem Revenues *                         | 65,480,673       |                             |                                    |                 |
| DCRA Redevelopment Revenue Loans, Series 2002 to 2013      | Increment Tax Revenues                                       | 20,668,064       | 1,819,670                   | 1,041,667                          | 2024            |
|                                                            | Program Revenue                                              |                  |                             |                                    |                 |
| PNC Refunding Revenue Note, Series 2017                    | Non-Ad Valorem Revenues                                      | 118,366,662      | 1,296,575                   | -                                  | 2022            |
| Pinnacle Refunding Revenue Note, Series 2017               | Non-Ad Valorem Revenues                                      | 118,366,662      | 818,233                     | 1,580,000                          | 2024            |
| General Obligation Notes, Series 2019                      | Ad Valorem Revenues                                          | 122,600,150      | 3,902,600                   | 55,380,000                         | 2044            |
| Series 2020 Capital Improvement Bond                       | Local Business Tax                                           | 4,677,577        | 1,421,790                   | 9,029,121                          | 2030            |
| Series 2022 Bank Loan                                      | Electric Franchise Fees                                      | 10,972,557       | 506,321                     | 6,848,493                          | 2027            |
| <b>Business-type Activities:</b>                           |                                                              |                  |                             |                                    |                 |
| Water and Sewer Revenue                                    | Utility Revenues                                             | 109,893,557      | 6,574,000                   | 5,580,000                          | 2023            |
| Bonds, Series 2014                                         |                                                              |                  |                             |                                    |                 |
| Water and Sewer Revenue                                    | Utility Revenues                                             | 109,893,557      | 40,805,000                  | -                                  | 2039            |
| Bonds, Series 2010                                         |                                                              |                  |                             |                                    |                 |
| Water and Sewer Revenue Refunding                          | Utility Revenues                                             | 109,893,557      | 1,268,240                   | 30,425,000                         | 2039            |
| Bonds, Series 2020                                         |                                                              |                  |                             |                                    |                 |
| State Revolving Fund Loans                                 | Reuse System and Utility Revenues                            | 115,888,185      | 7,313,278                   | 122,171,006                        | 2042            |
| Capital Improvement Revenue & Refunding Bonds, Series 2016 | Half Cent Sales Tax & Simplified Communications Tax Revenues | 17,275,515       | 312,442                     | 3,244,040                          | 2031            |
| Series 2022 Bank Loan                                      | Electric Franchise Fees                                      | 10,972,527       | 216,637                     | 2,296,504                          | 2027            |

\* Designated non-advalorem revenues have been pledged subject to certain conditions.

**J. NONEXCHANGE FINANCIAL GUARANTEES** – On January 23, 2014, the City of Hollywood (City) entered into a 32 year guarantee agreement with the Hollywood Beach Community Development District 1 (District) when the District issued its \$36,395,000 Taxable Revenue Bonds (Public Parking Facilities Project), Series 2014 (Bonds). The District is a legally separate district encompassing approximately 5.13 acres located within the City of Hollywood and was established by Ordinance O-2011-21 of the City effective June 1, 2011 pursuant to the provisions of Chapter 190, Florida Statutes. The bonds were issued for the purpose of funding a public parking garage. The bonds' interest rate varies from 5.00% to 6.25% with interest being paid semi-annual on April 1 and October 1 of each year and with principal payments on October 1 of each year (except for 2014, 2015 and 2016 whereby interest only was paid). Debt payments started in October 2014 until final payment in October 2045.

On October 2, 2020, the above notes were advance refunded with the issuance of the Series 2020 Revenue Refunding Bonds (Public Parking Facilities Project) in the principal amount of \$35,625,000. The purpose of the bonds is to advance refund the District's outstanding Series 2014 Bonds. The Series 2020 bonds mature on October 1, 2045. The bond's interest rate ranges from 2.125% to 5.000%. In the event that the District does not have sufficient funds to service the Bonds, the City will fund any deficiency in the debt service reserve fund from legally available non ad valorem revenues.

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

K. FUND BALANCE REPORTING – Governmental Accounting Standards Board Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” (GASB 54) provides a structured classification of fund balance to improve the usefulness of fund balance reporting to the users of the City’s financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major fund balance classifications: nonspendable and spendable. Nonspendable fund balance includes amounts that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of nonspendable fund balance include inventory and prepaid items.

GASB 54 provides for four categories of the spendable fund balance classification based on the level of constraint placed on the use of those resources.

RESTRICTED FUND BALANCE includes resources constrained to a specific purpose by their external providers such as grantors and contributors, or laws and regulations.

COMMITTED FUND BALANCE includes amounts that can only be used for specific purposes in accordance with constraints imposed by the City Commission through an ordinance or resolution (which are equally binding as the highest decision-making authority). These items cannot be used for any other purpose unless the Commission takes action to remove or change the constraint. The City Commission adopted by Resolution an Economic Stabilization Fund Policy that commits an amount equal to five (5) percent of General Fund expenditures. The Policy states that the use (appropriation) of committed fund balance will be considered in conjunction with the annual budget adoption process or by budget amendment approved by resolution of the City Commission during the fiscal year. This reserve was created for the specific purpose stipulated in the legislation to protect the City from adverse financial impacts in the event of unexpected economic events.

ASSIGNED FUND BALANCE includes resources the City intends to use for a specific purpose that are not classified as nonspendable, restricted or committed. Encumbrances are recorded within an assigned fund balance category. Assignments are recommended by the City Manager based on the City Commission direction during the annual budget process, and the City Commission authorizes assignments by the adoption of a resolution.

UNASSIGNED FUND BALANCE only for General Fund, includes the remaining fund balance, or net resources, available for any purpose. Unassigned fund balance represents amounts that are not constrained in any way. In governmental funds other than the General Fund, if expenditures incurred for a specific purpose exceed the amounts that are restricted, committed or assigned to that purpose, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Commission has provided otherwise in its commitment or assignment actions.

MINIMUM FUND BALANCE POLICY – The General Fund has adopted a target minimum unassigned fund balance policy of seventeen percent (17%) of General Fund expenditures which is equivalent to two months of operations as recommended by the Governmental Finance Officers Association. This target is inclusive of any committed or assigned amounts. The City met all of its fund balance targets at September 30, 2022.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

The following table shows the City's fund balance classifications for its governmental funds as of September 30, 2022:

|                                    | Major Funds   |                               |                                  | Other Governmental Funds |
|------------------------------------|---------------|-------------------------------|----------------------------------|--------------------------|
|                                    | General       | Beach Community Redevelopment | Downtown Community Redevelopment |                          |
| Nonspendable:                      |               |                               |                                  |                          |
| Inventory                          | \$ 61,557     | \$ -                          | \$ -                             | \$ -                     |
| Prepaid Items                      | -             | -                             | -                                | 680,228                  |
| Nonspendable Fund Balance          | 61,557        | -                             | -                                | 680,228                  |
| Restricted for:                    |               |                               |                                  |                          |
| Assets Held for Sale               | -             | -                             | -                                | 201,925                  |
| Debt Covenants                     | -             | 6,772,053                     | -                                | 570,315                  |
| Grants & Special Programs          | -             | -                             | -                                | 10,281,596               |
| Public Safety Projects             | -             | -                             | -                                | 6,863,136                |
| Street and Sidewalk Projects       | -             | 1,839,429                     | -                                | 8,567,165                |
| Redevelopment Projects             | -             | 31,406,463                    | 13,146,510                       | -                        |
| Park Improvements & Renovations    | -             | -                             | -                                | 24,355,041               |
| Building Operations                | -             | -                             | -                                | 19,591,053               |
| Neighborhood and Infrastructure    | -             | -                             | -                                | 14,009,970               |
| Impact Fees - Parks and Recreation | -             | -                             | -                                | 3,115,575                |
| Other Capital Projects             | -             | -                             | -                                | 956,755                  |
| Restricted Fund Balance            | -             | 40,017,945                    | 13,146,510                       | 88,512,531               |
| Committed to:                      |               |                               |                                  |                          |
| Economic Stabilization             | 11,121,392    | -                             | -                                | -                        |
| General Capital Project            | -             | -                             | -                                | 7,515,985                |
| Public Safety Projects             | -             | -                             | -                                | 4,211,344                |
| Street and Sidewalk Projects       | -             | -                             | -                                | 3,324,922                |
| Economic Environment               | -             | -                             | -                                | 183,299                  |
| Park Improvements & Renovations    | -             | -                             | -                                | 4,877,781                |
| Other Capital Projects             | -             | -                             | -                                | 493,607                  |
| Committed Fund Balance             | 11,121,392    | -                             | -                                | 20,606,938               |
| Subsequent Years' Budget           | 680,000       | -                             | -                                | -                        |
| Encumbrances                       | 700,000       | -                             | -                                | -                        |
| Assets Held for Sale               | -             | -                             | -                                | 730,590                  |
| General Government                 | -             | -                             | -                                | 111,188                  |
| Public Safety Projects             | -             | -                             | -                                | 280,306                  |
| Physical Environment               | -             | -                             | -                                | 88,000                   |
| Transportation Projects            | -             | -                             | -                                | 1,182                    |
| Future Debt Service                | -             | -                             | -                                | 1,852,369                |
| Assigned Fund Balance              | 1,380,000     | -                             | -                                | 3,063,635                |
| Unassigned                         | 75,715,703 a  | -                             | -                                | (1,958,745)              |
| Total Fund Balances                | \$ 88,278,652 | \$ 40,017,945                 | \$ 13,146,510                    | \$ 110,904,587           |

a - Includes \$37.8 million in unassigned reserves (17% of expenditures).

L. DEFICIT NET POSITION/FUND BALANCE OF INDIVIDUAL FUNDS – Net position deficit in the Central Services Fund continues to exist due to a net pension liability of \$16.8 million in FY 2022, and total other postemployment benefit liability of \$10.6 million in FY 2022. The fund's revenues exceeded expenses by \$7.3 million. Management will continue to evaluate the operations in the Central Services Fund in the future and take necessary steps to improve the net position of the fund.

The net position deficit in the Golf Fund is primarily related to year over year sustained operating losses related to providing public golf services. In addition, the fund sustained personnel service costs related to its share of pension and other postemployment benefits. Management will continue to evaluate the operations in the Golf Fund in the future and take necessary steps to improve the net position of the fund.

The fund balance deficit in the Police Grants Fund totaling \$1.2 million is expected to be eliminated by revenue collectible in future years. The revenue is related to reimbursement based grants which do not meet the availability criteria at year end for revenue recognition and is reported as deferred inflows of resources. The Emergency and Disaster Fund had a fund balance deficit of \$0.7 million as a result of expenditures incurred in the preparation and recovery from the COVID-19 pandemic. This deficit is expected to be eliminated by revenue collectible in future years. The funding source for this deficit is expected to be FEMA.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

### NOTE III – OTHER INFORMATION

- A. **RESTRICTED ASSETS** – The amounts shown below are those assets restricted by sources external to the City.

Ordinances pertaining to long-term debt and other agreements require segregation and restriction of certain assets represented by the following amounts within the enterprise funds at September 30, 2022:

|                                             |    |                       |
|---------------------------------------------|----|-----------------------|
| Water and Sewer Utility Fund:               |    |                       |
| Construction Contracts and Retainage        | \$ | 6,190,234             |
| Customer Deposits                           |    | 15,740,265            |
| Rate Stabilization Funds                    |    | 10,000,000            |
| Notes Payable - State Revolving Loan        |    | 3,917,381             |
| Renewal, Replacement and Improvement Funds: |    |                       |
| Construction Projects                       |    | 72,748,824            |
| Impact Fee Reserves:                        |    |                       |
| Water System                                | \$ | 4,108,178             |
| Sewer System                                |    | 4,125,807             |
|                                             |    | <u>8,233,985</u>      |
|                                             |    | <u>\$ 116,830,689</u> |
| Sanitation Enterprise Fund:                 |    |                       |
| Customer Deposits                           | \$ | <u>1,064,469</u>      |

Borrowing agreements for other funds require restriction of certain assets. Amounts required to be restricted totaled \$16.99 million at September 30, 2022 for Governmental Funds. The composition of this amount is shown by fund below:

|                                             |    |                   |
|---------------------------------------------|----|-------------------|
| General Capital Projects:                   |    |                   |
| 2016 Capital Improvement Bonds              | \$ | 2,293,368         |
| 2020 Capital Improvement Bonds              |    | 7,920,983         |
|                                             |    | <u>10,214,351</u> |
| Beach Community Redevelopment:              |    |                   |
| 2015 Beach CRA Refunding Bonds Debt Service |    | 5,899,459         |
| 2015 Beach CRA Refunding Bonds Construction |    | 872,594           |
|                                             |    | <u>6,772,053</u>  |
| Total Governmental Restricted Assets        | \$ | <u>16,986,404</u> |

Restricted assets reflected in the government-wide financial statements are displayed as such as required by ordinances, borrowing agreements and certain grant contracts.

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# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

- B. **ASSETS HELD FOR SALE** – In October 2014, the City entered into an agreement to purchase the Cononie and COSAC properties from COSAC Homeless Assistance Center, Sean A. Cononie and Mark W. Targett. The City intends to sell these properties in the future. Properties were recorded at net realizable value or cost, whichever was lower.

| Location                    | Folio #      | Size: Land/Building | Recorded Value    |
|-----------------------------|--------------|---------------------|-------------------|
| 1203 N. Federal Highway     | 514210050030 | 0.45 acres          | (a) \$ 411,890    |
| 550 N. 66 Terrace           | 514114082690 | 0.16 acres/1,584 sf | 180,000           |
| 2323 Cleveland Street       | 514209054240 | 0.15 acres/922 sf   | 125,000           |
| Timeshare - Hollywood Sands |              | 1 week              | 10,200            |
| Timeshare - Hollywood Beach |              | 1 week              | 3,500             |
|                             |              |                     | <u>\$ 730,590</u> |

- (a) Property had a building that was demolished in early October 2015 and as such only the land value was recorded.

The City's Housing department acquired vacant lots for the purpose of developing them into affordable housing. Properties were recorded at lower of net realizable value or cost.

| Location             | Folio #      | Size: Land/Building | Recorded Value    |
|----------------------|--------------|---------------------|-------------------|
| 5608 Wiley Street    | 514124130150 | 0.13 acres          | \$ 27,480         |
| 2030 Dewey Street    | 514222100511 | 0.19 acres          | 73,110            |
| 2034 Dewey Street    | 514222100510 | 0.19 acres          | 73,110            |
| 5812 Plunkett Street | 514124100781 | 0.08 acres          | 28,226            |
|                      |              |                     | <u>\$ 201,926</u> |

The total assets held for sale at September 30, 2022 was \$932,516.

- C. **CLAIMS PAYABLE – INSURANCE FUND** – The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's Insurance Fund (an internal service fund) accounts for and finances its uninsured risks of loss. Under this program, the Insurance Fund provides coverage for up to a maximum of \$600,000 for each workers' compensation claim, \$400,000 for each liability claim, and \$350,000 for each health insurance claim. The Property Program has property insurance in the amount of \$100,000,000 per occurrence of blanket policy limits for Utilities property, and \$30,000,000 per occurrence of blanket policy limits for all other City property (\$20,000,000 for names windstorm losses). Whereas, the City maintains a per occurrence name windstorm deductible of 5% of total insurance values at affected location, subject to a \$500,000 minimum, for the Utilities property and a per occurrence named windstorm deductible of 5% per unit of insurance at the affected location, subject to a \$250,000 minimum, for all other City property. The City purchases commercial insurance for workers compensation, general liability, auto liability, terrorism, cyber, drone, environmental/pollution, flood, medical professional, public officials, and health claims in excess coverage provided by the fund.

All funds of the City participate in the program and make payments to the Insurance Fund based on actuarial estimates of the amounts to pay prior and current-year claims. The claims liability of \$15,920,145 reported in the Insurance Fund at September 30, 2022, is based on GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims payable liability is based on actuarial evaluations performed by independent actuaries as of September 30, 2022. This liability consists of claims reported and payable, as well as an estimate for claims incurred and not reported as of that date. At September 30, 2022, claims payable for auto and general liability totaled \$7,886,849 and \$4,580,545 for workers' compensation claims. These amounts reflect a discounted rate factor of 3%. The remaining

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

balance of claims payable consists of amounts for health and dental claims which are not discounted. The liability for unpaid amounts of liability, workers' compensation and employee health claims is reported in the Insurance Fund with a summary of changes in those amounts as follows:

| Fiscal<br>Year | Claims Payable<br>October 1 | Claims<br>and Changes<br>in Estimates | Adjustment<br>Expenses<br>Paid | Claims Payable<br>September 30 |
|----------------|-----------------------------|---------------------------------------|--------------------------------|--------------------------------|
| 2021           | 14,282,588                  | 46,286,791                            | (45,534,707)                   | 15,034,672                     |
| 2022           | 15,034,672                  | 50,650,945                            | (49,765,472)                   | 15,920,145                     |

- D. CONTINGENT LIABILITIES – The City is a defendant in various lawsuits. Although the outcome of such litigation is not presently determinable, management does not believe the settlement of these matters will have a material effect upon the financial condition or results of operations of the affected funds.

The City participates in a number of federal, state and local grant assistance programs. The grants are subject to audit by the granting agencies to determine if activities undertaken by the City comply with conditions of the grant. Management believes that no material liability will arise from any such audits.

### E. TAX ABATEMENTS AND OTHER INCENTIVES

**ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION** – The City's program provides a tax incentive that encourages investors/business owners to invest in new business or expand existing business in Hollywood. The City offers an Ad Valorem Tax Exemption of up to 25% of the City's portion (up to 50% in the Liberia Area Business Corridor) of ad valorem taxes for a period not to exceed 8 years for qualifying new or expanding businesses that invest at least \$250,000 in capital improvements and create new jobs. The award and amount of the exemption are authorized under City Ordinance 38.90 and require City Commission approval. A tax incentive is given to the qualifying new or expanding businesses via a percentage reduction in the tax that is collectible from the property (only ad valorem tax imposed by the City). The percentage will be determined by the City Commission within the limits set by the City Ordinance 38.90. The number of years that the business will qualify for the exemption is determined by a point system set forth in the City Ordinance 38.90. At present the program does not have any recapture provision but the City can revoke any remaining years of the exemption should any new business or expansion fail in any of its responsibilities and/or representations to the City. At present, no businesses are participating in the program.

**DOWNTOWN CRA AD VALOREM TAX INCENTIVE DEVELOPER AGREEMENTS** – In order to encourage the development of specific projects in the Downtown CRA district, the Downtown CRA has entered into development agreements with developer(s) whereby the developer agrees to complete a development project in exchange for a percentage repayment of the increase in ad valorem taxes that projects would generate in the Downtown CRA district in future years. The duration of the tax rebate and percentage of tax increase rebated is negotiated between the CRA and developer and is approved via resolution by the Downtown CRA board. All agreements have a not to exceed amount of taxes that can be rebated during the life of the agreement. At present the Downtown CRA has three agreements in place that are still active and are as follows:

1. Agreement between the City, Downtown CRA and SFD@Hollywood, LLC for a mixed use development project to be located on the Great Southern Hotel site. This agreement was entered on July 20, 2004 and amended and restated on April 4, 2012 pursuant to Section 163.370 FS, Section 163.358 FS and 166.021 FS. The developer agreed to maximize the preservation and restoration of the historical components of the Great Southern Hotel and expend millions of dollars in order to accomplish the task. Commencing in the year when the CRA first received tax increment funds from the completed project, the Downtown CRA will

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

pay the developer an amount equal to 50% of the annual projects' ad valorem tax increment : All obligations for payment to the developer under this section shall terminate immediately upon payment by the CRA of the amount due resulting from receipt by the CRA of the last tax increment monies based on a September 30, 2025 termination of existence. Should the Downtown District of the CRA continue to exist beyond calendar year 2025, developer shall have the right to request the CRA continue to pay beyond calendar year 2025.

- a. The total sum of \$11,200,000 has been paid to the developer in the aggregate, or
- b. Twenty years of the annual payments described above have been made to the developer.

In FY 2022 a total of \$0 was rebated to the developer since development has yet to be completed.

2. Agreement between the City, Downtown CRA and SFD@Hollywood, LLC for the Block 55 Redevelopment Project. This agreement was entered on July 20, 2004, and amended and restated on April 4, 2012 whereby the developer agreed to complete the construction of residential and commercial properties to significantly reduce blight in the City's Downtown CRA and enhance the City and CRA areas around Young Circle Arts Park. This agreement would also bring synergy and critical mass to those areas. Commencing in the year when CRA first receives tax increment funds from the completed project, the Downtown CRA will pay the developer an amount equal to 50% of the annual project ad valorem tax increment :All obligations for payment to the developer under this section shall terminate immediately upon payment by the CRA of the amount due resulting from receipt by the CRA of the last tax increment monies based on a September 30, 2025 termination of existence. Should the Downtown District of the CRA continue to exist beyond calendar year 2025, developer shall have the right to request the CRA continue to pay beyond calendar year 2025.

In FY 2022, a total of \$772,567 was rebated to the developer.

3. Agreement between the City, Downtown CRA and H3 Hollywood, LLC for a residential development project to be located on the SW corner of Dicie Highway and Hollywood Boulevard. This agreement was entered on June 16, 2004 between the City, Downtown CRA and Hollywood Dixie Associates, LLC, and amended on June 17,, 2021 by first amendment to the development agreement. On February 1, 2018, the second amendment to the development agreement was entered between the City, Downtown CRA and H3, Hollywood, LLC, the successor in interest in Hollywood Dixie Associates, LLC for Phase III of the project, The agreement states that the CRA shall provide H3 Hollywood, LLC a total cash incentive of \$1,300,000 to be distributed as follows:
  - a. In the first year following issuance of the first certificate of occupancy for phase III and the development becomes subject to ad valorem real property taxes as a completed development, the CRA shall pay H3 50% of the tax increment attributable to Phase III.
  - b. On April 1, in the first year following the first incentive payment for Phase III, and every April 1, thereafter until the total amount of the incentive has been paid, the CRA shall pay H3 50% of the tax increment.
  - c. No individual annual incentive payment will exceed \$450,000 and in the event Phase III is not completed on or before the deadline of February 1, 2021, the incentive will be reduced to a total of \$1,000,000.

In FY 2022, a total of \$0 was rebated to the developer since development has yet to be completed.

## **CITY OF HOLLYWOOD, FLORIDA**

### **NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022**

#### **OTHER BUSINESS INCENTIVE PROGRAMS:**

**LOCAL ALTERNATIVE ECONOMIC DEVELOPMENT INCENTIVE PROGRAM** – Businesses who participate in the Economic Development Ad Valorem Tax Exemption program are ineligible to participate in this program. Eligible businesses that make a capital investment of not less than \$500,000 in a target area or \$1,000,000 in a non-target area may qualify for financial incentive cash payments from the City. The amount of the incentive is at the discretion of the City Commission and is based on a point scale as set forth in City Ordinance 38.91 that considers factors such as the number of jobs created, salary level of the jobs created, amount of capital investment and longevity of the business in the City. Each point makes a business eligible for an annual payment of \$1,000, up to a maximum annual payment of \$100,000. The maximum payment to any eligible firm over its lifetime cannot exceed \$500,000. The monetary amount represents the maximum amount which may be awarded by the City Commission and the City Commission reserves the right to lesser amounts for reasons including but not limited to available budget resources and other constraints. The payments normally start in the second year that the business is operating and can continue through six years of operation. Qualification for payments of the cash incentive in year two through six must occur independently at the completion of each successive year to ensure the continued adherence to the criteria established. At present, no businesses are participating in this program.

#### **COMMUNITY REDEVELOPMENT AGENCY BUSINESS INCENTIVE PROGRAMS:**

**HOTEL IMPROVEMENT PROGRAM** – The Hotel Improvement Program (HIP) has been established as an incentive for owners and tenants of small properties defined as hotel/motel, inn, or bed and breakfast, located in both the Downtown and Beach districts of the Hollywood CRA. This program provides a 33% reimbursement grant of up to \$250,000 or 20% of the assessed value, whichever is lower, for comprehensive fixed capital improvements to both the interior and exterior of the property. As part of receiving this grant, the property must become certified as a Superior Small Lodging or a AAA Diamond Rated Property.

**PROPERTY IMPROVEMENT PROGRAM** – The Property Improvement Program (PIP) is an incentive grant program of the CRA for owners and tenant buildings located within the CRA districts. It provides a 50% reimbursement grant of up to \$50,000 for comprehensive fixed capital improvements to the exterior of the property. The goal of this program is to encourage commercial multi-family and single-family rental properties to renovate, restore and improve their property by enhancing its visual quality and attractiveness.

**PAINT ONLY PROGRAM** – The Paint Only Program (POP) is an incentive grant program of the CRA for owners and tenants of buildings located in the CRA districts. It provides a 50% reimbursement grant up to \$10,000 for cleaning, patching and painting of a building's exterior when done by a licensed contractor.

In FY 2022, a total of \$397,624 was expended for the PIP and POP programs, respectively. There were no funds expended for the HIP program.

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## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

**F. OTHER POSTEMPLOYMENT BENEFITS** – The City accounts for postemployment health care benefits provided in accordance with GASB 75.

1. **PLAN DESCRIPTION** – The Postemployment Health Care Benefits Plan is a single-employer defined benefit plan administered by the City. Pursuant to the provisions of Section 112.0801, Florida Statutes, former employees and eligible dependents who retire from the City may continue to participate in the City's self-funded health and hospitalization plan for medical, prescription and drug coverage. Retirees are required to enroll in the Federal Medicare program for their primary coverage as soon as they are eligible. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**BENEFITS PROVIDED** – Certain Other Post-Employment Benefits (OPEB) are available to all employees retiring from the City under the provisions of disability, early or normal retirement. The OPEB benefits include lifetime access to coverage for the retiree and dependents under the medical and prescription plans as well as participation in dental, vision and group life insurance plans sponsored by the City for employees.

Eligible retirees may chose the same medical plan available to active employees of the City. Dependents of retirees may be covered at the retiree's option the same as dependents of active employees. Prescription drug coverage is automatically extended to retirees and their dependents who continue coverage under the Medical Plan. Covered retirees and their dependents are subject to all the same medical and prescription benefits and rules for coverage are as active employees. Retirees and their dependents age 65 and over are required to enroll in Medicare Part B in order to remain covered under the program. The plan pays as secondary for claims otherwise covered under Medicare.

Deferred retirement is not allowed to elect coverage at the time of retirement.

Employees covered by benefit terms: At September 30, 2022, a total of 2,446 participants were covered by the benefit terms:

|                                                                        |              |
|------------------------------------------------------------------------|--------------|
| Active employees or beneficiaries currently receiving benefit payments | 1,142        |
| Employees entitled to but not yet receiving benefit payments           | 105          |
| Inactive employees                                                     | 1,199        |
|                                                                        | <u>2,446</u> |

#### TOTAL OPEB LIABILITY

The City's total OPEB liability of \$334,203,137 was determined by an actuarial valuation at October 1, 2022 for the measurement date of September 30, 2022.

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# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

2. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS – The total OPEB liability in the October 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs which were applied to all periods included in the measurement, unless otherwise specified:

|                                          |                                                                |
|------------------------------------------|----------------------------------------------------------------|
| Inflation                                | 2.50 percent                                                   |
| Salary increases                         | 3.00 percent, average, including inflation                     |
| Discount rate                            | 4.40 percent                                                   |
| Healthcare cost trend rates              | Developed using the 2022 SOA long term medical trend model     |
| Retirees' share of benefit related costs | 20 percent of projected health insurance premiums for retirees |

The discount rate of 4.40% was based on the 20-year general obligation index at September 30, 2022. The Mortality Improvement Scale assumption was updated to the latest MP21 table.

The actuarial assumptions used on the September 30, 2022 measurement were based on pre and post-Medicare claims for the fiscal years 2020 through 2022.

### 3. CHANGES IN THE TOTAL OPEB LIABILITY

|                                                   |                             |
|---------------------------------------------------|-----------------------------|
| Changes in the Total OPEB Liability               | Total OPEB Liability<br>(a) |
| Balance at 9/30/21                                | \$ 564,350,282              |
| Changes for the Year:                             |                             |
| Service Cost                                      | 15,106,671                  |
| Interest                                          | 12,199,116                  |
| Difference between expected and actual experience | (99,668,422)                |
| Changes in assumptions or other inputs            | (143,158,510)               |
| Trust Contributions - Employer                    | (14,626,000)                |
| Net Changes                                       | (230,147,145)               |
| Balance at 9/30/22                                | \$ 334,203,137              |

Changes in assumptions and other inputs reflect a change in the discount rate as noted below:

| Fiscal Year Ending | Discount Rate |
|--------------------|---------------|
| 9/30/2017          | 3.50 %        |
| 9/30/2018          | 3.83 %        |
| 9/30/2019          | 2.75 %        |
| 9/30/2020          | 2.41 %        |
| 9/30/2021          | 2.19 %        |
| 9/30/2022          | 4.40 %        |

The mortality and trend tables were updated to the latest SOA Long-Run Medical Cost Trend Model 2022 (MP21). The plan subsidy was also changed to be dependent on the participant division and date of hire.

Sensitivity of the total OPEB liability to Changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.40 percent) or 1-percentage-point higher (5.40 percent) than the current discount rate.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

|                      | 1% Decrease<br>(3.40)% | Discount Rate<br>(4.40)% | 1% Increase<br>(5.40)% |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB Liability | \$ 384,057,793         | \$ 334,203,137           | \$ 293,784,610         |

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|                      | 1% Decrease<br>(2.94)% | Cost Trend<br>Discount Rate<br>(3.94)% | 1% Increase<br>(4.94)% |
|----------------------|------------------------|----------------------------------------|------------------------|
| Total OPEB Liability | \$ 291,574,863         | \$ 334,203,137                         | \$ 387,245,682         |

### 4. OPEB Expense and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized a negative OPEB expense of \$17,005,724. OPEB is allocated to each fund based on each fund's proportionate share of the total active and retiree employee counts. At September 30, 2022 the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

|                                                  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--------------------------------------------------|--------------------------------------|-------------------------------------|
| Difference between expected ad actual experience | \$ -                                 | \$ 152,524,362                      |
| Change in each Fund's proportionate share        | 10,161,443                           | 10,161,443                          |
| Changes of assumptions                           | 58,494,467                           | 149,332,826                         |
| Total                                            | <u>\$ 68,655,910</u>                 | <u>\$ 312,018,631</u>               |

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

| For the Year Fiscal Ending<br>September 30: | Amount                  |
|---------------------------------------------|-------------------------|
| 2023                                        | \$ (44,311,509)         |
| 2024                                        | (38,244,916)            |
| 2025                                        | (60,322,457)            |
| 2026                                        | (31,104,717)            |
| 2027                                        | (34,689,562)            |
| Thereafter                                  | (34,689,560)            |
| Total                                       | <u>\$ (243,362,721)</u> |

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# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

G. PENSION PLAN INFORMATION – The following information is provided in accordance with GASB statement requirements on financial reporting for pensions. These statements prescribe standards for the measurement, recognition and display of pension expenditures/expenses and related liabilities, deferred outflows of resources, deferred inflows of resources, note disclosure and required supplementary information.

1. PLAN DESCRIPTIONS – The City, as a single employer, maintains three defined benefit pension plans covering substantially all full-time employees. As described in Note I.A., the Employees Retirement Fund, Fire Pension Fund and Police Retirement Fund are included in the City's financial reporting entity. Sections 33.025 through 33.138 of the Hollywood City Code of Ordinances currently contain the specific provisions of each plan. The Board of Trustees of each plan can recommend to the City changes to the benefit provisions of their plan.

Each retirement fund provides retirement, disability, and death benefits, and certain cost-of-living adjustments to plan members and beneficiaries. Each retirement fund issues a publicly available financial report that includes financial statements and required supplementary information for the plan. Those reports may be obtained by writing or calling the retirement fund.

|                             |                          |                          |
|-----------------------------|--------------------------|--------------------------|
| Employees Retirement System | Fire Pension Fund        | Police Retirement System |
| City of Hollywood           | 310 South 62 Avenue      | 4205 Hollywood Boulevard |
| 2600 Hollywood Boulevard    | Hollywood, Florida 33023 | Suite 4                  |
| City Hall Annex, Room 20    | (954) 967-4331           | Hollywood, Florida 33021 |
| Hollywood, Florida 33020    |                          | (954) 967-4395           |
| (954) 921-3333              |                          |                          |

The financial statements of the Employees Retirement System, Fire Pension Fund, and Police Retirement System are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which the employee services are performed. Dividend and interest income, as well as both realized and unrealized gain or loss on investment sales is recognized when earned. Purchases and sales of investments are recorded on the date the trade is executed. Benefit payments and refunds to plan members are recognized when due and payable in accordance with the terms of the appropriate plan.

2. PLAN MEMBERSHIP – Membership of each plan consisted of the following October 1, 2020, the date of the most recent actuarial valuation:

|                                                                            | Employees<br>Retirement<br>System | Fire<br>Pension<br>Fund | Police<br>Retirement<br>System |
|----------------------------------------------------------------------------|-----------------------------------|-------------------------|--------------------------------|
| Active Members                                                             | 599                               | 196                     | 250                            |
| Inactive Plan Members Entitled<br>But Not Yet Receiving<br>Benefits        | 54                                | 17                      | 9                              |
| Transfer members                                                           | 9                                 | -                       | -                              |
| Inactive Plan Members and<br>Beneficiaries Currently<br>Receiving Benefits | 1,136                             | 286                     | 413                            |
|                                                                            | <u>1,798</u>                      | <u>499</u>              | <u>672</u>                     |

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

#### 3. BENEFITS AND CONTRIBUTIONS

##### GENERAL EMPLOYEES PLAN:

**NORMAL RETIREMENT** – A member hired prior to July 15, 2009 must attain the age of 55 with five (5) years of credited service, or complete 25 years of credited service, regardless of age, in order to be eligible for normal retirement. For members hired on or after July 15, 2009, normal retirement date varies depending on date of hire and date of separation.

##### Employees Hired Prior to July 15, 2009:

A member hired prior to July 15, 2009, who is currently employed by the City, who has been contributing to the Plan during their full period of employment, and who exercises normal retirement is entitled to receive a retirement benefit equal to three percent (3%) of their average final compensation (based on the 78 highest consecutive bi-weekly pay periods during employment) multiplied by years of credited service, up to a maximum of 27 years, with a maximum benefit equal to 81 percent of the member's average final compensation.

For members hired prior to July 15, 2009 who retire on or after August 17, 2009 without entering the DROP, a two percent (2%) cost of living adjustment (COLA) will be payable annually three (3) years after retirement benefits begin. For members hired prior to July 15, 2009 who enter the DROP on or after August 17, 2009, a two percent (2%) COLA will be payable annually commencing the later of three (3) years after retirement benefits begin or one (1) year after separation employment following participation in the DROP. Contributions for these employees increased to nine percent (9%) of eligible compensation on June 19, 2019.

For members hired prior to July 15, 2009 who retire or enter the DROP on or after August 17, 2009 compensation excludes all earnings and payouts for blood time and compensatory time. Payouts for accumulated annual leave that may be counted as compensation for such members will not exceed 125 hours per year for employees covered by the general employees' bargaining unit; and will not exceed 60 hours per year for employees who retire from a position not covered by the general employees' bargaining unit.

Members who participated in the Supplemental Retirement System who were hired on or after October 1, 1976 and elected to participate in the contributory plan had the option of keeping their benefit accrual rate of one percent (1%) for credited years of service prior to the date the member started contributions, or paying additional contributions to obtain an increased benefit accrual rate for credited years of service prior to the date the member started contributions. Upon exercising normal retirement, the monthly retirement benefit for such members who elected not to pay the additional contribution would be computed using a combination of a rate of one percent (1%) for credited years of service prior to the date the member started contributions, and currently a benefit accrual rate of three percent (3%) for credited years of service after the date the member started contributions.

##### For General Fund Members Hired on or After July 15, 2009 but Prior to October 1, 2011 and Non-General Fund Members Hired on or After July 15, 2009 but Prior to March 5, 2014:

For members hired on or after July 15, 2009, normal retirement date and average final compensation varies based on date of hire and date of separation. Normal retirement date is based on a combination of age and years of credited service. Upon reaching normal retirement date, a member is entitled to a normal retirement benefit of two and one-half to three percent (2.5%-3%) of average final compensation for each year of credited service, up to a maximum benefit of 81 percent of average final compensation.

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

Average final compensation is based on the member's highest 104 or 130 consecutive bi-weekly pay periods of credited service. Vesting period will be seven (7) years of credited service.

Compensation includes only the member's base pay, which includes longevity pay, but no other payments are included.

Eligibility for non-duty disability benefits commences upon the member completing seven (7) years of credited service.

A vested member who separates from City employment prior to his or her normal retirement date and does not receive a refund of contributions will have a right to receive a retirement benefit beginning at their normal retirement date based on the benefit formula in effect on the date of separation from City employment, years of credited service and average final compensation on that date.

Members contribute nine percent (9%) of their compensation to the Plan.

Members are not eligible to participate in the DROP.

Members are not eligible for a COLA after their retirement benefits commence.

#### For General Fund Members Hired on or After October 1, 2011 and Non-General Fund Members Hired on or After March 5, 2014

A general fund member hired on or after October 1, 2011, or a non-general fund member hired on or after March 5, 2014, must attain the age of 65 with seven (7) years of credited service, age 62 or older with 25 years of credited service, or 30 years of credited service regardless of age, in order to be eligible for normal retirement.

General fund members hired on or after October 1, 2011 will receive the same retirement benefits as members hired on or after July 15, 2009 but prior to October 1, 2011 subject to the amendments below:

Non-general fund members hired on or after March 5, 2014 will receive the same retirement benefits as members hired on or after July 15, 2009 but prior to March 5, 2014 subject to the amendments below:

Normal retirement date will be age 65 or older with seven (7) years credited service; age 62 or older with 25 years of credited service; or 30 years of credited service.

Vesting period is seven (7) years of credited service

Upon reaching normal retirement date, a member is entitled to a normal retirement benefit of two and one-half to three percent (2.5%-3%) of average final compensation for each year of credited service, up to a maximum benefit of 81 percent of average final compensation.

Average final compensation will be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service.

Eligibility for non-duty disability benefits commences after completing seven (7) years of credited service.

Members are not eligible to participate in the DROP.

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

Members are not eligible for a COLA.

Members who separate from the City prior to their normal retirement date having completed seven (7) years of credited service, and having not received a refund of contributions, will have the right to receive a service retirement benefit beginning at age 65 based on the benefit formula in effect on the date of separation from City, years of credited service and average final compensation on that date.

For General Fund Members Hired Prior to October 1, 2011 Who Separate from the City on or After that Date but Before June 19, 2019 and Non-General Fund Members Hired Prior to March 5, 2014 Who Separate from the City on or After that Date but Before June 19, 2019

As of September 30, 2011, benefits under the previously existing plan were frozen for general fund members. As of March 4, 2014, benefits under the previously existing plan were frozen for non-general fund members. (Note: For members in active service on June 19, 2019, benefits were restored.). The plan had numerous changes that impacted future benefits for members. Benefits were frozen and immediately vested for all members.

Member who was eligible to retire with normal retirement benefits on or before the plan freeze date were not frozen.

Under the benefit structure effective after the freeze date the normal retirement date was determined by hire date, age, amount of credited service on the freeze date, and date of separation.

Upon reaching normal retirement date, a member is entitled to a normal retirement benefit equal to the frozen benefit plus two and one-half percent (2.5%) of average final compensation for each year of credited service after the freeze date, up to a maximum benefit of 81 percent of average final compensation.

Average final compensation for future benefits after the freeze date will be based on the member's highest 130 consecutive bi-weekly pay periods of the last 260 bi-weekly pay periods of credited service.

Eligibility for non-duty disability benefits commences based on date of hire after completing five (5) or seven (7) years of credited service.

Members are not eligible to participate in the DROP.

Members are not eligible for a COLA for future benefits after the freeze date.

#### DISABILITY RETIREMENT

After five (5) years of credited service, a member hired prior to July 15, 2009 who becomes totally and permanently disabled, as defined by the Plan, may retire on a nonservice incurred disability retirement benefit. For members hired on or after July 15, 2009, eligibility for non-duty disability benefits commences upon the member completing seven (7) years of credited service.

A member under a disability retirement will be entitled to receive a retirement benefit equal to 75 percent of the member's salary if the disability occurred in the performance of an act of duty as an active employee of the City. A member under a disability retirement will be entitled to receive a retirement benefit equal to the member's accrued benefits, but not less than 20 percent of the member's average monthly compensation, which is

## **CITY OF HOLLYWOOD, FLORIDA**

### **NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022**

payable until the member's death or recovery, if the disability occurred in the performance of an act other than duty as an active employee of the City.

#### **PRERETIREMENT DEATH BENEFITS**

When an active member, who is vested, dies before retirement, his or her designated beneficiary (or beneficiaries) will have the option of receiving the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year, or benefit payments until his or her own death equal to the benefit payments the deceased member would have received had he or she retired on the day of his or her death having selected to receive his or her annuity as joint and last survivor, whereby the retired member will receive a reduced monthly benefit for life, and following the retired member's death, the same monthly benefit is paid to the member's designated beneficiary for life.

When a vested member, dies after separation from City employment but before retirement and having elected an optional form of benefit, his or her designated beneficiary (or beneficiaries) will have the option of receiving the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year, or benefit payments based on the elected option commencing on the date the vested member would have become eligible for benefit payments. If the deceased vested member, did not elect an optional form of benefit, his or her designated beneficiary (or beneficiaries) will have the option of receiving the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year in lieu of any other benefit. If the vested member did not designate a beneficiary, the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year will be paid to the member's estate.

#### **DEFERRED RETIREMENT OPTION PLAN (DROP)**

This option is available to all members hired before July 15, 2009 and it may be elected on or after the member attains the age of 55, with at least 10 years of credited service, or 25 years of credited service, regardless of age, but prior to the completion of 30 years of credited service. The maximum participation in the DROP is the lesser of five (5) years or until the member's credited service plus DROP participation period equals 32 years. Members hired on or after July 15, 2009 are not eligible to participate in the DROP.

A member's credited service, accrued benefits and compensation calculation are frozen upon participation in the DROP. The monthly benefit amount is calculated based on credited service, average final monthly compensation, and retirement option selected.

Upon participation in the DROP, the member's contribution and the City's contribution to the Plan for the member cease as the member will not earn further credited service for pension purposes. For each member electing participation in the DROP, an individual DROP account will be created. Payment will be made by the Plan into the member's DROP account in an amount equal to the normal monthly retirement benefit, which the member would have received had the member separated from service and commenced receipt of pension benefits. Payments received by the member in the DROP account are tax deferred. DROP payments earn interest at the same rate as the net rate of investment returns on Plan assets except that in no event will DROP payments earn interest at a rate less than zero percent (0%) per annum. These amounts are included in the Plan's net position restricted for pension benefits.

Upon termination of employment, members will receive normal monthly retirement benefits as well as their funds from the DROP account in combination of a lump-sum distribution, and a rollover of the balance to another qualified retirement plan.

DROP participation does not affect any other death or disability benefits provided to members under federal law, State law, City ordinance or any rights or benefits under any

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

applicable collective bargaining agreement. As of September 30, 2022, there were 71 members in the DROP and the estimated fair value of DROP investment was approximately \$6,318,000, which is included in the Plan's net position.

### COST-OF-LIVING ADJUSTMENT (COLA)

On an annual basis, members hired before July 15, 2009 will receive an increase in the monthly retirement benefit of two percent (2%) for COLA starting three (3) years after retirement benefits begin. For members who enter the DROP, a two percent (2%) COLA will be paid annually, commencing the later of three (3) years after retirement benefits begin or one year after separation from employment following participation in the DROP. Members hired on or after July 15, 2009 are not eligible for a COLA.

**NET PENSION LIABILITY** – The City's net pension liability as measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020.

**ACTUARIAL ASSUMPTIONS** – The total pension liability was determined by an actuarial valuation as of October 1, 2020 and rolled forward to the measurement date of September 30, 2021 using the following actuarial assumptions applied to all prior periods included in the measurement:

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Assumed Rate of Return on Investments | 7.30%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Annual Salary Increases               | 3.00% to 8.00% depending on service, including inflation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Inflation Rate                        | 2.5%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Cost-of-Living Adjustments            | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Mortality                             | The PUB-2010 Headcount Weighted General Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted General Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male Table (post-retirement), and the PUB-2010 General Below Median Healthy Retiree Female Table (post-retirement). These tables use ages set back one year for males and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Regular (non-Teacher) Class members in the July 1, 2019 Actuarial Valuation of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63. |

The long-term expected rate of return on pension plan investments are developed for each major asset class by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocations as of September 30, 2022 are summarized in the following table:

| Asset Class             | Target Allocation |   | Actual Allocation |   | Real Rate of Return |   |
|-------------------------|-------------------|---|-------------------|---|---------------------|---|
| Domestic Equity         | 20-35             | % | 24.60             | % | 6.11                | % |
| Fixed Income            | 20-35             |   | 31.30             |   | 0.38                |   |
| Private Credit          |                   |   |                   |   | 5.06                |   |
| International Equity    | 10-25             |   | 16.50             |   | 6.49                |   |
| Emerging Markets Equity |                   |   |                   |   | 8.12                |   |
| Real Estate             | 0-12.5            |   | 11.50             |   | 3.72                |   |
| Private Equity          | 0-15              |   | 11.00             |   | 9.93                |   |
| Global Infrastructure   | 0-5               |   | 3.30              |   | 5.16                |   |
| Cash                    | 0-5               |   | 1.80              |   | 4.50                |   |
|                         | 100.00            | % | 100.00            | % |                     |   |

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

**DISCOUNT RATE** – The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumes plan members will contribute at the current contribution rate and the City will continue to make future contributions at rates equal to the difference between the total actuarially determined contribution rate and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### CHANGES IN NET PENSION LIABILITY – GENERAL EMPLOYEES RETIREMENT SYSTEM:

|                                                    | Increase ( Decrease)    |                             |                       |
|----------------------------------------------------|-------------------------|-----------------------------|-----------------------|
|                                                    | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balance, Beginning of Year                         | \$ 588,241,205          | \$ 369,667,486              | \$ 218,573,719        |
| Changes for the Year:                              |                         |                             |                       |
| Service Cost                                       | 6,445,297               | -                           | 6,445,297             |
| Interest                                           | 43,225,655              | -                           | 43,225,655            |
| Differences Between Expected and Actual Experience | (336,198)               | -                           | (336,198)             |
| Change of Assumptions                              | 617,488                 | -                           | 617,488               |
| Change of Benefit Terms                            | -                       | -                           | -                     |
| Contributions - Employer                           | -                       | 29,914,898                  | (29,914,898)          |
| Contributions - Nonemployer                        | -                       | 29,913                      | (29,913)              |
| Contributions - Employee                           | -                       | 3,455,693                   | (3,455,693)           |
| Net Investment Income                              | -                       | 77,108,378                  | (77,108,378)          |
| Benefit Payments                                   | (36,207,880)            | (36,207,880)                | -                     |
| Refunds of Contributions                           | (480,993)               | (480,993)                   | -                     |
| Administrative Expense                             | -                       | (800,993)                   | 800,993               |
| Other changes                                      | -                       | -                           | -                     |
| Net Changes                                        | 13,263,369              | 73,019,016                  | (59,755,647)          |
| Balance, End of Year                               | \$ 601,504,574          | \$ 442,686,502              | \$ 158,818,072        |

**SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE** – The following presents the net pension liability of the City, calculated using the discount rate of 7.30%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30%) or 1-percentage-point higher (8.30%) than the current rate

|                       | 1% Decrease<br>(6.30)% | Current Rate<br>(7.30)% | 1% Increase<br>(8.30)% |
|-----------------------|------------------------|-------------------------|------------------------|
| Net Pension Liability | \$ 225,778,716         | \$ 158,818,072          | \$ 102,675,237         |

**PENSION PLAN FIDUCIARY POSITION** – Detailed information about the pension plan's fiduciary net position is available in a separately issued Employees Retirement Fund financial report.

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# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

PENSION EXPENSES AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – For the fiscal year ended September 30, 2022, the City recognized pension expense of \$13,216,810. The City allocated pension liabilities, deferred outflows, deferred inflows, and pension expense based on each fund's proportionate share of the collective pensionable wages. Pension expense is comprised of the below:

|                                                                                    |                      |
|------------------------------------------------------------------------------------|----------------------|
| Service Cost                                                                       | \$ 6,445,297         |
| Interest                                                                           | 43,225,655           |
| Change in benefit terms                                                            | -                    |
| Contributions - Employee                                                           | (3,455,693)          |
| Non-Employer Contributing Entity ontributions<br>(made negative for addition here) | (29,913)             |
| Projected Earnings on Plan Investments                                             | (27,571,710)         |
| Administrative Expense                                                             | 800,993              |
| Net Amortization of Deferred Outflows/Inflows                                      | (6,197,819)          |
| Total Pension Expense*                                                             | <u>\$ 13,216,810</u> |

The difference between the actuarial pension expense and the actual pension expense relates to the timing of pension settlement expenses per the actuary and GAAP. The City has decided to adjust the actuarial figure to match the prior year annual report resulting in a minor variance between the actual and actuarial pension expense. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

### GENERAL EMPLOYEES PLAN

|                                                                                     | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|-------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Difference between Expected and Actual Experience                                   | \$ 597,311                        | \$ 342,524                       |
| Change of Assumptions                                                               | 579,794                           | -                                |
| Net difference between Projected and Actual<br>Earnings on Pension Plan Investments |                                   | 35,008,821                       |
| Changes in proportionate share - Funds                                              | 3,254,224                         | 3,254,224                        |
| Contributions subsequent to the measurement date but<br>prior to fiscal year end    | 28,082,806                        | -                                |
|                                                                                     | <u>\$ 32,514,135</u>              | <u>\$ 38,605,569</u>             |

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement but prior to the City's fiscal year-end date totaling \$28,082,806 will be recognized as a reduction of net pension liability in the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year<br>Ending<br>September 30, | Net Deferred<br>Outflows/<br>(Inflows) |
|----------------------------------------|----------------------------------------|
| 2023                                   | \$ (6,569,297)                         |
| 2024                                   | (7,710,007)                            |
| 2025                                   | (9,987,604)                            |
| 2026                                   | (9,907,332)                            |
| Total                                  | <u>\$ (34,174,240)</u>                 |

## **CITY OF HOLLYWOOD, FLORIDA**

### **NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022**

#### **FIRE PENSION FUND**

**PENSION BENEFITS** – The pension plan provides retirement, death and disability benefits for its participants.

**ELIGIBILITY** Full-time employees who are classified as fulltime Firefighters shall participate in the System as a condition of employment.

**CREDITED SERVICE** Total years and fractional parts of years of employment with the City as a Firefighter with Member contributions.

**TIER 1 MEMBER** Hired prior to July 16, 2009.

**TIER 2 MEMBER** Hired on or after July 16, 2009.

**COMPENSATION** For Tier 1 Members: Wages, workers' compensation/supplemental compensation, cash conversion of holiday benefits, not more than 300 hours of overtime per calendar year, 70% of cash payment of accumulated, unused annual leave paid at the time of retirement or entry into DROP (applicable only to those employees hired on or before July 3, 2013), expense allowances, and educational incentive payments from the Insurance Commissioner's Trust Fund. For the purposes of this definition, the term "accumulated, unused annual leave" shall be capped at the amount reflected in the payroll records of the City for each member of the plan in the first full pay period of July 2013.

#### **AVERAGE FINAL COMPENSATION (AFC)**

Tier 1 Members: Average compensation of the three highest years of Credited Service.

Tier 2 Members hired prior to October 1, 2011: Average-compensation of the five highest years of Credited Service.

Tier 2 Members hired on or after October 1, 2011: Average-compensation of the five highest consecutive years of Credited Service.

#### **MEMBER CONTRIBUTIONS**

Tier 1 Members: 8% of compensation.

Tier 2 Members: 9.5% of compensation.

RPRBMembers: Either 0.5%, 8.0%, or 9.5% depending upon Tier and election.

#### **NORMAL RETIREMENT**

Date: Earlier of 1) Age 50 with 10 years of Credited Service, or 2) 23 Years of Credited Service, regardless of Age.

#### **BENEFIT AMOUNT:**

Tier 1 Members: 3.30% of Average Final Compensation times Credited Service. Maximum benefit of 86% of Average Final Compensation.

Tier 2 Members: 3.20% of Average Final Compensation times Credited Service. Maximum benefit of 80% of Average Final Compensation.

Minimum Benefit: 2.75% of Average Final Compensation times Credited Service:

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

Form of Benefit: For unmarried Members, Ten Year Certain and Life Annuity. For married Members, 50% Joint and Survivor annuity with Ten Years Certain.

#### COST OF LIVING INCREASES

Tier 1 Members: Normal Service Retirees (including Disability) receive a 2.00% per year cost-of-living adjustment commencing the later of three years after retiree's benefit payments have begun or one year after completion of DROP participation.

Tier 2 Members: Normal Service Retirees (including Disability) receive a 2.50% cost-of-living adjustment commencing two years after retirement and every two years thereafter.

The following amendments were implemented during the fiscal year ended September 30, 2020 (none during fiscal year 2021):

1) Restore the benefits for Tier 1 Members to what was in effect on September 30, 2011 with two exceptions. The first exception is that they will have the option of either participating in a DROP with 6.0% fixed interest or participating in the current RPRB (Reformed Planned Retirement Benefit) with the market return. Seven members ended the DROP with entry dates prior to October 1, 2018 and the rest elected to remain in the RPRB. The second exception is that Members who are not participating in DROP or RPRB at the time of adoption will not be eligible to participate in the 13th check going forward.

A summary of the provisions is as follows:

Pensionable Salary includes overtime not to exceed 300 hours annually, payments for workers' compensation and supplemental injury compensation, expense allowances, cash conversion of holiday time, cash conversion of vacation time, 70% of unused vacation hours (subject of a limitation of the amount of time on the books as of the first collective bargaining agreement entered into after July 1, 2011) and educational incentive payments. To value this provision, overtime and incentive compensation was provided for each Firefighter by the City. To value the lump sum sick and vacation, the projected salary in the final year of employment was increased by 7.5%.

A 3.30% benefit accrual rate for all years of service with 86% cap.

Best 3 consecutive year Average Final Compensation.

2.0% COLA's beginning 3 years after retirement or 1 year after DROP exit.

50 & 10 or 23 & out Normal Retirement.

Only Tier 1 Members who were participating in DROP or RPRB at the time of adoption would continue to participate in the 13th check. All other Tier 1 Members would not participate in the 13th check going forward. To value this provision, we made an assumption change. Those members not eligible for Normal Retirement as of October 1, 2018 were valued with 7.5% interest of the current 7.2%.

8 Year DROP (max 33 total years of service) with 6.0% fixed interest.

2) Restore the benefits for Tier 2 Members to what was in effect on September 30, 2011, with exceptions.

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

A summary of the provisions is as follows:

Pensionable Salary includes overtime not to exceed 200 hours annually, payments for workers' compensation and supplemental injury compensation, expense allowances, cash conversion of holiday time, cash conversion of vacation time, 70% of unused vacation hours (subject of a limitation of the amount of time on the books as of the first collective bargaining agreement entered into after July 1, 2011), and educational incentive payments. To value this provision, overtime and incentive compensation was provided for each Firefighter by the City. No value was assigned for the lump sum sick and vacation for those hired after September 30, 2011, because it is limited to the amounts accrued as of 2011.

A 3.20% benefit accrual rate for all years of service with 80% cap.

Best 5 consecutive year Average Final Compensation.

2.5% COLA's every two years beginning after retirement.

50 & 10 or 23 & out Normal Retirement.

No 13th check. To value this provision, we made an assumption change. Tier 2 Members were valued with 7.5% interest instead of the current 7.2%

8 Year RPRB at market return.

9.5% Member Contribution Rate.

**DISABILITY RETIREMENT** - Any participant who becomes totally and permanently disabled as certified by medical examination may retire on a non-service incurred disability retirement benefit after five years of credited service. Such a member may retire on a service incurred disability retirement benefit if disabled as a result of the performance of duty, without regard to the credited service at the time of disability.

The monthly non-service incurred disability retirement benefit is equal to 25% of salary at the time of determination of disability. The monthly service incurred disability retirement benefit is equal to 75% of salary at the time of determination of disability. The benefit is reduced by any workmen's compensation, pension or benefits under similar law payable to the firefighter or his dependents.

**DEATH BENEFITS** – If a participant dies in the performance of service, a monthly death benefit of 50% of the deceased firefighter's monthly salary at the time of death is payable to the participant's beneficiary until the earlier of death or remarriage of the beneficiary. For members having completed at least five years of service who die while not on active duty, the plan provides a monthly benefit of 25% of the deceased participant's salary at the time of death. In no event shall these benefits be less than the participant's Vested Accrued Benefit payable at Normal Retirement Date.

Upon the death of a participant receiving retirement payouts, a benefit equal to 50% of the retirement benefit of the deceased participant is payable to their surviving spouse so long as they remain unmarried, provided such spouse had been married to the deceased participant not less than two years immediately preceding their death.

**DEFERRED RETIREMENT OPTION PLAN (DROP)** – Eligibility: Only those Members that were eligible to retire as of September 30, 2011. There is no DROP for other Members. Participation: Not to exceed 96 months, but pre-DROP service plus DROP service cannot exceed 33 years. Rate of Return: 6.0% or 8.00%, depending upon DROP Entry Date.

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

**SUPPLEMENTAL PENSION CHECK (13<sup>th</sup> CHECK)** – If the actual asset return of the trust exceeds the assumed actuarial return for any fiscal year, the excess return (up to 2%) will be allocated equally to eligible participants. For members who retire or who were eligible to retire on or after July 16, 2009 and before October 1, 2011, the Supplemental pension check cannot exceed \$12,000 per year and shall only be paid if there are no aggregate actuarial experience losses beginning with the actuarial experience on or after October 1, 2008.

Members not eligible to retire as of September 30, 2011 are not eligible for Supplemental Pension distributions.

**PLANNED RETIREMENT (LUMP SUM) BENEFIT** – In order to participate in the Planned Retirement Benefit a member must submit in writing declaring their intent to participate in the Planned Retirement Benefit at any time on or after reaching the member's normal retirement date.

Members who elect to participate in the Planned Retirement Benefit shall not exceed 33 years of service, including service while participating in the Planned Retirement Benefit.

A member who elects to participate in the Planned Retirement Benefit will receive the normal retirement benefit they would have been eligible to receive during the Planned Retirement Period had the member actually retired at a point during the look-back period that begins on the entry date into the Planned Retirement Benefit and ends on the date of termination. The maximum look-back period is 8 years from the date of termination. If the member chooses a normal retirement benefit based on age and service during the look-back period, they will receive a lump sum with interest based on the normal retirement benefit payable during the look-back period.

The crediting rate applicable to any lump sum payment shall be calculated in arrears equal to 100% of the first 4% of plan earnings plus 100% of plan earnings in excess of 6%. If the Plan is 80% to 90% funded, the crediting rate will be based on the 100% of the 4% of plan earnings plus 100% of plan earnings in excess of 5%. If the Plan is at least 90% funded, the crediting rate will be based on 100% of actual plan earnings. The member will share in asset losses in those years where the plan returns are negative.

**Reformed Planned Retirement Benefit (RPRB)** - Eligibility: Same as for Normal Retirement Election: Any time on or after eligibility for Normal Retirement a Member may declare in writing intent to participate. Participation: Not to exceed 96 months or when the Member completes 33 years of service with the City. Contribution Rate: Either 8.0% of Salary for Members who want the same options at termination of employment as were provided in the original PRB (lump sum, increased annuity, or combination thereof) or 0.5% of Salary for Members who only get the lump sum option at termination of employment. Benefit: Lump sum option - Benefit calculated as of the date the Member elected participation in the RPRB and accumulated to date of termination of employment with the actual plan earnings, net of investment related expenses. Larger Annuity Option - Benefit calculated as of a date in between the Member's first election to participate in the PRB/RPRB and their date of termination of employment accumulated with earnings to the date of termination.

**SHARE PLAN** – Effective July 16, 2009, the City of Hollywood Firefighters' Pension System created The City of Hollywood Chapter 175 Share Plan ("Share Plan") in accordance with Chapter 175 Florida Statutes. The Share Plan is managed and administered by the Board of Trustees of the City of Hollywood Firefighters' Pension System. The Share Plan is funded exclusively through excess, un-dedicated Chapter 175 insurance premium rebate taxes. The membership of the Share Plan consists of all firefighters in active service as of July 16, 2009, excluding retired members and persons who have entered the DROP prior to July 16, 2009. The Share Plan assets are invested

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

by the Board in government insured certificates of deposit or bonds or mutual funds or money market funds or commingled funds thereof, as determined by the Board. The Share Plan is at no actuarial or other cost to the City of Hollywood. All administrative expenses of the Share Plan are deducted from each year's available premium tax money before it is credited to the share accounts to pay for plan administration by the Board. At September 30, 2021 and 2019, the Share Plan balance had a balance of \$62,925.

**REFUND OF PARTICIPANT CONTRIBUTIONS** – A participant who terminates employment and is ineligible for pension benefits is refunded his or her contribution without interest.

**COST OF LIVING ADJUSTMENT** – There shall be no annual increase (COLA) in retirement benefits under the benefit structure effective October 1, 2011. For descriptions of COLA benefits for prior retirees (before October 1, 2011), it will be necessary to refer to the prior Plan documents.

**CONTRIBUTIONS** – Members hired prior to July 16, 2009 make contributions to the Fund of 8% of compensation until member has accrued the maximum benefit of 86% of average final compensation, thereafter percentage reduces to 0.5% of compensation.

Members hired on or after July 16, 2009 but before October 1, 2011 make contributions to the Fund of 7.5% of compensation until member has accrued the maximum benefit of 82.5% of average final compensation, thereafter percentage reduces to 0.5% of compensation.

Members hired on or after October 1, 2011 make contributions to the Fund of 7.5% of compensation.

The City of Hollywood pays into the Fund such amount as is determined, by actuary, to provide for benefits under the Fund not met by member contributions.

**NET PENSION LIABILITY** – The City's net pension liability as measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020.

**ACTUARIAL ASSUMPTIONS** - The total pension liability was determined by an actuarial valuation as of October 1, 2020 using the following actuarial assumptions applied to all prior periods included in the measurement:

|                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rate of Return on Investments | 7.5% per annum                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Annual Salary Increases       | Service Based                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Inflation Rate                | 2.5%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Cost-of-Living Adjustments    | 2.0 - 2.5%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Mortality                     | Female: PubS.H.-2010 for Employees, set forward one year<br>Male: PubS.H-2010 for Employees, set forward one year<br>Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year<br>Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year<br>Female: PubG.H-2010 (Above Median) for Healthy Retirees<br>Male: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year.<br>80% PubG.H-2010 for Disabled Retirees /<br>20% PubS.H-2010 for Disabled Retirees. |

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class included are summarized in the following table:

| Asset Class           | Target          | Real Rate |
|-----------------------|-----------------|-----------|
| Domestic Equity       | 50.00 %         | 7.50 %    |
| International Equity  | 15.00           | 8.50      |
| Core Fixed Income     | 15.00           | 2.50      |
| Non Core Fixed Income | 5.00            | 2.50      |
| Global Fixed Income   | 5.00            | 3.50      |
| Real Estate           | 10.00           | 4.50      |
|                       | <u>100.00 %</u> |           |

**DISCOUNT RATE** – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumes plan member contributions will be at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan Investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

### CHANGES IN NET PENSION LIABILITY – FIRE PENSION FUND

|                                                    | Increase ( Decrease)    |                             |                       |
|----------------------------------------------------|-------------------------|-----------------------------|-----------------------|
|                                                    | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balance, Beginning of Year                         | \$ 461,499,551          | \$ 275,532,553              | \$ 185,966,998        |
| Changes for the Year:                              |                         |                             |                       |
| Service Cost                                       | 6,434,345               | -                           | 6,434,345             |
| Interest                                           | 34,159,894              | -                           | 34,159,894            |
| Share Plan Allocation                              | 89,922                  | -                           | 89,922                |
| Differences Between Expected and actual experience | 1,552,543               | -                           | 1,552,543             |
| Change of assumptions                              | -                       | -                           | -                     |
| Change of Benefit Terms                            | -                       | -                           | -                     |
| Contributions - Employer                           | -                       | 20,370,947                  | (20,370,947)          |
| Contributions - State                              | -                       | 1,652,102                   | (1,652,102)           |
| Contributions - Employee                           | -                       | 1,906,677                   | (1,906,677)           |
| Net Investment Income                              | -                       | 63,350,314                  | (63,350,314)          |
| Benefit Payments                                   | (24,915,215)            | (24,915,215)                | -                     |
| Contributions - Buy-Back                           | 27,628                  | 27,628                      | -                     |
| Administrative Expense                             | -                       | (492,252)                   | 492,252               |
| DROP Default Loan Payment                          | 25,704                  | 25,704                      | -                     |
| Other Changes                                      | -                       | -                           | -                     |
| Net Changes                                        | <u>17,374,821</u>       | <u>61,925,905</u>           | <u>(44,551,084)</u>   |
| Balance, End of Year                               | <u>\$ 478,874,372</u>   | <u>\$ 337,458,458</u>       | <u>\$ 141,415,914</u> |

**SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE** – The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

### FIRE PENSION FUND

|                       | 1% Decrease<br>(6.50)% | Current Rate<br>(7.50)% | 1% Increase<br>(8.50)% |
|-----------------------|------------------------|-------------------------|------------------------|
| Net Pension Liability | \$ 184,735,403         | \$ 141,415,914          | \$ 105,616,777         |

PENSION PLAN FIDUCIARY POSITION – Detailed information about the pension plan's fiduciary net position is available in a separately issued Fire Pension Fund financial report.

PENSION EXPENSES AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – For the fiscal year ended September 30, 2022, the City recognized pension expense of \$15,823,026:

|                                                 |                        |
|-------------------------------------------------|------------------------|
| Service Cost                                    | \$ 6,434,345           |
| Interest                                        | 34,159,894             |
| Change in Benefit Terms                         | 0                      |
| Contributions - Employee                        | (1,906,677)            |
| Share Plan Allocation                           | 89,922                 |
| Projected Earnings on Plan Investments          | (20,611,526)           |
| Administrative Expense                          | 492,252                |
| Net Amortization of Deferred Outflows/(Inflows) | (2,835,184)            |
| Total Pension Expense                           | <u>\$ 15,823,026 *</u> |

\*Difference between incurred and actuarial pension expense relates to the difference in the prior year actual contributions versus the actuarial estimated contributions due to funding differences relating to supplemental payments.

In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|----------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                               | \$ 18,619,823                     | \$ -                             |
| Change of assumptions                                                            | \$ 5,410,642                      | -                                |
| Net difference between projected and actual earnings on pension plan investments | -                                 | 34,893,857                       |
| Contributions subsequent to the measurement date but prior to fiscal year end    | 22,082,833                        | -                                |
|                                                                                  | <u>\$ 46,113,298</u>              | <u>\$ 34,893,857</u>             |

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date but prior to the City's fiscal year-end totaling \$20,387,395 will be recognized as a reduction of net pension liability in the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year<br>Ending<br>September 30, | Net Deferred<br>Outflows/(Inflows), |
|----------------------------------------|-------------------------------------|
| 2023                                   | \$ (1,144,443)                      |
| 2024                                   | (2,416,389)                         |
| 2025                                   | (5,531,621)                         |
| 2026                                   | (4,808,715)                         |
| 2027                                   | 2,815,984                           |
| Thereafter                             | 221,792                             |
| Total                                  | <u>\$ (10,863,392)</u>              |

## **CITY OF HOLLYWOOD, FLORIDA**

### **NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022**

#### **POLICE OFFICERS' RETIREMENT SYSTEM**

##### **Eligibility:**

Participants are eligible if the participant is an active employee, at least 18 years of age, have passed all required medical examinations and other requirements of the City, and have completed requirements of the Police academy. Additionally, participants are further divided into 3 distinct groups called: Group One Restored Members (Group One), Group Two Restored Members (Group Two), and Group Three Restored Members (Group Three).

Group One consists of participants employed on February 20, 2019 who were hired on or before September 30, 2011 and will be eligible to retire on or before September 30, 2021 based on a normal retirement date of age 50 or 22 years of continuous service.

Group Two consists of participants employed on February 20, 2019 who were hired on or before September 30, 2011 and will not be eligible to retire until after September 30, 2021 based on a normal retirement date of age 50 or 22 years of continuous service.

Group Three consists of participants who were hired after September 30, 2011.

##### **Average Final Compensation:**

For purposes of Group One and Group Two participants only, average final compensation shall include the average of the participant's highest 3 years of earnings preceding the actual retirement or termination date of such participant. For purposes of Group Three participants only, average final compensation shall include the arithmetic average of earnings for the 60 highest consecutive months of the last 120 months of credited service prior to retirement, termination, or death.

##### **Benefits:**

For purposes of Group One and Group Two participants only, participants who have attained age 50 or completion of 22 years of continuous service are eligible for retirement benefits. For purposes of Group Three participants only, participants who have attained age 55 with 10 years of continuous service or upon completion of 22 years of continuous service are eligible for retirement benefits.

##### **Group One Normal Retirement Benefits:**

Effective February 20, 2019, the following benefits will apply to Group One participants only: A 3% multiplier for the first 20 years of continuous service. a 4% multiplier for the 21st year of continuous service, and upon completion of 22 years of continuous service, and an accrued benefit of 80% of average final compensation.

Group One participants employed on February 20, 2019 who did not participate in the deferred retirement option plan (the DROP plan) shall receive a 2% annual increase in benefits commencing 3 years after the date retirement benefits begin. Group One participants employed on February 20, 2019 who participated in the DROP plan shall receive a 2% annual increase in benefits commencing upon the later of (i) separation of employment and (ii) 3 years after the participant entered the DROP plan.

Only those Group One participants employed on February 20, 2019 and participating in either the DROP plan or the reformed planned retirement benefit on February 20, 2019 shall be eligible for the supplemental pension distribution.

A maximum normal retirement benefit of 80% of average final compensation.

## **CITY OF HOLLYWOOD, FLORIDA**

### **NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022**

Eligibility to participate in the DROP plan, with the Group One participant to select an entry date on or after the day the participant attained age 50 or completed 22 years of continuous service, subject to the existing limitation of 30 years of service with the City.

Participants with 10 or more years of continuous service shall be eligible to receive a vested benefit commencing upon attainment of age 50.

#### **Group Two Normal Retirement Benefits:**

Effective October 1, 2021, the following pension benefits in effect on September 30, 2011 will be restored to Group Two participants:

A 3% multiplier for the first 20 years of continuous service, a 4% multiplier for the 21st year of continuous service, and upon completion of 22 years of continuous service, an accrued benefit of 80% of average final compensation.

Group Two participants employed on February 20, 2019 who do not participate in the DROP plan shall receive a 2% annual increase in benefits commencing 3 years after the date retirement benefits begin. Group Two participants employed on February 20, 2019 who participate in the DROP plan shall receive a 2% annual increase in benefits commencing upon the later of (i) separation of employment and (ii) 3 years after the participants entered the DROP plan.

A maximum normal retirement benefit of 80% of average final compensation.

Eligibility to participate in the DROP plan, with the Group Two participant to select an entry date on or after the day the participant attained age 50 or completed 22 years of continuous service, subject to the existing limitation of 30 years of service with the City. Upon reaching a normal retirement date, a Group Two participant may elect to participate in the reformed planned retirement benefit as an alternative to choosing DROP plan participation but cannot participate in both.

Group Two participants with 10 or more years of continuous service shall be eligible to receive a vested benefit commencing upon attainment of age 50.

#### **Group Three Normal Retirement Benefits:**

Effective October 1, 2020, the following pension benefit changes will be made for Group Three participants:

Maintain the 3% multiplier for the first 21 years of continuous service but allow Group Three participants to retire upon completion of 22 years of creditable service at an accrued benefit of 75% of their average final compensation.

A maximum normal retirement benefit of 75% of average final compensation.

Increase the maximum participation period for Group Three participants in the reformed planned retirement benefit from 5 years to 8 years at any time upon attainment of normal retirement date.

**DISABILITY** – Any member who, receives a medically substantiated service-connected injury, disease or disability, as determined by the medical board, which injury, disease or disability permanently incapacitates the member, physically or mentally, from their regular and continuous duties as a police officer, will receive a benefit equal to the greater of their accrued benefit on the date of disability based on the applicable benefit rate or 50% of earnings at the time of determination or disability.

## **CITY OF HOLLYWOOD, FLORIDA**

### **NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022**

Members with at least five years of continuous service who sustain a non-service connected disability and who must have applied for Social Security disability benefits as well as workers' compensation benefits if applicable may receive a benefit equal to 2.50% of their average monthly earnings multiplied by years of service.

No member with at least five years of continuous service shall receive less than 25.00% of his average monthly earnings in effect at the time of determination of disability. Upon attainment of age 50, the benefit will be recomputed as a normal retirement benefit with consideration for service granted for the period of time that the member was receiving a disability retirement payment.

**DEATH BENEFITS** – A service-incurred death benefit will be paid to the surviving spouse at the rate of 50.00% of the member's monthly earnings at the time of death. A non-service-incurred death benefit will be paid to the surviving spouse at the rate of 25.00% of the member's monthly earnings at the time of death. Death benefits are payable to the surviving spouse until death or remarriage. Upon the death or remarriage of the spouse, the death benefits are payable to the member's dependent children until the youngest child reaches the age of 18. If the participant is not married at the time of death, and the participant has no surviving children, and the participant fails to designate a beneficiary, then the monthly benefit shall be paid to the participant's estate for a period of 10 years.

**COST-OF-LIVING ADJUSTMENT** – Group One participants and Group Two participants employed on February 20, 2019 who did not participate in the DROP plan shall receive a 2% annual increase in benefits commencing 3 years after the date retirement benefits begin. Group One participants and Group Two participants employed on February 20, 2019 who participated in the DROP plan shall receive a 2% annual increase in benefits commencing upon the later of (i) separation of employment and (ii) 3 years after the participants entered the DROP plan.

**SUPPLEMENTAL DISTRIBUTION** – There shall be payable to eligible persons a supplemental pension distribution for each fiscal year in which the actual rate of investment return earned on Plan assets exceeds the assumed rate of investment return on Plan assets. The total amount of the supplemental pension distribution for a particular fiscal year shall be equal to the actuarial present value of future retirement benefits, as calculated on the eligible retirees' portion of the Plan's earnings attributable to assets apportioned to retiree benefit liability, multiplied by the excess (not to exceed 2%) of the actual rate of investment return over the assumed rate of investment return for the fiscal year. The Board of Trustees shall determine who is an eligible person and the specific amount to be paid to each eligible person; provided, however, that only those Group One participants employed on February 20, 2019 and participating in either the DROP plan or the reformed planned retirement benefit on February 20, 2019 shall be eligible for the supplemental pension distribution.

**DEFERRED RETIREMENT OPTION PLAN** – Group One and Group Two participants who elect to enter the DROP plan shall have the option to receive One of the following: the variable rate of return, which for any month shall be the actual net rate of investment gain or investment loss on the Plan's assets for the month, determined as of the last day of the month, reduced in the event of a net investment gain or increased in the event of a net investment loss by an administrative fee determined by the Board; or 6% per year, minus administrative costs provided if Plan earnings exceed 6% per year, earnings in excess of 6% per year and not in excess of 12% per year shall offset the City's cost of maintaining the DROP plan program, and Plan earnings in excess of 12% per year shall be divided between the DROP participant and the City. Members eligible to retire before February 29, 2013 or members eligible for normal retirement based on years of service or age as of September 30, 2011 will receive an 8% fixed rate of return.

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

The maximum period of participation in the DROP plan for participants who entered the DROP plan shall be the lesser of 8 years or that period of participation in the DROP plan that would result in a total of 30 years of employment with the City. The City employment of each participant who elects to participate in the DROP plan after June 7, 2006, shall terminate not later than the end of the participant's maximum period of participation in the DROP plan.

The DROP may receive eligible rollover contributions from eligible governmental 457(b) plans. These rollover contributions remain in a variable-rate account as described above and do not qualify for the fixed rate option.

A summary of the changes in the DROP balance as of September 30, 2021 is as follows:

|                   |    |                    |
|-------------------|----|--------------------|
| Beginning Balance | \$ | 116,243,888        |
| Additions         |    | 3,725,054          |
| Distributions     |    | (5,081,520)        |
| Net Earnings      |    | 9,123,039          |
| Ending Balance    | \$ | <u>124,010,461</u> |

Current DROP participants or retirees may borrow against their DROP account balance up to the maximum amount permitted by the Internal Revenue Service (IRS).

No interest shall be earned or paid by the Plan on funds loaned from the DROP account until repaid. The DROP loan program is administered in accordance with the loan policy adopted by the Board and shall comply with all applicable IRS rules and regulations governing such loans.

A summary of the changes in the DROP loans receivable balance as of September 30, 2021 is as follows:

|                   |    |                |
|-------------------|----|----------------|
| Beginning Balance | \$ | 648,484        |
| Additional Loans  |    | 694,300        |
| Loan Repayments   |    | (789,254)      |
| Ending Balance    | \$ | <u>553,530</u> |

**PLANNED RETIREMENT BENEFIT** – The Plan provides for a benefit to be known as the Planned Retirement Benefit (PRB) and a benefit to be known as the Reformed Planned Retirement Benefit (RPRB). The PRB, as described below, will be retroactive to October 1, 2011, but any participant who retires or enters the DROP prior to July 17, 2013, will not be eligible for the PRB. Effective September 16, 2015, the RPRB was created and shall be as described below.

For Group Three participants, in order to be eligible for either the PRB or the RPRB, the participant must submit a written election, on a specified form, declaring the participant's intent to participate at any time on or after reaching the participant's normal retirement date. For Group Three participants electing to participate in the RPRB, the specified form will identify the maximum number of years the participant may participate in the PRB and the participant's latest employment termination date based on the maximum number of years identified. The participant will also have to make an irrevocable election of one of the following options:

- a. During the period of participation in the RPRB, contribution at the participant's contribution rate as established in the ordinance until termination of employment, and upon termination, election of one of the 3 options regarding how the participant wishes to receive the RPRB earned (identical to the 3 options that are provided for the PRB as follows); or

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

b. During the period of participation in the RPRB, contribution equal to 0.5% of the participant's earnings until termination of employment, and upon termination, taking of a lump sum that would be valued based on the number of years the participant worked after electing to participate in the PRB, RPRB, or combination of both (or the number of years for which the participant elects to receive benefits as follows).

A participant who elects to participate in the PRB or the RPRB shall not exceed 30 years of service with the City, including any time participating in the PRB and/or the RPRB. A participant may terminate employment any time prior to reaching the earlier of the maximum participation period for the PRB and/or the RPRB, as noted below, or 30 years of service with the City. A Group Three participant may participate in the PRB, the RPRB, or a combination of both, for a maximum of 8 years. A participant who reaches their normal retirement date but not more than 30 years of service with the City may, upon termination of employment, elect to receive benefits under the PRB, the RPRB, or a combination of both, for a period of not more than 8 years.

When a participant who has participated in the PRB, but has not participated in the RPRB, terminates employment, the participant shall elect how they wish to receive the PRB earned. The participant may choose to take (i) a maximum lump sum payment that would be valued based on the number of years the participant worked after electing to participate in the PRB (or the number of years for which the participant elects to receive benefits as noted above); (ii) a larger final pension annuity payment (meaning a larger annuity than that earned prior to electing to participate in the PRB) based on the number of years the participant worked after electing to participate in the PRB (or the number of years for which the participant elects to receive benefits as noted above); or (iii) any combination of a lump sum payment and larger annuity by dividing the years worked after electing to participate in the PRB (or the number of years for which the participant elects to receive benefits as noted above) between a lump sum payment and larger annuity payments. Any lump sum payment must be paid out to the participant at termination (i.e., it cannot be left in the Plan).

Upon termination of employment, a participant who, at the beginning of their period of commencement in the RPRB, made the irrevocable election to take their benefit in a lump sum upon termination will be allowed to leave the lump sum in the Plan. The Plan's actual investment rates of return (whether positive or negative) shall be applied to the lump sum for as long as any portion thereof remains in the Plan. For as long as any portion of the lump sum remains in the Plan, the participant shall pay a fee, in an amount to be determined by the Board, for the administrative cost of managing the lump sum, or portion thereof, that remains in the Plan.

While participating in the PRB and/or the RPRB, a participant shall continue making their applicable contributions, as provided in the Plan, until termination of employment.

Any participant who has reached their normal retirement date, and has submitted the written election form to participate in the PRB or the RPRB, shall maintain the right to participate in the PRB or the RPRB up to the date on which the maximum period applicable to the participant has been reached or employment has terminated pursuant to the terms of the PRB or the RPRB, as provided above, and no amendment to the Plan may alter this right.

For any participant who reached their normal retirement date between October 1, 2011, and July 17, 2013, the time such participant worked between their normal retirement date (on or after October 1, 2011) and the date the participant submits the PRB election form may be included in the participant's PRB participation period, provided the participant shall not exceed the maximum period of participation set forth above.

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

The lump sum payment, if elected, shall be calculated based upon the monthly values of the participant's final pension annuity benefit determined using the participant's creditable service, average final compensation, and multiplier, as provided in the Plan as of the beginning of the elected PRB or RPRB participation period, plus earnings on such amounts as provided below, subject to the limitations as follows.

Investment earnings applicable to any lump sum payment shall be calculated in arrears using the net investment rate earned by the Plan on its net assets for each month of creditable service worked during the PRB or RPRB participation period, and applied to the prior pension annuity balance including all prior months of creditable service, including prior monthly earnings. The investment earnings shall be compounded monthly to determine the amount of investment earnings to be credited during each year of the PRB or RPRB participation period. The aggregate value of the monthly investment earnings calculations will determine the amount of investment earnings to be credited for the PRB or RPRB participation period. The investment earnings credited to said participant will be net of the investment earnings retained by the Plan as follows.

The following applies only to the PRB. With regard to any Plan earnings calculated into the participant's lump sum payment, there shall be no losses counted in those years for which the Plan return is negative, and no investment earnings will be credited for such negative years. In any year for which Plan earnings are greater than 4% (applied monthly at the rate of 0.327%), the next 2% (applied monthly at the rate of 0.165%) of Plan earnings (i.e., the annual earnings between 4% and 6%) shall be excluded from the participant's lump sum payment and retained by the Plan to offset unfunded liabilities. All earnings in excess of 6% will be split equally between the participant and the Plan until the Plan is 90% funded, at which time the split of earnings in excess of 6% will end and earnings in excess of 6% will be kept by the participant (but earnings between 4% and 6% will continue to remain in the Plan to offset unfunded liabilities). The split of earnings in excess of 6% will resume if the funding of the Plan drops below 90%.

If an eligible participant who is participating in the PRB or RPRB dies during the participant's PRB or RPRB participation period, then the participant's designated beneficiary or, if there is no designated beneficiary, then the participant's estate shall make the election provided above with respect to the PRB or RPRB earned.

In accordance with Ordinance 0-2019-02, eligible participants had a one-time opportunity to elect to transfer from the RPRB to the DROP. The participant's participation date for the DROP was retroactive to the date the participant would have otherwise been eligible had the DROP benefit not been altered.

There were no PRB or RPRB balances as of September 30, 2021.

**CONTRIBUTIONS** – Each police officer makes contributions to the Fund at the rate of 8% of their earnings until February 20, 2019. After such date, Group One, Group Two, and Group Three participants shall contribute 9.5% of their earnings. Upon entry into the DROP, members shall cease making contributions.

If a police officer's service is terminated for reasons other than death or retirement, their accumulated contributions are returned to them with 3% interest, compounded annually.

The City of Hollywood pays into the Fund such amount as is determined actuarially to provide for benefits under the Fund not met by member contributions.

**NET PENSION LIABILITY** – The City's net pension liability as measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

**ACTUARIAL ASSUMPTIONS** - The total pension liability was determined by an actuarial valuation as of October 1, 2020 and rolled forward to the measurement date of September 30, 2021 using the following actuarial assumptions applied to all prior periods included in the measurement:

|                               |                                                                                |
|-------------------------------|--------------------------------------------------------------------------------|
| Rate of Return on Investments | 8.00% per annum                                                                |
| Annual Salary Increases       | 5.03% to 10.67% average, including inflation                                   |
| Inflation Rate                | 2.50%                                                                          |
| Cost-of-Living Adjustments    | Group 1 and 2 = 2%; Group 3 = None                                             |
| Mortality                     | The rates of mortality for the period after service retirement are as follows: |

### Pre-Retirement Mortality

Female: PubG.H-2010 Headcount Weighted Safety Employee Set Forward 1 year; projected generationally using projection scale MP-2018

Male: PubG.H-2010 Headcount Weighted Safety Below Median Employee Set Forward 1 year; projected generationally using projection scale MP-2018

### Post Retirement Healthy Mortality:

Female: PubG.H-2010 Headcount Weighted Safety Healthy Retiree Set Forward 1 year; projected generationally using projection scale MP-2018

Male: PubG.H-2010 Headcount Weighted Safety Below Median Healthy Retiree Set Forward 1 year; projected generationally using projection scale MP-2018

### Post Retirement Disabled Mortality:

Pub-2010 80% Headcount Weighted General Disabled Retiree; 20% Headcount Weighted Safety Disabled Retiree; projected generationally using projection scale MP-2018

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class included are summarized in the following table:

| Asset Class        | Target Allocation | Real Rate of Return |
|--------------------|-------------------|---------------------|
| Domestic Equity    | 60.00 %           | 7.50 %              |
| Domestic Bond      | 28.00             | 2.50                |
| Real Estate        | 10.00             | 4.50                |
| Alternative Assets | 2.00              | 5.77                |
|                    | <u>100.00 %</u>   |                     |

**DISCOUNT RATE** – The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumes plan members will contribute at the current contribution rate and the City will continue to make future contributions at rates equal to the difference between the total actuarially determined contribution rate and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

### CHANGES IN NET PENSION LIABILITY – POLICE RETIREMENT SYSTEM

|                                                    | Increase ( Decrease)    |                             |                       |
|----------------------------------------------------|-------------------------|-----------------------------|-----------------------|
|                                                    | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balance, Beginning of Year                         | \$ 580,694,514          | \$ 339,830,142              | \$ 240,864,372        |
| Changes for the Year:                              |                         |                             |                       |
| Service Cost                                       | 6,587,743               | -                           | 6,587,743             |
| Interest                                           | 49,441,297              | -                           | 49,441,297            |
| Differences between expected and actual experience | (2,915,609)             | -                           | (2,915,609)           |
| Change of Assumptions                              | -                       | -                           | -                     |
| Change of Benefit Terms                            | -                       | -                           | -                     |
| Contributions - Employer                           | -                       | 24,215,984                  | (24,215,984)          |
| Contributions - State                              | -                       | 1,632,350                   | (1,632,350)           |
| Contributions - Employee                           | -                       | 2,684,133                   | (2,684,133)           |
| Net Investment Income                              | -                       | 72,028,082                  | (72,028,082)          |
| Benefit Payments                                   | (31,334,455)            | (31,334,455)                | -                     |
| Refunds of Contributions                           | (51,757)                | (51,757)                    | -                     |
| Administrative Expense                             | -                       | (709,255)                   | 709,255               |
| Other Charges                                      | -                       | 39,373                      | (39,373)              |
| Net Changes                                        | 21,727,219              | 68,504,455                  | (46,777,236)          |
| Balance, End of Year                               | \$ 602,421,733          | \$ 408,334,597              | \$ 194,087,136        |

**SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE** – The following presents the net pension liability of the City, calculated using the discount rate of 8.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

### POLICE OFFICERS' RETIREMENT SYSTEM

|                       | 1% Decrease<br>(7.00)% | Current Rate<br>(8.00)% | 1% Increase<br>(9.00)% |
|-----------------------|------------------------|-------------------------|------------------------|
| Net Pension Liability | \$ 247,063,767         | \$ 194,087,136          | \$ 150,332,792         |

**PENSION PLAN FIDUCIARY NET POSITION** – Detailed information about the pension plan's fiduciary net position is available in a separately issued Police Retirement Fund financial report.

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# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

PENSION EXPENSES AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – For the fiscal year ended September 30, 2021, the City recognized pension expense of \$21,461,730:

|                                                                                                                     |                      |
|---------------------------------------------------------------------------------------------------------------------|----------------------|
| Service Cost                                                                                                        | \$ 6,587,743         |
| Interest                                                                                                            | 49,441,297           |
| Change in Benefit Terms                                                                                             | -                    |
| Expensed portion of current-period difference between expected and actual experience in the total pension liability | (790,138)            |
| Expensed portion of current-period changes of assumptions                                                           | -                    |
| Contributions - Employee                                                                                            | (2,684,133)          |
| Other                                                                                                               | (39,373)             |
| Projected Earnings on Plan Investments                                                                              | (27,045,466)         |
| Expensed portion of current-period differences between actual and projected earnings on plan investments            | (8,996,523)          |
| Administrative Expense                                                                                              | 709,255              |
| Net Amortization of Deferred Outflows/Inflows                                                                       | 4,279,068            |
| Total Pension Expense *                                                                                             | <u>\$ 21,461,730</u> |

\* Difference between incurred and actuarial pension expense relates to the difference in the prior year actual contributions versus the actuarial estimated contributions due to funding differences relating to supplemental payments.

In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|-----------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience of the total pension liability | \$ 6,190,679                      | \$ 2,125,471                     |
| Change of Assumptions                                                             | 3,275,001                         | 2,973,360                        |
| Net difference between Projected and Actual Earnings on Pension Plan Investments  | -                                 | 32,595,701                       |
| Contributions subsequent to the measurement date but prior to fiscal year end     | 24,221,136                        | -                                |
|                                                                                   | <u>\$ 33,686,816</u>              | <u>\$ 37,694,532</u>             |

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date but prior to the City's fiscal year-end totaling \$24,221,136 will be recognized as a reduction of net pension liability in the year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year Ending<br>September 30, | Amortization           |
|-------------------------------------|------------------------|
| 2023                                | \$ (5,572,595)         |
| 2024                                | (4,346,143)            |
| 2025                                | (9,313,590)            |
| 2026                                | (8,996,524)            |
| 2027                                | -                      |
| Thereafter                          | -                      |
| Total                               | <u>\$ (28,228,852)</u> |

## CITY OF HOLLYWOOD, FLORIDA

### NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

#### FRS RETIREMENT BENEFITS

The City provides retirement benefits to its Mayor, 6 City Commissioners and 4 retired elected officers through the Florida Retirement System (FRS and HIS).

**FLORIDA RETIREMENT SYSTEM** – The City participates in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other non-integrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site ([www.dms.myflorida.com](http://www.dms.myflorida.com)).

The City's pension expense for FRS and HIS totaled \$75,952 for the fiscal year ended September 30, 2022.

#### BENEFITS AND CONTRIBUTIONS:

**PLAN DESCRIPTION** – The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class – Members of the FRS who do not qualify for membership in the other classes.
- Elected County Officers Class – Members who hold specified elective offices in local government.
- Senior Management Service Class (SMSC) – Members in senior management level positions.
- Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

**BENEFITS PROVIDED** – Benefits under the Plan 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 class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

| Class, Initial Enrollment, and Retirement Age/Years of Service     | % Value |
|--------------------------------------------------------------------|---------|
| Regular Class Members Initially Enrolled Before July 1, 2011:      |         |
| Retirement at age 62 or with 30 years of service                   | 1.60 %  |
| Retirement at age 63 or with 31 years of service                   | 1.63    |
| Retirement at age 64 or with 32 years of service                   | 1.65    |
| Retirement at age 65 or with 33 years of service                   | 1.68    |
| Regular Class Members Initially Enrolled on or After July 1, 2011: |         |
| Retirement up to age 65 or up to 33 years of service               | 1.60    |
| Retirement at age 66 or with 34 years of service                   | 1.63    |
| Retirement at age 67 or with 35 years of service                   | 1.65    |
| Retirement at age 68 or with 36 years of service                   | 1.68    |
| Elected County Officers                                            | 3.00    |
| Senior Management Service Class                                    | 2.00    |
| Special Risk Regular:                                              |         |
| Service from December 1, 1970 through September 30, 1974           | 2.00    |
| Service on and after October 1, 1974                               | 3.00    |

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# CITY OF HOLLYWOOD, FLORIDA

## NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

**CONTRIBUTIONS** – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates effective July 1, 2022 are as follows:

| Class                                                     | Percent of Gross Salary |              |
|-----------------------------------------------------------|-------------------------|--------------|
|                                                           | Employee                | Employer (1) |
| FRS, Regular                                              | 3.00 %                  | 11.91 %      |
| FRS, Elected Local Officers                               | 3.00                    | 57.00        |
| FRS, Senior Management Service                            | 3.00                    | 31.57        |
| FRS, Special Risk Regular                                 | 3.00                    | 27.83        |
| FRS, Special Risk Administrative                          | 3.00                    | 38.65        |
| DROP - Applicable to Members for All of the Above Classes | 0.00                    | 18.60        |
| FRS, Reemployed Retiree                                   | (2)                     | (2)          |

(1) Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06% for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The City's contributions, for FRS and HIS totaled \$139,927 and employee contributions totaled \$8,008 for the fiscal year ended September 30, 2022

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS** – At September 30, 2022, the City reported a liability of \$791,130 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The City's proportionate share of the net pension liability was based on the City's FY 2022 fiscal year contributions relative to the FY 2021 fiscal year contributions of all participating members. At June 30, 2022, the City's proportionate share was 0.000726099%.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$74,263 related to the Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                  | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|----------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                               | \$ 37,574                         | \$ -                             |
| Changes of Assumptions                                                           | 97,431                            | -                                |
| Net difference between Projected and Actual Earnings on Pension Plan Investments | 52,238                            | -                                |
| Changes in Employer Proportion                                                   | 12,184                            | 158,000                          |
| Contributions subsequent to the measurement date but prior to fiscal year end    | 26,813                            | -                                |
|                                                                                  | <u>\$ 226,240</u>                 | <u>\$ 158,000</u>                |

The deferred outflows of resources related to pensions, totaling \$26,813, resulting from City contributions to the Plan subsequent to the measurement date but prior to the City's fiscal year-end will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year | Deferred<br>Outflows/(Inflows),<br>Net |
|-------------|----------------------------------------|
| 2023        | \$ 10,017                              |
| 2024        | 3,780                                  |
| 2025        | (3,383)                                |
| 2026        | 29,434                                 |
| 2027        | 1,574                                  |
| Thereafter  | -                                      |
| Total       | <u>\$ 41,422</u>                       |

ACTUARIAL ASSUMPTIONS – The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                               |                                                                 |
|-------------------------------|-----------------------------------------------------------------|
| Rate of Return on Investments | 6.70% net of pension investment expense,<br>including inflation |
| Annual Salary Increases       | 3.25% average, including inflation                              |
| Inflation Rate                | 2.40%                                                           |
| Mortality                     | PUB-2010, projected generationally with<br>Scale MP-2018        |

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class           | Target<br>Allocation<br>(1) | % | Annual<br>Arithmetic<br>Return | Compound<br>Annual<br>(Geometric)<br>Return | Standard<br>Deviation |
|-----------------------|-----------------------------|---|--------------------------------|---------------------------------------------|-----------------------|
| Cash                  | 1.0                         | % | 2.6%                           | 2.6%                                        | 1.1%                  |
| Fixed Income          | 19.8                        |   | 4.4%                           | 4.4%                                        | 3.2%                  |
| Global Equity         | 54.0                        |   | 8.8%                           | 7.3%                                        | 17.8%                 |
| Real Estate           | 10.3                        |   | 7.4%                           | 6.3%                                        | 15.7%                 |
| Private Equity        | 11.1                        |   | 12.0%                          | 8.9%                                        | 26.3%                 |
| Strategic Investments | 3.8                         |   | 6.2%                           | 5.9%                                        | 7.8%                  |
|                       | <u>100</u>                  | % |                                |                                             |                       |

|                          |      |      |
|--------------------------|------|------|
| Assumed Inflation - Mean | 2.4% | 1.3% |
|--------------------------|------|------|

(1) As outlined in the Plan's investment policy.

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DISCOUNT RATE – The discount rate used to measure the total pension liability was 6.70%. The Plan’s 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.

SENSITIVITY OF THE CITY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.70%) or 1-percentage-point higher (7.70%) than the current rate:

|                                                            | 1% Decrease<br>(5.70)% | Current Rate<br>(6.70)% | 1% Increase<br>(7.70)% |
|------------------------------------------------------------|------------------------|-------------------------|------------------------|
| City's Proportionate Share of<br>the Net Pension Liability | \$ 1,368,205           | \$ 791,130              | \$ 308,627             |

PENSION PLAN FIDUCIARY NET POSITION – Detailed information about the Plan’s fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

THE RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS):

PLAN DESCRIPTION – The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services, Division of Retirement.

BENEFITS PROVIDED – For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State- administered retirement system must provide proof of health insurance coverage, which may include Medicare.

CONTRIBUTIONS – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statues. The City contributed 100% of its statutorily required contributions for the current and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – At September 30, 2022, the City reported a net pension liability of \$57,611 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The City's proportionate share of the net pension liability was based on the City's FY 2017 fiscal year contributions relative to the total FY 2021 fiscal year contributions of all participating members. At June 30, 2022, the City's proportionate share was 0.000638253%.

For the fiscal year ended September 30, 2022, the City recognized pension expense of \$1,689 related to the HIS Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                                                   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|-------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Differences between expected and actual experience                                                                | \$ 1,749                          | \$ 253                           |
| Changes of Assumptions                                                                                            | 3,302                             | 8,912                            |
| Net difference between projected and actual earnings on pension plan investments                                  | 83                                | -                                |
| Changes in proportion and differences between City HIS contributions and proportionate share of HIS contributions | 1,072                             | 8,005                            |
| Contributions subsequent to the measurement date but prior to fiscal year end                                     | 892                               | -                                |
|                                                                                                                   | <u>\$ 7,098</u>                   | <u>\$ 17,170</u>                 |

The deferred outflows of resources related to pensions, totaling \$892, resulting from City contributions to the HIS Plan subsequent to the measurement date but prior to the City's fiscal year-end will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Fiscal Year<br>Ending<br>September 30, | Net<br>Deferred<br>Outflows/(Inflows), |
|----------------------------------------|----------------------------------------|
| 2023                                   | \$ 5,598                               |
| 2024                                   | 3,019                                  |
| 2025                                   | 1,380                                  |
| 2026                                   | 3,055                                  |
| 2027                                   | 7,092                                  |
| Thereafter                             | 3,232                                  |
|                                        | <u>\$ 23,376</u>                       |

ACTUARIAL ASSUMPTIONS – The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                         |                                                                  |
|-------------------------|------------------------------------------------------------------|
| Municipal Bond Rate     | 3.54%                                                            |
| Annual Salary Increases | 3.25% average, including inflation                               |
| Inflation Rate          | 2.40%                                                            |
| Mortality               | PUB-2010 base table, projected generationally with Scale MP-2018 |

DISCOUNT RATE – The discount rate used to measure the total pension liability was 3.54%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for

benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

**SENSITIVITY OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE** – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

|                                                            | 1% Decrease<br>2.54% | Discount Rate<br>3.54% | 1% Increase<br>4.54% |
|------------------------------------------------------------|----------------------|------------------------|----------------------|
| City's Proportionate Share of<br>the Net Pension Liability | \$ 65,912            | \$ 57,611              | \$ 50,742            |

**PENSION PLAN FIDUCIARY NET POSITION** – Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

**4. SUMMARY OF PENSION EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES RELATED TO ALL PENSIONS OF THE CITY** – For the fiscal year ended September 30, 2022 the City recognized the below as a result of GASB No. 68.

|                                | General<br>Employees<br>Pension | Police<br>Pension | Fire<br>Pension | FRS/HIS<br>Pension | Total          |
|--------------------------------|---------------------------------|-------------------|-----------------|--------------------|----------------|
| Total Deferred Outflows        | \$ 32,514,135                   | \$ 33,686,816     | \$ 46,113,298   | \$ 233,338         | \$ 112,547,587 |
| Total Deferred Inflows         | 38,605,569                      | 37,694,532        | 34,893,857      | 175,175            | 111,369,133    |
| Total Net Pension<br>Liability | 158,818,072                     | 194,087,136       | 141,415,914     | 848,741            | 495,169,863    |
| Total Pension Expense          | 13,216,810                      | 21,461,730        | 15,823,026      | 75,952             | 50,577,518     |

- 5. DEFINED CONTRIBUTION PLANS** – The City has a contract with Mission Square(formerly ICMA-RC) and Nationwide Retirement Solutions for a defined contribution plan covering certain employees with an employment agreement with the City. The plan is established under the provisions of Section 401(a) of the Internal Revenue Code as Money Purchase Plans and Trusts. In addition, there is a second 401(a) plan between the Hollywood Community Redevelopment Agency and ICMA-RC covering the executive director and employees of the agency. The assets of the plans are self-directed, and investment results are reported to employees quarterly. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment return. The plans do not require nor permit employee contributions. During fiscal year 2022 the City and CRAs contributed approximately \$525,870 to these defined contribution plans. Of this amount, approximately \$299,531 was contributed on behalf of CRA employees who are not covered under any other City retirement plan. Plan participants become fully vested in the plans upon entry. The plans were established by City Commission resolutions. The City does not have control over the assets of the defined contribution plans and, accordingly, the plans are not reported in the accompanying financial statements.
- 6. DEFERRED COMPENSATION PLANS** – The City offers certain employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, managed by independent plan administrators, permit employees to defer a portion of their salary until future years. At the employee's election, such amounts may be invested in mutual funds which represent varying levels of risk and return. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust, for the

exclusive benefit of the plans' participants and their beneficiaries. Since the City has no control over these assets, they are not reflected in the City's statements.

## H. MISCELLANEOUS

### 1. IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS

The City implemented the following GASB Statements during the fiscal year ended September 30, 2022:

- GASB Statement No. 87, "Leases." This Statement's objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing arrangements of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2022. This statement was implemented during fiscal year 2022. For impacts of the Statement, please refer to Note II. - H. Leases.
- GASB Statement No. 92, "Omnibus 2021." This enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses issues relating to leases, intra-entity transfers of assets, pensions, fiduciary activities, asset retirement obligations, public entity risk pools, fair value measurements, and derivatives. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2022. This Statement did not have a material impact on the current year financial statements.
- GASB Statement No. 93, "Replacement of Interbank Offered Rates". This Statement determines the accounting and financial reporting implications that result from the replacement of an IBOR (Interbank offered rate) such as LIBOR (London Interbank Offered Rate). This statement is effective for the City beginning with its fiscal year ending September 30, 2022. This Statement did not have a material impact on the current year financial statements.
- GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Suppression of FASB Statement No. 32". This Statement prescribes methodologies to determine if a 457 deferred compensation plan should be reported as a fiduciary activity. The provisions of this Statements will be effective for the City beginning with its year ending September 30, 2022. This Statement did not have a material impact on the current year financial statements.

### 2. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

- GASB Statement No. 91, "Conduit Debt Obligations." This Statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and

financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2023. Management has not yet determined the effect this Statement will have on the City's financial statements.

- GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This Statement defines public-private and public-public partnership arrangements and availability payment arrangements. The Statement also prescribes the accounting for such arrangements. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2023. Management has not yet determined the effect this Statement will have on the City's financial statements.
- GASB Statement No. 96, "Subscription-Based Information Technology Arrangements". This Statement defines what a subscription-based information technology arrangement (SBITA) is and establishes that a SBITA results in a right-to-use-subscription asset, an intangible asset, and a corresponding subscription liability. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2023. Management has not yet determined the effect this statement will have on the City's financial statements.
- GASB Statement No. 99, "GASB Statement No. 99, *Omnibus 2022*". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to clarifications relating to: GASB 53 - Accounting and Financial Reporting for Derivative Instruments, GASB 87 - Leases, GASB 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and GASB 96 - Subscription Based Information Technology Arrangements. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Management has not yet determined the effect this statement will have on the City's financial statements.
- GASB Statement No. 100, "Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62". This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2024. Management has not yet determined the effect this statement will have on the City's financial statements.
- GASB Statement No. 101, "Compensated Absences". This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to

services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The provisions of this Statements will be effective for the City beginning with its year ending September 30, 2025. Management has not yet determined the effect this statement will have on the City's financial statements.

### 3. COMMUNITY REDEVELOPMENT NOTES

- Hollywood Beach Community Redevelopment Agency – Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds (CRA) for the fiscal year ended September 30, 2022.

|                                                 | Beach CRA            |                      |
|-------------------------------------------------|----------------------|----------------------|
|                                                 | Deposits             | Withdrawals          |
| Sources of Deposits:                            |                      |                      |
| Tax Increment Rev - City of Hollywood           | \$ 15,182,441        | \$ -                 |
| Tax Increment Rev - Broward County              | 11,174,853           | -                    |
| Tax Increment Rev - Children's Services Council | 955,151              | -                    |
| Investment Revenue                              | 296,985              | -                    |
| Other Revenue                                   | 32,741               | -                    |
| Lease Acquisition                               | 217,312              | 0                    |
| Purpose of Withdrawal:                          |                      |                      |
| Debt Service - Principal                        | -                    | 6,374,607            |
| Debt Service - Interest                         | -                    | 858,640              |
| Salaries, Wages and Benefits                    | -                    | 2,168,034            |
| Consultants, legal and Other Contractual        | -                    | 1,036,899            |
| Training                                        | -                    | 41,613               |
| Utilities                                       | -                    | 146,321              |
| Rentals and Leases                              | -                    | 83,875               |
| Insurance                                       | -                    | 35,212               |
| Maintenance, Repairs, and Operations            | -                    | 352,377              |
| Consumables and Supplies                        | -                    | 167,812              |
| Central Services                                | -                    | 5,448,394            |
| Promotional, Special Events and Advertising     | -                    | 1,120,219            |
| Economic Environment - Trolley Service          | -                    | 396,494              |
| Capital - Economic Environment                  | -                    | 337,153              |
| Capital - Transportation                        | -                    | 5,476,997            |
| Capital - Physical Environment                  | -                    | 1,136,827            |
| Capital - Culture and Recreation                | -                    | 41,660               |
| Total                                           | <u>\$ 27,859,483</u> | <u>\$ 25,223,134</u> |

Note: Deposits equal revenues and transfers in. Withdrawals equal expenditures and transfers out.

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|                                                     | Downtown CRA         |                     |
|-----------------------------------------------------|----------------------|---------------------|
|                                                     | Deposits             | Withdrawals         |
| Sources of Deposits:                                |                      |                     |
| Tax Increment Rev - City of Hollywood               | \$ 5,805,623         | \$ -                |
| Tax Increment Rev - Broward County                  | 4,262,285            | -                   |
| Tax Increment Rev - South Broward Hospital District | -                    | -                   |
| Tax Increment Rev - Children's Services Council     | 88,919               | -                   |
| Investment Revenue                                  | 365,235              | -                   |
| Other Revenue                                       | 51,351               | -                   |
| Lease Acquisition                                   | 227,408              | -                   |
|                                                     | 57,213               | -                   |
| Purpose of Withdrawal:                              |                      |                     |
| Debt Service - Principal                            | -                    | 1,717,094           |
| Debt Service - Interest                             | -                    | 117,276             |
| Salaries, Wages and Benefits                        | -                    | 751,604             |
| Consultants and Other Contractual                   | -                    | 427,622             |
| Training and Transportation                         | -                    | 10,954              |
| Utilities                                           | -                    | 18,374              |
| Rentals and Leases                                  | -                    | 27,807              |
| Insurance                                           | -                    | 9,342               |
| Maintenance and Repairs                             | -                    | 164,538             |
| Consumables, Supplies, and Operations               | -                    | 599,426             |
| Abatements                                          | -                    | 772,567             |
| Promotional, Special Events and Advertising         | -                    | 785,735             |
| Central Services                                    | -                    | 1,945,232           |
| Economic Environment - Trolley Service              | -                    | 99,124              |
| Capital - Transportation                            | -                    | 6,934               |
| Capital - Economic Environment                      | -                    | 1,637,073           |
| Total                                               | <u>\$ 10,858,034</u> | <u>\$ 9,090,702</u> |

#### 4. CONTINUING AND SUBSEQUENT EVENTS

Continuing through fiscal year 2021-2022, a national emergency was declared by the President of the United States in response to the COVID-19 pandemic. The economic and social impact of the virus is ongoing. The City is taking proper precautions to protect the life and assets of the City and its citizens.

On October 4, 2022, the property held for leasing at 1203 N Federal Highway was sold to Federal SPA LLC for \$1.8 million.

On October 19, 2022, the City Issued General Obligation Bonds, Series 2022 for a par amount of \$89,660,000 and premium of \$4,584,677. The issue is an indirect issue through financial services firms. The bond's interest rate is 5.0%. Interest on the Series 2022 Bonds will accrue from the issue date and payable commencing on January 1, 2023. Interest is then payable semiannually each January 1 and July 1. The bonds are secured by the City's ad valorem taxes. The bond does not contain a debt service coverage or similar covenant. Upon default, all principal and interest becomes immediately due (incorporates the City's Bond resolution remedies). The purpose of the bonds is to provide funds to finance:

- Public Safety Projects (\$64,167,793),
- Neighborhoods, Infrastructure, and Resiliency Projects (\$7,335,577),
- Parks, Open Space, Golf, Recreation and Cultural Arts Facilities Projects (\$21,524,189),
- Cost of Issuance (\$933,568), and
- To the extent permissible, reimbursement to the City of any moneys previously advanced by the City to pay any portion of the costs of the above projects.

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**CITY OF HOLLYWOOD, FLORIDA**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**  
(Unaudited - See accompanying independent auditors' report)

|                                 | Budgeted Amounts   |                    |                    | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|---------------------------------|--------------------|--------------------|--------------------|-----------------------------------------------------------|
|                                 | Original           | Final              | Actual             |                                                           |
| <b>REVENUES:</b>                |                    |                    |                    |                                                           |
| Property Taxes                  | \$ 113,571,075     | \$ 113,571,075     | \$ 115,005,945     | \$ 1,434,870                                              |
| Utilities Service Taxes         | 20,412,000         | 20,412,000         | 22,151,158         | 1,739,158                                                 |
| Franchise Taxes                 | 12,385,000         | 12,385,000         | 16,399,507         | 4,014,507                                                 |
| Licenses and Permits            | 2,275,000          | 2,275,000          | 2,467,053          | 192,053                                                   |
| Intergovernmental               | 15,719,000         | 15,719,000         | 20,633,517         | 4,914,517                                                 |
| Charges for Services            | 60,634,824         | 60,632,574         | 62,681,257         | 2,048,683                                                 |
| Investment Revenue              | 215,000            | 201,925            | (2,265,122)        | (2,467,047)                                               |
| Miscellaneous                   | 2,512,000          | 2,512,000          | 4,471,154          | 1,959,154                                                 |
| <b>Total Revenues</b>           | <b>227,723,899</b> | <b>227,708,574</b> | <b>241,544,469</b> | <b>13,835,895</b>                                         |
| <b>EXPENDITURES:</b>            |                    |                    |                    |                                                           |
| General Government:             |                    |                    |                    |                                                           |
| City Commission                 | 1,499,899          | 1,598,367          | 1,574,335          | 24,032                                                    |
| City Manager                    | 2,793,986          | 3,124,501          | 2,729,174          | 395,327                                                   |
| City Clerk                      | 858,106            | 978,585            | 920,518            | 58,067                                                    |
| City Attorney                   | 3,283,909          | 3,633,326          | 3,619,751          | 13,575                                                    |
| Financial Services              | 12,275,581         | 13,416,509         | 9,173,193          | 4,243,316                                                 |
| Human Resources                 | 2,513,732          | 2,798,842          | 2,660,036          | 138,806                                                   |
| Planning & Development Services | 1,368,083          | 1,981,094          | 1,920,393          | 60,701                                                    |
| Code Enforcement                | 4,439,482          | 4,852,317          | 4,740,136          | 112,181                                                   |
| <b>Total General Government</b> | <b>29,032,778</b>  | <b>32,383,541</b>  | <b>27,337,536</b>  | <b>5,046,005</b>                                          |
| Public Safety:                  |                    |                    |                    |                                                           |
| Police                          | 95,732,731         | 97,434,476         | 94,077,236         | 3,357,240                                                 |
| Fire                            | 69,962,025         | 71,032,684         | 69,667,909         | 1,364,775                                                 |
| <b>Total Public Safety</b>      | <b>165,694,756</b> | <b>168,467,160</b> | <b>163,745,145</b> | <b>4,722,015</b>                                          |
| Public Works:                   |                    |                    |                    |                                                           |
| Facilities and Grounds          | 14,876,793         | 13,914,477         | 13,076,245         | 838,232                                                   |
| Transportation:                 |                    |                    |                    |                                                           |
| Engineering                     | 2,583,083          | 2,538,964          | 2,169,123          | 369,841                                                   |
| Economic Environment:           |                    |                    |                    |                                                           |
| Community Development           | 3,157,470          | 3,415,886          | 2,953,313          | 462,573                                                   |

(Continued)

## CITY OF HOLLYWOOD, FLORIDA

(Continued)

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022  
(Unaudited - See accompanying independent auditors' report)

|                                                              | Budgeted Amounts     |                      | Actual               | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------------------------------|----------------------|----------------------|----------------------|-----------------------------------------------------------|
|                                                              | Original             | Final                |                      |                                                           |
| Culture and Recreation:                                      |                      |                      |                      |                                                           |
| Recreation and Parks                                         | 12,607,886           | 13,498,536           | 11,376,331           | 2,122,205                                                 |
| Marina                                                       | -                    | -                    | 942,057              | (942,057)                                                 |
| Total Culture and Recreation                                 | 12,607,886           | 13,498,536           | 12,318,388           | 1,180,148                                                 |
| Other:                                                       |                      |                      |                      |                                                           |
| Contingencies                                                | 3,733,725            | 1,150,528            | 42,672               | 1,107,856                                                 |
| Capital Outlay:                                              |                      |                      |                      |                                                           |
| General Government                                           | 84,845               | 185,025              | 88,520               | 96,505                                                    |
| Public Safety                                                | 196,920              | 191,355              | 40,890               | 150,465                                                   |
| Culture and Recreation                                       | -                    | -                    | 510,213              | (510,213)                                                 |
| Total Capital Outlay                                         | 281,765              | 376,380              | 639,623              | (263,243)                                                 |
| Principal                                                    | -                    | 369,702              | 438,081              | (68,379)                                                  |
| Interest on Long-term Debt                                   | -                    | 45,353               | 76,052               | (30,699)                                                  |
| Total Expenditures                                           | 231,968,256          | 236,160,527          | 222,796,178          | 13,364,349                                                |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (4,244,357)          | (8,451,953)          | 18,748,291           | 27,200,244                                                |
| OTHER FINANCING SOURCES (USES):                              |                      |                      |                      |                                                           |
| Transfers In                                                 | 6,722,112            | 6,722,112            | 6,712,112            | (10,000)                                                  |
| Transfers Out                                                | (10,910,861)         | (18,044,459)         | (18,044,459)         | -                                                         |
| Sale of Assets                                               | 40,840               | 40,840               | 1,217,699            | 1,176,859                                                 |
| Lease (right-of-use asset) Acquired                          | -                    | -                    | 488,189              | 488,189                                                   |
| Debt Issued                                                  | -                    | 4,621,265            | 4,530,827            | (90,438)                                                  |
| TOTAL OTHER FINANCING<br>SOURCES (USES)                      | (4,147,909)          | (6,660,242)          | (5,095,632)          | 1,564,610                                                 |
| Change in Fund Balance                                       | (8,392,266)          | (15,112,195)         | 13,652,659           | 28,764,854                                                |
| Fund Balance - Beginning                                     | 74,625,993           | 74,625,993           | 74,625,993           | -                                                         |
| Fund Balance - Ending                                        | <u>\$ 66,233,727</u> | <u>\$ 59,513,798</u> | <u>\$ 88,278,652</u> | <u>\$ 28,764,854</u>                                      |

The notes to the required supplementary information are an integral part of this statement.

Other Financing Source - Lease (right-of-use asset) Acquired - The City implemented GASB 87 - Leases during fiscal year 2022. GASB 87 - Leases requires that governmental funds report other financing sources in leases in which the City is a lessee. This is offset by related capital outlay expenditures.

**CITY OF HOLLYWOOD, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
BEACH COMMUNITY REDEVELOPMENT FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022  
(Unaudited - See accompanying independent auditors' report)**

|                                                              | Budgeted Amounts    |                      |                      | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------------------------------|---------------------|----------------------|----------------------|-----------------------------------------------------------|
|                                                              | Original            | Final                | Actual               |                                                           |
| <b>REVENUES:</b>                                             |                     |                      |                      |                                                           |
| Property Taxes                                               | \$ 15,201,062       | \$ 15,182,441        | \$ 15,182,441        | \$ -                                                      |
| Intergovernmental                                            | 12,145,867          | 12,130,004           | 12,130,004           | -                                                         |
| Investment Revenue                                           | 160,000             | 160,000              | 296,985              | 136,985                                                   |
| Miscellaneous                                                | -                   | -                    | 32,741               | 32,741                                                    |
| Total Revenues                                               | <u>27,506,929</u>   | <u>27,472,445</u>    | <u>27,642,171</u>    | <u>169,726</u>                                            |
| <b>EXPENDITURES:</b>                                         |                     |                      |                      |                                                           |
| Current:                                                     |                     |                      |                      |                                                           |
| General Government                                           | 10,252,925          | 10,592,691           | 9,854,788            | 737,903                                                   |
| Economic Environment                                         | 2,762,006           | 2,247,971            | 862,087              | 1,385,884                                                 |
| Culture and Recreation                                       | 615,000             | 615,000              | 280,375              | 334,625                                                   |
| Total Current                                                | <u>13,629,931</u>   | <u>13,455,662</u>    | <u>10,997,250</u>    | <u>2,458,412</u>                                          |
| Capital Outlay:                                              |                     |                      |                      |                                                           |
| General Government                                           | 241,000             | 241,000              | -                    | 241,000                                                   |
| Transportation                                               | 13,405,711          | 6,475,130            | 5,476,997            | 998,133                                                   |
| Economic Environment                                         | 2,578,650           | 2,339,573            | 337,153              | 2,002,420                                                 |
| Physical Environment                                         | 21,789,124          | 21,162,963           | 1,136,827            | 20,026,136                                                |
| Culture and Recreation                                       | 593,851             | 593,851              | 41,660               | 552,191                                                   |
| Total Capital Outlay                                         | <u>38,608,336</u>   | <u>30,812,517</u>    | <u>6,992,637</u>     | <u>23,819,880</u>                                         |
| Debt Service:                                                |                     |                      |                      |                                                           |
| Principal                                                    | 6,335,000           | 6,335,000            | 6,374,607            | (39,607)                                                  |
| Interest on Long-term Debt                                   | 842,875             | 842,708              | 858,640              | (15,932)                                                  |
| Total Debt Service                                           | <u>7,177,875</u>    | <u>7,177,708</u>     | <u>7,233,247</u>     | <u>(55,539)</u>                                           |
| Total Expenditures                                           | <u>59,416,142</u>   | <u>51,445,887</u>    | <u>25,223,134</u>    | <u>26,222,753</u>                                         |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (31,909,213)        | (23,973,442)         | 2,419,037            | 26,392,479                                                |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                     |                      |                      |                                                           |
| Lease (right-of-use asset) Acquired                          | -                   | -                    | 217,312              | 217,312                                                   |
| Total Other Financing<br>Sources (Uses)                      | <u>-</u>            | <u>-</u>             | <u>217,312</u>       | <u>217,312</u>                                            |
| Change in Fund Balance                                       | (31,909,213)        | (23,973,442)         | 2,636,349            | 26,609,791                                                |
| Fund Balance - Beginning                                     | <u>37,381,596</u>   | <u>37,381,596</u>    | <u>37,381,596</u>    | <u>-</u>                                                  |
| Fund Balance - Ending                                        | <u>\$ 5,472,383</u> | <u>\$ 13,408,154</u> | <u>\$ 40,017,945</u> | <u>\$ 26,609,791</u>                                      |

The notes to the required supplementary information are an integral part of this statement.

Other Financing Source - Lease (right-of-use asset) Acquired - The City implemented GASB 87 - Leases during fiscal year 2022. GASB 87 - Leases requires that governmental funds report other financing sources in leases in which the City is a lessee. This is offset by related capital outlay expenditures.

**CITY OF HOLLYWOOD, FLORIDA**

**BUDGETARY COMPARISON SCHEDULE  
DOWNTOWN COMMUNITY REDEVELOPMENT FUND  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022  
(Unaudited - See accompanying independent auditors' report)**

|                                                              | <u>Budgeted Amounts</u> |                   |                      | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--------------------------------------------------------------|-------------------------|-------------------|----------------------|-----------------------------------------------------------|
|                                                              | <u>Original</u>         | <u>Final</u>      | <u>Actual</u>        |                                                           |
| <b>REVENUES:</b>                                             |                         |                   |                      |                                                           |
| Property Taxes                                               | \$ 5,822,264            | \$ 5,805,623      | \$ 5,805,623         | \$ -                                                      |
| Intergovernmental                                            | 4,730,106               | 4,716,439         | 4,716,439            | -                                                         |
| Investment Revenue                                           | 50,000                  | 50,000            | 51,351               | 1,351                                                     |
| Miscellaneous                                                | 25,000                  | 25,000            | 227,408              | 202,408                                                   |
| Total Revenues                                               | <u>10,627,370</u>       | <u>10,597,062</u> | <u>10,800,821</u>    | <u>203,759</u>                                            |
| <b>EXPENDITURES:</b>                                         |                         |                   |                      |                                                           |
| Current:                                                     |                         |                   |                      |                                                           |
| General Government                                           | 6,735,652               | 6,674,624         | 5,167,338            | 1,507,286                                                 |
| Economic Environment                                         | 1,192,048               | 375,804           | 288,609              | 87,195                                                    |
| Physical Environment                                         | 250,000                 | 250,000           | 156,378              | 93,622                                                    |
| Capital Outlay:                                              |                         |                   |                      |                                                           |
| Transportation                                               | -                       | 750,000           | 6,934                | 743,066                                                   |
| Economic Environment                                         | 12,280,000              | 11,526,330        | 1,637,073            | 9,889,257                                                 |
| Debt Service:                                                |                         |                   |                      |                                                           |
| Principal                                                    | 1,706,667               | 1,706,667         | 1,717,094            | (10,427)                                                  |
| Interest on Long-term Debt                                   | 113,003                 | 113,003           | 117,276              | (4,273)                                                   |
| Total Expenditures                                           | <u>22,277,370</u>       | <u>21,396,428</u> | <u>9,090,702</u>     | <u>12,305,726</u>                                         |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (11,650,000)            | (10,799,366)      | 1,710,119            | 12,509,485                                                |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                         |                   |                      |                                                           |
| Lease (right-of-use asset) Acquired                          | -                       | -                 | 57,213               | 57,213                                                    |
| Total Other Financing<br>Sources (Uses)                      | <u>-</u>                | <u>-</u>          | <u>57,213</u>        | <u>57,213</u>                                             |
| Change in Fund Balance                                       | (11,650,000)            | (10,799,366)      | 1,767,332            | 12,566,698                                                |
| Fund Balance - Beginning                                     | <u>11,379,178</u>       | <u>11,379,178</u> | <u>11,379,178</u>    | <u>-</u>                                                  |
| Fund Balance - Ending                                        | <u>\$ (270,822)</u>     | <u>\$ 579,812</u> | <u>\$ 13,146,510</u> | <u>\$ 12,566,698</u>                                      |

The notes to the required supplementary information are an integral part of this statement.

Other Financing Source - Lease (right--use asset) Acquired - The City implemented GASB 87 - Leases during fiscal year 2022. GASB 87 - Leases requires that governmental funds report other financing sources in leases in which the City is a lessee. This is offset by related capital outlay expenditures.

# CITY OF HOLLYWOOD, FLORIDA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS (Unaudited – See accompanying independent auditors' report)

| Measurement Date, September 30,                                  | 2022                  | 2021                  | 2020                  | 2019                  | 2018                  |
|------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total OPEB Liability</b>                                      |                       |                       |                       |                       |                       |
| Service cost                                                     | \$ 15,106,671         | \$ 13,628,905         | \$ 18,177,238         | \$ 17,891,399         | \$ 18,898,738         |
| Interest                                                         | 12,199,116            | 12,619,714            | 19,947,989            | 22,332,441            | 20,845,587            |
| Changes of benefit terms                                         | -                     | -                     | (48,929,076)          | (13,663,167)          | -                     |
| Differences between expected and actual experience               | (99,668,422)          | -                     | (134,188,575)         | -                     | -                     |
| Changes of assumptions or other inputs                           | (143,158,510)         | 21,509,060            | (41,117,883)          | 132,465,278           | (36,399,562)          |
| Benefit Payments                                                 | (14,626,000)          | (14,094,000)          | (17,169,001)          | (16,305,000)          | (15,376,000)          |
| Net Change in Total OPEB Liability                               | (230,147,145)         | 33,663,679            | (203,279,308)         | 142,720,951           | (12,031,237)          |
| Total OPEB Liability - Beginning                                 | 564,350,282           | 530,686,603           | 733,965,911           | 591,244,960           | 603,276,197           |
| Total OPEB Liability - Ending                                    | <u>\$ 334,203,137</u> | <u>\$ 564,350,282</u> | <u>\$ 530,686,603</u> | <u>\$ 733,965,911</u> | <u>\$ 591,244,960</u> |
| Covered Employee Payroll                                         | \$ 120,148,699        | \$ 115,344,128        | \$ 109,236,487        | \$ 104,238,991        | \$ 102,544,514        |
| Total OPEB Liability as a Percentage of Covered Employee Payroll | 278.16%               | 489.28%               | 485.81%               | 704.12%               | 576.57%               |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Schedule:  
Benefit changes

Changes of assumptions  
Discount Rate:

4.40%

2.19%

2.41%

2.75%

3.83%

*Benefit Changes:*

The medical trend was updated. The trend was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The mortality improvement scale was updated to MP21.

*Trust:*

There are no assets accumulated in a trust that meet the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

**CITY OF HOLLYWOOD, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CITY'S  
NET PENSION LIABILITY AND RELATED RATIOS  
GENERAL EMPLOYEES RETIREMENT SYSTEM  
LAST EIGHT FISCAL YEARS

(Unaudited – See accompanying independent auditors' report)

| Measurement Date                                                                  | 9/30/2021             | 9/30/2020             | 9/30/2019             | 9/30/2018             |
|-----------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Fiscal Year                                                                       | 9/30/2022             | 9/30/2021             | 9/30/2020             | 9/30/2019             |
| <b>TOTAL PENSION LIABILITY</b>                                                    |                       |                       |                       |                       |
| Service Cost                                                                      | \$ 6,445,297          | \$ 6,616,301          | \$ 5,887,828          | \$ 5,738,426          |
| Interest                                                                          | 43,225,655            | 42,124,159            | 38,173,241            | 35,698,698            |
| Benefit Changes                                                                   | -                     | -                     | 51,225,519            | -                     |
| Difference Between Actual and Expected Experience                                 | (336,198)             | 1,791,933             | (3,670,131)           | 2,221,979             |
| Change of Assumptions                                                             | 617,488               | -                     | 5,212,188             | 31,374,925            |
| Refunds of Contributions                                                          | (480,993)             | (425,409)             | (539,713)             | (448,377)             |
| Benefit Payments                                                                  | (36,207,880)          | (34,235,265)          | (41,161,931)          | (30,896,779)          |
| Net Change in Total Pension Liability                                             | 13,263,369            | 15,871,719            | 55,127,001            | 43,688,872            |
| Total Pension Liability - Beginning                                               | 588,241,205           | 572,369,486           | 517,242,485           | 473,553,613           |
| Total Pension Liability - Ending                                                  | 601,504,574           | 588,241,205           | 572,369,486           | 517,242,485           |
| <b>PLAN FIDUCIARY NET POSITION</b>                                                |                       |                       |                       |                       |
| Contributions - Employer.                                                         | 29,914,898            | 42,284,055            | 26,904,543            | 22,101,019            |
| Contributions - State                                                             | -                     | -                     | -                     | -                     |
| Contributions - Employee                                                          | 3,455,693             | 3,635,402             | 3,561,448             | 3,277,081             |
| Net Investment Income                                                             | 77,108,378            | 25,798,439            | 13,819,381            | 21,635,666            |
| Benefit Payments                                                                  | (36,207,880)          | (34,235,265)          | (41,161,931)          | (30,896,779)          |
| Contributions - Non-Employer                                                      | 29,913                | 29,738                | 26,734                | (448,377)             |
| Contributions Refund                                                              | (480,993)             | (425,409)             | (539,713)             | 12,694                |
| Administrative Expense                                                            | (800,993)             | (806,018)             | (671,545)             | (497,898)             |
| Other                                                                             | -                     | -                     | 271,143               | (271,142)             |
| Net change in Plan Fiduciary Net Position                                         | 73,019,016            | 36,280,942            | 2,210,060             | 14,912,264            |
| Plan Fiduciary Net Position - Beginning                                           | 369,667,486           | 333,386,544           | 331,176,484           | 316,264,220           |
| Plan Fiduciary Net Position - Ending                                              | 442,686,502           | 369,667,486           | 333,386,544           | 331,176,484           |
| <b>Net Pension Liability</b>                                                      | <b>\$ 158,818,072</b> | <b>\$ 218,573,719</b> | <b>\$ 238,982,942</b> | <b>\$ 186,066,001</b> |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> | <b>73.60%</b>         | <b>62.84%</b>         | <b>58.25%</b>         | <b>64.03%</b>         |
| <b>Covered Payroll</b>                                                            | <b>40,789,456</b>     | <b>40,869,983</b>     | <b>41,243,666</b>     | <b>40,963,513</b>     |
| <b>Net Pension Liability as a Percentage of Covered Payroll</b>                   | <b>389.36%</b>        | <b>534.80%</b>        | <b>579.44%</b>        | <b>454.22%</b>        |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(Continued on the next page)

| 9/30/2017<br>9/30/2018                                                                              | 9/30/2016<br>9/30/2017                                                                             | 9/30/2015<br>9/30/2016                                                                            | 9/30/2014<br>9/30/2015                                                                         |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| \$ 5,017,634<br>33,809,853<br>-                                                                     | \$ 4,493,709<br>33,373,524<br>665,893                                                              | \$ 4,587,285<br>33,065,052<br>-                                                                   | \$ 4,152,898<br>32,492,291<br>-                                                                |
| (2,204,530)<br>23,474,009<br>(166,465)<br>(29,804,293)                                              | 1,986,958<br>4,147,745<br>(271,849)<br>(38,120,911)                                                | 1,839,725<br>4,976,256<br>(434,468)<br>(31,649,219)                                               | 333,165<br>-<br>(231,708)<br>(28,191,052)                                                      |
| 30,126,208<br>443,427,405<br>473,553,613                                                            | 6,275,069<br>437,152,336<br>443,427,405                                                            | 12,384,631<br>424,767,705<br>437,152,336                                                          | 8,555,594<br>416,212,111<br>424,767,705                                                        |
| 20,562,868<br>-<br>3,185,801<br>33,218,838<br>(29,804,293)<br>(166,465)<br>11,723<br>(486,528)<br>- | 9,767,849<br>-<br>3,088,620<br>29,224,225<br>(38,120,911)<br>(271,849)<br>10,433<br>(298,730)<br>- | 23,216,393<br>8,469<br>2,604,831<br>5,108,678<br>(31,649,219)<br>(434,468)<br>-<br>(287,053)<br>- | 23,160,583<br>-<br>2,671,277<br>28,051,900<br>(28,191,052)<br>(231,708)<br>-<br>(282,797)<br>- |
| 26,521,944<br>289,742,276<br>316,264,220                                                            | 3,399,637<br>286,342,639<br>289,742,276                                                            | (1,432,369)<br>287,775,008<br>286,342,639                                                         | 25,178,203<br>262,596,805<br>287,775,008                                                       |
| <u>\$ 157,289,393</u>                                                                               | <u>\$ 153,685,129</u>                                                                              | <u>\$ 150,809,697</u>                                                                             | <u>\$ 136,992,697</u>                                                                          |
| 66.79%<br>39,822,513<br><br>394.98%                                                                 | 65.34%<br>38,607,750<br><br>398.07%                                                                | 65.50%<br>32,560,388<br><br>463.17%                                                               | 67.75%<br>33,390,963<br><br>410.27%                                                            |

**CITY OF HOLLYWOOD, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CITY'S  
NET PENSION LIABILITY AND RELATED RATIOS (Continued)  
FIRE PENSION FUND  
LAST EIGHT FISCAL YEARS  
(Unaudited – See accompanying independent auditors' report)

| Measurement Date                                                              | 9/30/2021             | 9/30/2020             | 9/30/2019             | 9/30/2018             |
|-------------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Fiscal Year                                                                   | 9/30/2022             | 9/30/2021             | 9/30/2020             | 9/30/2019             |
| <b>TOTAL PENSION LIABILITY</b>                                                |                       |                       |                       |                       |
| Service Cost                                                                  | \$ 6,434,345          | \$ 6,023,556          | \$ 7,338,471          | \$ 5,467,335          |
| Interest                                                                      | 34,159,894            | 31,893,232            | 30,625,834            | 27,748,028            |
| Share Plan Allocation                                                         | 89,922                | -                     | -                     | -                     |
| Change in Excess State Money                                                  | -                     | -                     | -                     | -                     |
| Change in benefit terms                                                       | -                     | -                     | 21,759,327            | 2,830,293             |
| Difference Between Actual and Expected Experience                             | 1,552,543             | 12,898,819            | 6,461,410             | 5,074,190             |
| Assumption Changes                                                            | -                     | 5,260,528             | -                     | -                     |
| Drop default loan payment                                                     | 25,704                | 45,235                | 83,010                | 40,967                |
| Contributions - Buyback                                                       | 27,628                | 18,481                | 149,358               | -                     |
| Contributions                                                                 | (24,915,215)          | (27,741,742)          | (25,147,318)          | (22,033,151)          |
| Refunds of Contributions                                                      | -                     | -                     | -                     | -                     |
| Net Change in Total Pension Liability                                         | 17,374,821            | 28,398,109            | 41,270,092            | 19,127,662            |
| Total Pension Liability - Beginning                                           | 461,499,551           | 433,101,442           | 391,831,350           | 372,703,688           |
| Total Pension Liability - Ending                                              | 478,874,372           | 461,499,551           | 433,101,442           | 391,831,350           |
| <b>PLAN FIDUCIARY NET POSITION</b>                                            |                       |                       |                       |                       |
| Contributions - Employer                                                      | 20,370,947            | 20,460,578            | 21,482,941            | 16,373,064            |
| Contributions - State                                                         | 1,652,102             | 1,483,741             | 1,467,281             | -                     |
| Contributions - Employee                                                      | 1,906,677             | 1,825,589             | 1,381,810             | 1,458,572             |
| Contributions - Buyback                                                       | 27,628                | 18,481                | 149,358               | -                     |
| Drop default loan payment                                                     | 25,704                | 45,235                | 83,010                | 40,967                |
| Net Investment Income                                                         | 63,350,314            | 26,117,570            | 6,807,053             | 22,909,517            |
| Benefit Payments                                                              | (24,915,215)          | (27,741,742)          | (25,147,318)          | (22,033,151)          |
| Refunds of Contributions                                                      | -                     | -                     | -                     | -                     |
| Other                                                                         | -                     | -                     | (2,004,645)           | -                     |
| Administrative Expense                                                        | (492,252)             | (691,806)             | (691,571)             | (654,714)             |
| Net change in Plan Fiduciary Net Position                                     | 61,925,905            | 21,517,646            | 3,527,919             | 18,094,255            |
| Plan Fiduciary Net Position - Beginning                                       | 275,532,553           | 254,014,907           | 250,486,988           | 232,392,733           |
| Plan Fiduciary Net Position - Ending                                          | 337,458,458           | 275,532,553           | 254,014,907           | 250,486,988           |
| <b>Net Pension Liability - Ending</b>                                         | <b>\$ 141,415,914</b> | <b>\$ 185,966,998</b> | <b>\$ 179,086,535</b> | <b>\$ 141,344,362</b> |
| <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b> | <b>70.47%</b>         | <b>59.70%</b>         | <b>58.65%</b>         | <b>63.93%</b>         |
| <b>Covered Payroll</b>                                                        | <b>\$ 24,863,920</b>  | <b>\$ 23,731,474</b>  | <b>\$ 20,902,962</b>  | <b>\$ 18,938,690</b>  |
| <b>Net Pension Liability as a Percentage of Covered Payroll</b>               | <b>568.76%</b>        | <b>783.63%</b>        | <b>856.75%</b>        | <b>746.33%</b>        |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(Continued on the next page)

| 9/30/2017<br>9/30/2018 | 9/30/2016<br>9/30/2017 | 9/30/2015<br>9/30/2016 | 9/30/2014<br>9/30/2015 |
|------------------------|------------------------|------------------------|------------------------|
| \$ 4,750,396           | \$ 4,453,321           | \$ 3,767,328           | \$ 3,392,835           |
| 26,389,549             | 24,500,448             | 23,842,805             | 23,251,404             |
| -                      | -                      | -                      | -                      |
| -                      | -                      | -                      | 62,926                 |
| -                      | 1,979,452              | 485,214                | -                      |
| 5,102,275              | 5,256,660              | 1,276,360              | -                      |
| -                      | 11,571,857             | 2,607,740              | -                      |
| -                      | -                      | -                      | -                      |
| -                      | 102,854                | -                      | -                      |
| (21,319,658)           | (22,187,054)           | (20,162,497)           | (19,171,355)           |
| -                      | -                      | (66,761)               | (44,105)               |
| 14,922,562             | 25,677,538             | 11,750,189             | 7,491,705              |
| 357,781,126            | 332,103,588            | 320,353,399            | 312,861,694            |
| 372,703,688            | 357,781,126            | 332,103,588            | 320,353,399            |
| 14,349,564             | 14,398,112             | 14,310,591             | 10,721,832             |
| -                      | -                      | -                      | 1,625,106              |
| 1,360,393              | 1,304,661              | 1,170,620              | 1,078,161              |
| -                      | 102,854                | -                      | -                      |
| -                      | -                      | -                      | -                      |
| 26,873,377             | 17,432,805             | 3,909,497              | 19,962,042             |
| (21,319,658)           | (22,187,054)           | (20,162,497)           | (19,171,355)           |
| -                      | -                      | (66,761)               | (44,105)               |
| -                      | -                      | -                      | -                      |
| (559,938)              | (625,368)              | (489,016)              | (635,223)              |
| 20,703,738             | 10,426,010             | (1,327,566)            | 13,536,458             |
| 211,688,995            | 201,262,985            | 202,590,551            | 189,054,093            |
| 232,392,733            | 211,688,995            | 201,262,985            | 202,590,551            |
| \$ 140,310,955         | \$ 146,092,131         | \$ 130,840,603         | \$ 117,762,848         |
| 62.35%                 | 59.17%                 | 60.60%                 | 63.24%                 |
| \$ 17,401,469          | \$ 16,642,582          | \$ 16,753,713          | \$ 13,712,168          |
| 806.32%                | 877.82%                | 780.96%                | 858.82%                |

**CITY OF HOLLYWOOD, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CITY'S  
NET PENSION LIABILITY AND RELATED RATIOS (Continued)  
POLICE OFFICERS' RETIREMENT SYSTEM  
LAST EIGHT FISCAL YEARS  
(Unaudited – See accompanying independent auditors' report)

| Measurement Date<br>Fiscal Year                                 | 9/30/2021<br>9/30/2022 | 9/30/2020<br>9/30/2021 | 9/30/2019<br>9/30/2020 | 9/30/2018<br>9/30/2019 |
|-----------------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>TOTAL PENSION LIABILITY</b>                                  |                        |                        |                        |                        |
| Service Cost                                                    | \$ 6,587,743           | \$ 6,546,335           | \$ 5,379,012           | \$ 5,062,784           |
| Interest                                                        | 49,441,297             | 46,783,055             | 42,872,487             | 29,915,966             |
| Changes in excess state mone                                    |                        | -                      | -                      | -                      |
| Change in benefit terms                                         |                        | 3,634,391              | 61,009,969             | -                      |
| Difference Between Actual and<br>Expected Experience            | (2,915,609)            | 2,081,615              | 4,813,881              | 7,322,883              |
| Change of assumptions                                           |                        | -                      | (14,264,607)           | -                      |
| DROP Default loan payment                                       |                        | -                      | -                      | -                      |
| Contributions - Buy-Back                                        | (51,757)               | (314,396)              | (112,090)              | (53,956)               |
| Benefit Payments, including refunds of<br>Employee Contribution | (31,334,455)           | (30,379,009)           | (30,099,345)           | (28,190,020)           |
| Net Change in Total Pension Liability                           | 21,727,219             | 28,351,991             | 69,599,307             | 14,057,657             |
| Total Pension Liability - Beginning                             | 580,694,514            | 552,342,523            | 482,743,216            | 468,685,559            |
| Total Pension Liability - Ending                                | 602,421,733            | 580,694,514            | 552,342,523            | 482,743,216            |
| <b>PLAN FIDUCIARY NET POSITION</b>                              |                        |                        |                        |                        |
| Contributions - Employer                                        | 24,215,984             | 19,856,774             | 24,446,359             | 19,492,251             |
| Contributions - State                                           | 1,632,350              | 1,797,433              | 7,379,064              | -                      |
| Contributions - Employee                                        | 2,684,133              | 2,922,863              | 3,329,431              | 1,714,922              |
| Contributions - Buy-Back                                        | (51,757)               | (314,396)              | (112,090)              | (53,956)               |
| DROP Default loan payment                                       |                        | -                      | -                      | -                      |
| Net Investment Income                                           | 72,028,082             | 25,141,119             | 11,164,200             | 33,082,120             |
| Benefit Payments, including refunds of<br>Employee Contribution | (31,334,455)           | (30,379,009)           | (30,099,345)           | (28,190,020)           |
| Administrative Expense                                          | (709,255)              | (722,989)              | (714,919)              | (592,690)              |
| Other                                                           | 39,373                 | 44,860                 | 61,795                 | 91,696                 |
| Net change in Plan Fiduciary Net<br>Position                    | 68,504,455             | 18,346,655             | 15,454,495             | 25,544,323             |
| Plan Fiduciary Net Position - Beginning                         | 339,830,142            | 321,483,487            | 306,028,992            | 280,484,669            |
| Plan Fiduciary Net Position - Ending                            | 408,334,597            | 339,830,142            | 321,483,487            | 306,028,992            |
| Net Pension Liability                                           | <u>\$ 194,087,136</u>  | <u>\$ 240,864,372</u>  | <u>\$ 230,859,036</u>  | <u>\$ 176,714,224</u>  |
| Plan Fiduciary Net Position as a<br>Percentage                  |                        |                        |                        |                        |
| of Total Pension Liability                                      | 67.78%                 | 58.52%                 | 58.20%                 | 63.39%                 |
| Covered Payroll                                                 | \$ 22,966,730          | \$ 22,824,881          | \$ 21,786,392          | \$ 23,585,094          |
| Net Pension Liability as a Percentage<br>of Covered Payroll     | 845.08%                | 1055.27%               | 1059.65%               | 749.26%                |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(Continued on the next page)

| 9/30/2017<br>9/30/2018 | 9/30/2016<br>9/30/2017 | 9/30/2015<br>9/30/2016 | 9/30/2014<br>9/30/2015 |
|------------------------|------------------------|------------------------|------------------------|
| \$ 4,926,424           | \$ 4,093,052           | \$ 3,518,988           | \$ 3,148,678           |
| 27,871,029             | 25,130,908             | 24,415,878             | 29,080,971             |
| -                      | -                      | -                      | -                      |
| -                      | -                      | 2,093,658              | -                      |
| 8,126,704              | 9,005,099              | 5,887,738              | 1,770,772              |
| 16,168,696             | 25,704,000             | -                      | -                      |
| -                      | -                      | -                      | -                      |
| (20,298)               | (35,258)               | (73,428)               | (126,781)              |
| <u>(27,582,433)</u>    | <u>(23,179,330)</u>    | <u>(23,318,201)</u>    | <u>(22,993,671)</u>    |
| 29,490,122             | 40,718,471             | 12,524,633             | 10,879,969             |
| 439,195,437            | 398,476,966            | 385,952,333            | 375,072,364            |
| <u>468,685,559</u>     | <u>439,195,437</u>     | <u>398,476,966</u>     | <u>385,952,333</u>     |
| 17,005,579             | 13,960,747             | 13,425,807             | 11,209,547             |
| -                      | -                      | -                      | 1,269,750              |
| 1,625,263              | 1,714,832              | 1,454,477              | 1,341,148              |
| (20,298)               | (35,258)               | (73,428)               | (126,781)              |
| -                      | -                      | -                      | -                      |
| 30,856,527             | 22,123,392             | 3,175,147              | 22,976,304             |
| (27,582,433)           | (23,179,330)           | (23,318,201)           | (22,993,671)           |
| (726,806)              | (671,069)              | (656,738)              | (684,234)              |
| 164,029                | (160,748)              | 210,285                | 27,952                 |
| <u>21,321,861</u>      | <u>13,752,566</u>      | <u>(5,782,651)</u>     | <u>13,020,015</u>      |
| 259,162,808            | 245,410,242            | 251,192,893            | 238,172,878            |
| <u>280,484,669</u>     | <u>259,162,808</u>     | <u>245,410,242</u>     | <u>251,192,893</u>     |
| <u>\$ 188,200,890</u>  | <u>\$ 180,032,629</u>  | <u>\$ 153,066,724</u>  | <u>\$ 134,759,440</u>  |
| 59.84%                 | 59.01%                 | 61.59%                 | 65.08%                 |
| \$ 23,676,707          | \$ 18,649,015          | \$ 16,504,396          | \$ 15,092,088          |
| 794.88%                | 965.37%                | 927.43%                | 892.91%                |

**CITY OF HOLLYWOOD, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CITY'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
LAST NINE FISCAL YEARS  
(Unaudited – See accompanying independent auditors' report)

FLORIDA RETIREMENT SYSTEM

| June 30,                                                                                   | 2022          | 2021          | 2020          | 2019          |
|--------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
| City's Proportion of the Net Pension Liability                                             | 0.000726099 % | 0.002321716 % | 0.002825208 % | 0.002918758 % |
| City's Proportionate Share of the Net Pension Liability                                    | \$ 791,130    | 175,379       | 1,224,487     | 1,005,180     |
| City's Covered Payroll                                                                     | \$ 198,222    | 199,976       | 221,667       | 210,951       |
| City's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll | 397.00 %      | 90.92 %       | 563.44 %      | 476.50 %      |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                 | 96.40 %       | 96.40 %       | 78.85 %       | 82.61 %       |

HEALTH INSURANCE SUBSIDY

| June 30,                                                                                   | 2022          | 2021          | 2020          | 2019          |
|--------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
| City's Proportion of the Net Pension Liability                                             | 0.000638253 % | 0.000564855 % | 0.000635283 % | 0.000644734 % |
| City's Proportionate Share of the Net Pension Liability                                    | \$ 57,611     | 69,288        | 77,567        | 72,139        |
| City's Covered Payroll                                                                     | \$ 198,222    | 199,976       | 221,667       | 210,951       |
| City's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll | 28.91 %       | 35.92 %       | 35.69 %       | 34.20 %       |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                 | 3.56 %        | 3.56 %        | 3.00 %        | 2.63 %        |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

| 2018          | 2017          | 2016          | 2015          | 2014          |
|---------------|---------------|---------------|---------------|---------------|
| 0.002802949 % | 0.002714891 % | 0.002740042 % | 0.002844445 % | 0.002229762 % |
| 844,263       | \$ 803,047    | 691,863       | 367,398       | 136,048       |
| 209,565       | \$ 198,905    | 185,400       | 185,400       | 185,400       |
| 402.86 %      | 403.73 %      | 373.17 %      | 198.17 %      | 73.38 %       |
| 84.26 %       | 83.89 %       | 84.88 %       | 92.00 %       | 96.09 %       |

| 2018         | 2017         | 2016         | 2015          | 2014          |
|--------------|--------------|--------------|---------------|---------------|
| 0.00064163 % | 0.00062404 % | 0.00060059 % | 0.000611052 % | 0.000623967 % |
| 67,911       | \$ 66,724    | 69,997       | 62,318        | 58,342        |
| 209,565      | \$ 198,905   | 185,400      | 185,400       | 185,400       |
| 32.41 %      | 33.55        | 37.75 %      | 33.61 %       | 31.47 %       |
| 2.15 %       | 1.64         | 0.97 %       | 0.50 %        | 0.99 %        |

**CITY OF HOLLYWOOD, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
LAST NINE FISCAL YEARS  
(Unaudited – See accompanying independent auditors' report)

**GENERAL EMPLOYEES RETIREMENT SYSTEM**

| September 30,                                   | 2022                | 2021                | 2020                  | 2019                    |
|-------------------------------------------------|---------------------|---------------------|-----------------------|-------------------------|
| Actuarially Determined Contribution             | \$ 28,082,806       | \$ 29,106,927       | \$ 28,553,978         | \$ 22,101,019           |
| Contribution Made                               | <u>(28,082,806)</u> | <u>(29,106,927)</u> | <u>(26,711,564)</u>   | <u>(26,904,543)</u>     |
| Contribution Deficiency (Excess)                | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 1,842,414</u> b | <u>\$ (4,803,524)</u> a |
| Covered Payroll                                 | \$ 43,399,091       | \$ 40,789,456       | \$ 42,117,351         | \$ 41,243,666           |
| Contribution as a Percentage of Covered Payroll | 64.71%              | 71.36%              | 63.42%                | 65.23%                  |

a - Includes a contribution to be in compliances with the Florida Division of Retirement Statutues.

b - The required contribution was revised subsequent to the City's initial contribution. This shortfall has been fully paid as of the audit report date.

**FIRE PENSION FUND**

| September 30,                                   | 2022                | 2021                | 2020                | 2019                    |
|-------------------------------------------------|---------------------|---------------------|---------------------|-------------------------|
| Actuarially Determined Contribution             | \$ 22,082,833       | \$ 20,387,395       | \$ 20,032,719       | \$ 17,029,397           |
| Contribution Made                               | <u>(22,082,833)</u> | <u>(20,387,395)</u> | <u>(20,032,719)</u> | <u>(21,482,940)</u>     |
| Contribution Deficiency (Excess)                | <u></u>             | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ (4,453,543)</u> a |
| Covered Payroll                                 | \$ 26,237,342       | \$ 24,863,920       | \$ 23,731,474       | \$ 20,902,962           |
| Contribution as a Percentage of Covered Payroll | 84.17%              | 82.00%              | 84.41%              | 110.21%                 |

a - Includes a contribution to be in compliances with the Florida Division of Retirement Statutues.

**POLICE OFFICERS' RETIREMENT SYSTEM**

| September 30,                                   | 2022                | 2021                | 2020                    | 2019                |
|-------------------------------------------------|---------------------|---------------------|-------------------------|---------------------|
| Actuarially Determined Contribution             | \$ 26,038,790       | \$ 25,848,334       | \$ 27,676,165           | \$ 29,182,499       |
| Contribution Made                               | <u>(26,038,790)</u> | <u>(25,848,334)</u> | <u>(29,033,271)</u>     | <u>(29,182,499)</u> |
| Contribution Deficiency (Excess)                | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ (1,357,106)</u> a | <u>\$ -</u>         |
| Covered Payroll                                 | \$ 23,809,516       | \$ 22,966,730       | \$ 22,824,881           | \$ 21,786,392       |
| Contribution as a Percentage of Covered Payroll | 109.36%             | 112.55%             | 127.20%                 | 133.95%             |

a - Excess contribution to be applied to the fiscal year 2022 contribution.

| 2018                                 | 2017                                 | 2016                                | 2015                                 | 2014                                 |
|--------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|
| \$ 24,702,602<br><u>(22,113,713)</u> | \$ 20,513,012<br><u>(20,574,591)</u> | \$ 20,167,849<br><u>(9,778,282)</u> | \$ 20,230,240<br><u>(23,224,862)</u> | \$ 19,834,090<br><u>(23,160,583)</u> |
| <u>\$ 2,588,889</u>                  | <u>\$ (61,579)</u>                   | <u>\$ 10,389,567</u>                | <u>\$ (2,994,622)</u>                | <u>\$ (3,326,493)</u>                |
| \$ 40,963,513                        | \$ 39,822,513                        | \$ 38,607,750                       | \$ 32,560,388                        | \$ 33,390,963                        |
| 53.98%                               | 51.67%                               | 25.33%                              | 71.33%                               | 69.36%                               |

| 2018                                 | 2017                                 | 2016                                 | 2015                                 | 2014                                 |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| \$ 16,373,064<br><u>(16,373,064)</u> | \$ 14,349,564<br><u>(14,349,564)</u> | \$ 14,398,112<br><u>(14,398,112)</u> | \$ 14,310,591<br><u>(14,310,591)</u> | \$ 12,284,012<br><u>(12,284,012)</u> |
| <u>\$ -</u>                          | <u>\$ -</u>                          | <u>\$ -</u>                          | <u>\$ -</u>                          | <u>\$ -</u>                          |
| \$ 18,938,690                        | \$ 17,401,469                        | \$ 16,642,582                        | \$ 16,753,713                        | \$ 13,712,168                        |
| 82.46%                               | 82.46%                               | 86.51%                               | 85.42%                               | 89.58%                               |

| 2018                                 | 2017                                 | 2016                                 | 2015                                 | 2014                                 |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| \$ 19,492,251<br><u>(19,492,251)</u> | \$ 17,005,579<br><u>(17,005,579)</u> | \$ 13,960,747<br><u>(13,960,747)</u> | \$ 13,425,807<br><u>(13,425,807)</u> | \$ 12,479,297<br><u>(12,479,297)</u> |
| <u>\$ -</u>                          | <u>\$ -</u>                          | <u>\$ -</u>                          | <u>\$ -</u>                          | <u>\$ -</u>                          |
| \$ 23,585,094                        | \$ 23,676,707                        | \$ 18,649,015                        | \$ 16,504,396                        | \$ 15,092,088                        |
| 82.65%                               | 71.82%                               | 74.86%                               | 81.35%                               | 82.69%                               |

**CITY OF HOLLYWOOD, FLORIDA**

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS (Continued)  
LAST NINE FISCAL YEARS  
(Unaudited – See accompanying independent auditors' report)

| FLORIDA RETIREMENT SYSTEM           |             |             |             |             |
|-------------------------------------|-------------|-------------|-------------|-------------|
| September 30,                       | 2022        | 2021        | 2020        | 2019        |
| Contractually Required Contribution | \$ 102,155  | \$ 92,776   | \$ 104,746  | \$ 102,298  |
| Actual Contribution in Relation to  |             |             |             |             |
| Contractually Required Contribution | (102,155)   | (92,776)    | (104,746)   | (102,298)   |
| Contribution Deficiency (Excess)    | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll                     | \$ 199,275  | \$ 192,890  | \$ 221,667  | \$ 217,322  |
| Contribution as a Percentage of     |             |             |             |             |
| Covered Payroll                     | 51.26%      | 48.10%      | 47.25%      | 47.07%      |
| HEALTH INSURANCE SUBSIDY            |             |             |             |             |
| September 30,                       | 2022        | 2021        | 2020        | 2019        |
| Contractually Required Contribution | \$ 3,308    | \$ 3,266    | \$ 3,687    | \$ 3,608    |
| Actual Contribution in Relation to  |             |             |             |             |
| Contractually Required Contribution | (3,308)     | (3,266)     | (3,687)     | (3,608)     |
| Contribution Deficiency (Excess)    | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll                     | \$ 199,275  | \$ 192,890  | \$ 221,667  | \$ 217,322  |
| Contribution as a Percentage of     |             |             |             |             |
| Covered Payroll                     | 1.66%       | 1.69%       | 1.66%       | 1.66%       |

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

| <u>2018</u>     | <u>2017</u>     | <u>2016</u>     | <u>2015</u>     | <u>2014</u>     |
|-----------------|-----------------|-----------------|-----------------|-----------------|
| \$ 79,882       | \$ 70,675       | \$ 78,909       | \$ 77,916       | \$ 63,460       |
| <u>(79,882)</u> | <u>(70,675)</u> | <u>(78,909)</u> | <u>(77,916)</u> | <u>(63,460)</u> |
| <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>     |
| \$ 210,951      | \$ 204,451      | \$ 192,530      | \$ 185,400      | \$ 185,400      |
| 37.87%          | 34.57%          | 40.99%          | 42.03%          | 34.23%          |

| <u>2018</u>    | <u>2017</u>    | <u>2016</u>    | <u>2015</u>    | <u>2014</u>    |
|----------------|----------------|----------------|----------------|----------------|
| \$ 3,480       | \$ 3,303       | \$ 3,078       | \$ 2,336       | \$ 2,138       |
| <u>(3,480)</u> | <u>(3,303)</u> | <u>(3,078)</u> | <u>(2,336)</u> | <u>(2,138)</u> |
| <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| \$ 210,951     | \$ 204,451     | \$ 192,530     | \$ 185,400     | \$ 185,400     |
| 1.65%          | 1.62%          | 1.60%          | 1.26%          | 1.15%          |

**CITY OF HOLLYWOOD, FLORIDA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
(Unaudited – See accompanying independent auditors' report)

**NOTE I – ACTUARIAL METHODS AND ASSUMPTIONS USED IN DETERMINING PENSION PLAN CONTRIBUTION RATES**

The following actuarial methods and assumptions were used to determine contribution rates reported for the fiscal year ending September 30, 2022:

|                                  | <u>General Employees<br/>Retirement System</u>                                                  | <u>Fire Pension<br/>Fund</u>       | <u>Police Officers'<br/>Retirement System</u>                                                   |
|----------------------------------|-------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------|
|                                  | Entry Age Normal                                                                                | Entry Age Normal                   | Entry Age Normal                                                                                |
| Actuarial Cost Method            |                                                                                                 |                                    |                                                                                                 |
| Amortization Method              | Level Percent<br>Closed                                                                         | Level Percent<br>Closed            | Level Percent<br>Closed                                                                         |
| Remaining Amortization Period    | 30 Years                                                                                        | 30 Years                           | 20 Years                                                                                        |
| Asset Valuation Method           | 5 Year<br>Smoothed Market                                                                       | 5 Year<br>Smoothed Market          | 5 Year<br>Smoothed Market                                                                       |
| Actuarial Assumptions:           |                                                                                                 |                                    |                                                                                                 |
| Investment Rate of Return        | 7.30%                                                                                           | 7.50%                              | 8.00%                                                                                           |
| Assumed Annual Salary Increase   | 3.00% to 8.00%                                                                                  | Service Based                      | 5.03% to 10.67%                                                                                 |
| Inflation                        | 2.50%                                                                                           | 2.50%                              | 2.50%                                                                                           |
| Cost-of-Living Adjustment (COLA) | N/A                                                                                             | (a)                                | 2.00% (b)                                                                                       |
| Retirement Age                   | Experience-based<br>table of rates that are<br>specific to the type of<br>eligibility condition | N/A                                | Experience-based<br>table of rates that are<br>specific to the type of<br>eligibility condition |
| Mortality Rates                  | PubG.H-2010<br>Scale MP-2018                                                                    | PubS.H-2010<br>Scale MP-2018       | PubG.H-2010<br>Scale MP-2018                                                                    |
| Mortality Rate - Disabled        | Pub-2010<br>Disability Table                                                                    | 80% PubG.H-2010<br>20% PubS.H-2010 | Pub-2010<br>Disability Table                                                                    |
| Valuation Date                   | 10/01/20                                                                                        | 10/01/20                           | 10/01/20                                                                                        |

(a) Benefit amount for benefits accrued prior to October 1, 2011 (frozen piece): Retirees receive a 2.0% per year cost-of living adjustment (COLA) commencing three years after retiree's benefit payments have begun. Members hired after July 16, 2009 will not receive a COLA on the "prior service" piece. Benefit amount for benefits accrued on and after October 1, 2011 will receive no COLA.

(b) All benefits accrued after October 1, 2011 will not be subject to any cost of living adjustments.

Each retirement fund issues a publicly available financial report that includes financial statements and required supplementary information for the plan. Please refer to Note III.G on how to obtain each report.

## **CITY OF HOLLYWOOD, FLORIDA**

### **NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

#### **NOTE II – STEWARDSHIP AND ACCOUNTABILITY**

**BUDGETARY INFORMATION** – Budgets are legally adopted for the General, Enterprise and Internal Service Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. The level of budgetary control is the department. The City Manager is authorized to transfer budgeted amounts within departments. Revisions increasing or decreasing the total budget for a department or fund require City Commission approval. The City has supplemental appropriations in the General Fund and in both CRA Funds. Appropriations in annually budgeted funds, except for amounts corresponding to outstanding encumbrances, lapse at year-end.

Multi-year project budgets are adopted for grants reported in the Special Revenue Funds and for authorized capital improvements reported in the Capital Projects Fund. Accordingly, the Special Revenue and Capital Projects Funds have been excluded from budget versus actual presentation except for the Beach Community Redevelopment Agency and the Downtown Community Redevelopment Agency that have legally adopted annual operating budgets.

Amounts reported in the General Fund, Beach CRA, and Downtown CRA as lease acquisitions are non-cash transactions reported due to the implementation of GASB Statement No. 87 - Leases. These amounts were not budgeted in FY 2022. Lease acquisitions in governmental funds will be reevaluated in future years.

## **NONMAJOR GOVERNMENTAL FUNDS**

The City's nonmajor governmental funds are comprised of the following fund types and funds:

### **SPECIAL REVENUE FUNDS**

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

**COMMUNITY DEVELOPMENT FUND** - This fund accounts for federal HUD grant programs.

**SPECIAL PROGRAMS FUND** - This fund accounts for federal, state, local grants and other contributions that have restricted or specific purposes.

**ILA FUND** - This fund accounts for Broward County grant funds restricted for local community development expenditures. The Fund is restricted via interlocal agreement.

**LAW ENFORCEMENT FORFEITURE FUND** - This fund accounts for confiscated monies and property awarded to the City for law enforcement related expenditures as stipulated by State Statutes.

**POLICE GRANTS FUND** - This fund accounts for various grants awarded to the City for police related activities.

**BUILDING FUND** - This fund accounts for revenues received from building permits and inspections fees for the purposes of funding the costs of administering building inspection, permitting municipal services, and the enforcement of the Florida Building Code.

**EMERGENCY AND DISASTER FUND** – This fund accounts for resources accumulated for emergency use in the event of a hurricane, fire, flood or other major disaster.

**LOCAL HOUSING ASSISTANCE FUND** - This fund accounts for loan programs financed by State Housing Initiatives Partnership (S.H.I.P.) program grants.

**THE AMERICAN RESCUE PLAN** - This fund accounts for the federal grant funds provided to eligible expenses. Eligible expenses include governmental services/revenue replacement, infrastructure, public health, negative economic impact, premium pay, and services to disproportionately impacted communities.

### **DEBT SERVICE FUNDS**

Debt service funds are used to set aside resources to meet current and future debt service requirements on long-term debt of governmental funds.

**DEBT SERVICE FUND** – This fund accounts for accumulation of transfers from other funds and other revenues and payment of principal and interest on various Governmental Financing Commission loans.

**GENERAL OBLIGATION BONDS SERIES 2005** – This fund accounts for revenues from ad valorem taxes and other revenues and payment of principal and interest on the City's 2005 general obligation bond issue.

### **CAPITAL PROJECTS FUNDS**

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

**PARK IMPACT FEE FUND** - This fund accounts for receipts and expenses associated with the City's Park Impact Fee.

**COUNTY SURTAX FUND** - This fund accounts for the construction of major capital improvements financed with proceeds from an county surtax and governmened by interlocal agreements for each capital project.

**GENERAL CAPITAL PROJECTS FUND** - This fund accounts for the construction of major capital improvements financed with proceeds from local city funds via the capital budgeting process.

**PAY-GO CAPITAL REPLACEMENT FUND** - This fund accounts for the receipts and expenditures reserved for capital replacements.

**GAS TAX CAPITAL PROJECTS FUND** - This fund accounts for the construction of major capital improvements financed with proceeds from an excise tax imposed on sales of gasoline.

**GENERAL OBLIGATION CAPITAL PROJECTS SERIES 2019 FUND** - This fund accounts for the construction of major capital improvements financed with proceeds the Series 2019 General Obligation Bond issuance.

**GENERAL OBLIGATION CAPITAL PROJECTS SERIES 2022 FUND** - This fund accounts for the construction of major capital improvements financed with proceeds the Series 2022 General Obligation Bond issuance.

**CITY OF HOLLYWOOD, FLORIDA**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2022**

|                                                                                   | Special Revenue Funds             |                     |                      |                                  |                     |
|-----------------------------------------------------------------------------------|-----------------------------------|---------------------|----------------------|----------------------------------|---------------------|
|                                                                                   | Community<br>Development<br>Grant | Special<br>Programs | ILA                  | Law<br>Enforcement<br>Forfeiture | Police<br>Grants    |
| <b>ASSETS:</b>                                                                    |                                   |                     |                      |                                  |                     |
| Cash                                                                              | \$ -                              | \$ -                | \$ -                 | \$ 20,200                        | \$ -                |
| Investments                                                                       | 2,175,210                         | 2,286,193           | 14,654,105           | 2,704,902                        | 788                 |
| Accounts Receivable - Net of Allowances                                           | 2,530                             | 25,000              | -                    | -                                | -                   |
| Notes Receivable - Net of Allowances                                              | 16,935,989                        | -                   | 6,157,553            | -                                | -                   |
| Due from Other Governments                                                        | -                                 | 770,935             | -                    | 3,000                            | 1,260,962           |
| <b>Restricted Assets:</b>                                                         |                                   |                     |                      |                                  |                     |
| Assets Held for Sale                                                              | -                                 | 201,926             | -                    | -                                | -                   |
| Prepays                                                                           | -                                 | -                   | -                    | -                                | -                   |
| Investments                                                                       | -                                 | -                   | -                    | -                                | -                   |
| <b>TOTAL ASSETS</b>                                                               | <b>\$ 19,113,729</b>              | <b>\$ 3,284,054</b> | <b>\$ 20,811,658</b> | <b>\$ 2,728,102</b>              | <b>\$ 1,261,750</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES:</b>          |                                   |                     |                      |                                  |                     |
| <b>LIABILITIES:</b>                                                               |                                   |                     |                      |                                  |                     |
| Vouchers Payable                                                                  | \$ 336,309                        | \$ 15,709           | \$ 693,142           | \$ 4,124                         | \$ 711,789          |
| Accrued Wages and Leave                                                           | 19,276                            | -                   | -                    | -                                | -                   |
| Construction Contracts Payable                                                    | -                                 | -                   | 26,140               | -                                | -                   |
| Due to Other Funds                                                                | -                                 | 144,000             | -                    | -                                | 530,705             |
| Due to Other Governments                                                          | -                                 | -                   | -                    | -                                | -                   |
| Unearned Revenue                                                                  | 1,246,945                         | 44,979              | 10,305,133           | -                                | -                   |
| Deposits Payable                                                                  | -                                 | 104,695             | -                    | 15,695                           | -                   |
| Payable from Restricted Assets:                                                   |                                   |                     |                      |                                  |                     |
| Total Liabilities                                                                 | 1,602,530                         | 309,383             | 11,024,415           | 19,819                           | 1,242,494           |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                                             |                                   |                     |                      |                                  |                     |
| Unavailable or Advanced Revenue                                                   | 16,935,990                        | 478,934             | 6,157,553            | -                                | 1,247,706           |
| <b>FUND BALANCES:</b>                                                             |                                   |                     |                      |                                  |                     |
| Nonspendable                                                                      | -                                 | -                   | -                    | -                                | -                   |
| Restricted                                                                        | 575,209                           | 2,320,308           | 3,629,690            | 2,708,283                        | -                   |
| Committed                                                                         | -                                 | 60,892              | -                    | -                                | -                   |
| Assigned                                                                          | -                                 | 114,537             | -                    | -                                | -                   |
| Unassigned                                                                        | -                                 | -                   | -                    | -                                | (1,228,450)         |
| Total Fund Balances                                                               | 575,209                           | 2,495,737           | 3,629,690            | 2,708,283                        | (1,228,450)         |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES AND<br/>FUND BALANCES</b> | <b>\$ 19,113,729</b>              | <b>\$ 3,284,054</b> | <b>\$ 20,811,658</b> | <b>\$ 2,728,102</b>              | <b>\$ 1,261,750</b> |

| Special Revenue Funds |                        |                                     |                          | Debt Service Funds  |                                      | Capital Project Funds |
|-----------------------|------------------------|-------------------------------------|--------------------------|---------------------|--------------------------------------|-----------------------|
| Building              | Emergency and Disaster | Local Housing Assistance (S.H.I.P.) | The American Rescue Plan | Debt Service Fund   | General Obligation Bonds Series 2005 | Park Impact Fee       |
| \$ -                  | \$ -                   | \$ -                                | \$ -                     | \$ -                | \$ -                                 | \$ -                  |
| 19,791,108            | 1                      | 3,277,783                           | 19,764,872               | 1,852,369           | 570,315                              | 3,078,580             |
| 65,054                | -                      | -                                   | -                        | -                   | -                                    | -                     |
| -                     | -                      | 11,397,556                          | 478,364                  | -                   | -                                    | -                     |
| -                     | 193,566                | -                                   | -                        | -                   | -                                    | -                     |
| -                     | -                      | -                                   | -                        | -                   | -                                    | -                     |
| -                     | -                      | -                                   | -                        | -                   | -                                    | -                     |
| -                     | -                      | -                                   | -                        | -                   | -                                    | -                     |
| <u>\$ 19,856,162</u>  | <u>\$ 193,567</u>      | <u>\$ 14,675,339</u>                | <u>\$ 20,243,236</u>     | <u>\$ 1,852,369</u> | <u>\$ 570,315</u>                    | <u>\$ 3,078,580</u>   |
|                       |                        |                                     |                          |                     |                                      |                       |
| \$ 126,159            | \$ (2)                 | \$ 17,115                           | \$ 445,151               | \$ -                | \$ -                                 | \$ 71,870             |
| 138,960               | -                      | -                                   | -                        | -                   | -                                    | -                     |
| -                     | -                      | 7,142                               | -                        | -                   | -                                    | -                     |
| -                     | 783,181                | -                                   | -                        | -                   | -                                    | -                     |
| (10)                  | -                      | -                                   | -                        | -                   | -                                    | -                     |
| -                     | -                      | 2,478,733                           | 19,319,721               | -                   | -                                    | -                     |
| -                     | -                      | -                                   | -                        | -                   | -                                    | -                     |
| <u>265,109</u>        | <u>783,179</u>         | <u>2,502,990</u>                    | <u>19,764,872</u>        | <u>-</u>            | <u>-</u>                             | <u>71,870</u>         |
|                       |                        |                                     |                          |                     |                                      |                       |
| -                     | 140,683                | 11,397,556                          | 478,364                  | -                   | -                                    | -                     |
|                       |                        |                                     |                          |                     |                                      |                       |
| -                     | -                      | -                                   | -                        | -                   | -                                    | -                     |
| 19,591,053            | -                      | 774,793                             | -                        | -                   | 570,315                              | 3,006,710             |
| -                     | -                      | -                                   | -                        | -                   | -                                    | -                     |
| -                     | -                      | -                                   | -                        | 1,852,369           | -                                    | -                     |
| -                     | (730,295)              | -                                   | -                        | -                   | -                                    | -                     |
| <u>19,591,053</u>     | <u>(730,295)</u>       | <u>774,793</u>                      | <u>-</u>                 | <u>1,852,369</u>    | <u>570,315</u>                       | <u>3,006,710</u>      |
|                       |                        |                                     |                          |                     |                                      |                       |
| <u>\$ 19,856,162</u>  | <u>\$ 193,567</u>      | <u>\$ 14,675,339</u>                | <u>\$ 20,243,236</u>     | <u>\$ 1,852,369</u> | <u>\$ 570,315</u>                    | <u>\$ 3,078,580</u>   |

**CITY OF HOLLYWOOD, FLORIDA**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2022**

|                                                                           | Capital Project Funds |                         |                            |                          |                                                 |
|---------------------------------------------------------------------------|-----------------------|-------------------------|----------------------------|--------------------------|-------------------------------------------------|
|                                                                           | County Surtax         | General Capital Project | Pay Go Capital Replacement | Gas Tax Capital Projects | General Obligation Capital Projects Series 2019 |
| <b>ASSETS:</b>                                                            |                       |                         |                            |                          |                                                 |
| Cash                                                                      | \$ -                  | \$ -                    | \$ -                       | \$ -                     | \$ -                                            |
| Investments                                                               | 978,695               | 12,978,403              | 989,891                    | 6,326,535                | 46,356,641                                      |
| Accounts Receivable - Net of Allowances                                   | -                     | 21,493                  | -                          | -                        | -                                               |
| Notes Receivable - Net of Allowances                                      | -                     | -                       | -                          | -                        | -                                               |
| Due from Other Governments                                                | -                     | 2,349                   | -                          | 463,054                  | -                                               |
| <b>Restricted Assets:</b>                                                 |                       |                         |                            |                          |                                                 |
| Assets Held for Sale                                                      | -                     | 730,590                 | -                          | -                        | -                                               |
| Prepays                                                                   | -                     | -                       | -                          | -                        | 680,228                                         |
| Investments                                                               | -                     | 10,214,351              | -                          | -                        | -                                               |
| <b>TOTAL ASSETS</b>                                                       | <u>\$ 978,695</u>     | <u>\$ 23,947,186</u>    | <u>\$ 989,891</u>          | <u>\$ 6,789,589</u>      | <u>\$ 47,036,869</u>                            |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>      |                       |                         |                            |                          |                                                 |
| <b>LIABILITIES:</b>                                                       |                       |                         |                            |                          |                                                 |
| Vouchers Payable                                                          | \$ 411,638            | \$ 211,569              | \$ 192,422                 | \$ 48,362                | \$ 573,975                                      |
| Accrued Wages and Leave                                                   | -                     | -                       | -                          | -                        | -                                               |
| Construction Contracts Payable                                            | 35,739                | 2,279                   | -                          | 76,906                   | -                                               |
| Due to Other Funds                                                        | -                     | -                       | -                          | -                        | -                                               |
| Due to Other Governments                                                  | -                     | -                       | -                          | -                        | -                                               |
| Unearned Revenue                                                          | 531,318               | -                       | -                          | -                        | -                                               |
| Deposits Payable                                                          | -                     | -                       | -                          | -                        | -                                               |
| Payable from Restricted Assets:                                           |                       |                         |                            |                          |                                                 |
| Total Liabilities                                                         | <u>978,695</u>        | <u>213,848</u>          | <u>192,422</u>             | <u>125,268</u>           | <u>573,975</u>                                  |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                                     |                       |                         |                            |                          |                                                 |
| Unavailable or Advanced Revenue                                           | -                     | -                       | -                          | -                        | -                                               |
| <b>FUND BALANCES:</b>                                                     |                       |                         |                            |                          |                                                 |
| Nonspendable                                                              | -                     | -                       | -                          | -                        | 680,228                                         |
| Restricted                                                                | -                     | 2,888,032               | -                          | 6,664,321                | 45,782,666                                      |
| Committed                                                                 | -                     | 19,748,577              | 797,469                    | -                        | -                                               |
| Assigned                                                                  | -                     | 1,096,729               | -                          | -                        | -                                               |
| Unassigned                                                                | -                     | -                       | -                          | -                        | -                                               |
| Total Fund Balances                                                       | <u>-</u>              | <u>23,733,338</u>       | <u>797,469</u>             | <u>6,664,321</u>         | <u>46,462,894</u>                               |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> | <u>\$ 978,695</u>     | <u>\$ 23,947,186</u>    | <u>\$ 989,891</u>          | <u>\$ 6,789,589</u>      | <u>\$ 47,036,869</u>                            |

| Capital Project<br>Funds |                       |
|--------------------------|-----------------------|
| General                  |                       |
| Obligation Bond          |                       |
| Capital Projects         |                       |
| Series 2022              | Total                 |
| \$ -                     | \$ 20,200             |
| 871,151                  | 138,657,542           |
| -                        | 114,077               |
| -                        | 34,969,462            |
| -                        | 2,693,866             |
| -                        | 932,516               |
| -                        | 680,228               |
| -                        | 10,214,351            |
| <u>\$ 871,151</u>        | <u>\$ 188,282,242</u> |

|                |                   |
|----------------|-------------------|
| \$ 870,000     | \$ 4,729,332      |
| -              | 158,236           |
| -              | 148,206           |
| -              | 1,457,886         |
| -              | (10)              |
| -              | 33,926,829        |
| -              | 120,390           |
| <u>870,000</u> | <u>40,540,869</u> |

|   |            |
|---|------------|
| - | 36,836,786 |
|---|------------|

|              |                    |
|--------------|--------------------|
| -            | 680,228            |
| 1,151        | 88,512,531         |
| -            | 20,606,938         |
| -            | 3,063,635          |
| -            | (1,958,745)        |
| <u>1,151</u> | <u>110,904,587</u> |

|                   |                       |
|-------------------|-----------------------|
| <u>\$ 871,151</u> | <u>\$ 188,282,242</u> |
|-------------------|-----------------------|

**CITY OF HOLLYWOOD, FLORIDA**

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                                              | Special Revenue Funds             |                     |                  |                                  |                    |
|--------------------------------------------------------------|-----------------------------------|---------------------|------------------|----------------------------------|--------------------|
|                                                              | Community<br>Development<br>Grant | Special<br>Programs | ILA              | Law<br>Enforcement<br>Forfeiture | Police<br>Grants   |
| REVENUES:                                                    |                                   |                     |                  |                                  |                    |
| Property Taxes                                               | \$ -                              | \$ -                | \$ -             | \$ -                             | \$ -               |
| Licenses and Permits                                         | -                                 | -                   | -                | -                                | -                  |
| Intergovernmental                                            | 1,465,341                         | 1,304,328           | 4,845,840        | -                                | 406,872            |
| Charges for Services                                         | -                                 | 340,133             | -                | -                                | -                  |
| Parking Impact Fees                                          | -                                 | -                   | -                | -                                | -                  |
| Fines and Forfeitures                                        | -                                 | -                   | -                | 456,850                          | -                  |
| Investment Revenue                                           | -                                 | (29,559)            | -                | (66,168)                         | -                  |
| Miscellaneous                                                | -                                 | 117,842             | -                | 2,155                            | 5,000              |
| Total Revenues                                               | <u>1,465,341</u>                  | <u>1,732,744</u>    | <u>4,845,840</u> | <u>392,837</u>                   | <u>411,872</u>     |
| EXPENDITURES:                                                |                                   |                     |                  |                                  |                    |
| Current:                                                     |                                   |                     |                  |                                  |                    |
| General Government                                           | -                                 | -                   | -                | -                                | -                  |
| Public Safety                                                | -                                 | 1,392,730           | -                | 397,663                          | 708,820            |
| Transportation                                               | -                                 | 15,831              | -                | -                                | -                  |
| Economic Environment                                         | 1,367,087                         | -                   | 3,812,036        | -                                | -                  |
| Culture and Recreation                                       | -                                 | 601,467             | -                | -                                | -                  |
| Emergency and Disaster Relief                                | -                                 | -                   | -                | -                                | -                  |
| Capital Outlay:                                              |                                   |                     |                  |                                  |                    |
| Debt Service:                                                |                                   |                     |                  |                                  |                    |
| General Government                                           | -                                 | -                   | -                | -                                | -                  |
| Public Safety                                                | -                                 | 118,692             | -                | -                                | 871,325            |
| Transportation                                               | -                                 | -                   | -                | -                                | -                  |
| Economic Environment                                         | 20,058                            | -                   | 1,093,804        | -                                | -                  |
| Physical Environment                                         | -                                 | -                   | -                | -                                | -                  |
| Culture and Recreation                                       | -                                 | -                   | -                | -                                | -                  |
| Principal                                                    | 79,800                            | -                   | -                | -                                | -                  |
| Interest on Long-term Debt                                   | 5,797                             | -                   | -                | -                                | -                  |
| Total Expenditures                                           | <u>1,472,742</u>                  | <u>2,128,720</u>    | <u>4,905,840</u> | <u>397,663</u>                   | <u>1,580,145</u>   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>(7,401)</u>                    | <u>(395,976)</u>    | <u>(60,000)</u>  | <u>(4,826)</u>                   | <u>(1,168,273)</u> |

| Special Revenue Funds |                        |                                     |                          | Debt Service Funds |                                      | Capital Project Funds |
|-----------------------|------------------------|-------------------------------------|--------------------------|--------------------|--------------------------------------|-----------------------|
| Building              | Emergency and Disaster | Local Housing Assistance (S.H.I.P.) | The American Rescue Plan | Debt Service Fund  | General Obligation Bonds Series 2005 | Park Impact Fee       |
| \$ -                  | \$ -                   | \$ -                                | \$ -                     | \$ -               | \$ 7,594,205                         | \$ -                  |
| 6,813,188             | -                      | -                                   | -                        | -                  | -                                    | -                     |
| -                     | 86,929                 | 545,431                             | 10,070,799               | -                  | -                                    | -                     |
| 1,885,311             | -                      | -                                   | -                        | -                  | -                                    | -                     |
| -                     | -                      | -                                   | -                        | -                  | -                                    | 395,250               |
| 400                   | -                      | -                                   | -                        | -                  | -                                    | -                     |
| (511,053)             | -                      | (82,951)                            | -                        | (46,071)           | 7,623                                | (75,943)              |
| 50,000                | -                      | -                                   | -                        | -                  | -                                    | -                     |
| 8,237,846             | 86,929                 | 462,480                             | 10,070,799               | (46,071)           | 7,601,828                            | 319,307               |
| -                     | -                      | -                                   | 2,880,797                | -                  | -                                    | -                     |
| 8,208,101             | -                      | -                                   | 1,016,449                | -                  | -                                    | -                     |
| -                     | -                      | -                                   | 8,280                    | -                  | -                                    | -                     |
| -                     | -                      | 554,270                             | 796,348                  | -                  | -                                    | -                     |
| -                     | -                      | -                                   | 71,313                   | -                  | -                                    | 77,368                |
| -                     | (93,551)               | -                                   | -                        | -                  | -                                    | -                     |
| -                     | -                      | -                                   | 15,596                   | -                  | -                                    | -                     |
| -                     | -                      | -                                   | 5,260,855                | -                  | -                                    | -                     |
| -                     | -                      | -                                   | -                        | -                  | -                                    | -                     |
| -                     | -                      | -                                   | -                        | -                  | -                                    | -                     |
| -                     | -                      | -                                   | -                        | -                  | -                                    | -                     |
| -                     | -                      | -                                   | 21,161                   | -                  | -                                    | 272,526               |
| 30,168                | -                      | -                                   | -                        | 4,310,568          | 4,238,000                            | -                     |
| 3,384                 | -                      | -                                   | -                        | 1,590,466          | 3,306,433                            | -                     |
| 8,241,653             | (93,551)               | 554,270                             | 10,070,799               | 5,901,034          | 7,544,433                            | 349,894               |
| (3,807)               | 180,480                | (91,790)                            | -                        | (5,947,105)        | 57,395                               | (30,587)              |

(Continued)

## CITY OF HOLLYWOOD, FLORIDA

(Continued)

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

|                                                           | Capital Project Funds |                         |                            |                          |                                                 |
|-----------------------------------------------------------|-----------------------|-------------------------|----------------------------|--------------------------|-------------------------------------------------|
|                                                           | County Surtax         | General Capital Project | Pay Go Capital Replacement | Gas Tax Capital Projects | General Obligation Capital Projects Series 2019 |
| REVENUES:                                                 |                       |                         |                            |                          |                                                 |
| Property Taxes                                            | \$ -                  | \$ -                    | \$ -                       | \$ -                     | \$ -                                            |
| Licenses and Permits                                      | -                     | -                       | -                          | -                        | -                                               |
| Intergovernmental                                         | 891,498               | 34,470                  | -                          | 2,736,251                | -                                               |
| Charges for Services                                      | -                     | 286,965                 | -                          | -                        | -                                               |
| Parking Impact Fees                                       | -                     | -                       | -                          | -                        | -                                               |
| Fines and Forfeitures                                     | -                     | -                       | -                          | -                        | -                                               |
| Investment Revenue                                        | (25,578)              | (117,939)               | (13,196)                   | (155,731)                | 221,293                                         |
| Miscellaneous                                             | -                     | -                       | -                          | -                        | -                                               |
| Total Revenues                                            | 865,920               | 203,496                 | (13,196)                   | 2,580,520                | 221,293                                         |
| EXPENDITURES:                                             |                       |                         |                            |                          |                                                 |
| Current:                                                  |                       |                         |                            |                          |                                                 |
| General Government                                        | -                     | 645,955                 | (11,450)                   | -                        | -                                               |
| Public Safety                                             | -                     | 475,615                 | 191,857                    | -                        | 10,735                                          |
| Transportation                                            | -                     | 278,582                 | -                          | 556,677                  | 398,614                                         |
| Economic Environment                                      | -                     | -                       | -                          | -                        | -                                               |
| Culture and Recreation                                    | -                     | 207,631                 | -                          | -                        | 122,120                                         |
| Emergency and Disaster Relief                             | -                     | -                       | -                          | -                        | -                                               |
| Capital Outlay:                                           |                       |                         |                            |                          |                                                 |
| Debt Service:                                             |                       |                         |                            |                          |                                                 |
| General Government                                        | -                     | 1,037,534               | 764,332                    | 96,587                   | -                                               |
| Public Safety                                             | -                     | 1,031,962               | -                          | -                        | 1,961,629                                       |
| Transportation                                            | 865,920               | 290,338                 | -                          | 1,344,719                | 34,712                                          |
| Economic Environment                                      | -                     | -                       | -                          | -                        | -                                               |
| Physical Environment                                      | -                     | -                       | -                          | -                        | 148,830                                         |
| Culture and Recreation                                    | -                     | 587,871                 | -                          | -                        | 3,379,684                                       |
| Principal                                                 | -                     | -                       | -                          | -                        | -                                               |
| Interest on Long-term Debt                                | -                     | -                       | -                          | -                        | -                                               |
| Total Expenditures                                        | 865,920               | 4,555,488               | 944,739                    | 1,997,983                | 6,056,324                                       |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | -                     | (4,351,992)             | (957,935)                  | 582,537                  | (5,835,031)                                     |

| Capital Project<br>Funds |   |       |              |
|--------------------------|---|-------|--------------|
| General                  |   |       |              |
| Obligation Bond          |   |       |              |
| Capital Projects         |   |       |              |
| Series 2022              |   | Total |              |
| \$                       | - | \$    | 7,594,205    |
|                          | - |       | 6,813,188    |
|                          | - |       | 22,387,759   |
|                          | - |       | 2,512,409    |
|                          | - |       | 395,250      |
|                          | - |       | 457,250      |
| 1,151                    |   |       | (894,122)    |
|                          | - |       | 174,997      |
| 1,151                    |   |       | 39,440,936   |
|                          |   |       |              |
|                          | - |       | 3,515,302    |
|                          | - |       | 12,401,970   |
|                          | - |       | 1,257,984    |
|                          | - |       | 6,529,741    |
|                          | - |       | 1,079,899    |
|                          | - |       | (93,551)     |
|                          |   |       |              |
|                          | - |       | 1,914,049    |
|                          | - |       | 9,244,463    |
|                          | - |       | 2,535,689    |
|                          | - |       | 1,113,862    |
|                          | - |       | 148,830      |
|                          | - |       | 4,261,242    |
|                          | - |       | 8,658,536    |
|                          | - |       | 4,906,080    |
|                          | - |       | 57,474,096   |
|                          |   |       |              |
| 1,151                    |   |       | (18,033,160) |

(Continued)

## CITY OF HOLLYWOOD, FLORIDA

(Continued)

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

|                                      | Special Revenue Funds             |                     |                     |                                  |                       |
|--------------------------------------|-----------------------------------|---------------------|---------------------|----------------------------------|-----------------------|
|                                      | Community<br>Development<br>Grant | Special<br>Programs | ILA                 | Law<br>Enforcement<br>Forfeiture | Police<br>Grants      |
| OTHER FINANCING SOURCES (USES):      |                                   |                     |                     |                                  |                       |
| Transfers In:                        |                                   |                     |                     |                                  |                       |
| Transfers In                         | 582,610                           | -                   | 3,689,690           | -                                | -                     |
| Total Transfers In                   | 582,610                           | -                   | 3,689,690           | -                                | -                     |
| Transfers Out:                       |                                   |                     |                     |                                  |                       |
| Transfers Out                        | -                                 | (4,272,300)         | -                   | -                                | -                     |
| Total Transfers Out                  | -                                 | (4,272,300)         | -                   | -                                | -                     |
| Sale of Assets                       | -                                 | -                   | -                   | -                                | -                     |
| Debt Issued                          | -                                 | -                   | -                   | -                                | -                     |
| Total Other Financing Sources (Uses) | 582,610                           | (4,272,300)         | 3,689,690           | -                                | -                     |
| Change in Fund Balances              | 575,209                           | (4,668,276)         | 3,629,690           | (4,826)                          | (1,168,273)           |
| Fund Balances - Beginning            | -                                 | 7,164,013           | -                   | 2,713,109                        | (60,177)              |
| Fund Balances - Ending               | <u>\$ 575,209</u>                 | <u>\$ 2,495,737</u> | <u>\$ 3,629,690</u> | <u>\$ 2,708,283</u>              | <u>\$ (1,228,450)</u> |

| Special Revenue Funds |                        |                                     |                          | Debt Service Funds  |                                      | Capital Project Funds |
|-----------------------|------------------------|-------------------------------------|--------------------------|---------------------|--------------------------------------|-----------------------|
| Building              | Emergency and Disaster | Local Housing Assistance (S.H.I.P.) | The American Rescue Plan | Debt Service Fund   | General Obligation Bonds Series 2005 | Park Impact Fee       |
| -                     | -                      | -                                   | -                        | 5,943,457           | -                                    | -                     |
| -                     | -                      | -                                   | -                        | 5,943,457           | -                                    | -                     |
| (20,297)              | -                      | -                                   | -                        | -                   | -                                    | -                     |
| (20,297)              | -                      | -                                   | -                        | -                   | -                                    | -                     |
| -                     | -                      | -                                   | -                        | -                   | -                                    | -                     |
| 369,941               | -                      | -                                   | -                        | -                   | -                                    | -                     |
| 349,644               | -                      | -                                   | -                        | 5,943,457           | -                                    | -                     |
| 345,837               | 180,480                | (91,790)                            | -                        | (3,648)             | 57,395                               | (30,587)              |
| 19,245,216            | (910,775)              | 866,583                             | -                        | 1,856,017           | 512,920                              | 3,037,297             |
| <u>\$ 19,591,053</u>  | <u>\$ (730,295)</u>    | <u>\$ 774,793</u>                   | <u>\$ -</u>              | <u>\$ 1,852,369</u> | <u>\$ 570,315</u>                    | <u>\$ 3,006,710</u>   |

(Continued)

## CITY OF HOLLYWOOD, FLORIDA

(Continued)

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

|                                      | Capital Project Funds |                         |                            |                          |                                                 |
|--------------------------------------|-----------------------|-------------------------|----------------------------|--------------------------|-------------------------------------------------|
|                                      | County Surtax         | General Capital Project | Pay Go Capital Replacement | Gas Tax Capital Projects | General Obligation Capital Projects Series 2019 |
| OTHER FINANCING SOURCES (USES):      |                       |                         |                            |                          |                                                 |
| Transfers In:                        |                       |                         |                            |                          |                                                 |
| Transfers In                         | -                     | 8,863,075               | 1,710,000                  | -                        | -                                               |
| Total Transfers In                   | -                     | 8,863,075               | 1,710,000                  | -                        | -                                               |
| Transfers Out:                       |                       |                         |                            |                          |                                                 |
| Transfers Out                        | -                     | -                       | -                          | (650,000)                | -                                               |
| Total Transfers Out                  | -                     | -                       | -                          | (650,000)                | -                                               |
| Sale of Assets                       | -                     | 167,545                 | -                          | -                        | -                                               |
| Debt Issued                          | -                     | -                       | -                          | -                        | -                                               |
| Total Other Financing Sources (Uses) | -                     | 9,030,620               | 1,710,000                  | (650,000)                | -                                               |
| Change in Fund Balances              | -                     | 4,678,628               | 752,065                    | (67,463)                 | (5,835,031)                                     |
| Fund Balances - Beginning            | -                     | 19,054,710              | 45,404                     | 6,731,784                | 52,297,925                                      |
| Fund Balances - Ending               | \$ -                  | \$ 23,733,338           | \$ 797,469                 | \$ 6,664,321             | \$ 46,462,894                                   |

|                  |                |
|------------------|----------------|
| Capital Project  |                |
| Funds            |                |
| General          |                |
| Obligation Bond  |                |
| Capital Projects |                |
| Series 2022      | Total          |
| -                | 20,788,832     |
| -                | 20,788,832     |
| -                | (4,942,597)    |
| -                | (4,942,597)    |
| -                | 167,545        |
| -                | 369,941        |
| -                | 16,383,721     |
| 1,151            | (1,649,439)    |
| -                | 112,554,026    |
| \$ 1,151         | \$ 110,904,587 |

## **NONMAJOR ENTERPRISE FUNDS**

**Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City Commission is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the periodic determination of net income is appropriate for accountability purposes.**

**SANITATION ENTERPRISE FUND - This fund accounts for solid waste fees, franchise and recycling revenues, as well as related collection and disposal costs.**

**PARKING ENTERPRISE FUND - This fund accounts for on-street and parking garage operations.**

**STORMWATER UTILITY FUND - This fund accounts for fees and charges related to the operation and maintenance of a stormwater management system.**

**GOLF ENTERPRISE FUND - This fund accounts for the operations and rental payments of City owned golf courses.**

**RECORDS PRESERVATION FUND – This fund accounts for resources accumulated to defray the cost of maintaining city-wide records management and preservation activities.**

**CITY OF HOLLYWOOD, FLORIDA**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

|                                                    | <u>Sanitation<br/>Enterprise</u> | <u>Parking<br/>Enterprise</u> | <u>Stormwater<br/>Utility</u> | <u>Golf<br/>Enterprise</u> |
|----------------------------------------------------|----------------------------------|-------------------------------|-------------------------------|----------------------------|
| ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES:      |                                  |                               |                               |                            |
| ASSETS:                                            |                                  |                               |                               |                            |
| CURRENT ASSETS:                                    |                                  |                               |                               |                            |
| Cash                                               | \$ -                             | \$ 2,300                      | \$ -                          | \$ 100,000                 |
| Investments                                        | 11,603,551                       | 24,001,456                    | 15,286,571                    | 4,793                      |
| Accounts Receivable - Net of<br>Allowances         | 2,352,251                        | 43,546                        | 925,319                       | 3,497                      |
| Prepaid Items                                      | -                                | -                             | -                             | 1,250                      |
| Restricted Assets:                                 |                                  |                               |                               |                            |
| Investments                                        | 1,064,469                        | -                             | -                             | -                          |
| Total Current Assets                               | <u>15,020,271</u>                | <u>24,047,302</u>             | <u>16,211,890</u>             | <u>109,540</u>             |
| NONCURRENT ASSETS:                                 |                                  |                               |                               |                            |
| Capital Assets:                                    |                                  |                               |                               |                            |
| Land                                               | 63,890                           | 1,561,650                     | -                             | 962,122                    |
| Buildings                                          | 1,165,148                        | 47,274,001                    | -                             | 2,935,048                  |
| Improvements                                       | 92,240                           | 1,913,878                     | 10,004,680                    | 3,826,887                  |
| Machinery and Equipment                            | 22,508                           | 2,145,969                     | 136,132                       | 1,044,425                  |
| Accumulated Depreciation                           | (1,279,455)                      | (21,725,561)                  | (4,494,726)                   | (7,436,111)                |
| Construction in Progress                           | -                                | 95,003                        | 4,815,973                     | -                          |
| Total Noncurrent Assets                            | <u>64,331</u>                    | <u>31,264,940</u>             | <u>10,462,059</u>             | <u>1,332,371</u>           |
| Total Assets                                       | <u>15,084,602</u>                | <u>55,312,242</u>             | <u>26,673,949</u>             | <u>1,441,911</u>           |
| DEFERRED OUTFLOWS OF RESOURCES:                    |                                  |                               |                               |                            |
| Deferred Outflow - General Employees Pension       | 612,965                          | 1,061,256                     | 209,251                       | 44,796                     |
| Deferred Outflow for OPEB                          | 1,178,351                        | 2,577,431                     | 489,645                       | 81,350                     |
| Total Deferred Outflows of Resources               | <u>1,791,316</u>                 | <u>3,638,687</u>              | <u>698,896</u>                | <u>126,146</u>             |
| TOTAL ASSETS AND DEFERRED<br>OUTFLOWS OF RESOURCES | <u>16,875,918</u>                | <u>58,950,929</u>             | <u>27,372,845</u>             | <u>1,568,057</u>           |

(Continued)

**CITY OF HOLLYWOOD, FLORIDA**  
**NONMAJOR ENTERPRISE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

|                                                    | Records<br>Preservation | Total              |
|----------------------------------------------------|-------------------------|--------------------|
| ASSETS AND DEFERRED OUTFLOWS<br>OF RESOURCES:      |                         |                    |
| ASSETS:                                            |                         |                    |
| CURRENT ASSETS:                                    |                         |                    |
| Cash                                               | \$ 130                  | \$ 102,430         |
| Investments                                        | 213,840                 | 51,110,211         |
| Accounts Receivable - Net of                       |                         |                    |
| Allowances                                         | -                       | 3,324,613          |
| Prepaid Items                                      | -                       | 1,250              |
| Restricted Assets:                                 |                         |                    |
| Investments                                        | -                       | 1,064,469          |
| Total Current Assets                               | <u>213,970</u>          | <u>55,602,973</u>  |
| NONCURRENT ASSETS:                                 |                         |                    |
| Capital Assets:                                    |                         |                    |
| Land                                               | -                       | 2,587,662          |
| Buildings                                          | -                       | 51,374,197         |
| Improvements                                       | -                       | 15,837,685         |
| Machinery and Equipment                            | -                       | 3,349,034          |
| Accumulated Depreciation                           | -                       | (34,935,853)       |
| Construction in Progress                           | -                       | 4,910,976          |
| Total Noncurrent Assets                            | <u>-</u>                | <u>43,123,701</u>  |
| Total Assets                                       | <u>213,970</u>          | <u>98,726,674</u>  |
| DEFERRED OUTFLOWS OF RESOURCES:                    |                         |                    |
| Deferred Outflow - General Employees Pension       | -                       | 1,928,268          |
| Deferred Outflow for OPEB                          | -                       | 4,326,777          |
| Total Deferred Outflows of Resources               | <u>-</u>                | <u>6,255,045</u>   |
| TOTAL ASSETS AND DEFERRED<br>OUTFLOWS OF RESOURCES | <u>213,970</u>          | <u>104,981,719</u> |

(Continued)

## CITY OF HOLLYWOOD, FLORIDA

(Continued)

NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022

|                                                         | Sanitation<br>Enterprise | Parking<br>Enterprise | Stormwater<br>Utility | Golf<br>Enterprise    |
|---------------------------------------------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| LIABILITIES AND DEFERRED INFLOWS OF<br>RESOURCES:       |                          |                       |                       |                       |
| LIABILITIES:                                            |                          |                       |                       |                       |
| CURRENT LIABILITIES:                                    |                          |                       |                       |                       |
| Vouchers Payable                                        | \$ 1,119,999             | \$ 134,260            | \$ 601,959            | \$ 85,959             |
| Accrued Wages and Leave                                 | 44,985                   | 89,228                | 17,719                | -                     |
| Compensated Absences                                    | 61,285                   | 220,088               | 55,826                | -                     |
| Construction Contracts                                  | -                        | -                     | 2,221,999             | -                     |
| Due to Other Funds                                      | -                        | -                     | -                     | 2,288,110             |
| Due to Other Governments                                | -                        | 4,390                 | -                     | -                     |
| Interest Payable                                        | -                        | 6,008                 | 6,301                 | -                     |
| Deposits Payable                                        | -                        | 6,225                 | -                     | 26,271                |
| Deposits                                                | 1,064,469                | -                     | -                     | -                     |
| Bonds Payable - Net                                     | -                        | 16,238                | -                     | -                     |
| Capital Lease Obligations                               | -                        | 264,639               | -                     | -                     |
| Loans Payable                                           | 47,796                   | 70,517                | 123,801               | 1,904                 |
| Total Current Liabilities                               | <u>2,338,534</u>         | <u>811,593</u>        | <u>3,027,605</u>      | <u>2,402,244</u>      |
| NONCURRENT LIABILITIES:                                 |                          |                       |                       |                       |
| Compensated Absences                                    | 45,316                   | 27,542                | 19,727                | -                     |
| Bonds Payable - Net                                     | -                        | 142,629               | -                     | -                     |
| Capital Lease Obligations                               | -                        | 283,943               | -                     | -                     |
| Loans Payable                                           | 86,051                   | 126,957               | 629,359               | 3,429                 |
| Total Other Postemployment Benefits Liability<br>(OPEB) | 3,852,486                | 6,604,261             | 1,926,243             | 137,589               |
| Net Pension Liability - General Employees               | 2,543,235                | 5,076,023             | 1,018,693             | 228,187               |
| Total Noncurrent Liabilities                            | <u>6,527,088</u>         | <u>12,261,355</u>     | <u>3,594,022</u>      | <u>369,205</u>        |
| Total Liabilities                                       | <u>8,865,622</u>         | <u>13,072,948</u>     | <u>6,621,627</u>      | <u>2,771,449</u>      |
| DEFERRED INFLOWS OF RESOURCES:                          |                          |                       |                       |                       |
| Deferred Inflow - General Employees Pension             | 600,425                  | 1,210,450             | 341,844               | 53,517                |
| Deferred Inflow for OPEB                                | 5,877,722                | 6,623,194             | 2,419,944             | 134,281               |
| Total Deferred Inflows of Resources                     | <u>6,478,147</u>         | <u>7,833,644</u>      | <u>2,761,788</u>      | <u>187,798</u>        |
| TOTAL LIABILITIES AND DEFERRED<br>INFLOWS OF RESOURCES  | <u>15,343,769</u>        | <u>20,906,592</u>     | <u>9,383,415</u>      | <u>2,959,247</u>      |
| NET POSITION:                                           |                          |                       |                       |                       |
| Net Investment in Capital Assets                        | 64,331                   | 30,557,491            | 7,585,219             | 1,332,371             |
| Unrestricted (Deficit)                                  | <u>1,467,818</u>         | <u>7,486,846</u>      | <u>10,404,211</u>     | <u>(2,723,561)</u>    |
| TOTAL NET POSITION                                      | <u>\$ 1,532,149</u>      | <u>\$ 38,044,337</u>  | <u>\$ 17,989,430</u>  | <u>\$ (1,391,190)</u> |

(Continued)

## CITY OF HOLLYWOOD, FLORIDA

(Continued)

NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022

|                                                         | Records<br>Preservation | Total                |
|---------------------------------------------------------|-------------------------|----------------------|
| LIABILITIES AND DEFERRED INFLOWS OF<br>RESOURCES:       |                         |                      |
| LIABILITIES:                                            |                         |                      |
| CURRENT LIABILITIES:                                    |                         |                      |
| Vouchers Payable                                        | \$ -                    | \$ 1,942,177         |
| Accrued Wages and Leave                                 | -                       | 151,932              |
| Compensated Absences                                    | -                       | 337,199              |
| Construction Contracts                                  | -                       | 2,221,999            |
| Due to Other Funds                                      | -                       | 2,288,110            |
| Due to Other Governments                                | -                       | 4,390                |
| Interest Payable                                        | -                       | 12,309               |
| Deposits Payable                                        | -                       | 32,496               |
| Deposits                                                | -                       | 1,064,469            |
| Bonds Payable - Net                                     | -                       | 16,238               |
| Capital Lease Obligations                               | -                       | 264,639              |
| Loans Payable                                           | -                       | 244,018              |
| Total Current Liabilities                               | <u>-</u>                | <u>8,579,976</u>     |
| NONCURRENT LIABILITIES:                                 |                         |                      |
| Compensated Absences                                    | -                       | 92,585               |
| Bonds Payable - Net                                     | -                       | 142,629              |
| Capital Lease Obligations                               | -                       | 283,943              |
| Loans Payable                                           | -                       | 845,796              |
| Total Other Postemployment Benefits Liability<br>(OPEB) | -                       | 12,520,579           |
| Net Pension Liability - General Employees               | <u>-</u>                | <u>8,866,138</u>     |
| Total Noncurrent Liabilities                            | <u>-</u>                | <u>22,751,670</u>    |
| Total Liabilities                                       | <u>-</u>                | <u>31,331,646</u>    |
| DEFERRED INFLOWS OF RESOURCES:                          |                         |                      |
| Deferred Inflow - General Employees Pension             | -                       | 2,206,236            |
| Deferred Inflow for OPEB                                | <u>-</u>                | <u>15,055,141</u>    |
| Total Deferred Inflows of Resources                     | <u>-</u>                | <u>17,261,377</u>    |
| TOTAL LIABILITIES AND DEFERRED<br>INFLOWS OF RESOURCES  | <u>-</u>                | <u>48,593,023</u>    |
| NET POSITION:                                           |                         |                      |
| Net Investment in Capital Assets                        | -                       | 39,539,412           |
| Unrestricted (Deficit)                                  | <u>213,970</u>          | <u>16,849,284</u>    |
| TOTAL NET POSITION                                      | <u>\$ 213,970</u>       | <u>\$ 56,388,696</u> |

**CITY OF HOLLYWOOD, FLORIDA**

**NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                                             | <u>Sanitation<br/>Enterprise</u> | <u>Parking<br/>Enterprise</u> | <u>Stormwater<br/>Utility</u> | <u>Golf<br/>Enterprise</u> |
|-------------------------------------------------------------|----------------------------------|-------------------------------|-------------------------------|----------------------------|
| <b>OPERATING REVENUES:</b>                                  |                                  |                               |                               |                            |
| Charges for Sales and Services                              | \$ 19,241,660                    | \$ 10,620,892                 | \$ 7,663,928                  | \$ 2,414,556               |
| Fines and Forfeitures                                       | 40,081                           | 901,543                       | -                             | -                          |
| Miscellaneous                                               | <u>-</u>                         | <u>316,875</u>                | <u>-</u>                      | <u>235,739</u>             |
| Total Operating Revenues                                    | <u>19,281,741</u>                | <u>11,839,310</u>             | <u>7,663,928</u>              | <u>2,650,295</u>           |
| <b>OPERATING EXPENSES:</b>                                  |                                  |                               |                               |                            |
| Personal Services and Benefits                              | 402,733                          | 2,803,204                     | 395,541                       | (21,382)                   |
| Supplies, Services and Claims                               | 15,151,645                       | 3,128,798                     | 2,569,396                     | 2,279,091                  |
| Depreciation                                                | <u>278</u>                       | <u>1,970,099</u>              | <u>331,332</u>                | <u>145,588</u>             |
| Total Operating Expenses                                    | <u>15,554,656</u>                | <u>7,902,101</u>              | <u>3,296,269</u>              | <u>2,403,297</u>           |
| Operating Income (Loss)                                     | <u>3,727,085</u>                 | <u>3,937,209</u>              | <u>4,367,659</u>              | <u>246,998</u>             |
| <b>NONOPERATING REVENUES<br/>(EXPENSES):</b>                |                                  |                               |                               |                            |
| Investment Revenue                                          | (316,014)                        | (598,702)                     | (379,271)                     | (2,254)                    |
| Interest Expense                                            | (1,492)                          | (39,415)                      | (23,070)                      | (405)                      |
| Gain/Loss on Disposals                                      | <u>-</u>                         | <u>(96,174)</u>               | <u>-</u>                      | <u>-</u>                   |
| Total Nonoperating Revenues<br>(Expenses)                   | <u>(317,506)</u>                 | <u>(734,291)</u>              | <u>(402,341)</u>              | <u>(2,659)</u>             |
| Income (Loss) Before Transfers and<br>Capital Contributions | <u>3,409,579</u>                 | <u>3,202,918</u>              | <u>3,965,318</u>              | <u>244,339</u>             |
| Capital Contributions                                       | -                                | -                             | -                             | 230,649                    |
| Transfers Out                                               | <u>(10,033)</u>                  | <u>(394,879)</u>              | <u>(417,142)</u>              | <u>(68,145)</u>            |
| Total Capital Contributions and<br>Transfers                | <u>(10,033)</u>                  | <u>(394,879)</u>              | <u>(417,142)</u>              | <u>162,504</u>             |
| Change in Net Position                                      | 3,399,546                        | 2,808,039                     | 3,548,176                     | 406,843                    |
| Net Position - Beginning                                    | <u>(1,867,397)</u>               | <u>35,236,298</u>             | <u>14,441,254</u>             | <u>(1,798,033)</u>         |
| Net Position - Ending                                       | <u>\$ 1,532,149</u>              | <u>\$ 38,044,337</u>          | <u>\$ 17,989,430</u>          | <u>\$ (1,391,190)</u>      |

(continued)

| <u>Records<br/>Preservation</u> | <u>Total</u>         |
|---------------------------------|----------------------|
| \$ 30,091                       | \$ 39,971,127        |
| -                               | 941,624              |
| -                               | 552,614              |
| <u>30,091</u>                   | <u>41,465,365</u>    |
| -                               | 3,580,096            |
| 38,300                          | 23,167,230           |
| -                               | 2,447,297            |
| <u>38,300</u>                   | <u>29,194,623</u>    |
| <u>(8,209)</u>                  | <u>12,270,742</u>    |
| (5,257)                         | (1,301,498)          |
| -                               | (64,382)             |
| -                               | (96,174)             |
| <u>(5,257)</u>                  | <u>(1,462,054)</u>   |
| <u>(13,466)</u>                 | <u>10,808,688</u>    |
| -                               | 230,649              |
| -                               | (890,199)            |
| -                               | (659,550)            |
| (13,466)                        | 10,149,138           |
| <u>227,436</u>                  | <u>46,239,558</u>    |
| <u>\$ 213,970</u>               | <u>\$ 56,388,696</u> |

**CITY OF HOLLYWOOD, FLORIDA**

NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:  
Cash Received from Customers, Employees and Other Governments  
Payments to Suppliers for Goods and Services  
Payments to Employees for Services  
Payments for interfund services used  
Net Cash Provided (Used) by Operating Activities

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:  
Transfers In  
Transfers Out  
Net Cash Provided (Used) by Noncapital Financing Activities

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:  
Principal Paid on Bonds, Notes and Equipment Contracts  
Proceeds from Issuance of loans  
Interest Paid on Bonds, Notes and Equipment Contracts  
Proceeds from sale of Capital Assets  
Acquisition and Construction of Capital Assets  
Net Cash Provided (Used) by Capital and Related Financing Activities

CASH FLOWS FROM INVESTING ACTIVITIES:  
Net investment inflows/(outflows)  
Net Cash Provided (Used) by Investing Activities

Net Increase in Cash and Investments  
Cash and Investments - beginning of year  
Cash and Investments - end of year

|  | Sanitation<br>Enterprise                     | Parking<br>Enterprise                       | Stormwater<br>Utility                    | Golf<br>Enterprise                                  | Records<br>Preservation         | Total                                                     |
|--|----------------------------------------------|---------------------------------------------|------------------------------------------|-----------------------------------------------------|---------------------------------|-----------------------------------------------------------|
|  | \$ 19,647,217<br>(15,985,516)<br>(1,960,775) | \$ 11,880,458<br>(3,277,655)<br>(3,627,259) | \$ 7,652,103<br>(452,197)<br>(1,264,287) | \$ 2,646,472<br>(2,350,450)<br>(6,894)<br>(118,866) | \$ 30,091<br>(38,302)<br>-<br>- | \$ 41,856,341<br>(22,104,120)<br>(6,859,215)<br>(118,866) |
|  | 1,700,926                                    | 4,975,544                                   | 5,935,619                                | 170,262                                             | (8,211)                         | 12,774,140                                                |
|  | (10,033)                                     | (394,879)                                   | (417,142)                                | (68,145)                                            | -                               | -<br>(890,199)                                            |
|  | (10,033)                                     | (394,879)                                   | (417,142)                                | (68,145)                                            | -                               | (890,199)                                                 |
|  | (11,884)<br>145,731                          | (271,713)<br>215,008                        | (94,699)<br>107,049                      | 5,333<br>-                                          | -<br>-                          | (372,963)<br>467,788                                      |
|  | (1,492)<br>-<br>-                            | (45,732)<br>73,057<br>(417,004)             | (23,543)<br>(3,955,536)                  | (405)<br>-<br>2                                     | -<br>-                          | (71,172)<br>73,057<br>(4,372,538)                         |
|  | 132,355                                      | (446,384)                                   | (3,966,729)                              | 4,930                                               | -                               | (4,275,828)                                               |
|  | (316,014)                                    | (598,702)                                   | (379,271)                                | (2,254)                                             | (5,257)                         | (1,301,498)                                               |
|  | (316,014)                                    | (598,702)                                   | (379,271)                                | (2,254)                                             | (5,257)                         | (1,301,498)                                               |
|  | 1,507,234                                    | 3,535,579                                   | 1,172,477                                | 104,793                                             | (13,468)                        | 6,306,615                                                 |
|  | 11,160,786                                   | 20,468,177                                  | 14,114,094                               | -                                                   | 227,438                         | 45,970,495                                                |
|  | \$ 12,668,020                                | \$ 24,003,756                               | \$ 15,286,571                            | \$ 104,793                                          | \$ 213,970                      | \$ 52,277,110<br>(Continued)                              |

(Continued)

**CITY OF HOLLYWOOD, FLORIDA**  
NONMAJOR ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

RECONCILIATION OF OPERATING INCOME (LOSS)  
TO NET CASH PROVIDED (USED)  
BY OPERATING ACTIVITIES:

|                                                                                                          |    |             |    |           |    |           |    |           |    |         |    |             |
|----------------------------------------------------------------------------------------------------------|----|-------------|----|-----------|----|-----------|----|-----------|----|---------|----|-------------|
| Operating Income (Loss)                                                                                  | \$ | 3,727,085   | \$ | 3,937,209 | \$ | 4,367,659 | \$ | 246,998   | \$ | (8,209) | \$ | 12,270,742  |
| Adjustments to Reconcile Operating Income (Loss)<br>to Net Cash Provided (Used) by Operating Activities: |    |             |    |           |    |           |    |           |    |         |    |             |
| Depreciation                                                                                             |    | 278         |    | 1,970,099 |    | 331,332   |    | 145,588   |    | -       |    | 2,447,297   |
| Pension Expense Adjustment                                                                               |    | (82,094)    |    | (332,016) |    | (430,194) |    | (28,677)  |    | -       |    | (872,981)   |
| OPEB Expense Adjustment                                                                                  |    | (1,329,497) |    | (186,980) |    | (282,670) |    | 7,069     |    | -       |    | (1,792,078) |
| Change in Assets, Liabilities and Deferred<br>Inflows/Outflows:                                          |    |             |    |           |    |           |    |           |    |         |    |             |
| (Increase) Decrease in Accounts Receivable                                                               |    | 313,649     |    | 40,848    |    | (11,825)  |    | (3,497)   |    | -       |    | 339,175     |
| (Increase) Decrease in Due to Other Governments                                                          |    |             |    | (133,330) |    |           |    |           |    |         |    | (133,330)   |
| Increase (Decrease) in Vouchers Payable                                                                  |    | (833,871)   |    | (15,527)  |    | 451,354   |    | (71,359)  |    | (2)     |    | (469,405)   |
| Increase (Decrease) in Due to Other Funds                                                                |    |             |    |           |    | -         |    | (118,866) |    | -       |    | (118,866)   |
| Increase (Decrease) in accrued expenses                                                                  |    | (146,451)   |    | (305,059) |    | 1,509,963 |    | (6,668)   |    | -       |    | 1,051,785   |
| Increase (Decrease) in Deposits Payable                                                                  |    | 51,827      |    | 300       |    | -         |    | (326)     |    | -       |    | 51,801      |
| Total Adjustments                                                                                        |    | (2,026,159) |    | 1,038,335 |    | 1,567,960 |    | (76,736)  |    | (2)     |    | 503,398     |
| Net Cash Provided (Used) by<br>Operating Activities                                                      | \$ | 1,700,926   | \$ | 4,975,544 | \$ | 5,935,619 | \$ | 170,262   | \$ | (8,211) | \$ | 12,774,140  |

## **INTERNAL SERVICE FUNDS**

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

**CENTRAL SERVICES FUND - This fund accounts for the operation of the central garage, archiving services, public relations services and information technology services..**

**INSURANCE FUND - This fund accounts for self insurance activities, including reserves, and employee health benefits as well as purchased insurance coverages for general, auto and property liability.**

**CITY OF HOLLYWOOD, FLORIDA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2022**

|                                                    | Central<br>Services | Insurance         | Total               |
|----------------------------------------------------|---------------------|-------------------|---------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:         |                     |                   |                     |
| ASSETS:                                            |                     |                   |                     |
| CURRENT ASSETS:                                    |                     |                   |                     |
| Cash                                               | \$ 500              | \$ 471,982        | \$ 472,482          |
| Investments                                        | 26,501,164          | 40,923,998        | 67,425,162          |
| Accounts Receivable - Net of Allowances            | 53,591              | 137,455           | 191,046             |
| Reinsurance Receivable                             | -                   | 371,591           | 371,591             |
| Inventories of Supplies                            | 209,496             | -                 | 209,496             |
| Prepaid Items                                      | -                   | 161,287           | 161,287             |
| Total Current Assets                               | <u>26,764,751</u>   | <u>42,066,313</u> | <u>68,831,064</u>   |
| NONCURRENT ASSETS:                                 |                     |                   |                     |
| Capital Assets:                                    |                     |                   |                     |
| Buildings                                          | 1,141,350           | -                 | 1,141,350           |
| Machinery and Equipment                            | 45,897,178          | -                 | 45,897,178          |
| Accumulated Depreciation                           | <u>(34,070,661)</u> | <u>-</u>          | <u>(34,070,661)</u> |
| Total Noncurrent Assets                            | <u>12,967,867</u>   | <u>-</u>          | <u>12,967,867</u>   |
| Total Assets                                       | <u>39,732,618</u>   | <u>42,066,313</u> | <u>81,798,931</u>   |
| DEFERRED OUTFLOWS OF RESOURCES:                    |                     |                   |                     |
| Deferred Outflow - General Employees Pension       | 4,742,624           | 235,139           | 4,977,763           |
| Deferred Outflow for OPEB                          | <u>2,727,370</u>    | <u>737,110</u>    | <u>3,464,480</u>    |
| Total Deferred Outflows of Resources               | <u>7,469,994</u>    | <u>972,249</u>    | <u>8,442,243</u>    |
| TOTAL ASSETS AND DEFERRED<br>OUTFLOWS OF RESOURCES | <u>47,202,612</u>   | <u>43,038,562</u> | <u>90,241,174</u>   |

(Continued)

## CITY OF HOLLYWOOD, FLORIDA

(continued)

INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
SEPTEMBER 30, 2022

|                                                        | Central<br>Services | Insurance     | Total         |
|--------------------------------------------------------|---------------------|---------------|---------------|
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:         |                     |               |               |
| LIABILITIES:                                           |                     |               |               |
| CURRENT LIABILITIES:                                   |                     |               |               |
| Vouchers Payable                                       | 528,076             | 59,855        | 587,931       |
| Accrued Wages and Leave                                | 408,243             | 16,954        | 425,197       |
| Compensated Absences                                   | 616,884             | 57,306        | 674,190       |
| Interest Payable                                       | 89,551              | -             | 89,551        |
| Claims Payable                                         | -                   | 6,187,009     | 6,187,009     |
| Bonds Payable - Net                                    | 338,627             | -             | 338,627       |
| Capital Lease Obligations                              | 1,836,825           | -             | 1,836,825     |
| Loans Payable                                          | 597,273             | 20,317        | 617,590       |
| Total Current Liabilities                              | 4,415,479           | 6,341,441     | 10,756,920    |
| NONCURRENT LIABILITIES:                                |                     |               |               |
| Compensated Absences                                   | 326,265             | -             | 326,265       |
| Claims Payable                                         | -                   | 9,733,136     | 9,733,136     |
| Bonds Payable - Net                                    | 3,081,182           | -             | 3,081,182     |
| Capital Lease Obligations                              | 1,850,197           | -             | 1,850,197     |
| Loans Payable                                          | 1,693,203           | 36,578        | 1,729,781     |
| Total Other Postemployment Benefits Liability (OPEB)   | 10,594,336          | 1,100,710     | 11,695,046    |
| Net Pension Liability - General Employees              | 16,823,946          | 824,770       | 17,648,716    |
| Total Noncurrent Liabilities                           | 34,369,129          | 11,695,194    | 46,064,323    |
| Total Liabilities                                      | 38,784,608          | 18,036,635    | 56,821,243    |
| DEFERRED INFLOWS OF RESOURCES:                         |                     |               |               |
| Deferred Inflow - General Employees Pension            | 4,599,216           | 285,178       | 4,884,394     |
| Deferred Inflow for OPEB                               | 12,122,922          | 1,347,102     | 13,470,024    |
| Total Deferred Inflows of Resources                    | 16,722,138          | 1,632,280     | 18,354,418    |
| TOTAL LIABILITIES AND DEFERRED<br>INFLOWS OF RESOURCES | 55,506,746          | 19,668,915    | 75,175,661    |
| NET POSITION                                           |                     |               |               |
| Net Investment in Capital Assets                       | 4,379,913           | -             | 4,379,913     |
| Unrestricted (Deficit)                                 | (12,684,047)        | 23,369,647    | 10,685,600    |
| TOTAL NET POSITION                                     | \$ (8,304,134)      | \$ 23,369,647 | \$ 15,065,513 |

**CITY OF HOLLYWOOD, FLORIDA**

**INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                                             | <u>Central<br/>Services</u>  | <u>Insurance</u>            | <u>Total</u>                |
|-------------------------------------------------------------|------------------------------|-----------------------------|-----------------------------|
| OPERATING REVENUES:                                         |                              |                             |                             |
| Charges for Sales and Services                              | \$ 23,345,709                | \$ 40,716,147               | \$ 64,061,856               |
| Miscellaneous                                               | <u>-</u>                     | <u>3,948,949</u>            | <u>3,948,949</u>            |
| Total Operating Revenues                                    | <u>23,345,709</u>            | <u>44,665,096</u>           | <u>68,010,805</u>           |
| OPERATING EXPENSES:                                         |                              |                             |                             |
| Personal Services and Benefits                              | 7,473,648                    | 311,319                     | 7,784,967                   |
| Supplies, Services and Claims                               | 11,252,608                   | 51,179,601                  | 62,432,209                  |
| Depreciation                                                | <u>4,576,133</u>             | <u>-</u>                    | <u>4,576,133</u>            |
| Total Operating Expenses                                    | <u>23,302,389</u>            | <u>51,490,920</u>           | <u>74,793,309</u>           |
| Operating Income (Loss)                                     | <u>43,320</u>                | <u>(6,825,824)</u>          | <u>(6,782,504)</u>          |
| NONOPERATING REVENUES (EXPENSES):                           |                              |                             |                             |
| Investment Revenue/(Loss)                                   | (653,913)                    | (1,003,943)                 | (1,657,856)                 |
| Interest Expense Gain/Loss on                               | (361,387)                    | (315)                       | (361,702)                   |
| Disposals                                                   | <u>136,725</u>               | <u>-</u>                    | <u>136,725</u>              |
| Total Nonoperating Revenues                                 | <u>(878,575)</u>             | <u>(1,004,258)</u>          | <u>(1,882,833)</u>          |
| Income (Loss) Before Capital<br>Contributions and Transfers | <u>(835,255)</u>             | <u>(7,830,082)</u>          | <u>(8,665,337)</u>          |
| CONTRIBUTIONS:                                              |                              |                             |                             |
| Capital Contributions                                       | 6,688,771                    | -                           | 6,688,771                   |
| TRANSFERS IN (OUT):                                         |                              |                             |                             |
| Transfers In:                                               |                              |                             |                             |
| Transfers In                                                | <u>2,416,228</u>             | <u>-</u>                    | <u>2,416,228</u>            |
| Total Transfers In                                          | <u>2,416,228</u>             | <u>-</u>                    | <u>2,416,228</u>            |
| Transfers Out:                                              |                              |                             |                             |
| Transfers Out                                               | <u>(1,010,395)</u>           | <u>-</u>                    | <u>(1,010,395)</u>          |
| Total Transfers In (Out)                                    | <u>(1,010,395)</u>           | <u>-</u>                    | <u>(1,010,395)</u>          |
| Change in Net Position                                      | 7,259,349                    | (7,830,082)                 | (570,733)                   |
| Net Position - Beginning                                    | <u>(15,563,483)</u>          | <u>31,199,729</u>           | <u>15,636,246</u>           |
| Net Position - Ending                                       | <u><u>\$ (8,304,134)</u></u> | <u><u>\$ 23,369,647</u></u> | <u><u>\$ 15,065,513</u></u> |

**CITY OF HOLLYWOOD, FLORIDA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                                                      | Central<br>Services         | Insurance                   | Total                       |
|----------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                         |                             |                             |                             |
| Cash Received from Customers and Employees                           | \$ 23,353,308               | \$ 44,569,490               | \$ 67,922,798               |
| Cash Received from Other Funds                                       | -                           | -                           | -                           |
| Payments to Suppliers for Goods and Services                         | (11,624,789)                | (15,680,770)                | (27,305,559)                |
| Payments to Employees for Services                                   | (10,658,592)                | (767,216)                   | (11,425,808)                |
| Other Operating Receipts (Payments)                                  | -                           | (34,726,749)                | (34,726,749)                |
| Net Cash Provided (Used) by Operating Activities                     | <u>1,069,927</u>            | <u>(6,605,245)</u>          | <u>(5,535,318)</u>          |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>              |                             |                             |                             |
| Transfers In                                                         | 2,416,228                   | -                           | 2,416,228                   |
| Transfers Out                                                        | (1,010,395)                 | -                           | (1,010,395)                 |
| Net Cash Provided (Used) by Noncapital Financing Activities          | <u>1,405,833</u>            | <u>-</u>                    | <u>1,405,833</u>            |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>     |                             |                             |                             |
| Proceeds from Bonds & Other Borrowings                               | 4,023,305                   | 61,947                      | 4,085,252                   |
| Proceeds from Sale of Capital Assets                                 | 145,045                     | -                           | 145,045                     |
| Principal Paid on Bonds                                              | (146,778)                   | -                           | (146,778)                   |
| Principal Paid on loans                                              | (2,448,284)                 | (5,052)                     | (2,453,336)                 |
| Purchase of Capital Assets                                           | (2,629,368)                 | -                           | (2,629,368)                 |
| Interest Paid on Other Borrowing                                     | (454,809)                   | (315)                       | (455,124)                   |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(1,510,889)</u>          | <u>56,580</u>               | <u>(1,454,309)</u>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                         |                             |                             |                             |
| Net investment inflows/(outflows)                                    | <u>(653,913)</u>            | <u>(1,003,943)</u>          | <u>(1,657,856)</u>          |
| Net Cash Provided (Used) by Investing Activities                     | <u>(653,913)</u>            | <u>(1,003,943)</u>          | <u>(1,657,856)</u>          |
| Net Increase (Decrease) in Cash and Investments                      | 310,958                     | (7,552,608)                 | (7,241,650)                 |
| Cash and Investments - beginning of year                             | <u>26,190,706</u>           | <u>48,948,588</u>           | <u>75,139,294</u>           |
| Cash and Investments- end of year                                    | <u><u>\$ 26,501,664</u></u> | <u><u>\$ 41,395,980</u></u> | <u><u>\$ 67,897,644</u></u> |

**CITY OF HOLLYWOOD, FLORIDA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                                                                                          | Central<br>Services | Insurance      | Total          |
|----------------------------------------------------------------------------------------------------------|---------------------|----------------|----------------|
| RECONCILIATION OF OPERATING INCOME (LOSS)<br>TO NET CASH PROVIDED (USED) BY OPERATING<br>ACTIVITIES:     |                     |                |                |
| Operating Income (Loss)                                                                                  | \$ 43,320           | \$ (6,825,824) | \$ (6,782,504) |
| Adjustments to Reconcile Operating Income (Loss) to Net<br>Cash Provided/(used) by Operating Activities: |                     |                |                |
| Depreciation                                                                                             | 4,576,133           | -              | 4,576,133      |
| Pension Expense Adjustment                                                                               | (577,085)           | (254,028)      | (831,113)      |
| OPEB Expense Adjustment                                                                                  | (1,721,290)         | (110,637)      | (1,831,927)    |
| Change in Assets, Liabilities and Deferred<br>Inflows/Outflows:                                          |                     |                |                |
| (Increase) Decrease in Accounts Receivable                                                               | 7,599               | (95,606)       | (88,007)       |
| (Increase) Decrease in Inventory                                                                         | (3,346)             | -              | (3,346)        |
| (Increase) Decrease in Prepaid Expense                                                                   | -                   | (99,930)       | (99,930)       |
| (Increase) Decrease in Accrued Expense                                                                   | (886,570)           | (91,232)       | (977,802)      |
| Increase (Decrease) in Accounts Payable                                                                  | (368,834)           | (13,461)       | (382,295)      |
| Increase (Decrease) in Claims Payable                                                                    | -                   | 885,473        | 885,473        |
| Total Adjustments                                                                                        | 1,026,607           | 220,579        | 1,247,186      |
| Net Cash Provided (Used) by Operating Activities                                                         | \$ 1,069,927        | \$ (6,605,245) | \$ (5,535,318) |

## **FIDUCIARY FUNDS**

**Fiduciary funds are used to account for resources held for the benefit of parties outside the City.**

**GENERAL EMPLOYEES' RETIREMENT SYSTEM - To account for the accumulation of resources and benefit payments for the pension plan for general employees.**

**FIRE PENSION FUND - To account for the accumulation of resources and benefit payments for the pension plan for fire personnel.**

**POLICE RETIREMENT SYSTEM - To account for the accumulation of resources and benefit payments for the pension plan for police personnel.**

**CITY OF HOLLYWOOD, FLORIDA**

**FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2022**

|                                             | General<br>Employees<br>Retirement<br>System | Fire Pension<br>Fund  | Police<br>Retirement<br>System | Total<br>Pension<br>Plans |
|---------------------------------------------|----------------------------------------------|-----------------------|--------------------------------|---------------------------|
| <b>ASSETS:</b>                              |                                              |                       |                                |                           |
| Investments                                 |                                              |                       |                                |                           |
| U.S. Government Securities                  | \$ 2,617,329                                 | \$ 29,780,674         | \$ 23,935,645                  | \$ 56,333,648             |
| Money Market Funds                          | 7,095,536                                    | -                     | 14,044,314                     | 21,139,850                |
| Corporate Equities                          | -                                            | 185,826,276           | 220,001,482                    | 405,827,758               |
| Corporate Bonds and Other                   | 3,781,021                                    | 13,404,549            | 12,563,924                     | 29,749,494                |
| Asset Backed Securities                     | 2,771,514                                    | -                     | -                              | 2,771,514                 |
| Mutual Funds                                | 283,072,735                                  | 44,035,492            | 77,158,184                     | 404,266,411               |
| Pooled Investment Funds                     | 86,930,546                                   | 16,873                | -                              | 86,947,419                |
| Total Investments                           | 386,268,681                                  | 273,063,864           | 347,703,549                    | 1,007,036,094             |
| Interest Receivable                         | 113,633                                      | 233,092               | 454,823                        | 801,548                   |
| Accounts Receivable                         | -                                            | 1,961,901             | 1,640,729                      | 3,602,630                 |
| Prepaid Items                               | 156,513                                      | 8,136                 | 2,927,680                      | 3,092,329                 |
| Non Depreciable                             | 799,213                                      | -                     | -                              | 799,213                   |
| <b>TOTAL ASSETS</b>                         | <b>387,338,040</b>                           | <b>275,266,993</b>    | <b>352,726,781</b>             | <b>1,015,331,814</b>      |
| <b>LIABILITIES:</b>                         |                                              |                       |                                |                           |
| Vouchers Payable                            | 1,676,009                                    | 3,841,866             | 146,633                        | 5,664,508                 |
| Voucher Payable - Purchase of<br>Investment | -                                            | -                     | 140,643                        | 140,643                   |
| <b>TOTAL LIABILITIES</b>                    | <b>1,676,009</b>                             | <b>3,841,866</b>      | <b>287,276</b>                 | <b>5,805,151</b>          |
| <b>NET POSITION:</b>                        |                                              |                       |                                |                           |
| Restricted for Pension Benefits             | <u>\$ 385,662,031</u>                        | <u>\$ 271,425,127</u> | <u>\$ 352,439,505</u>          | <u>\$ 1,009,526,663</u>   |

**CITY OF HOLLYWOOD, FLORIDA**

**FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

|                                                                     | General<br>Employees<br>Retirement<br>System | Fire Pension<br>Fund         | Police<br>Retirement<br>System | Total<br>Pension<br>Plans      |
|---------------------------------------------------------------------|----------------------------------------------|------------------------------|--------------------------------|--------------------------------|
| ADDITIONS:                                                          |                                              |                              |                                |                                |
| Contributions:                                                      |                                              |                              |                                |                                |
| City                                                                | \$ 28,387,441                                | \$ 21,866,852                | \$ 24,221,136                  | \$ 74,475,429                  |
| Local or State Excise Tax                                           | 37,128                                       | 1,746,432                    | 1,817,654                      | 3,601,214                      |
| Members                                                             | 3,507,528                                    | 2,272,141                    | 2,707,958                      | 8,487,627                      |
| Total Contributions                                                 | <u>31,932,097</u>                            | <u>25,885,425</u>            | <u>28,746,748</u>              | <u>86,564,270</u>              |
| Investment Income/(Loss):                                           |                                              |                              |                                |                                |
| Net Increase/(decrease) in Fair<br>Value of Plan Investments        | (45,485,428)                                 | (58,828,133)                 | (49,950,630)                   | (154,264,191)                  |
| Interest and Dividends                                              | 5,477,860                                    | 4,978,972                    | 7,295,935                      | 17,752,767                     |
|                                                                     | <u>(40,007,568)</u>                          | <u>(53,849,161)</u>          | <u>(42,654,695)</u>            | <u>(136,511,424)</u>           |
| Less: Investment Expense                                            | (648,438)                                    | (1,270,905)                  | (3,047,006)                    | (4,966,349)                    |
| Net Investment Income/(Loss)                                        | <u>(40,656,006)</u>                          | <u>(55,120,066)</u>          | <u>(45,701,701)</u>            | <u>(141,477,773)</u>           |
| Other Income                                                        | -                                            | -                            | 16,731                         | 16,731                         |
| Total Additions                                                     | <u>(8,723,909)</u>                           | <u>(29,234,641)</u>          | <u>(16,938,222)</u>            | <u>(54,896,772)</u>            |
| DEDUCTIONS:                                                         |                                              |                              |                                |                                |
| Pension Benefits                                                    | 46,457,087                                   | 35,917,872                   | 38,068,887                     | 120,443,846                    |
| Refund of Contributions                                             | 921,883                                      | 61,995                       | 182,289                        | 1,166,167                      |
| Administrative Expenses                                             | 921,592                                      | 818,823                      | 705,694                        | 2,446,109                      |
| Total Deductions                                                    | <u>48,300,562</u>                            | <u>36,798,690</u>            | <u>38,956,870</u>              | <u>124,056,122</u>             |
| Change in Net Position                                              | (57,024,471)                                 | (66,033,331)                 | (55,895,092)                   | (178,952,894)                  |
| Net Position Restricted for Pension<br>Benefits - Beginning of Year | <u>442,686,502</u>                           | <u>337,458,458</u>           | <u>408,334,597</u>             | <u>1,188,479,557</u>           |
| Net Position Restricted for Pension<br>Benefits - End of Year       | <u><u>\$ 385,662,031</u></u>                 | <u><u>\$ 271,425,127</u></u> | <u><u>\$ 352,439,505</u></u>   | <u><u>\$ 1,009,526,663</u></u> |

## CITY OF HOLLYWOOD, FLORIDA

### INDEX TO STATISTICAL SECTION (Unaudited – See accompanying independent auditors' report)

This part of the City of Hollywood's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

|                                                                                                                                                                                                                    | <u>Page No.</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| FINANCIAL TRENDS                                                                                                                                                                                                   | 189-200         |
| These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.                                                                |                 |
| REVENUE CAPACITY                                                                                                                                                                                                   | 201-207         |
| These schedules contain information to help the reader assess the government's most significant tax revenue sources, and in particular property taxes.                                                             |                 |
| DEBT CAPACITY                                                                                                                                                                                                      | 208-212         |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.                           |                 |
| DEMOGRAPHIC AND ECONOMIC INFORMATION                                                                                                                                                                               | 213-214         |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                                   |                 |
| OPERATING INFORMATION                                                                                                                                                                                              | 215-221         |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. |                 |

Source: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

**CITY OF HOLLYWOOD, FLORIDA**

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
(\$ in thousands)

|                                             | <u>2022</u>                | <u>2021</u>                | <u>2020</u>                | <u>2019</u>                | <u>2018</u>                |
|---------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>GOVERNMENTAL ACTIVITIES:</b>             |                            |                            |                            |                            |                            |
| Net Investment in Capital Assets            | \$ 75,703                  | \$ 83,103                  | \$ 70,938                  | \$ 69,416                  | \$ 71,886                  |
| Restricted                                  | 142,408                    | 144,635                    | 139,737                    | 119,212                    | 34,865                     |
| Unrestricted                                | <u>(817,883)</u>           | <u>(918,790)</u>           | <u>(926,843)</u>           | <u>(830,648)</u>           | <u>(779,606)</u>           |
| Total Governmental Activities Net Position  | <u><u>\$ (599,772)</u></u> | <u><u>\$ (691,052)</u></u> | <u><u>\$ (716,168)</u></u> | <u><u>\$ (642,020)</u></u> | <u><u>\$ (672,855)</u></u> |
| <b>BUSINESS-TYPE ACTIVITIES:</b>            |                            |                            |                            |                            |                            |
| Net Investment in Capital Assets            | \$ 239,324                 | \$ 230,012                 | \$ 222,928                 | \$ 219,044                 | \$ 186,154                 |
| Restricted                                  | 94,404                     | 79,760                     | 63,242                     | 62,248                     | 64,916                     |
| Unrestricted                                | <u>57,511</u>              | <u>53,319</u>              | <u>29,856</u>              | <u>20,480</u>              | <u>9,765</u>               |
| Total Business-type Activities Net Position | <u><u>\$ 391,239</u></u>   | <u><u>\$ 363,091</u></u>   | <u><u>\$ 316,026</u></u>   | <u><u>\$ 301,772</u></u>   | <u><u>\$ 260,835</u></u>   |
| <b>PRIMARY GOVERNMENT:</b>                  |                            |                            |                            |                            |                            |
| Net Investment in Capital Assets            | \$ 315,027                 | \$ 313,115                 | \$ 293,866                 | \$ 288,460                 | \$ 258,040                 |
| Restricted                                  | 236,812                    | 224,395                    | 202,979                    | 181,460                    | 99,781                     |
| Unrestricted                                | <u>(760,372)</u>           | <u>(865,471)</u>           | <u>(896,987)</u>           | <u>(810,168)</u>           | <u>(769,841)</u>           |
| Total Primary Government Net Position       | <u><u>\$ (208,533)</u></u> | <u><u>\$ (327,961)</u></u> | <u><u>\$ (400,142)</u></u> | <u><u>\$ (340,248)</u></u> | <u><u>\$ (412,020)</u></u> |

| <u>2017</u>         | <u>2016</u>         | <u>2015</u>         | <u>2014</u>       | <u>2013</u>       |
|---------------------|---------------------|---------------------|-------------------|-------------------|
| \$ 65,894           | \$ 65,085           | \$ 63,650           | \$ 58,658         | \$ 54,284         |
| 33,995              | 49,191              | 36,472              | 37,383            | 35,220            |
| (451,440)           | (457,116)           | (440,035)           | (79,505)          | (76,747)          |
| <u>\$ (351,551)</u> | <u>\$ (342,840)</u> | <u>\$ (339,913)</u> | <u>\$ 16,536</u>  | <u>\$ 12,757</u>  |
| <br>                |                     |                     |                   |                   |
| \$ 164,263          | \$ 145,990          | \$ 125,409          | \$ 121,880        | \$ 105,450        |
| 64,238              | 62,157              | 63,303              | 61,237            | 54,816            |
| 68,179              | 59,580              | 48,867              | 63,610            | 60,044            |
| <u>\$ 296,680</u>   | <u>\$ 267,727</u>   | <u>\$ 237,579</u>   | <u>\$ 246,727</u> | <u>\$ 220,310</u> |
| <br>                |                     |                     |                   |                   |
| \$ 230,157          | \$ 211,075          | \$ 189,059          | \$ 180,538        | \$ 159,734        |
| 98,233              | 111,348             | 99,775              | 98,620            | 90,036            |
| (383,261)           | (397,536)           | (391,168)           | (15,895)          | (16,703)          |
| <u>\$ (54,871)</u>  | <u>\$ (75,113)</u>  | <u>\$ (102,334)</u> | <u>\$ 263,263</u> | <u>\$ 233,067</u> |

# CITY OF HOLLYWOOD, FLORIDA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS (Accrual Basis of Accounting) (\$ in thousands)

|                                       | 2022       | 2021       | 2020       | 2019       |
|---------------------------------------|------------|------------|------------|------------|
| PRIMARY GOVERNMENT:                   |            |            |            |            |
| EXPENSES:                             |            |            |            |            |
| Governmental activities               |            |            |            |            |
| General government                    | \$ 38,930  | \$ 39,072  | \$ 54,781  | \$ 64,445  |
| Public safety                         | 147,855    | 188,005    | 252,285    | 152,776    |
| Public Works                          | 11,957     | 14,696     | 17,001     | 16,012     |
| Transportation                        | 2,955      | 3,229      | 2,610      | 3,437      |
| Economic Environment                  | 12,404     | 11,067     | 8,092      | 6,602      |
| Physical Environment                  | 158        | 892        | 989        | 633        |
| Culture and Recreation                | 14,426     | 15,108     | 17,165     | 15,386     |
| Emergency and Disaster Relief & Other | (94)       | 2,930      | 3,994      | 239        |
| Interest and Fiscal Charges           | 4,887      | 5,250      | 5,753      | 4,872      |
| Total Governmental Activities         | 233,478    | 280,249    | 362,670    | 264,402    |
| Business-type Activities:             |            |            |            |            |
| Water                                 | 30,973     | 27,205     | 36,700     | 29,721     |
| Sewer                                 | 38,571     | 39,287     | 54,588     | 43,645     |
| Sanitation                            | 15,786     | 15,369     | 15,408     | 13,547     |
| Stormwater                            | 3,367      | 3,180      | 2,730      | 2,605      |
| Golf                                  | 2,439      | 2,290      | 2,125      | 2,081      |
| Parking                               | 8,059      | 8,762      | 10,278     | 8,768      |
| Other                                 | 39         | 35         | 16         | 27         |
| Total Business-type Activities        | 99,234     | 96,128     | 121,845    | 100,394    |
| Total Primary Government Expenditures | \$ 332,712 | \$ 376,377 | \$ 484,515 | \$ 364,796 |
| REVENUES:                             |            |            |            |            |
| Governmental activities:              |            |            |            |            |
| Charges for services:                 |            |            |            |            |
| General government                    | \$ 17,730  | \$ 16,889  | \$ 14,135  | \$ 13,909  |
| Public Safety                         | 51,966     | 48,320     | 49,619     | 49,655     |
| Public Works                          | 267        | 277        | 13         | 259        |
| Transportation                        | -          | -          | -          | -          |
| Economic Environment                  | 847        | 483        | 837        | 2,629      |
| Physical Environment                  | 352        | 160        | 291        | 962        |
| Culture and Recreation                | 1,931      | 1,528      | 1,006      | 1,436      |
| Operating grants and Contributions    | 13,036     | 12,846     | 7,275      | 21,457     |
| Capital Grants and Contributions      | 7,041      | 962        | 625        | 474        |
| Total Governmental Activities         | 93,170     | 81,465     | 73,801     | 90,781     |
| Business-type Activities:             |            |            |            |            |
| Water                                 | 43,140     | 42,346     | 41,100     | 38,887     |
| Sewer                                 | 54,602     | 67,548     | 62,018     | 56,876     |
| Sanitation                            | 19,282     | 17,465     | 15,491     | 13,049     |
| Stormwater                            | 7,664      | 5,994      | 5,781      | 3,177      |
| Golf                                  | 2,650      | 1,871      | 1,655      | 2,009      |
| Parking                               | 11,839     | 11,359     | 8,403      | 9,566      |
| Other                                 | 30         | 32         | 33         | 41         |
| Operating Grants and Contributions    | -          | -          | -          | -          |
| Capital Grants and Contributions      | 1,235      | 1,681      | 4,540      | 2,968      |
| Total Business-type Activities        | 140,442    | 148,296    | 139,021    | 126,573    |
| Total Primary Government Revenues     | \$ 233,612 | \$ 229,761 | \$ 212,822 | \$ 217,354 |

|    | 2018           | 2017              | 2016              | 2015              | 2014              | 2013              |
|----|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ | 34,331         | \$ 36,963         | \$ 37,369         | \$ 26,828         | \$ 26,525         | \$ 25,874         |
|    | 155,948        | 160,110           | 145,365           | 135,739           | 132,446           | 124,728           |
|    | 13,047         | 15,400            | 15,566            | 13,647            | 14,238            | 13,752            |
|    | 3,375          | 5,041             | 3,698             | 2,604             | 1,830             | 809               |
|    | 6,767          | 6,641             | 6,143             | 22,407            | 10,025            | 5,018             |
|    | 7,100          | 1,551             | 787               | 5,680             | 2,114             | 1,775             |
|    | 14,851         | 14,815            | 14,970            | 14,460            | 14,966            | 15,039            |
|    | 7,002          | 3,293             | -                 | -                 | -                 | -                 |
|    | 4,509          | 4,973             | 5,565             | 7,034             | 7,689             | 8,021             |
|    | <u>246,930</u> | <u>248,787</u>    | <u>229,463</u>    | <u>228,399</u>    | <u>209,833</u>    | <u>195,016</u>    |
|    | 27,276         | 29,604            | 27,398            | 24,353            | 26,367            | 25,293            |
|    | 42,248         | 41,754            | 41,179            | 41,869            | 42,032            | 42,329            |
|    | 12,804         | 12,539            | 12,421            | 11,501            | 11,393            | 11,765            |
|    | 2,471          | 2,238             | 2,230             | 2,155             | 2,000             | 1,983             |
|    | 2,088          | 2,411             | 2,374             | 2,474             | 2,910             | 2,912             |
|    | 7,280          | 7,080             | 7,320             | 6,588             | 6,880             | 6,825             |
|    | 34             | 28                | 6                 | 4                 | -                 | 22                |
|    | <u>94,201</u>  | <u>95,654</u>     | <u>92,928</u>     | <u>88,944</u>     | <u>91,582</u>     | <u>91,129</u>     |
| \$ | <u>341,131</u> | <u>\$ 344,441</u> | <u>\$ 322,391</u> | <u>\$ 317,343</u> | <u>\$ 301,415</u> | <u>\$ 286,145</u> |
| \$ | 12,718         | \$ 12,279         | \$ 10,881         | \$ 8,750          | \$ 8,847          | \$ 8,688          |
|    | 42,433         | 38,318            | 36,503            | 38,024            | 39,196            | 35,367            |
|    | 251            | 244               | 206               | 206               | 200               | 193               |
|    | 76             | 104               | 333               | 312               | 1,500             | -                 |
|    | 2,904          | 1,581             | 1,949             | 1,770             | 1,882             | 1,798             |
|    | 733            | 1,109             | 1,496             | 335               | 1,174             | 267               |
|    | 1,447          | 1,470             | 1,558             | 1,462             | 1,362             | 1,220             |
|    | 3,929          | 3,895             | 2,692             | 2,013             | 7,078             | 7,905             |
|    | 82             | 658               | 863               | 1,258             | 1,413             | 953               |
|    | <u>64,573</u>  | <u>59,658</u>     | <u>56,481</u>     | <u>54,130</u>     | <u>62,652</u>     | <u>56,391</u>     |
|    | 40,425         | 41,050            | 39,757            | 40,551            | 38,394            | 36,572            |
|    | 57,900         | 56,718            | 54,473            | 58,975            | 55,481            | 53,577            |
|    | 13,335         | 13,590            | 13,651            | 16,085            | 13,274            | 14,810            |
|    | 3,215          | 3,275             | 3,201             | 3,245             | 3,333             | 3,191             |
|    | 1,922          | 2,069             | 1,829             | 2,285             | 2,470             | 2,646             |
|    | 9,136          | 7,489             | 6,625             | 6,604             | 6,588             | 6,540             |
|    | 34             | 40                | 30                | 19                | 19                | 17                |
|    | 47             | -                 | -                 | 29                | 29                | 197               |
|    | 2,802          | 2,731             | 4,808             | 2,933             | 2,151             | 1,870             |
|    | <u>128,816</u> | <u>126,962</u>    | <u>124,374</u>    | <u>130,726</u>    | <u>121,739</u>    | <u>119,420</u>    |
| \$ | <u>193,389</u> | <u>\$ 186,620</u> | <u>\$ 180,855</u> | <u>\$ 184,856</u> | <u>\$ 184,391</u> | <u>\$ 175,811</u> |

# CITY OF HOLLYWOOD, FLORIDA

## CHANGES IN NET POSITION LAST TEN FISCAL YEAR (Accrual Basis of Accounting) (\$ in thousands)

|                                                                             | 2022               | 2021                | 2020                | 2019                |
|-----------------------------------------------------------------------------|--------------------|---------------------|---------------------|---------------------|
| NET (EXPENSE) REVENUES:                                                     |                    |                     |                     |                     |
| Governmental Activities                                                     | \$ (140,308)       | \$ (198,784)        | \$ (288,869)        | \$ (173,621)        |
| Business-type Activities                                                    | 41,208             | 52,168              | 17,176              | 26,179              |
| Total Primary Government Net (Expenses) Revenues                            | <u>\$ (99,100)</u> | <u>\$ (146,616)</u> | <u>\$ (271,693)</u> | <u>\$ (147,442)</u> |
| GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:                         |                    |                     |                     |                     |
| Governmental activities                                                     |                    |                     |                     |                     |
| Property Taxes Levied for General Purpose                                   | \$ 115,100         | \$ 110,043          | \$ 103,745          | \$ 100,692          |
| Property Taxes Levied for Debt Service                                      | 7,594              | 7,591               | 7,609               | 3,680               |
| Property Taxes Incremental                                                  | 37,835             | 38,442              | 37,479              | 31,082              |
| Utility Service Taxes                                                       | 22,151             | 20,961              | 20,886              | 20,673              |
| Franchise Taxes                                                             | 16,400             | 13,824              | 12,057              | 13,007              |
| Sales Tax                                                                   | 12,608             | 10,911              | 9,081               | 10,080              |
| Gas Tax                                                                     | 2,736              | 2,569               | 2,469               | 2,773               |
| Local Business Tax                                                          | 2,510              | 2,418               | 2,411               | 2,299               |
| Contributions not Restricted to Specific Programs                           | 7,815              | 6,590               | 7,084               | 8,025               |
| Investment Revenue/(Loss)                                                   | (4,469)            | 174                 | 3,032               | 4,435               |
| Gain (loss) on sale of Capital Assets                                       | 1,298              | (174)               | 14                  | 729                 |
| Miscellaneous                                                               | 4,319              | 4,887               | 3,331               | 14,751              |
| Transfers                                                                   | 5,689              | 5,663               | 5,522               | (7,772)             |
| Total Governmental Activities                                               | <u>231,587</u>     | <u>223,899</u>      | <u>214,720</u>      | <u>204,454</u>      |
| Business-type activities                                                    |                    |                     |                     |                     |
| Investment Revenue/(Loss)                                                   | (7,288)            | (52)                | 2,041               | 4,543               |
| Gain (loss) on sale of Capital Assets                                       | (82)               | 118                 | (91)                | (2)                 |
| Noncapital other contributions                                              | -                  | -                   | -                   | -                   |
| Miscellaneous                                                               | (1)                | 494                 | 559                 | 2,443               |
| Transfers                                                                   | (5,689)            | (5,663)             | (5,522)             | 7,772               |
| Total Business-type Activities                                              | <u>(13,060)</u>    | <u>(5,103)</u>      | <u>(2,922)</u>      | <u>14,758</u>       |
| Total Primary Government General Revenues and Other Changes in Net Position | <u>\$ 218,527</u>  | <u>\$ 218,796</u>   | <u>\$ 211,798</u>   | <u>\$ 219,212</u>   |
| CHANGE IN NET POSITION:                                                     |                    |                     |                     |                     |
| Governmental Activities                                                     | 91,279             | 25,115              | (74,149)            | 30,833              |
| Business-type Activities                                                    | 28,148             | 47,065              | 14,254              | 40,937              |
| Total Primary Government Change in Net Position                             | <u>\$ 119,427</u>  | <u>\$ 72,180</u>    | <u>\$ (59,895)</u>  | <u>\$ 71,770</u>    |

| 2018                                                                         | 2017                                                                        | 2016                                                                         | 2015                                                                        | 2014                                                                        | 2013                                                                        |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| \$ (182,357)<br>34,615                                                       | \$ (189,129)<br>31,308                                                      | \$ (172,982)<br>31,446                                                       | \$ (174,269)<br>41,782                                                      | \$ (147,181)<br>30,157                                                      | \$ (138,625)<br>28,291                                                      |
| <u>\$ (147,742)</u>                                                          | <u>\$ (157,821)</u>                                                         | <u>\$ (141,536)</u>                                                          | <u>\$ (132,487)</u>                                                         | <u>\$ (117,024)</u>                                                         | <u>\$ (110,334)</u>                                                         |
| \$ 89,282<br>3,673<br>35,366<br>21,004<br>12,911<br>10,137<br>2,760<br>2,332 | \$ 77,073<br>3,682<br>32,512<br>20,629<br>12,726<br>9,563<br>2,766<br>2,030 | \$ 70,740<br>3,742<br>29,790<br>20,324<br>11,540<br>10,254<br>2,913<br>1,871 | \$ 64,459<br>3,781<br>27,988<br>20,595<br>11,955<br>9,252<br>2,652<br>1,773 | \$ 61,107<br>3,983<br>25,191<br>20,625<br>11,748<br>8,769<br>2,562<br>2,075 | \$ 59,636<br>2,944<br>22,815<br>20,127<br>11,064<br>8,247<br>2,487<br>1,949 |
| 7,843<br>2,881<br>-<br>3,138<br>6,980<br><u>198,307</u>                      | 7,025<br>1,268<br>-<br>2,411<br>6,059<br><u>177,744</u>                     | 6,984<br>932<br>-<br>6,790<br>4,175<br><u>170,055</u>                        | 6,883<br>759<br>-<br>1,728<br>6,763<br><u>158,588</u>                       | 6,390<br>526<br>-<br>2,793<br>5,191<br><u>150,960</u>                       | 5,834<br>331<br>-<br>4,262<br>4,955<br><u>144,651</u>                       |
| 2,420<br>-                                                                   | 2,546<br>-                                                                  | 2,151<br>-                                                                   | 1,409<br>-                                                                  | 501<br>-                                                                    | 303<br>-                                                                    |
| 826<br>(6,981)<br><u>(3,735)</u>                                             | 686<br>(6,059)<br><u>(2,827)</u>                                            | 728<br>(4,175)<br><u>(1,296)</u>                                             | 1,052<br>(6,763)<br><u>(4,302)</u>                                          | 950<br>(5,191)<br><u>(3,740)</u>                                            | 411<br>(4,955)<br><u>(4,241)</u>                                            |
| <u>\$ 194,572</u>                                                            | <u>\$ 174,917</u>                                                           | <u>\$ 168,759</u>                                                            | <u>\$ 154,286</u>                                                           | <u>\$ 147,220</u>                                                           | <u>\$ 140,410</u>                                                           |
| 15,950<br>30,880                                                             | (11,385)<br>28,481                                                          | (2,927)<br>30,149                                                            | (15,681)<br>37,480                                                          | 3,779<br>26,417                                                             | 6,026<br>24,050                                                             |
| <u>\$ 46,830</u>                                                             | <u>\$ 17,096</u>                                                            | <u>\$ 27,222</u>                                                             | <u>\$ 21,799</u>                                                            | <u>\$ 30,196</u>                                                            | <u>\$ 30,076</u>                                                            |

**CITY OF HOLLYWOOD, FLORIDA**

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)  
(\$ in thousands)

| <u>Fiscal<br/>Year</u> | <u>Property<br/>Taxes</u> | <u>Utilities<br/>Service<br/>Taxes</u> | <u>Franchise<br/>Taxes</u> | <u>Sales<br/>Tax</u> | <u>Gas<br/>Tax</u> | <u>Local<br/>Business<br/>Tax</u> | <u>Total</u> |
|------------------------|---------------------------|----------------------------------------|----------------------------|----------------------|--------------------|-----------------------------------|--------------|
| 2022                   | \$ 160,529                | \$ 22,151                              | \$ 16,400                  | \$ 12,608            | \$ 2,736           | \$ 2,510                          | \$ 216,934   |
| 2021                   | 156,077                   | 20,961                                 | 13,824                     | 10,911               | 2,569              | 2,418                             | 206,760      |
| 2020                   | 148,833                   | 20,886                                 | 12,057                     | 9,081                | 2,469              | 2,411                             | 195,737      |
| 2019                   | 135,454                   | 20,673                                 | 13,007                     | 10,080               | 2,773              | 2,299                             | 184,286      |
| 2018                   | 128,321                   | 21,004                                 | 12,911                     | 10,137               | 2,760              | 2,332                             | 177,465      |
| 2017                   | 113,267                   | 20,629                                 | 12,726                     | 9,563                | 2,766              | 2,030                             | 160,981      |
| 2016                   | 104,272                   | 20,324                                 | 11,540                     | 10,254               | 2,912              | 1,871                             | 151,173      |
| 2015                   | 96,227                    | 20,595                                 | 11,955                     | 9,252                | 2,651              | 1,773                             | 142,453      |
| 2014                   | 90,280                    | 20,625                                 | 11,748                     | 8,769                | 2,562              | 2,075                             | 136,059      |
| 2013                   | 85,395                    | 20,127                                 | 11,064                     | 8,246                | 2,487              | 1,949                             | 129,268      |

**CITY OF HOLLYWOOD, FLORIDA**

**FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(\$ in thousands)**

| Fiscal<br>Year | General Fund |            |           |          |            |           |
|----------------|--------------|------------|-----------|----------|------------|-----------|
|                | Nonspendable | Restricted | Committed | Assigned | Unassigned | Total     |
| 2022           | \$ 62        | \$ -       | \$ 11,121 | \$ 1,380 | \$ 75,716  | \$ 88,279 |
| 2021           | 50           | -          | 10,466    | 9,268    | 54,842     | 74,626    |
| 2020           | 58           | 12,774     | 10,955    | 6,458    | 49,198     | 79,443    |
| 2019           | 40           | 6,300      | 11,085    | 8,023    | 60,177     | 85,625    |
| 2018           | 37           | -          | 9,483     | 4,984    | 57,592     | 72,096    |
| 2017           | 47           | -          | 17,987    | 4,195    | 33,496     | 55,725    |
| 2016           | 34           | -          | 15,983    | 2,806    | 30,854     | 49,677    |
| 2015           | 42           | -          | 16,641    | 3,136    | 14,967     | 34,786    |
| 2014           | 7,506        | -          | 15,875    | 7,446    | 14,311     | 45,138    |
| 2013           | 4,151        | -          | 14,776    | 5,634    | 13,275     | 37,836    |

| Fiscal<br>Year | Other Governmental Funds |            |           |          |            |            | Total<br>Governmental<br>Funds |
|----------------|--------------------------|------------|-----------|----------|------------|------------|--------------------------------|
|                | Nonspendable             | Restricted | Committed | Assigned | Unassigned | Total      |                                |
| 2022           | \$ 680                   | \$ 141,677 | \$ 20,607 | \$ 3,064 | \$ (1,959) | \$ 164,069 | \$ 252,348                     |
| 2021           | 1,954                    | 143,905    | 11,798    | 4,629    | (971)      | 161,315    | 235,941                        |
| 2020           | 3,024                    | 126,232    | 12,395    | 4,786    | (5,163)    | 141,274    | 220,717                        |
| 2019           | 1,132                    | 112,182    | 330       | 6,702    | (9,828)    | 110,518    | 196,143                        |
| 2018           | -                        | 51,187     | 5,205     | 2,076    | (9,948)    | 48,520     | 120,616                        |
| 2017           | 1,586                    | 75,530     | 6,561     | 1,348    | (2,990)    | 82,035     | 137,760                        |
| 2016           | 2,042                    | 75,779     | 5,909     | 3,298    | -          | 87,028     | 136,705                        |
| 2015           | 2,501                    | 44,225     | 218       | 1,387    | (191)      | 48,140     | 82,926                         |
| 2014           | 915                      | 60,399     | 5,659     | 2,241    | -          | 69,214     | 114,352                        |
| 2013           | 1,138                    | 63,028     | 3,135     | 2,834    | 373        | 70,508     | 108,344                        |

**CITY OF HOLLYWOOD, FLORIDA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(\$ in thousands)**

|                                                              | <u>2022</u>    | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>    |
|--------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>REVENUES:</b>                                             |                |                |                |                |                |
| Property Taxes                                               | \$ 143,588     | \$ 138,800     | \$ 132,135     | \$ 121,538     | \$ 112,390     |
| Utilities Service Taxes                                      | 22,151         | 20,961         | 20,886         | 20,673         | 21,004         |
| Franchise Taxes                                              | 16,400         | 13,824         | 12,057         | 13,007         | 12,878         |
| Licenses and Permits                                         | 9,280          | 9,140          | 9,618          | 10,878         | 10,305         |
| Intergovernmental                                            | 59,868         | 52,043         | 49,886         | 42,807         | 41,235         |
| Charges for Services                                         | 65,194         | 60,015         | 57,614         | 59,582         | 50,182         |
| Fines and Forfeits                                           | 457            | 437            | 508            | 159            | 1,284          |
| Impact Fees                                                  | 395            | 824            | -              | -              | -              |
| Investment Revenue/(Loss)                                    | (2,811)        | 192            | 2,440          | 3,238          | 2,062          |
| Miscellaneous                                                | 4,906          | 5,289          | 3,331          | 14,663         | 3,261          |
| Total Revenues                                               | <u>319,428</u> | <u>301,525</u> | <u>288,475</u> | <u>286,545</u> | <u>254,601</u> |
| <b>EXPENDITURES:</b>                                         |                |                |                |                |                |
| Current:                                                     |                |                |                |                |                |
| General Government                                           | 45,875         | 39,223         | 39,873         | 55,236         | 33,057         |
| Public Safety                                                | 176,147        | 164,830        | 165,753        | 152,847        | 141,936        |
| Public Works                                                 | 13,076         | 13,197         | 13,159         | 12,921         | 12,229         |
| Transportation                                               | 3,427          | 3,419          | 3,085          | 2,840          | 2,297          |
| Economic Environment                                         | 10,634         | 8,737          | 6,808          | 5,992          | 3,826          |
| Physical Environment                                         | 156            | 890            | 988            | 432            | 20             |
| Culture and Recreation                                       | 13,679         | 12,451         | 11,959         | 11,698         | 11,411         |
| Human Services                                               | -              | -              | -              | -              | -              |
| Emergency and Disaster Relief                                | (94)           | 2,929          | 3,994          | 239            | 7,002          |
| Other                                                        | 43             | 43             | 113            | 250            | 2,252          |
| Capital Outlay:                                              |                |                |                |                |                |
| General Government                                           | 2,003          |                | 1,755          | 16,290         | 4,691          |
| Public Safety                                                | 9,285          | 859            | 4,248          | 2,810          | 2,721          |
| Public Works                                                 | -              | 2,970          | 11             | -              | -              |
| Transportation                                               | 8,020          | 1,722          | 1,087          | 1,573          | 1,719          |
| Economic Environment                                         | 3,088          | 178            | 50             | 6              | -              |
| Physical Environment                                         | 1,286          | 2,731          | 2,132          | 4,524          | 7,607          |
| Culture and Recreation                                       | 4,813          | 12,950         | 2,117          | 55             | 305            |
| Debt Service:                                                |                |                |                |                |                |
| Principal                                                    | 17,188         | 16,280         | 16,091         | 13,853         | 13,982         |
| Interest and Fiscal Charges                                  | 5,958          | 6,560          | 6,484          | 5,696          | 5,576          |
| Total Expenditures                                           | <u>314,584</u> | <u>289,969</u> | <u>279,707</u> | <u>287,262</u> | <u>250,631</u> |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>4,844</u>   | <u>11,556</u>  | <u>8,768</u>   | <u>(717)</u>   | <u>3,970</u>   |

| 2017      | 2016      | 2015      | 2014      | 2013      |
|-----------|-----------|-----------|-----------|-----------|
| \$ 98,520 | \$ 90,697 | \$ 84,028 | \$ 78,931 | \$ 75,318 |
| 20,629    | 20,324    | 20,595    | 20,625    | 20,127    |
| 12,726    | 11,540    | 11,955    | 11,749    | 11,064    |
| 7,973     | 8,864     | 8,054     | 6,688     | 5,952     |
| 38,261    | 37,116    | 34,467    | 37,515    | 36,183    |
| 48,187    | 44,915    | 44,010    | 45,188    | 41,804    |
| 61        | 424       | 1,659     | 774       | 307       |
| -         | -         | -         | -         | -         |
| 1,006     | 628       | 486       | 284       | 112       |
| 3,023     | 5,860     | 1,651     | 3,110     | 5,033     |
| 230,386   | 220,368   | 206,905   | 204,864   | 195,900   |
| 31,292    | 26,847    | 26,240    | 22,104    | 19,950    |
| 133,224   | 120,134   | 123,346   | 118,827   | 111,088   |
| 12,144    | 10,977    | 12,114    | 11,975    | 11,443    |
| 2,211     | 1,589     | 2,246     | 2,028     | 496       |
| 3,455     | 2,990     | 19,427    | 8,981     | 4,291     |
| 335       | 258       | 572       | 1,565     | 1,529     |
| 10,538    | 9,835     | 11,093    | 10,479    | 10,049    |
| -         | -         | -         | 52        | 57        |
| 3,293     | -         | -         | -         | -         |
| 2,333     | 2,718     | 3,775     | 2,447     | 3,748     |
| 1,840     | 3,097     | 1,599     | 2,065     | 158       |
| 3,046     | 2,582     | 1,340     | 1,341     | 1,538     |
| -         | -         | -         | -         | -         |
| 5,358     | 3,402     | 3,624     | 881       | 792       |
| 5         | -         | 5         | 3         | 3         |
| 4,080     | 718       | 7,625     | 671       | 1,057     |
| 468       | 313       | 571       | 444       | 150       |
| 13,628    | 13,773    | 12,702    | 20,097    | 11,716    |
| 6,213     | 8,974     | 7,864     | 7,591     | 7,907     |
| 233,463   | 208,207   | 234,143   | 211,551   | 185,972   |
| (3,077)   | 12,161    | (27,238)  | (6,687)   | 9,928     |

**CITY OF HOLLYWOOD, FLORIDA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)  
(\$ in thousands)**

|                                                                | <u>2022</u>          | <u>2021</u>          | <u>2020</u>          | <u>2019</u>          | <u>2018</u>         |
|----------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| <b>OTHER FINANCING SOURCES (USES):</b>                         |                      |                      |                      |                      |                     |
| Issuance of Debt                                               | \$ 4,901             | \$ -                 | \$ 11,700            | \$ 70,738            | \$ -                |
| Retirement of Debt                                             |                      |                      |                      | -                    | -                   |
| Transfers In                                                   | 27,501               | 21,910               | 21,377               | 14,593               | 13,246              |
| Transfers Out                                                  | (22,987)             | (18,346)             | (18,390)             | (11,220)             | (7,600)             |
| Sale of Assets                                                 | 1,385                | 103                  | 56                   | 2,133                | -                   |
| Lease (right -of-use asset) Acquired                           | 763                  | 103                  | 56                   | -                    | -                   |
| Impact Fees                                                    | -                    |                      | 1,064                |                      | -                   |
| Total Other Financing Sources (Uses)                           | <u>11,563</u>        | <u>3,770</u>         | <u>15,863</u>        | <u>76,244</u>        | <u>5,646</u>        |
| <br>Change in Fund Balances                                    | <br><u>\$ 16,407</u> | <br><u>\$ 15,326</u> | <br><u>\$ 24,631</u> | <br><u>\$ 75,527</u> | <br><u>\$ 9,616</u> |
| <br>Debt Service as a Percentage of<br>Noncapital Expenditures | <br>8.1%             | <br>8.5%             | <br>8.4%             | <br>7.5%             | <br>8.4%            |

| <u>2017</u>     | <u>2016</u>      | <u>2015</u>        | <u>2014</u>     | <u>2013</u>      |
|-----------------|------------------|--------------------|-----------------|------------------|
| \$ 14,831       | \$ 92,127        | \$ 45,922          | \$ 7,965        | \$ -             |
| (14,831)        | (53,924)         | (43,732)           | -               | -                |
| 12,143          | 15,352           | 16,783             | 14,182          | 13,643           |
| (8,011)         | (11,937)         | (12,817)           | (9,452)         | (9,286)          |
| -               | -                | -                  | -               | -                |
| -               | -                | -                  | -               | -                |
| -               | -                | -                  | -               | -                |
| <u>4,132</u>    | <u>41,618</u>    | <u>6,156</u>       | <u>12,695</u>   | <u>4,357</u>     |
| <u>\$ 1,055</u> | <u>\$ 53,779</u> | <u>\$ (21,082)</u> | <u>\$ 6,008</u> | <u>\$ 14,285</u> |
| 9.1%            | 11.5%            | 9.4%               | 13.4%           | 10.8%            |

**CITY OF HOLLYWOOD, FLORIDA**

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)  
 (\$ in thousands)

| Fiscal<br>Year | Property<br>Taxes | Utilities<br>Service<br>Taxes | Franchise<br>Taxes | Sales<br>Tax | Gasoline<br>Tax | Local<br>Business<br>Tax | Total      |
|----------------|-------------------|-------------------------------|--------------------|--------------|-----------------|--------------------------|------------|
| 2022           | \$ 143,588        | \$ 22,151                     | \$ 16,400          | \$ 12,608    | \$ 2,736        | \$ 2,467                 | \$ 199,950 |
| 2021           | 138,800           | 20,961                        | 13,824             | 10,911       | 2,569           | 2,418                    | 189,483    |
| 2020           | 132,135           | 20,886                        | 12,057             | 9,081        | 2,469           | 2,411                    | 179,039    |
| 2019           | 121,538           | 20,673                        | 13,007             | 10,080       | 2,773           | 2,299                    | 170,370    |
| 2018           | 115,782           | 21,004                        | 12,877             | 10,137       | 2,670           | 2,130                    | 164,600    |
| 2017           | 98,520            | 20,629                        | 12,726             | 9,563        | 2,677           | 1,931                    | 146,046    |
| 2016           | 90,697            | 20,324                        | 11,540             | 10,254       | 2,825           | 1,826                    | 137,466    |
| 2015           | 84,028            | 20,595                        | 11,955             | 9,252        | 2,569           | 1,723                    | 130,122    |
| 2014           | 78,931            | 20,625                        | 11,748             | 8,769        | 2,486           | 2,002                    | 124,561    |
| 2013           | 75,318            | 20,127                        | 11,064             | 8,246        | 2,412           | 1,881                    | 119,048    |

**CITY OF HOLLYWOOD, FLORIDA**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
(\$ in thousands)**

| Fiscal<br>Year | Real Property           |                        |                   | Personal<br>Property | Less:                  | Total<br>Taxable<br>Assessed<br>Value |
|----------------|-------------------------|------------------------|-------------------|----------------------|------------------------|---------------------------------------|
|                | Residential<br>Property | Commercial<br>Property | Other<br>Property |                      | Tax Exempt<br>Property |                                       |
| 2022           | \$ 18,164,519           | \$ 7,235,649           | \$ 9,381          | \$ 1,500,854         | \$ 8,007,188           | \$ 18,903,215                         |
| 2021           | 17,363,909              | 7,268,998              | 9,265             | 1,610,129            | 7,750,225              | 18,502,076                            |
| 2020           | 16,789,008              | 6,868,114              | 6,374             | 1,473,059            | 7,723,651              | 17,412,904                            |
| 2019           | 16,191,585              | 6,431,406              | 4,764             | 1,547,857            | 7,702,624              | 16,472,988                            |
| 2018           | 15,187,241              | 6,052,243              | 4,623             | 1,512,574            | 7,519,034              | 15,237,647                            |
| 2017           | 13,978,049              | 5,650,080              | 4,469             | 627,053              | 7,075,271              | 13,184,380                            |
| 2016           | 12,764,725              | 5,163,513              | 4,117             | 604,697              | 6,453,560              | 12,083,492                            |
| 2015           | 11,607,318              | 4,829,226              | 4,137             | 595,229              | 5,880,337              | 11,155,573                            |
| 2014           | 9,710,175               | 4,826,893              | 3,551             | 587,328              | 4,669,012              | 10,458,935                            |
| 2013           | 9,039,943               | 4,754,324              | 3,139             | 656,880              | 4,361,073              | 10,093,213                            |

Source: Broward County Property Appraiser's Office.

(1) Includes tax exempt property.

| Total<br>Direct<br>Tax Rate<br>(mills) | Estimated<br>Actual<br>Taxable<br>Value (1) | Assessed<br>Value as a<br>Percentage<br>of Actual<br>Value |
|----------------------------------------|---------------------------------------------|------------------------------------------------------------|
| 7.8966                                 | \$ 26,910,403                               | 70.25 %                                                    |
| 7.8966                                 | 26,252,301                                  | 70.48                                                      |
| 7.9226                                 | 25,136,556                                  | 69.27                                                      |
| 7.6992                                 | 24,175,612                                  | 68.14                                                      |
| 7.6992                                 | 22,756,682                                  | 66.96                                                      |
| 7.7363                                 | 20,259,651                                  | 65.08                                                      |
| 7.7677                                 | 18,537,052                                  | 65.19                                                      |
| 7.8007                                 | 17,035,909                                  | 65.48                                                      |
| 7.8436                                 | 15,127,947                                  | 69.14                                                      |
| 7.7519                                 | 14,454,286                                  | 69.83                                                      |
| 7.8928                                 | 14,540,895                                  | 69.51                                                      |

# CITY OF HOLLYWOOD, FLORIDA

## PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

| Fiscal<br>Year | City of Hollywood |         |         | Overlapping Rates (1) |         |         |                                |         |         |
|----------------|-------------------|---------|---------|-----------------------|---------|---------|--------------------------------|---------|---------|
|                |                   |         |         | Broward County        |         |         | Broward County School District |         |         |
|                | Operating         | Debt    | Total   | Operating             | Debt    | Total   | Operating                      | Debt    | Total   |
|                | Millage           | Service | City    | Millage               | Service | County  | Millage                        | Service | School  |
|                |                   | Millage | Millage |                       | Millage | Millage |                                | Millage | Millage |
| 2022           | 7.4810            | 0.4156  | 7.8966  | 5.5134                | 0.1556  | 5.6690  | 6.3180                         | 0.1441  | 6.4621  |
| 2021           | 7.4665            | 0.4301  | 7.8966  | 5.4999                | 0.1691  | 5.6690  | 6.4140                         | 0.0912  | 6.5052  |
| 2020           | 7.4665            | 0.4561  | 7.9226  | 5.4878                | 0.1812  | 5.6690  | 6.6350                         | 0.1043  | 6.7393  |
| 2019           | 7.4665            | 0.2327  | 7.6992  | 5.4792                | 0.1898  | 5.6690  | 6.2750                         | 0.1279  | 6.4029  |
| 2018           | 7.4479            | 0.2513  | 7.6992  | 5.4623                | 0.2067  | 5.6690  | 6.4740                         | 0.0654  | 6.5394  |
| 2017           | 7.4479            | 0.2884  | 7.7363  | 5.4474                | 0.2216  | 5.6690  | 6.8360                         | 0.0703  | 6.9063  |
| 2016           | 7.4479            | 0.3198  | 7.7677  | 5.4741                | 0.2489  | 5.7230  | 7.2030                         | 0.0710  | 7.2740  |
| 2015           | 7.4479            | 0.3528  | 7.8007  | 5.4584                | 0.2646  | 5.7230  | 7.4380                         | 0.0000  | 7.4380  |
| 2014           | 7.4479            | 0.3957  | 7.8436  | 5.4400                | 0.2830  | 5.7230  | 7.4800                         | 0.0000  | 7.4800  |
| 2013           | 7.4479            | 0.3040  | 7.7519  | 5.2576                | 0.2954  | 5.5530  | 7.4560                         | 0.0000  | 7.4560  |

Property Tax Rates: Expressed as mills per \$1,000 of taxable value.

Source: Broward County Property Appraiser.

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

(2) Hollywood tax district code 0543 and 0553 - excluding North Broward Hospital District.

(3) Hollywood tax district code 0534 - excluding South Broward Hospital District.

| Special<br>Districts | South<br>Broward<br>Hospital<br>District | North<br>Broward<br>Hospital<br>District | Total Direct and<br>Overlapping Rates |         |
|----------------------|------------------------------------------|------------------------------------------|---------------------------------------|---------|
|                      |                                          |                                          | (2)                                   | (3)     |
| 0.7591               | 0.1144                                   | 1.2770                                   | 20.9012                               | 22.0638 |
| 0.7877               | 0.1199                                   | 1.1469                                   | 20.9784                               | 22.0054 |
| 0.7997               | 0.1260                                   | 1.0324                                   | 21.2566                               | 22.1630 |
| 0.8138               | 0.1414                                   | 1.0855                                   | 20.7263                               | 21.6704 |
| 0.8302               | 0.1496                                   | 1.2483                                   | 20.8874                               | 21.9861 |
| 0.8509               | 0.1615                                   | 1.3462                                   | 21.3240                               | 22.5087 |
| 0.8753               | 0.1737                                   | 1.4425                                   | 21.8137                               | 23.0825 |
| 0.9069               | 0.1863                                   | 1.5939                                   | 22.0549                               | 23.4625 |
| 0.9337               | 0.4000                                   | 1.7554                                   | 22.3803                               | 23.7357 |
| 0.9536               | 0.6000                                   | 1.8564                                   | 22.3145                               | 23.5709 |
| 0.9497               | 0.7500                                   | 1.8750                                   | 22.5635                               | 23.6885 |
| 1.1281               | 1.2732                                   | 1.8750                                   | 22.7221                               | 23.3239 |
| 1.0828               | 1.2732                                   | 1.7059                                   | 21.5134                               | 21.9461 |

# CITY OF HOLLYWOOD, FLORIDA

## PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS AGO (\$ in thousands)

| Taxpayer                            | Fiscal Year 2022           |                                                 |
|-------------------------------------|----------------------------|-------------------------------------------------|
|                                     | Taxable Assessed Value (1) | Percentage of Total City Taxable Assessed Value |
| Florida Power & Light Company       | \$ 1,049,021               | 5.55 %                                          |
| Diplomat Properties LTD Partnership | 422,903                    | 2.24                                            |
| Oakwood Plaza LP                    | 160,550                    | 0.85                                            |
| MVHF LLC (BLDG) City of Hollywood   | 145,023                    | 0.77                                            |
| HC Real Property LLC                | 122,487                    | 0.65                                            |
| Equity One Sheridan Plaza LLC       | 93,404                     | 0.49                                            |
| North 29th FL Partners LLC          | 81,421                     | 0.43                                            |
| CDR Presidential LLC                | 56,180                     | 0.30                                            |
| Hollywood Beach LLC                 | 56,061                     | 0.30                                            |
| MHI/Carlyle Sian Owner LLC          | 55,109                     | 0.29                                            |
| Total Taxpayer                      | <u>\$ 2,242,159</u>        | <u>11.87 %</u>                                  |
| Total Taxable Assessed Value        | <u>\$ 18,903,215</u>       |                                                 |

| Taxpayer                            | Fiscal Year 2013           |                                                 |
|-------------------------------------|----------------------------|-------------------------------------------------|
|                                     | Taxable Assessed Value (2) | Percentage of Total City Taxable Assessed Value |
| Florida Power & Light Company       | \$ 254,464                 | 2.52 %                                          |
| Diplomat Properties LTD Partnership | 243,967                    | 2.42                                            |
| Michael Swerdlow Properties         | 96,239                     | 0.95                                            |
| Equity One LLC                      | 80,964                     | 0.80                                            |
| Distribution Funding, Inc.          | 46,660                     | 0.46                                            |
| WRI/Hollywood Hills LLC             | 37,460                     | 0.37                                            |
| SNH SE Properties Trust             | 36,899                     | 0.37                                            |
| CDR Presidential LLC                | 35,579                     | 0.35                                            |
| Windsor Hollywood LLC               | 33,188                     | 0.33                                            |
| Metropolitan Life Insurance Company | 31,850                     | 0.32                                            |
| Total Taxpayer                      | <u>\$ 897,270</u>          | <u>8.89 %</u>                                   |
| Total Taxable Assessed Value        | <u>\$ 10,093,213</u>       |                                                 |

Source: Broward County Revenue Collector.

(1) Value of nonexempt real and personal property subject to taxation at January 1, 2021.

(2) Value of nonexempt real and personal property subject to taxation at January 1, 2012.

**CITY OF HOLLYWOOD, FLORIDA**

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEAR  
(\$ in thousands)**

| Fiscal<br>Year | Total<br>Tax Levy (1) | Collected within the<br>Fiscal Year of the Levy |                                    | Collections<br>in Subsequent<br>Years | Total Collections to Date |                                    | % |
|----------------|-----------------------|-------------------------------------------------|------------------------------------|---------------------------------------|---------------------------|------------------------------------|---|
|                |                       | Amount                                          | Percentage<br>of Levy<br>Collected |                                       | Amount                    | Percentage<br>of Levy<br>Collected |   |
| 2022           | \$ 143,618            | \$ 143,551                                      | 100.0                              | -                                     | \$ 143,551                | 100.0                              |   |
| 2021           | 139,538               | 138,828                                         | 99.5                               | 650                                   | 139,478                   | 100.0                              |   |
| 2020           | 132,479               | 132,026                                         | 99.7                               | 453                                   | 132,479                   | 100.0                              |   |
| 2019           | 121,653               | 121,561                                         | 99.9                               | 85                                    | 121,646                   | 100.0                              |   |
| 2018           | 112,626               | 112,407                                         | 99.8                               | 219                                   | 112,626                   | 100.0                              |   |
| 2017           | 98,636                | 98,539                                          | 99.9                               | 97                                    | (2) 98,636                | 100.0                              |   |
| 2016           | 90,797                | 90,711                                          | 99.9                               | 85                                    | (2) 90,796                | 100.0                              |   |
| 2015           | 84,181                | 84,045                                          | 99.8                               | 98                                    | (2) 84,143                | 100.0                              |   |
| 2014           | 78,834                | 78,739                                          | 99.9                               | 95                                    | (2) 78,834                | 100.0                              |   |
| 2013           | 75,416                | 75,342                                          | 99.9                               | 74                                    | (2) 75,416                | 100.0                              |   |

(1) Source: Broward County Revenue Collector.

(2) Subsequent receipts are estimated based on prior year trends, the general ledger, and other data as collections by fiscal year are not readily available.

**CITY OF HOLLYWOOD, FLORIDA**

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(\$ in thousands, except per capita amount)**

| Governmental Activities |                                     |                                              |                   |                                       |                             |                               |  |
|-------------------------|-------------------------------------|----------------------------------------------|-------------------|---------------------------------------|-----------------------------|-------------------------------|--|
| Fiscal Year             | General<br>Obligation<br>Bonds/Note | Capital<br>Improvement<br>Bonds and<br>Loans | Capital<br>Leases | Revenue Bonds<br>and Loans<br>(CRA's) | Other<br>Loans and<br>Notes | Bond<br>Premium<br>(Discount) |  |
| 2022                    | \$ 81,036                           | \$ 44,729                                    | \$ 4,331          | \$ 14,682                             | \$ 1,580                    | \$ 11,693                     |  |
| 2021                    | 85,274                              | 40,414                                       | 4,361             | 22,723                                | 3,625                       | 13,353                        |  |
| 2020                    | 89,363                              | 42,858                                       | 3,946             | 30,455                                | 5,820                       | 15,200                        |  |
| 2019                    | 93,900                              | 32,550                                       | 5,943             | 37,887                                | 7,920                       | 17,073                        |  |
| 2018                    | 36,435                              | 33,161                                       | 7,794             | 45,661                                | 10,745                      | 7,871                         |  |
| 2017                    | 38,940                              | 34,231                                       | 6,937             | 53,043                                | 13,665                      | 9,527                         |  |
| 2016                    | 41,372                              | 51,803                                       | 7,926             | 60,231                                | -                           | 11,354                        |  |
| 2015                    | 43,922                              | 42,715                                       | 6,541             | 52,436                                | -                           | -                             |  |
| 2014                    | 46,050                              | 48,192                                       | 7,465             | 55,864                                | -                           | -                             |  |
| 2013                    | 47,720                              | 53,447                                       | 4,131             | 61,146                                | -                           | -                             |  |

Business-type Activities

|    | Water &<br>Sewer<br>Revenue<br>Bonds | Other<br>Loans and<br>Notes | Capital<br>Leases | Bond<br>Premium<br>(Discount) | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income | Per<br>Capita |
|----|--------------------------------------|-----------------------------|-------------------|-------------------------------|--------------------------------|-------------------------------------|---------------|
| \$ | 39,249                               | \$ 124,468                  | \$ 1,409          | \$ 7,024                      | \$ 330,201                     | N/A %                               | \$ 2,132      |
|    | 45,390                               | 108,792                     | 2,045             | 8,111                         | 334,088                        | 6.83                                | 2,171         |
|    | 61,623                               | 77,511                      | 2,633             | 1,681                         | 331,090                        | 7.11                                | 2,181         |
|    | 68,515                               | 69,318                      | 3,179             | 2,500                         | 338,785                        | 7.12                                | 2,200         |
|    | 75,054                               | 61,499                      | 5,246             | 3,477                         | 286,943                        | 6.41                                | 1,925         |
|    | 81,229                               | 66,111                      | 6,173             | 4,599                         | 314,455                        | 7.58                                | 2,136         |
|    | 87,119                               | 71,320                      | 7,115             | 5,853                         | 344,093                        | 8.61                                | 2,354         |
|    | 89,020                               | 78,585                      | 7,990             | 6,242                         | 327,451                        | 8.57                                | 2,259         |
|    | 103,070                              | 73,323                      | 8,802             | 1,959                         | 344,725                        | 9.15                                | 2,389         |
|    | 110,595                              | 68,701                      | 9,106             | 2,197                         | 357,043                        | 9.52                                | 2,481         |

**CITY OF HOLLYWOOD, FLORIDA**

**RATIOS OF GENERAL OBLIGATION BONDS/NOTES DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

(\$ in thousands, except per capita amount)

| <u>Fiscal<br/>Year</u> | <u>General<br/>Obligation<br/>Bonds/Note(1)</u> | <u>Less: Amounts<br/>Available in Debt<br/>Service Fund</u> | <u>Total</u> | <u>Percentage of<br/>Total<br/>Taxable Assessed<br/>Value of<br/>Property</u> | <u>Per<br/>Capita</u> |
|------------------------|-------------------------------------------------|-------------------------------------------------------------|--------------|-------------------------------------------------------------------------------|-----------------------|
| 2022                   | \$ 89,770                                       | \$ (1,441)                                                  | \$ 88,329    | 0.48 %                                                                        | 589                   |
| 2021                   | 98,627                                          | (570)                                                       | 98,057       | 0.52                                                                          | 629                   |
| 2020                   | 99,500                                          | (463)                                                       | 99,037       | 0.53                                                                          | 579                   |
| 2019                   | 104,593                                         | (354)                                                       | 104,239      | 0.61                                                                          | 612                   |
| 2018                   | 36,435                                          | (282)                                                       | 36,153       | 0.27                                                                          | 243                   |
| 2017                   | 38,940                                          | (233)                                                       | 38,707       | 0.32                                                                          | 263                   |
| 2016                   | 41,372                                          | (182)                                                       | 41,190       | 0.34                                                                          | 282                   |
| 2015                   | 43,922                                          | (129)                                                       | 43,793       | 0.39                                                                          | 302                   |
| 2014                   | 46,050                                          | (735)                                                       | 45,315       | 0.43                                                                          | 314                   |
| 2013                   | 47,720                                          | (685)                                                       | 47,035       | 0.47                                                                          | 327                   |

(1) Net of related premiums/discounts.

**CITY OF HOLLYWOOD, FLORIDA**

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
GENERAL OBLIGATION BONDS  
SEPTEMBER 30, 2022

| Governmental Unit                    | Bonded Debt<br>Outstanding | Applicable to<br>City of Hollywood |                       |
|--------------------------------------|----------------------------|------------------------------------|-----------------------|
|                                      |                            | Percent (1)                        | Amount                |
| DIRECT DEBT:                         |                            |                                    |                       |
| City of Hollywood:                   |                            |                                    |                       |
| General Obligation (2)               | \$ 89,770,460              | 100.00 %                           | \$ 89,770,460         |
| Non-Self-Supporting Revenue Debt (2) | <u>68,280,148</u>          | 100.00                             | <u>68,280,148</u>     |
| Total Direct Debt                    | <u>158,050,608</u>         | 100.00                             | <u>158,050,608</u>    |
| OVERLAPPING DEBT:                    |                            |                                    |                       |
| Broward County                       | 72,313,000                 | 6.00                               | 4,338,780             |
| Broward School District              | <u>2,548,178,000</u>       | 6.00                               | <u>152,890,680</u>    |
| Total Overlapping Debt               | <u>2,620,491,000</u>       |                                    | <u>157,229,460</u>    |
| Total Direct and Overlapping Debt    | <u>\$ 2,778,541,608</u>    |                                    | <u>\$ 315,280,068</u> |

Source: Taxing authority indicated.

(1) Percent of taxable value of property in Hollywood to taxable value of property in overlapping unit.

(2) Net of related premiums and/or discounts.

COMPUTATION OF LEGAL DEBT MARGIN  
SEPTEMBER 30, 2022

The City has no legal debt margin requirement.

**CITY OF HOLLYWOOD, FLORIDA**

PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS  
(\$ in thousands)

|                |              | Water & Sewer Revenue Debt |                      |           |              |          |          |  |
|----------------|--------------|----------------------------|----------------------|-----------|--------------|----------|----------|--|
| Fiscal<br>Year |              |                            | Less:                | Net       | Debt Service |          | Coverage |  |
|                | Revenues (1) | Operating<br>Expenses (2)  | Available<br>Revenue | Principal | Interest     |          |          |  |
| 2022           | (2)          | \$ 92,574                  | \$ 47,034            | \$ 45,540 | \$ 14,359    | \$ 3,189 | 2.60     |  |
| 2021           | (2)          | 109,894                    | 44,633               | 65,261    | 12,241       | 3,521    | 4.14     |  |
| 2020           | (2)          | 102,412                    | 68,548               | 33,864    | 13,766       | 5,504    | 1.76     |  |
| 2019           | (2)          | 99,616                     | 52,652               | 46,964    | 12,726       | 4,971    | 2.74     |  |
| 2018           | (2)          | 100,416                    | 48,857               | 51,559    | 12,079       | 5,895    | 2.87     |  |
| 2017           | (2)          | 100,108                    | 47,581               | 52,527    | 11,260       | 6,676    | 2.93     |  |
| 2016           | (2)          | 96,241                     | 43,130               | 53,111    | 11,835       | 6,184    | 2.95     |  |
| 2015           | (2)          | 100,875                    | 42,327               | 58,548    | 12,255       | 7,341    | 2.99     |  |
| 2014           | (2)          | 94,347                     | 43,477               | 50,870    | 12,520       | 8,377    | 2.43     |  |
| 2013           | (2)          | 90,477                     | 42,632               | 47,845    | 11,957       | 8,347    | 2.35     |  |

(1) Total revenues include charges for services (excluding Impact Fees) and miscellaneous revenue.

(2) Total operating and investment revenue

# CITY OF HOLLYWOOD, FLORIDA

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

| Fiscal Year | Population (1) | Personal Income (2)<br>(\$ in thousands) | Per Capita Personal Income (2) | Median Age (2) | School Enrollment (3) | Unemployment Rate (4) |
|-------------|----------------|------------------------------------------|--------------------------------|----------------|-----------------------|-----------------------|
| 2022        | 154,909        | N/A                                      | N/A                            | N/A            | 19,494                | 3.2 %                 |
| 2021        | 153,854        | 4,889,634                                | 31,781                         | 40.6           | 20,410                | 4.6                   |
| 2020        | 151,818        | 4,657,017                                | 30,675                         | 42.7           | 19,263                | 8.2                   |
| 2019        | 150,878        | 4,661,828                                | 30,898                         | 41.4           | 19,251                | 3.2                   |
| 2018        | 149,028        | 4,479,782                                | 30,060                         | 41.7           | 19,441                | 3.5                   |
| 2017        | 147,212        | 4,148,729                                | 28,182                         | 42.1           | 19,360                | 4.3                   |
| 2016        | 146,155        | 3,995,001                                | 27,334                         | 42.6           | 19,623                | 4.6                   |
| 2015        | 144,926        | 3,819,815                                | 26,357                         | 41.9           | 20,238                | 5.3                   |
| 2014        | 144,310        | 3,769,089                                | 26,118                         | 41.7           | 20,368                | 5.5                   |
| 2013        | 143,935        | 3,752,242                                | 26,069                         | 41.7           | 20,172                | 6.3                   |

(1) Source: University of Florida, Bureau of Economic and Business Research.

(2) Source: U.S. Census Bureau (estimate).

(3) Source: Broward School District - for Hollywood.

(4) Source: U.S. Department of Labor, Bureau of Labor Statistics.

N/A: Not available at time of publication.

**CITY OF HOLLYWOOD, FLORIDA**

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

**SEPTEMBER 30, 2022**

| <u>Employer</u>                  | <u>Employees</u> | <u>Product/<br/>Business</u> | <u>Percentage<br/>of<br/>Employment</u> |
|----------------------------------|------------------|------------------------------|-----------------------------------------|
| Memorial Healthcare System       | 5,463            | Hospital                     | 4.4 %                                   |
| Diplomat Resort & Spa            | 1,500            | Hotel                        | 1.2                                     |
| Joe DiMaggio Children's Hospital | 1,317            | Hospital                     | 1.1                                     |
| City of Hollywood                | 1,330            | Government                   | 1.1                                     |
| Publix Supermarkets              | 1,127            | Supermarket Chain            | 0.9                                     |
| Memorial Regional Hospital South | 761              | Hospital                     | 0.6                                     |
| Chewy                            | 694              | Pet Food Distributor         | 0.6                                     |
| Brandsmart U.S.A.                | 320              | Retail Consumer Electronics  | 0.3                                     |
| Toyota of Hollywood              | 265              | Vehicle Sales                | 0.2                                     |
| HEICO Corporation                | 237              | Aircraft Parts               | 0.2                                     |

**SEPTEMBER 30, 2013**

| <u>Employer</u>                  | <u>Employees</u> | <u>Product/<br/>Business</u> | <u>Percentage<br/>of<br/>Employment</u> |
|----------------------------------|------------------|------------------------------|-----------------------------------------|
| Memorial Healthcare System       | 10,000           | Hospital                     | 12.7 %                                  |
| City of Hollywood                | 1,149            | Government                   | 1.5                                     |
| Westin Diplomat Resort & Spa     | 1,100            | Hotel                        | 1.4                                     |
| Publix Supermarkets              | 952              | Supermarket Chain            | 1.2                                     |
| Memorial Regional Hospital South | 563              | Hospital                     | 0.7                                     |
| Brandsmart U.S.A.                | 400              | Retail Consumer Electronics  | 0.5                                     |
| Great Health Works, Inc.         | 382              | Health Care Products         | 0.5                                     |
| First Services Residential       | 370              | Property Management          | 0.5                                     |
| HEICO Corporation                | 294              | Aircraft Parts               | 0.4                                     |
| Sheridan Technical Center        | 268              | Educational Facility         | 0.3                                     |

Source: City of Hollywood

# CITY OF HOLLYWOOD, FLORIDA

## BUDGETED FULL-TIME POSITIONS FOR CITY EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

|                                                  | 2022  | 2021  | 2020  | 2019  | 2018  | 2017  | 2016  | 2015  | 2014  | 2013  |
|--------------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| FUNCTION:                                        |       |       |       |       |       |       |       |       |       |       |
| General Government:                              |       |       |       |       |       |       |       |       |       |       |
| City Commission:                                 |       |       |       |       |       |       |       |       |       |       |
| Elected Officials                                | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 7     |
| Administrative Staff                             | 6     | 6     | 6     | 6     | 6     | 6     | 6     | 6     | 6     | 6     |
| City Manager                                     | 8     | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 7     | 7     |
| City Clerk                                       | 6     | 6     | 6     | 6     | 6     | 8     | 8     | 8     | 8     | 8     |
| City Attorney                                    | 14    | 14    | 14    | 14    | 14    | 14    | 14    | 12    | 10    | 10    |
| Procurement Services                             | -     | -     | 8     | 8     | 8     | -     | -     | -     | -     | -     |
| Budget & Performance Management                  | 7     | 7     | 8     | -     | -     | -     | -     | -     | -     | -     |
| Business & International Trade                   | -     | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Public Affairs & Marketing                       | -     | -     | -     | -     | -     | 5     | 5     | 6     | 6     | 6     |
| Communications, Marketing & Economic Development | 10    | 10    | 11    | 10    | 10    | -     | -     | -     | -     | -     |
| Financial Services                               | 39    | 41    | 33    | 42    | 42    | 50    | 50    | 49    | 48    | 57    |
| Human Resources & Risk Management                | -     | -     | -     | -     | -     | -     | -     | -     | 15    | 15    |
| Human Resources                                  | 13    | 13    | 13    | 9     | 10    | 11    | 11    | 12    | -     | -     |
| Labor Relations & Risk Management                | 4     | 4     | 4     | 4     | 3     | 4     | 4     | 3     | -     | -     |
| Development Services:                            |       |       |       |       |       |       |       |       |       |       |
| Administration                                   | 5     | 4     | 4     | 4     | 3     | 3     | -     | -     | -     | -     |
| Architecture                                     | -     | -     | 9     | 9     | 8     | 9     | -     | -     | -     | -     |
| Engineering/Transportation Mobility              | 14    | 14    | 5     | 5     | 6     | 6     | -     | -     | -     | -     |
| Parking Services                                 | -     | -     | -     | 18    | 18    | 16    | 16    | 16    | 16    | 16    |
| Planning & Development Services                  | -     | -     | -     | -     | -     | -     | -     | -     | 41    | 41    |
| Planning                                         | 9     | 9     | 9     | 7     | 7     | 7     | 11    | 11    | -     | -     |
| Building                                         | 37    | 32    | 32    | 33    | 31    | 31    | 31    | 30    | -     | -     |
| Code Compliance                                  | 28    | 28    | 28    | -     | -     | -     | -     | -     | -     | -     |
| Community Development - ILA                      | 1     | 1     | -     | -     | -     | -     | -     | -     | -     | -     |
| Public Safety:                                   |       |       |       |       |       |       |       |       |       |       |
| Police:                                          |       |       |       |       |       |       |       |       |       |       |
| Officers                                         | 327   | 321   | 321   | 323   | 321   | 321   | 322   | 323   | 335   | 334   |
| Civilians                                        | 132   | 129   | 127   | 103   | 109   | 109   | 133   | 168   | 168   | 164   |
| Fire:                                            |       |       |       |       |       |       |       |       |       |       |
| Certified                                        | 242   | 235   | 233   | 233   | 226   | 225   | 213   | 213   | 230   | 230   |
| Beach Safety                                     | 27    | 27    | 27    | 26    | 26    | 26    | 26    | 26    | 26    | 26    |
| Civilians                                        | 12    | 12    | 14    | 12    | 12    | 12    | 12    | 12    | 12    | 12    |
| Public Works:                                    |       |       |       |       |       |       |       |       |       |       |
| Administration                                   | 7     | 6     | 6     | 6     | 6     | 6     | 6     | 6     | 7     | 7     |
| Code Compliance                                  | -     | -     | -     | 25    | 25    | 25    | -     | -     | -     | -     |
| Streets & Highways                               | 28    | 28    | 28    | 28    | 27    | 24    | 24    | 24    | 24    | 29    |
| Building & Grounds                               | 29    | 29    | 29    | 27    | 33    | 36    | 48    | 51    | 52    | 34    |
| Fleet Maintenance                                | 15    | 15    | 15    | 15    | 15    | 15    | 15    | 15    | 14    | 14    |
| Community & Economic Development                 | -     | -     | -     | -     | -     | 4     | 4     | 4     | 4     | 4     |
| Culture and Recreation                           | 43    | 42    | 42    | 42    | 42    | 42    | 42    | 44    | 44    | 43    |
| Public Utilities:                                |       |       |       |       |       |       |       |       |       |       |
| Administration                                   | 45    | 44    | 44    | 44    | 44    | 44    | 44    | 44    | 39    | 23    |
| Engineering Services                             | 19    | 19    | 19    | 19    | 19    | 19    | 18    | 18    | 18    | 18    |
| Water & Wastewater                               | 134   | 134   | 130   | 130   | 130   | 130   | 131   | 132   | 132   | 128   |
| Stormwater                                       | 12    | 11    | 11    | 11    | 11    | 11    | 11    | 11    | 11    | 11    |
| Sanitation                                       | 15    | 15    | 15    | 18    | 15    | 15    | 11    | 10    | 10    | 5     |
| Information Technology                           | 23    | 23    | 22    | 22    | 23    | 23    | 23    | 23    | 23    | 23    |
| Design & Construction Management                 | 12    | 19    | 18    | -     | -     | -     | 4     | 8     | 8     | 18    |
| Total                                            | 1,330 | 1,312 | 1,305 | 1,273 | 1,270 | 1,271 | 1,257 | 1,299 | 1,321 | 1,296 |

Source: City of Hollywood adopted fiscal year budget.

# CITY OF HOLLYWOOD, FLORIDA

## OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

|                                                                     | 2022          | 2021          | 2020          | 2019          |
|---------------------------------------------------------------------|---------------|---------------|---------------|---------------|
| FUNCTION:                                                           |               |               |               |               |
| Police:                                                             |               |               |               |               |
| Physical Arrests                                                    | 2,713         | 4,073         | 3,578         | 5,368         |
| Traffic Summons                                                     | 14,823        | 15,027        | 10,481        | 13,883        |
| Fire:                                                               |               |               |               |               |
| Emergency Unit Responses                                            | 55,880        | 47,659        | 44,755        | 45,192        |
| Ambulance Transports                                                | 12,374        | 14,386        | 12,221        | 13,765        |
| Inspections Conducted                                               | 5,962         | 7,079         | 5,222         | 6,889         |
| Building Activity:                                                  |               |               |               |               |
| Permits Issued:                                                     |               |               |               |               |
| Electrical                                                          | 2,094         | 2,171         | 2,503         | 2,789         |
| Mechanical                                                          | 763           | 1,316         | 1,348         | 1,595         |
| Plumbing                                                            | 1,334         | 1,616         | 1,904         | 1,908         |
| Structural                                                          | 5,386         | 7,480         | 7,057         | 7,881         |
| Zoning                                                              | 191           | 146           | 137           | 55            |
| Reviewer Valuation:                                                 |               |               |               |               |
| Electrical                                                          | \$ 47,322,063 | \$ 28,675,899 | \$ 38,459,641 | \$ 34,409,093 |
| Mechanical                                                          | 17,946,532    | 32,907,612    | 31,126,705    | 18,050,008    |
| Plumbing                                                            | 23,152,054    | 15,801,199    | 24,398,214    | 17,441,998    |
| Structural                                                          | 288,998,097   | 287,192,145   | 372,062,082   | 604,218,963   |
| Zoning                                                              | 730,388       | 511,667       | 4,042,988     | 184,627       |
| Public Works:                                                       |               |               |               |               |
| Compressed Natural Gas (CGN) Used<br>in Place of Gasoline (Gallons) | -             | -             | -             | 11,837        |
| E85 Gas                                                             | 363,100       | 465,355       | 442,243       | 410,133       |
| Reuse Water Used for Irrigation Purposes (Cubic<br>Feet)            | 4,478,696     | 4,478,696     | 4,482,969     | 4,922,167     |
| Culture and Recreation:                                             |               |               |               |               |
| Special Events/Programs Held                                        | 67            | 44            | 64            | 177           |
| Special Events/Program Participants                                 | 90,960        | 97,105        | 45,416        | 126,365       |
| Sports Fields Prepared for Games                                    | 1,788         | 1,350         | 1,755         | 3,840         |
| Rounds of Golf Played at Orangebrook Golf Course                    | 67,173        | 50,231        | 52,892        | 73,931        |
| Water System:                                                       |               |               |               |               |
| Average Daily Consumption (Million GPD)                             | 23.3          | 22.1          | 21.7          | 21.2          |
| Wastewater System:                                                  |               |               |               |               |
| Average Daily Treatment (Million GPD)                               | 38.4          | 40.7          | 38.9          | 38.3          |
| Sanitation:                                                         |               |               |               |               |
| Solid Waste Collection (Tons)                                       | 40,997        | 50,721        | 51,835        | 45,622        |
| Material Recycled (Tons)                                            | 9,425         | 9,654         | 9,714         | 11,320        |
| Parking Services:                                                   |               |               |               |               |
| Parking Violations Issued                                           | 59,436        | 53,913        | 43,641        | 43,670        |

Source: Information herein provided by various City departments annually.  
The use of E85 gas began in May 2017

| 2018          | 2017        | 2016          | 2015          | 2014          | 2013          |
|---------------|-------------|---------------|---------------|---------------|---------------|
| 6,172         | 7,059       | 7,502         | 5,584         | 2,536         | 2,291         |
| 16,184        | 22,583      | 23,809        | 22,150        | 22,915        | 17,921        |
| 48,260        | 65,483      | 65,221        | 63,443        | 55,773        | 53,485        |
| 13,063        | 13,810      | 14,740        | 14,825        | 14,719        | 15,583        |
| 3,742         | 3,750       | 5,097         | 7,612         | 7,670         | 7,637         |
| 3,289         | 2,667       | 2,598         | 2,047         | 1,993         | 2,533         |
| 1,567         | 1,520       | 1,411         | 1,393         | 1,447         | 1,449         |
| 2,672         | 2,582       | 2,427         | 4,169         | 2,116         | 1,793         |
| 8,647         | 6,361       | 6,422         | 5,596         | 5,441         | 5,137         |
| -             | -           | -             | -             | -             | -             |
| \$ 50,594,374 | 33,592,099  | \$ 48,951,927 | \$ 28,147,130 | \$ 26,130,994 | \$ 26,216,036 |
| 24,154,831    | 19,751,604  | 25,482,660    | 30,026,421    | 21,556,183    | 14,013,724    |
| 23,497,454    | 18,259,839  | 26,030,291    | 22,863,089    | 21,908,622    | 8,948,921     |
| 424,251,620   | 293,230,831 | 411,440,568   | 345,464,780   | 222,708,457   | 214,519,259   |
| -             | -           | -             | -             | -             | -             |
| 5,389         | 8,118       | 98,855        | 86,859        | 41,548        | 26,308        |
| 391,873       | 165,926     | -             | -             | -             | -             |
| 4,922,167     | 3,620,000   | 2,352,286     | 3,534,628     | 2,530,166     | 2,229,544     |
| 174           | 102         | 118           | 113           | 265           | 343           |
| 130,984       | 254,694     | 209,869       | 238,948       | 228,332       | 379,016       |
| 10,188        | 3,810       | 5,200         | 8,100         | 11,110        | 9,174         |
| 71,508        | 75,133      | 64,497        | 76,181        | 78,745        | 85,360        |
| 21.9          | 20.9        | 22.6          | 22.3          | 21.4          | 20.9          |
| 34.7          | 38.5        | 36.0          | 36.5          | 38.0          | 38.5          |
| 45,622        | 44,809      | 41,640        | 41,307        | 43,191        | 41,468        |
| 11,320        | 9,989       | 9,753         | 9,216         | 9,030         | 9,096         |
| 39,967        | 35,896      | 37,886        | 38,934        | 41,756        | 27,937        |

# CITY OF HOLLYWOOD, FLORIDA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

|                                                    | 2022   | 2021   | 2020   | 2019   |
|----------------------------------------------------|--------|--------|--------|--------|
| <b>FUNCTION:</b>                                   |        |        |        |        |
| Police:                                            |        |        |        |        |
| Stations                                           | 1      | 1      | 1      | 1      |
| Neighborhood Network Centers                       | 2      | 2      | 2      | 2      |
| Patrol Units & Other Vehicles                      | 492    | 461    | 439    | 480    |
| Fire:                                              |        |        |        |        |
| Stations                                           | 6      | 6      | 6      | 6      |
| Training Centers                                   | 1      | 1      | 1      | 1      |
| Beach Safety Center                                | 1      | 1      | 1      | 1      |
| Fire Apparatus                                     | 15     | 15     | 15     | 15     |
| Emergency Rescue/Transport Units                   | 12     | 12     | 12     | 12     |
| Highways and Streets:                              |        |        |        |        |
| Miles of Streets                                   | 879    | 879    | 879    | 879    |
| Miles of Alleys                                    | 88     | 88     | 88     | 88     |
| Number of Street Lights                            | 9,026  | 9,026  | 9,026  | 8,819  |
| Culture and Recreation:                            |        |        |        |        |
| Art and Culture Centers                            | 3      | 2      | 2      | 2      |
| Baseball/Softball Diamonds                         | 13     | 14     | 14     | 15     |
| Basketball Courts-Indoor                           | 3      | 3      | 3      | 3      |
| Basketball Courts-Outdoor                          | 24     | 24     | 24     | 24     |
| Beach:                                             |        |        |        |        |
| Total Miles                                        | 6      | 6      | 6      | 6      |
| Miles Maintained for Public Use                    | 5      | 5      | 5      | 5      |
| Miles of Patrolled Area                            | 5      | 5      | 5      | 5      |
| Bocci Ball Courts                                  | 2      | 2      | 2      | 2      |
| Football/Soccer Fields                             | 17     | 17     | 17     | 23     |
| Golf Courses (36, 18 and 9 Holes)                  | 3      | 3      | 3      | 3      |
| Paddleball Courts                                  | 18     | 18     | 18     | 18     |
| Parks and Playgrounds                              | 90     | 90     | 79     | 80     |
| Performing Arts Center-Indoor (508 Seats)          | 1      | 1      | 1      | 1      |
| Recreation Centers                                 | 12     | 12     | 11     | 11     |
| Roller Hockey Rinks (Converted for pickleball use) | 1      | 1      | 1      | 1      |
| Shuffleboard Courts                                | -      | 26     | 26     | 36     |
| Skate Parks                                        | 2      | 2      | 2      | 2      |
| Swimming Pools                                     | 1      | 1      | 1      | 1      |
| Tennis Centers (12 Lighted Courts)                 | 1      | 1      | 1      | 1      |
| Tennis Courts                                      | 9      | 9      | 9      | 9      |
| Theaters-Outdoor                                   | 3      | 3      | 3      | 3      |
| Water System:                                      |        |        |        |        |
| Miles of Water Mains                               | 550    | 550    | 547    | 547    |
| Number of Supply Wells                             | 22     | 22     | 22     | 22     |
| Maximum Treatment Capacity (Million GPD)           | 46     | 46     | 46     | 46     |
| Maximum Treatment Capacity Rating (Million GPD)    | 60     | 60     | 60     | 60     |
| Storage Capacity (Millions of Gallons)             | 18     | 18     | 18     | 18     |
| Number of Service Connections                      | 41,600 | 41,377 | 41,377 | 40,565 |
| Number of Fire Hydrants                            | 3,038  | 3,037  | 2,913  | 2,869  |

| 2018   | 2017   | 2016   | 2015   | 2014   | 2013   |
|--------|--------|--------|--------|--------|--------|
| 1      | 1      | 1      | 1      | 1      | 1      |
| 2      | 2      | 2      | 3      | 3      | 3      |
| 510    | 510    | 521    | 550    | 518    | 441    |
| (      | (      |        |        |        |        |
| 1      | 1      |        |        |        |        |
| 6 )    | 5 )    | 6      | 6      | 6      | 6      |
| 1      | 1      | 1      | 1      | 1      | 1      |
| 1      | 1      | 1      | 1      | 1      | 1      |
| 15     | 15     | 15     | 15     | 15     | 15     |
| 12     | 12     | 12     | 12     | 12     | 12     |
| 879    | 879    | 879    | 879    | 879    | 879    |
| 85     | 85     | 85     | 85     | 85     | 85     |
| 8,822  | 9,438  | 9,262  | 9,262  | 9,246  | 9,246  |
| 2      | 2      | 2      | 2      | 2      | 2      |
| 15     | 15     | 15     | 15     | 15     | 15     |
| 2      | 2      | 2      | 2      | 2      | 2      |
| 24     | 24     | 24     | 24     | 24     | 24     |
| 6      | 6      | 6      | 6      | 6      | 6      |
| 5      | 5      | 5      | 5      | 5      | 5      |
| 5      | 5      | 5      | 5      | 5      | 5      |
| 2      | 2      | 2      | 2      | 2      | 2      |
| 18     | 18     | 18     | 18     | 18     | 18     |
| 3      | 3      | 3      | 3      | 3      | 3      |
| 18     | 18     | 18     | 18     | 18     | 18     |
| 81     | 80     | 80     | 81     | 81     | 81     |
| 1      | 1      | 1      | 1      | 1      | 1      |
| 11     | 11     | 11     | 11     | 11     | 11     |
| 1      | 1      | 1      | 1      | 1      | 1      |
| 36     | 36     | 36     | 36     | 36     | 36     |
| 2      | 2      | 2      | 2      | 2      | 2      |
| 1      | 1      | 1      | 1      | 1      | 1      |
| 1      | 1      | 1      | 1      | 1      | 1      |
| 9      | 9      | 9      | 9      | 9      | 9      |
| 3      | 3      | 3      | 3      | 3      | 3      |
| 550    | 550    | 550    | 557    | 555    | 555    |
| 22     | 22     | 22     | 22     | 22     | 22     |
| 46     | 46     | 46     | 46     | 46     | 46     |
| 60     | 60     | 60     | 60     | 60     | 60     |
| 18     | 18     | 18     | 18     | 18     | 13     |
| 41,372 | 40,565 | 41,128 | 40,247 | 40,299 | 40,299 |
| 2,832  | 2,832  | 2,685  | 2,687  | 2,592  | 2,578  |

# CITY OF HOLLYWOOD, FLORIDA

## CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

|                                          | 2022   | 2021   | 2020   | 2019   |
|------------------------------------------|--------|--------|--------|--------|
| Stormwater:                              |        |        |        |        |
| Miles of Storm Drains                    | 77.0   | 77.0   | 123.0  | 124.0  |
| Number of Catch Basins                   | 4,240  | 4,260  | 4,398  | 4,439  |
| Number of Pump Stations                  | 10     | 10     | 10     | 10     |
| Number of Drainage Wells                 | 12     | 12     | 12     | 12     |
| Number of Out-falls                      | 350    | 350    | 367    | 350    |
| Wastewater System:                       |        |        |        |        |
| Miles of Sanitary Sewers                 | 215    | 212    | 207    | 205    |
| Number of Lift Stations                  | 86     | 85     | 80     | 80     |
| Maximum Treatment Capacity (Million GPD) | 55.5   | 55.5   | 55.5   | 55.5   |
| Number of Service Connections            | 25,342 | 22,342 | 21,870 | 21,870 |
| Number of Sanitary Sewer Manholes        | 4,587  | 4,589  | 4,399  | 4,335  |

Source: Information herein is provided by various City departments annually.

(1) Fire Station 45 was demolished and is in the process of being rebuilt.

(Continued)

| 2018   | 2017   | 2016   | 2015   | 2014   | 2013   |
|--------|--------|--------|--------|--------|--------|
| 130.0  | 152.0  | 159.0  | 156.0  | 156.0  | 157.0  |
| 4,480  | 4,581  | 4,624  | 4,842  | 4,786  | 4,785  |
| 10     | 10     | 10     | 10     | 10     | 10     |
| 9      | 9      | 9      | 12     | 10     | 10     |
| 379    | 383    | 389    | 462    | 463    | 463    |
| 270    | 270    | 279    | 324    | 324    | 321    |
| 80     | 80     | 80     | 80     | 80     | 84     |
| 56.0   | 56.0   | 56.0   | 55.5   | 55.5   | 55.0   |
| 21,726 | 20,688 | 21,303 | 21,178 | 20,947 | 20,947 |
| 4,344  | 4,330  | 4,354  | 4,569  | 4,544  | 4,516  |





City of Hollywood, Florida  
Department of Financial Services  
P.O. Box 229045  
Hollywood, Florida 33022-9045  
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For more information visit our website  
[www.hollywoodfl.org](http://www.hollywoodfl.org)

**CITY OF HOLLYWOOD, FLORIDA**  
**COMPLIANCE REPORTS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

# CITY OF HOLLYWOOD, FLORIDA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hollywood, Florida (the "City"), as of and for the fiscal year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 6, 2023. Our report includes a reference to other auditors who audited the financial statements of Hollywood, Florida Community Redevelopment Agency (the "CRA"), which includes the Beach and Downtown Community Redevelopment funds as major governmental funds of the City. Our report also includes a reference to other auditors who audited the financial statements the City of Hollywood Firefighters' Pension Fund and the City of Hollywood Police Officers' Retirement System, fiduciary funds of the City, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the City of Hollywood Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*.

***Internal Control Over Financial Reporting***

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Marcum LLP". The signature is written in a cursive, flowing style.

Fort Lauderdale, FL  
June 6, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE  
UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL**

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

**Report on Compliance for Each Major Federal Program and State Project**

***Opinion on Each Major Federal Program and State Project***

We have audited the City of Hollywood, Florida's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement*, and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on each of the City's major federal programs and state project for the fiscal year ended September 30, 2022. The City's major federal programs and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs and state project for the fiscal year ended September 30, 2022.

***Basis for Opinion on Each Major Federal Programs and State Project***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Our responsibilities under those standards, the Uniform Guidance and Chapter 10.550, Rules of the Auditor General are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program and state project. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

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

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

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program and state projects as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

## ***Report on Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550 Rules of the Auditor General***

We have audited the financial statements of the City as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 6, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

*Marcum LLP*

Fort Lauderdale, FL  
June 6, 2023

CITY OF HOLLYWOOD, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| Federal/State Grantor,<br>Pass Through Entity,<br>Program Title                                                  | ALN/<br>CSFA<br>No. | Grant/<br>Contract<br>Number               | Expenditures | Passed<br>through to<br>Subrecipients |
|------------------------------------------------------------------------------------------------------------------|---------------------|--------------------------------------------|--------------|---------------------------------------|
| <b>FEDERAL GRANTS:</b>                                                                                           |                     |                                            |              |                                       |
| <u>U.S. Department of Housing and Urban Development:</u>                                                         |                     |                                            |              |                                       |
| Direct Programs:                                                                                                 |                     |                                            |              |                                       |
| CDBG - Entitlement Grants Cluster:                                                                               |                     |                                            |              |                                       |
| Community Development Block Grant - Year XXXX                                                                    | 14.218              | B-16-MC-12-0009                            | \$ 10,153    | \$ -                                  |
| Community Development Block Grant - Year XXXX                                                                    | 14.218              | B-18-MC-12-0009                            | 24,389       | -                                     |
| Community Development Block Grant - Year XXXX                                                                    | 14.218              | B-19-MC-12-0009                            | 21,086       | -                                     |
| Community Development Block Grant - Year XXXXI                                                                   | 14.218              | B-20-MC-12-0009                            | 40,218       | -                                     |
| Community Development Block Grant - Year XXXXII                                                                  | 14.218              | B-20-MC-12-0009                            | 592,170      | 138,732                               |
| Community Development Block Grant - Year XXXXIV                                                                  | 14.218              | B-21-MC-12-0009                            | 94,878       | -                                     |
| Community Development Block Grant - Year XXXXV                                                                   | 14.218              | B-22-MC-12-0009                            | 524,996      | 156,250                               |
| TOTAL Community Development Block Grant - Entitlement Grants Cluster                                             |                     |                                            | 1,307,890    | 294,982                               |
| HOME Investment Partnership Program Grant                                                                        | 14.239              | M16-MC-12-0227                             | 112,626      | 112,626                               |
| HOME Investment Partnership Program Grant                                                                        | 14.239              | M21-MC-12-0227                             | 52,226       | -                                     |
| TOTAL HOME Investment Partnerships Program                                                                       |                     |                                            | 164,852      | 112,626                               |
| TOTAL U.S. Department of Housing and Urban Development                                                           |                     |                                            | 1,472,742    | 407,608                               |
| <u>U.S. Department of Justice:</u>                                                                               |                     |                                            |              |                                       |
| Direct Programs:                                                                                                 |                     |                                            |              |                                       |
| COVID-19 - Coronavirus Emergency Supplemental Funding Program                                                    | 16.034              | 2020-VD-BX-0988                            | 60,138       | -                                     |
| Public Safety Partnership and Community Policing Grants: Law Enforcement Mental Health and Wellness Act (LEMHWA) | 16.710              | 15JCOPS-21-GG-02163-SLEM                   | 22,085       | -                                     |
| Byrne Discretionary Community Project Funding                                                                    | 16.753              | 15PBJA-22-GG-00137-BRND                    | 710,505      | -                                     |
| Federal Equitable Sharing Agreement                                                                              | 16.922              | FL0060500                                  | 48,075       | -                                     |
| Indirect Programs:                                                                                               |                     |                                            |              |                                       |
| Passed through the State of Florida, Department of Legal Affairs: Victims of Crime Act Grant (VOCA) - FY 22      | 16.575              | VOCA-2021-City of Hollywood Police - 00695 | 94,260       | -                                     |
| Passed through the City of Pompano Beach                                                                         |                     |                                            |              |                                       |
| Edward Byrne Justice Assistance Grant (JAG) Program - FY 2018                                                    | 16.738              | 2018-DJ-BX-0884                            | 29,582       | -                                     |
| TOTAL U.S. Department of Justice                                                                                 |                     |                                            | 964,645      | -                                     |
| <u>U.S. Department of Transportation:</u>                                                                        |                     |                                            |              |                                       |
| Indirect Programs:                                                                                               |                     |                                            |              |                                       |
| Passed through the State of Florida, Department of Transportation:                                               |                     |                                            |              |                                       |
| Highway Planning and Construction Cluster:                                                                       |                     |                                            |              |                                       |
| FDOT - Maintenance Contract - Pedestrian & Bicycle Safety                                                        | 20.205              | 433144-1-8404/G1X15                        | 39,521       | -                                     |
| TOTAL Highway Planning and Construction Cluster                                                                  |                     |                                            | 39,521       | -                                     |
| Passed through the Broward Metropolitan Planning Organization                                                    |                     |                                            |              |                                       |
| Federal Transit Cluster:                                                                                         |                     |                                            |              |                                       |
| USDOT-FTA-BPMO-Hlwd Blvd/SR 7 Mobility Hub Project                                                               | 20.507              | FL-2020-012-00                             | 34,470       | -                                     |
| TOTAL Federal Transit Cluster                                                                                    |                     |                                            | 34,470       | -                                     |
| Passed through the State of Florida, Department of Transportation:                                               |                     |                                            |              |                                       |
| State and Community Highway Traffic Safety Program - Speed and Aggressive Driving Grant                          |                     |                                            |              |                                       |
|                                                                                                                  | 20.600              | SC-2022-00279                              | 59,546       | -                                     |
| TOTAL U.S. Department of Transportation                                                                          |                     |                                            | 133,537      | -                                     |
| <u>U.S. Department of Treasury</u>                                                                               |                     |                                            |              |                                       |
| Direct Program:                                                                                                  |                     |                                            |              |                                       |
| Coronavirus State and Local Fiscal Recovery Funds                                                                | 21.027              | N/A                                        | 10,070,799   | -                                     |
| Indirect Programs:                                                                                               |                     |                                            |              |                                       |
| Passed through the Broward County                                                                                |                     |                                            |              |                                       |
| Coronavirus State and Local Fiscal Recovery Funds                                                                | 21.027              | SLFRP0160                                  | 3,021,636    | -                                     |
| TOTAL U.S. Department of Treasury                                                                                |                     |                                            | 13,092,435   | -                                     |

(Continued)

CITY OF HOLLYWOOD, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| Federal/State Grantor,<br>Pass Through Entity,<br>Program Title                  | ALN/<br>CSFA<br>No. | Grant/<br>Contract<br>Number                                           | Expenditures  | Passed<br>through to<br>Subrecipients |
|----------------------------------------------------------------------------------|---------------------|------------------------------------------------------------------------|---------------|---------------------------------------|
| <u>U.S. Department of Environmental Protection Agency:</u>                       |                     |                                                                        |               |                                       |
| Indirect Program:                                                                |                     |                                                                        |               |                                       |
| Passed through the State of Florida, Department of Environmental Protection:     |                     |                                                                        |               |                                       |
| Drinking Water State Revolving Fund Cluster:                                     |                     |                                                                        |               |                                       |
| Capitalization Grants for Drinking Water State Revolving Fund                    | 66.468              | DW060490                                                               | 2,383,034     | -                                     |
| TOTAL Drinking Water State Revolving Fund Cluster                                |                     |                                                                        | 2,383,034     | -                                     |
| TOTAL U.S. Department of Environmental Protection                                |                     |                                                                        | 2,383,034     | -                                     |
| <u>U.S. Department of Health and Human Services</u>                              |                     |                                                                        |               |                                       |
| Direct Programs:                                                                 |                     |                                                                        |               |                                       |
| Provider Relief Fund - Phase III (COVID-19)                                      | 93.498              | N/A                                                                    | 45,188        | -                                     |
| Indirect Program:                                                                |                     |                                                                        |               |                                       |
| Passed through the Florida Department of Health:                                 |                     |                                                                        |               |                                       |
| Injury Prevention and Control Research and State and Community based programs    | 93.136              | BWE51                                                                  | 72,395        | -                                     |
| TOTAL U.S. Department of Health and Human Services                               |                     |                                                                        | 117,583       | -                                     |
| <u>U.S. Department of Homeland Security:</u>                                     |                     |                                                                        |               |                                       |
| Direct Program:                                                                  |                     |                                                                        |               |                                       |
| Fiscal Year 2020 Staffing for Adequate Fire and Emergency Response (SAFER) Grant | 97.083              | EMW-2020-FF-00474                                                      | 1,132,530     | -                                     |
| Indirect Program:                                                                |                     |                                                                        |               |                                       |
| Passed through the State of Florida, Division on Emergency Management:           |                     |                                                                        |               |                                       |
| Urban Area Security Initiative (UASI) - FY 20                                    | 97.067              | R0232 / EMW-2020-SS-00035-S01                                          | 315,443       | -                                     |
| Passed through the State of Florida, Division of Emergency Management:           |                     |                                                                        |               |                                       |
| FEMA Disaster Assistance - IRMA                                                  | 97.036              | 4337DR                                                                 | (114,201)     | -                                     |
| FEMA Disaster Assistance - Surfside Building - Deployment Mission 88             | 97.036              | E3560-EM-FL                                                            | 4,499         | -                                     |
| FEMA Disaster Assistance - COVID19                                               | 97.036              | 4486DR                                                                 | 198,063       | -                                     |
|                                                                                  |                     | 4337-307-R, 4337-250-R, 4337-248-R, 4337-252-R, 4337-161-R, 4337-151-R | 82,679        | -                                     |
| FEMA - Hazard Mitigation - Generator Project                                     | 97.039              |                                                                        |               | -                                     |
| TOTAL U.S. Department of Homeland Security                                       |                     |                                                                        | 1,619,013     | -                                     |
| TOTAL EXPENDITURES OF FEDERAL AWARDS                                             |                     |                                                                        | \$ 19,782,989 | \$ 407,608                            |
| STATE GRANTS:                                                                    |                     |                                                                        |               |                                       |
| <u>State of Florida, Housing Finance Corporation</u>                             |                     |                                                                        |               |                                       |
| Direct Program:                                                                  |                     |                                                                        |               |                                       |
| State Housing Initiatives Partnership (SHIP) Program                             | 40.901              | 225001                                                                 | \$ 554,270    | \$ -                                  |
| TOTAL State of Florida, Housing Finance Corporation                              |                     |                                                                        | 554,270       | -                                     |
| <u>State of Florida, Department of Environmental Protection:</u>                 |                     |                                                                        |               |                                       |
| Direct Programs:                                                                 |                     |                                                                        |               |                                       |
| Capitalization Grants for Drinking Water State Revolving Fund                    | 37.076              | DW060460                                                               | 5,569,423     | -                                     |
| Capitalization Grants for Drinking Water State Revolving Fund                    | 37.076              | DW0604B0                                                               | 4,092,490     | -                                     |
| Capitalization Grants for Drinking Water State Revolving Fund                    | 37.077              | WW0604A0                                                               | 6,287,146     | -                                     |
| Capitalization Grants for Drinking Water State Revolving Fund                    | 37.077              | WW060480                                                               | 1,393,969     | -                                     |
| TOTAL State of Florida, Department of Environmental Protection                   |                     |                                                                        | 17,343,028    | -                                     |
| <u>State of Florida, Department of Elder Affairs:</u>                            |                     |                                                                        |               |                                       |
| Indirect Programs:                                                               |                     |                                                                        |               |                                       |
| Passed through the Areawide Council on Aging of Broward County, Inc.:            |                     |                                                                        |               |                                       |
| Local Service Programs - Elderly Grant 2020-2021                                 | 65.009              | JL 121-29-2022                                                         | 146,135       | -                                     |
| Local Service Programs - Elderly Grant 2021-2022                                 | 65.009              | JL 122-29-2023                                                         | 3,783         | -                                     |
| TOTAL State of Florida, Department of Elder Affairs                              |                     |                                                                        | 149,918       | -                                     |
| <u>State of Florida, Department of Law Enforcement</u>                           |                     |                                                                        |               |                                       |
| Direct Program:                                                                  |                     |                                                                        |               |                                       |
| FDLE-Identity Theft and Fraud Grant                                              | 71042               | 8F010                                                                  | 9,926         | -                                     |
| TOTAL State of Florida, Department of Health                                     |                     |                                                                        | 9,926         | -                                     |

(Continued)

CITY OF HOLLYWOOD, FLORIDA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| Federal/State Grantor,<br>Pass Through Entity,<br>Program Title      | ALN/<br>CSFA<br>No. | Grant/<br>Contract<br>Number | Expenditures         | Passed<br>through to<br>Subrecipients |
|----------------------------------------------------------------------|---------------------|------------------------------|----------------------|---------------------------------------|
| <u>State of Florida, Fish and Wildlife Conservation Commission</u>   |                     |                              |                      |                                       |
| Direct Program:                                                      |                     |                              |                      |                                       |
| Derelict Vessel Removal Project                                      | 77.005              | FWC-20389                    | 49,384               | -                                     |
| TOTAL State of Florida, Fish and Wildlife Conservation<br>Commission |                     |                              | <u>49,384</u>        | <u>-</u>                              |
| TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE                     |                     |                              | <u>\$ 18,106,526</u> | <u>\$ -</u>                           |

See accompanying notes to schedule of federal awards and state financial assistance.

# **CITY OF HOLLYWOOD, FLORIDA**

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards and state financial assistance (the “Schedule”) includes the federal activity and state grant activity of the City of Hollywood, Florida (the “City”) for the fiscal year ended September 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

### **NOTE 3 – INDIRECT COST RATE**

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CITY OF HOLLYWOOD, FLORIDA**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

None.

**II. PRIOR YEAR FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

None.

# CITY OF HOLLYWOOD, FLORIDA

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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### SECTION I – SUMMARY OF AUDITORS’ RESULTS

#### Financial Statements

Type of auditors’ report issued on whether the financial  
Statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Non-compliance material to financial statements noted? ☐ Yes ☒ No

#### Federal Awards and State Projects

Internal control over major programs and project:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Type of auditors’ report issued on compliance for  
major programs and project:

*Unmodified Opinion*

Any audit findings disclosed that are required to be  
reported in accordance with CFR 200.516(a)  
or Chapter 10.557, Rules of the Auditor General?

☐ Yes ☒ No

Identification of major programs and project:

ALN  
21.027

Federal Program or Cluster  
United States Department of Treasury –  
Coronavirus State and Local Fiscal Recovery Funds

97.083

Department of Homeland Security –  
Staffing for Adequate Fire and Emergency  
Response (SAFER)

CSFA No.  
37.076

State Project  
Capitalization Grants for Drinking Water State  
Revolving Fund

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

\$750,000

Dollar threshold used to distinguish between Type A and  
Type B projects – State:

\$750,000

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

☒ Yes ☐ No

**CITY OF HOLLYWOOD, FLORIDA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

None.

**SECTION III – FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS**

None.

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

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

***Report on the Financial Statements***

We have audited the financial statements of the City of Hollywood, Florida (the “City”), as of and for the fiscal year ended September 30, 2022, and have issued our report thereon dated June 6, 2023. We did not audit the financial statements of the Hollywood, Florida Community Redevelopment Agency (the “CRA”), which includes the Beach and Downtown Community Redevelopment funds as major governmental funds of the City, and the City of Hollywood Firefighters’ Pension Fund and the City of Hollywood Police Officers’ Retirement System, fiduciary funds of the City, as described in our report on the City’s financial statements. This management letter does not include any matters reported on separately by those other auditors in their management letter, if any.

***Auditors’ Responsibility***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

***Other Reporting Requirements***

We have issued our Independent Auditors’ Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors’ Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants’ Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated June 6, 2023, should be considered in conjunction with this management letter.

### ***Prior Audit Findings***

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

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

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note I to the financial statements. The City included the following blended component unit: the Hollywood Community Redevelopment Agency, comprised of the Downtown District and the Beach District. The Emerald Hills Safety Enhancement District is a discretely presented component unit of the City. Please note that the Central Residential Neighborhood Improvement District No. 1 and the City of Hollywood 441 Corridor Business NID No. 2 special districts were inactive as of September 30, 2022.

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

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the City has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the City did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our 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. In addition, we did not report audit findings in the schedule of findings and questioned costs.

### ***Specific Information***

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, items 1 through 6 below are not applicable to the Central Residential Neighborhood Improvement District No. 1 and the City of Hollywood 441 Corridor Business NID No. 2 as both special districts are inactive as of September 30, 2022. There are no amounts to report for items 1, 3, and 5 below for the Emerald Hills Safety Enhancement District. The Emerald Hills Safety Enhancement District reported 1 for item 2 and \$106,923 for item 4 below. The Emerald Hills Safety Enhancement District had a budget variance in the amount of \$6,691 for item 6 below.

- 1) The total number of District employees compensated in the last pay period of the District's fiscal year.
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the District's fiscal year.
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
- 5) Each construction project with a total cost of at least \$65,000 approved by the District that is scheduled to begin on or after October 1 of the fiscal year being reported, together with that total expenditures for such project, and
- 6) 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 District amends a final adopted budget under Section 189.016(6), Florida Statutes.

### ***Additional Matters***

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

### ***Purpose of this Letter***

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal, State and other granting agencies, the Mayor and the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Marcum LLP*

Fort Lauderdale, FL  
June 6, 2023

## CITY OF HOLLYWOOD, FLORIDA

### APPENDIX A – CURRENT YEAR AND PRIOR YEARS RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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| No. | Observations | Observation<br>Is Still<br>Relevant | Observation<br>Addressed<br>or<br>No Longer<br>Relevant |
|-----|--------------|-------------------------------------|---------------------------------------------------------|
|-----|--------------|-------------------------------------|---------------------------------------------------------|

---

#### **Current Year**

None

#### **Prior Year**

|              |                                                        |           |
|--------------|--------------------------------------------------------|-----------|
| MLC 2019-001 | SHIP Grant - Noncompliance with Reporting Requirements | Addressed |
|--------------|--------------------------------------------------------|-----------|



**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO  
SECTION 218.415 FLORIDA STATUTES**

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

We have examined the City of Hollywood's (the "City") compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2022. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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

In our opinion, the City complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2022.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

*Marcum LLP*

Fort Lauderdale, FL  
June 6, 2023

**IMPACT FEE AFFIDAVIT**

BEFORE ME, the undersigned authority, personally appeared David E. Keller who being duly sworn, deposes and says on oath that:

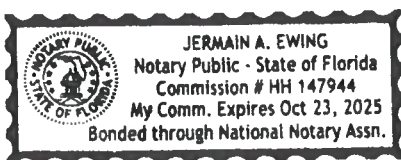
1. I am the Chief Financial Officer of City of Hollywood, Florida which is a local governmental entity of the State of Florida;
2. The governing body of City of Hollywood, Florida adopted Ordinance No. O-2013-21 (Park Impact Fee (Section 6.7G) of the Zoning and Land Development Regulations)), O-2019-18 (Water Impact Fee), O-2019-17 (Sewer Impact Fee), O-2022-17 (Repealing Park Impact Fee (Section 6.7G)), and O-2022-18 (Adoption of Impact Fees for General Government Buildings, Fire Rescue, Law Enforcement, Parks and Recreation, and Multi-Modal Transportation) implementing an impact fee(s) or authorized City of Hollywood, Florida to receive and expend proceeds of an impact fee(s) implemented by City of Hollywood, Florida; and
3. City of Hollywood, Florida has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

David E. Keller  
David E. Keller, Director of Financial Services  
City of Hollywood, Florida

STATE OF FLORIDA  
COUNTY OF (Name of County)

SWORN TO AND SUBSCRIBED before me this 17 day of MAY, 2023.



Jermain A. Ewing  
NOTARY PUBLIC  
Print Name Jermain A. Ewing

Personally known X or produced identification \_\_\_\_\_

Type of identification produced: \_\_\_\_\_

My Commission Expires:

10/23/2025

2600 Hollywood Boulevard  
P.O. Box 229045  
Hollywood, Florida  
33022-9045