



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT CITY OF HOLLYWOOD, FLORIDA

For the Fiscal Year Ended September 30, 2021



**Prepared by
Financial Services Department**

CITY OF HOLLYWOOD, FLORIDA
COMMISSION - MANAGER FORM OF GOVERNMENT
SEPTEMBER 30, 2021

CITY COMMISSION

JOSH LEVY, Mayor

CARYL SHUHAM, Commissioner - District 1

LINDA HILL ANDERSON, Commissioner - District 2

TRACI CALLARI, Vice Mayor - District 3

ADAM GRUBER, Commissioner - District 4

KEVIN BIEDERMAN, Commissioner - District 5

LINDA SHERWOOD, Commissioner - District 6

CITY MANAGER

WAZIR A. ISHMAEL, Ph.D.

CITY ATTORNEY

DOUGLAS GONZALES

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

Cover Photo: Hollywood Beach
The Presidential Circle

City of Hollywood, Florida

MISSION STATEMENT

***We are dedicated to providing municipal services
for our diverse community in an atmosphere
of cooperation, courtesy and respect.***

***We do this by ensuring all who live, work and play in the
City of Hollywood enjoy a high quality of life.***

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
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**City of Hollywood
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

The City of Hollywood has received a certificate of Achievement for the last 46 consecutive years, fiscal year ended 1975 through 2020. Hollywood became the 29th 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, 2021

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CITY OF HOLLYWOOD, FLORIDA

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Office of the City Manager
Wazir A. Ishmael, Ph.D.
City Manager



tel: 954.921.3201

June 14, 2022

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, 2021. 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 2021 permanent population of the City of Hollywood is estimated to be 153,854 (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, Commissioners, and/or City Manager. 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, 2021, the plans had total combined assets of \$1.2 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 2021 was \$18.5 billion, an increase of 6.3% from prior year. The City's operating tax millage rate remained at 7.4665 mills in fiscal year 2021. The total debt service millage rate is 0.4301 mills; a decrease of 5.7% from the prior year. The total FY 2021 millage rate is 7.89666 mills. The increase in taxable assessed property values will also generate an increase in property tax collections.

As noted in the MD&A, Moody's has reaffirmed the City's most recent borrowings as "Aa3" and "A1". These ratings are of at least upper medium grades and low credit risk.

The City is firmly committed to its ongoing reinvestment in our employees, our neighborhoods, our public infrastructure and facilities, and our City as a whole. The City will continue to be and become 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 growing personnel and health care costs, the COVID-19 pandemic, and significant maintenance and infrastructure needs.

The COVID-19 pandemic is ongoing since March 2020. In 2021, the Pandemic continues to have an impact on community and national economics. With these challenges, the City has remained steadfast to directives from the medical community. The City has led programs to help the community such as Food Distributions, Residential Finance Assistance, Local Business Financial Assistance, Personal Protective Equipment deliveries to Assisted Living Facilities and Schools, and enhanced disinfecting practices throughout the City. It is anticipated that the local and national economic picture will improve as consumer confidence and medical treatments improve.

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 fund balance in the General Fund ended fiscal year 2021 with an audited fund balance of \$89.6 million up from a low of \$4.3 million to start fiscal year 2012. Having a healthy fund balance gives the City financial flexibility, makes it better able to meet its cash flow needs, mitigates current and future financial risks and ensures predictability of future services. The City is committed to continuing this progress and the City must continue to budget carefully for the years ahead in order to ensure the City's 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 sets aside 17% of General Fund operating expenditures 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 financial difficulties in the future. 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 development future 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, 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 has occurred in recent years including following:

- 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.
- Toyota of Hollywood – this redevelopment consists of a brand new \$25 million dealership that includes a showroom, office, service area and a five-story parking garage at an estimated 408,000 square feet.
- 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.
- Fire Station #45 – The demolition and replacement of Fire Station 45 was completed during fiscal year 2020. The station provides the department enhanced operational capabilities to service the community in an efficient and effective manner.
- Various Public Utility Projects – The City completed various improvements to inflow/infiltration, and infrastructure improvements to the Water, Sewer, and Sanitation Systems.
- Park Improvements: Various City-wide Park improvements were completed in FY 2021.
 - The new sign at Bicentennial Park was installed in November 2020.
 - The Playground at Montella Park Playground was completed in April 2021.
 - Washington Park Scoreboard and fencing were completed in March 2021
 - Filmore St. Playground was completed in October 2020

- Sunset Golf Land – The City purchased the Sunset Golf Land. Plans to restore and develop the land are underway.

Several major initiatives are underway in the City which include infrastructure improvements and development of condominium, luxury rental and resort projects. Major initiatives include the following projects:

- State Road 7 Improvement Project – the US 441/State Road 7 in Hollywood now features six traffic lanes, landscaped safety medians, new lighting and sidewalks, bicycle lanes and bus bays. Additionally, sewer lines were installed to service the corridor. The \$200 million project was funded by the Florida Department of Transportation (FDOT), Broward Metropolitan Planning Organization and the City of Hollywood. The City worked with FDOT to develop required dry retention areas along the corridor into linear parks that will make State Road 7 visually appealing and safer for pedestrians, residents, businesses and motorists. Landscaping and mobility amenities are now being added.
- Hollywood Boulevard Complete Streets Project - Phase I of this project, which included demolition, new elevations, installation of an underground drainage system, streetlights, pavement, pedestrian walks, new parking configuration, mid-block crossings, street light mast arms and new center medians is completed. Phase II starts in 2022 and includes the installation of new landscaping and irrigation.
- 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 433 multifamily luxury rental units and 26,000 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.
- Hudson Village - is a multi-family attainable rental development by Housing Trust Group, LLC that is slated to be completed before the end of this fiscal year. It's located on South Federal Highway between Dewey and Washington Streets and includes 100 units that reflect the zoning changes made to the City's downtown Regional Activity Center to attract mixed-use development.
- 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 113 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 72,000 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.
- 1818 Park (fka 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 completed and will include 170 upscale residential units and 103 hotel rooms with approximately 30,000 square feet of commercial space.
- University Station - is a planned transit-oriented mixed-use project to be located at 421 N. 21st Avenue, which will feature retail and educational institutional space, 216 multi-family affordable residential units, and a parking garage for both public and residential parking.
- 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.
- 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.
- 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.
- Deep Injection Wells and Pump Station – To meet the requirements 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 of two deep injection wells at SRWWTP. Both wells and pump station projects are continuing per schedule. 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 Public Utility Projects – The City has various improvements to inflow/infiltration, and infrastructure improvements to the Water, Sewer, and Sanitation Systems ongoing. Construction in process in the Water and Sewer funds is about \$91.3 million.
- American Rescue Plan: The City has received \$14.7 million in federal funds. These funds have been designated for various governmental service enhancements, public health improvements, and to address the economic impact caused by COVID-19. Projects commenced in FY 2022.
- Series 2019 General Obligation Projects:
 - The City has expended and/or encumbered \$2.0 million of \$15.4 million of projects dedicated for Neighborhood Improvements, Infrastructure, and Resiliency.
 - The City has expended and/or encumbered \$9.4 million of \$12.9 million of projects dedicated for Public Safety Facilities, Technology, and Equipment improvements.
 - The City has expended and/or encumbered \$17.4 million of \$41.8 million of projects dedicated for Parks, Open Space, Recreation, and Cultural Facilities.

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 \$797,685 in tax abatements for the Block 55 Redevelopment project. The project has reduced blight and brought new development to the Young Circle Arts Park area. In addition, \$226,646 was expended for the City's Property Improvement 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, 2020. This was the forty-sixth consecutive year the City has received this prestigious national award. The City received this recognition by publishing a report that was well organized and readable and satisfied both 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.

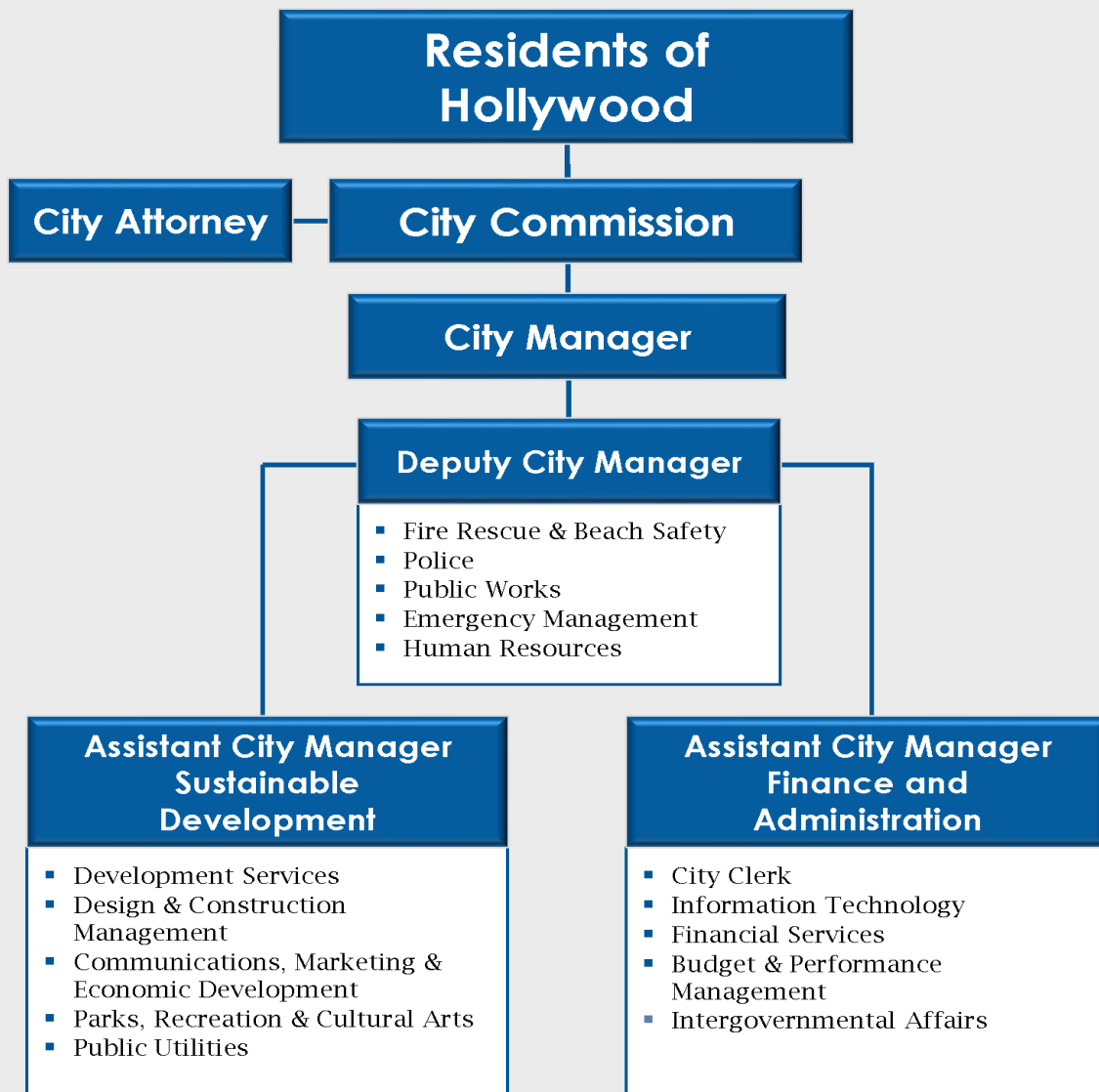
Respectfully submitted,


Wazir Ahmael, Ph.D.
City Manager


David E. Keller
Director, Financial Services Department

City of Hollywood, Florida

ORGANIZATIONAL CHART
AS OF SEPTEMBER 30, 2021





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 13%, 11%, and 13%, respectively, of the assets, net position, and revenues of the governmental activities of the City. 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 59%, 64% and 57%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information. 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 is based solely on the reports of the other auditors. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the 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, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 23, 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 140 through 158 be presented to supplement the basic financial statements. Such information, 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 and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 and Other 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 statement, the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2022 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 14, 2022

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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, 2021. 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 2021 by \$328.0 million, net result of \$1,817.5 million in liabilities and deferred inflows of resources and \$1,489.6 million in assets and deferred outflows of resources.
- The City's total net position increased by approximately \$72.2 million in fiscal year 2021; governmental activities increased by \$25.1 million and business-type activities increased by \$47.1 million.
- The deficit in unrestricted net position for governmental activities totaled \$(918.8) million, a decrease of the deficit of \$8.1 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 costs.
- The City's total long-term liabilities increased by \$49.8 million during the current fiscal year primarily due to the increase in State Revolving Loans, issuance of the Water and Sewer Revenue and Refunding Bonds, Series 2020, refunding of the Series 2010 Water and Sewer Revenue Bonds, and normal principal repayments.

Under the Fund Statements Section:

- As of the end of fiscal year 2021, the City's governmental funds reported combined ending fund balances of \$235.9 million, an increase of \$15.2 million which was a result of the following:
 - Decrease of \$(4.8) million in the General Fund due the transfer of Building Operations out of the General Fund to its own special revenue fund. Other changes include increases in revenues that have recovered during the ongoing pandemic (for instance, sales taxes). Changes include a \$6.2 million increase in property tax revenues, a increase in charges for services of \$1.0 million, decrease in licenses and permits of \$7.0 million as Building Operations was transferred to its own fund, increase in intergovernment of \$1.3 million, a decrease in expenditures of \$10.0 million, and a \$17.0 million increase in transfers out.
 - Decrease of \$(2.4) million in General Capital Outlay Fund. In 2021, impact fees were statutorily required to be reported in their own fund and such funds were transferred to a new fund. Furthermore, other financing sources decreased by \$20.4 million due to the issuance of bank loans in the prior year (no new debt in 2021 in this fund).
 - Decrease of \$(16.0) million in Series 2019 General Obligations Bond Fund due to ongoing capital projects.
 - Increase of \$7.7 million in the Beach Community Redevelopment Fund primarily due to consistent property tax increments and a expenditures. Revenues and expenditures remained consistent from the prior year.
 - Increase of \$2.5 million in the Downtown Community Redevelopment Fund was due to a consistent property tax increments.
 - Increase of \$0.6 in the Special Programs Fund due to recognition of COVID-19 related grants and expenditures.
 - Increase of \$27.6 million in other governmental funds was due to the transfer of the Building Operations Fund and Park Impact Fees to Other Governmental Funds.
- During the fiscal year, the City's governmental expenditures and other financing uses totaled \$290.0 million compared to \$305.2 million generated in revenues and other financing sources.
- At the end of fiscal year 2021, fund balance for the General Fund was \$74.6 million or 35.7% of General Fund expenditures. Of this balance, \$10.5 million was committed for economic stabilization

reserves, \$9.3 million was assigned for the subsequent year's budget and \$54.8 million was unassigned (of this amount, \$35.6 million is reserved as a rainy day fund).

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 an optional section 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"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses, and Changes in Net Position • Statement of Cash Flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statements of Changes in Fiduciary Net Position
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 seventeen (17) 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, General Capital Projects Fund, 2019

GOB Capital Projects, Beach Community Redevelopment Fund (BCRA), Downtown Community Redevelopment Fund (DCRA), and Special Programs Fund all of which are considered to be major funds. Data from the other eleven (11) 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, 2021 and 2020
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 345,184	\$ 318,332	\$ 318,387	\$ 280,412	\$ 663,571	\$ 598,744
Capital Assets	182,439	173,944	406,050	377,303	588,489	551,247
Total Assets	<u>527,623</u>	<u>492,276</u>	<u>724,437</u>	<u>657,715</u>	<u>1,252,060</u>	<u>1,149,991</u>
Deferred Outflows of Resources	<u>208,499</u>	<u>215,269</u>	<u>29,021</u>	<u>33,849</u>	<u>237,520</u>	<u>249,118</u>
Long-term Liabilities						
Outstanding	1,226,689	1,199,947	241,780	218,772	1,468,469	1,418,719
Other Liabilities	72,155	64,978	117,919	121,781	190,074	186,759
Total Liabilities	<u>1,298,844</u>	<u>1,264,925</u>	<u>359,699</u>	<u>340,553</u>	<u>1,658,543</u>	<u>1,605,478</u>
Deferred Inflows of Resources	<u>128,330</u>	<u>158,788</u>	<u>30,668</u>	<u>34,985</u>	<u>158,998</u>	<u>193,773</u>
Net Position:						
Net Investment in Capital Assets	83,103	70,938	230,012	222,928	313,115	293,866
Restricted	144,635	139,737	79,760	63,242	224,395	202,979
Unrestricted (Deficit)	<u>(918,790)</u>	<u>(926,843)</u>	<u>53,319</u>	<u>29,856</u>	<u>(865,471)</u>	<u>(896,987)</u>
Total Net Position	<u>\$ (691,052)</u>	<u>\$ (716,168)</u>	<u>\$ 363,091</u>	<u>\$ 316,026</u>	<u>\$ (327,961)</u>	<u>\$ (400,142)</u>

The largest portion of the City's assets (47.0%) 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, \$224.4 million represents resources that are subject to external restrictions on how they may be used.

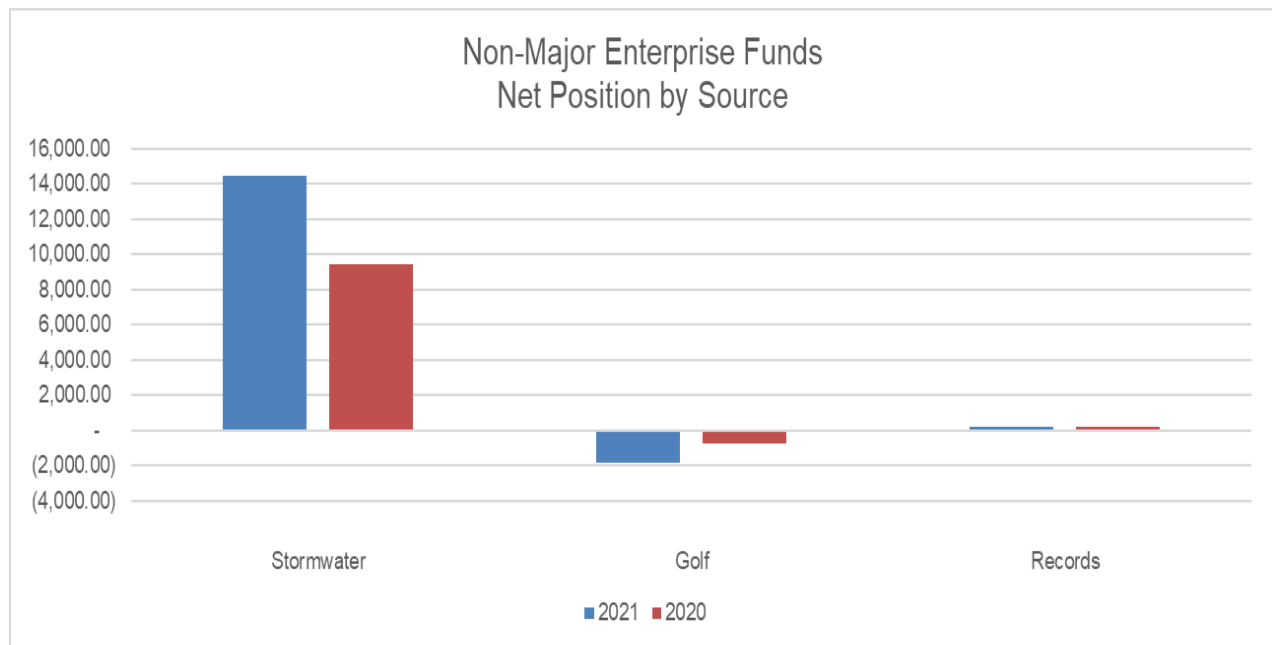
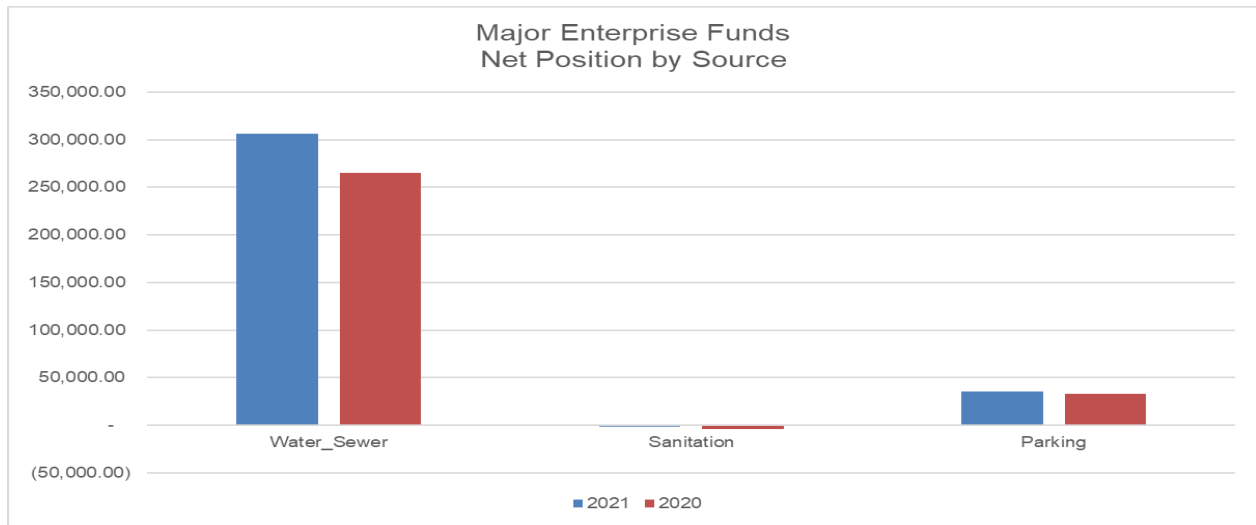
During the fiscal year, the City's governmental activities experienced an increase in total assets of \$25.1 million primarily as a result of an increase in investments due to a rebound of revenues relating to sales tax, business, tourism, and property taxes. Long-term liabilities outstanding also experienced an increase of \$26.7 million primarily due to increase in Police and Fire retirement costs and city-wide post-employment, related costs. These increases were offset by current year debt service payments.

Business-type activities had an increase in its net position by \$47.1 million due to steady operating income and reduction in operating expenses.

In summary, the combined net position of the City increased by \$72.2 million, substantially as a result of increase in revenues and decreased expenses.

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



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Table 2 presents a summary of the City's operations for fiscal year 2021 with comparative information for fiscal year 2020.

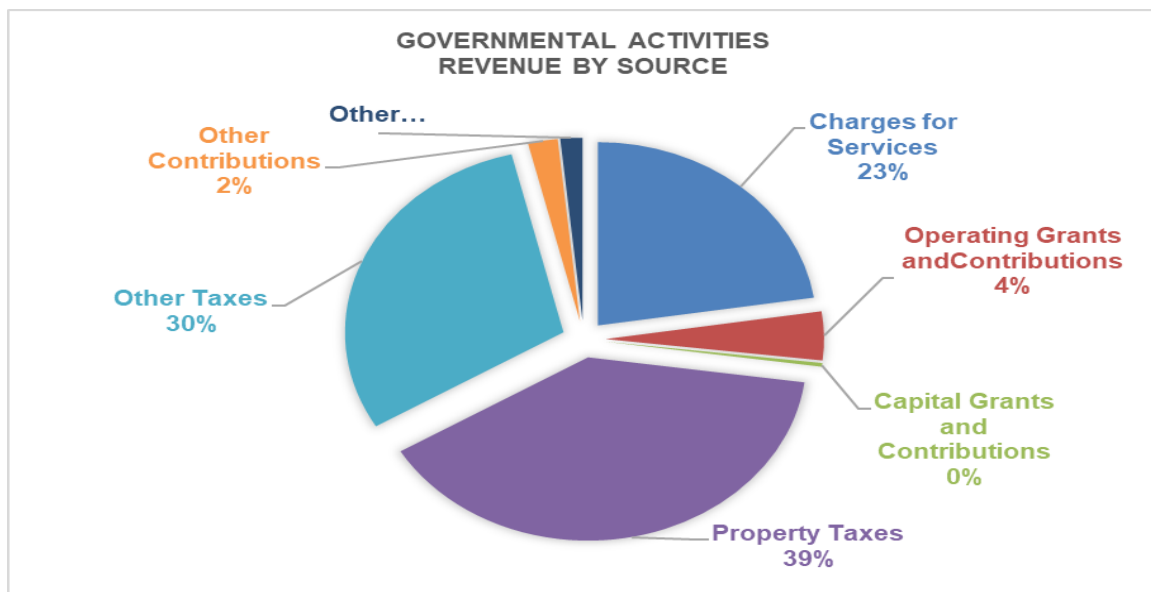
Table 2
Summary Changes in Net Position
As of September 30, 2021 and 2020
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 67,657	\$ 65,902	\$ 146,615	\$ 134,480	\$ 214,272	\$ 200,382
Operating Grants and Contributions	12,846	7,275	-	-	12,846	7,275
Capital Grants and Contributions	962	625	1,681	4,540	2,643	5,165
General Revenues:						
Property Taxes	117,634	111,354	-	-	117,634	111,354
Other Taxes	89,127	84,383	-	-	89,127	84,383
Grants and Contributions not Restricted to Specific Programs	6,590	7,084	-	-	6,590	7,084
Other	4,887	6,377	560	2,602	5,447	8,979
Total Revenues	<u>299,703</u>	<u>283,000</u>	<u>148,856</u>	<u>141,622</u>	<u>448,559</u>	<u>424,622</u>
Expenses:						
General Government	39,073	54,782	-	-	39,073	54,782
Public Safety	188,005	252,283	-	-	188,005	252,283
Public Works	14,696	17,001	-	-	14,696	17,001
Transportation	3,229	2,610	-	-	3,229	2,610
Economic Environment	11,067	8,092	-	-	11,067	8,092
Physical Environment	892	990	-	-	892	990
Culture and Recreation	15,108	17,165	-	-	15,108	17,165
Emergency and Disaster Relief	2,930	3,994	-	-	2,930	3,994
Interest and Fiscal Charges	5,250	5,753	-	-	5,250	5,753
Water	-	-	27,204	36,700	27,204	36,700
Sewer	-	-	39,287	54,588	39,287	54,588
Sanitation	-	-	15,369	15,408	15,369	15,408
Stormwater	-	-	3,180	2,731	3,180	2,731
Golf	-	-	2,290	2,125	2,290	2,125
Parking	-	-	8,762	10,278	8,762	10,278
Other	-	-	36	16	36	16
Total Expenses	<u>280,250</u>	<u>362,670</u>	<u>96,128</u>	<u>121,846</u>	<u>376,378</u>	<u>484,516</u>
Increase (Decrease) in Net Position Before Transfers	19,453	(79,670)	52,728	19,776	66,518	(59,894)
Transfers In (Out)	<u>5,663</u>	<u>5,522</u>	<u>(5,663)</u>	<u>(5,522)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	25,116	(74,148)	47,065	14,254	72,181	(59,894)
Net Position - October 1	<u>(716,168)</u>	<u>(642,020)</u>	<u>316,026</u>	<u>301,772</u>	<u>(400,142)</u>	<u>(340,248)</u>
Net Position - September 30	<u>\$ (691,052)</u>	<u>\$ (716,168)</u>	<u>\$ 363,091</u>	<u>\$ 316,026</u>	<u>\$ (327,961)</u>	<u>\$ (400,142)</u>

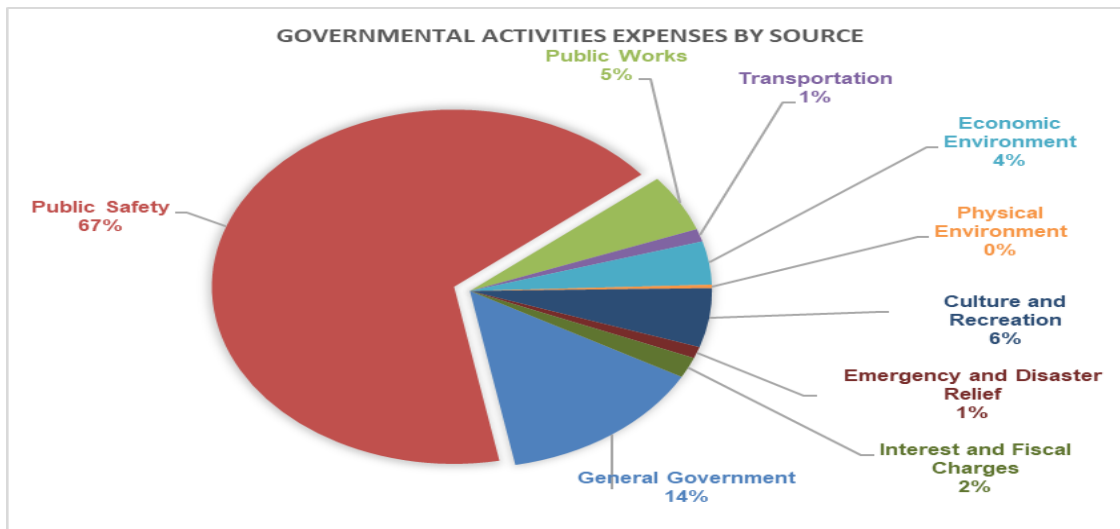
GOVERNMENTAL ACTIVITIES – Governmental activities net position was \$(691.1) million. Net position increased by \$25.1 million. The following describes the changes in revenues and expenses:

- Total revenues of \$299.7 million for governmental activities showed an overall increase of \$16.7 million primarily due to the rebounded in revenues that are correlated to sales tax, business, and tourism. These revenues rebounded from pandemic measures that negatively impacted these revenues in the prior year.
- Increase in property taxes of \$6.3 million during the fiscal year, as a result of a 6.3% tax increase in the taxable assessed values (please refer to statistical section).
- Increase of \$4.7 million of other taxes mainly due to increased tax increments.
- Increase of \$1.8 million in charges for services is due to the beginning of a recovery from the pandemic.
- Increase in operating/capital grants and contributions of \$5.9 million offset by decrease in other revenues of \$1.5 million .
- Total expenses of \$280.3 million for governmental activities showed an overall decrease of \$82.4 million due to:
 - The public safety accounted for the largest decrease in expense - \$64.3 million. This is primarily due to reductions in the increase of the Police and Fire Pension costs.
 - Decrease of \$15.7 million in General Government expenses during fiscal year 2021 was due to the prior year increase related to the General Government's allocation of Pension Costs.
 - Decrease of \$1.1 million in Emergency Disaster Relief due to reduced COVID-19 grant eligible expenditures.
 - Decrease of \$0.5 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 2021:



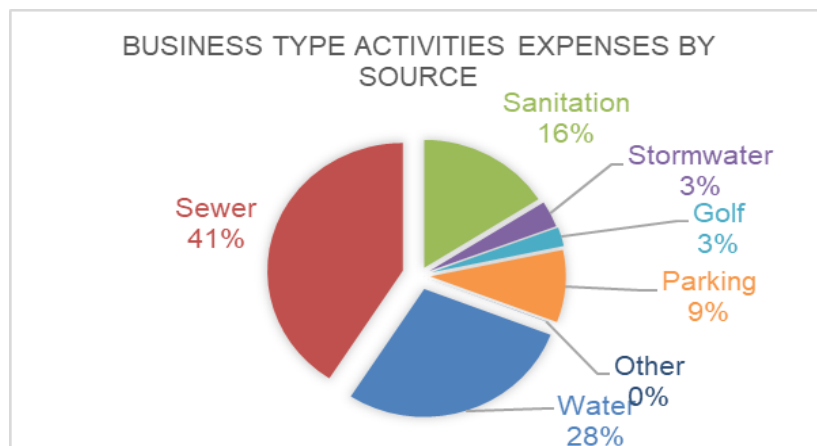
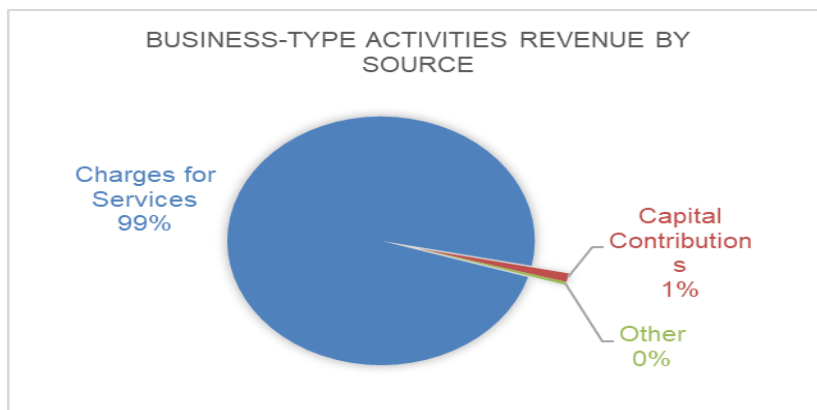
The following chart illustrates expenses by source for governmental activities for fiscal year 2021.



BUSINESS-TYPE ACTIVITIES – Business-type activities net position increased by approximately \$47.1 million due to increase in charges for services and decrease in operating expenses. Depreciation charges of \$21.0 million were \$.4 million higher than the prior fiscal year. Operating expenses decreased by \$25.7 million from 2020 to 2021.

During fiscal year 2021, business-type activities recorded capital contributions of approximately \$1.7 million.

The following charts show revenues and expenses for business-type activities for fiscal year 2021.



FINANCIAL ANALYSIS OF CITY FUNDS

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

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

The General Fund is the chief operating fund of the City. At the end of fiscal year 2021, total fund balance of the General Fund was \$74.6 million and was classified as \$10.5 million committed, \$9.3 million assigned and \$54.8 million unassigned. The City's unrestricted fund balance is 26.2 percent of General Fund operating expenditures. Non-spendable, Restricted, Committed, and Assigned Fund balances comprised 9.4 percent of General Fund operating expenditures.

The General Capital Projects fund balance of \$19.1 million represents unavailable assets held for sale and restricted, committed and assigned funds for future capital projects.

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 \$37.4 million at September 30, 2021 and is restricted for specified activities of the fund. Fund balance increased by \$7.7 million during the current fiscal year primarily due to property tax increments.

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 \$11.4 million at September 30, 2021 and is restricted for specified activities of the fund. Fund balance increased 2.5 million during the current fiscal year due to property tax increments.

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 Sanitation Enterprise Fund at the end of the fiscal year amounted to \$35.6 million and \$(1.9) million, respectively. 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. The Parking Enterprise Fund had unrestricted net position at fiscal year-end of \$3.2 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the City budget was amended for the following purposes:

- Revenue budgets were increased by approximately \$.6 million in total due to expected fiscal year 2021 collections exceeding original budget estimates for charges for services.
- Budget appropriations remain significantly unchanged from original budget.

Total revenues for the fiscal year were higher than the amended revenues by approximately \$10.1 million. The most significant variances were attributed to actual revenues exceeding budget by \$3.0 million for utilities and franchise taxes, \$2.7 million for intergovernmental, \$2.5 million for charges for services and \$2.5 million for miscellaneous.

Overall, General Fund expenditures were less than final budgeted expenditures by \$10.9 million. This positive variance was due primarily to actual costs being less than expected; public safety for \$3.8 million, general government for \$3.8 million, public works for \$0.3, transportation for \$0.2 million economic environment for \$.2 million, culture and recreation for \$1.0 million, and other for \$1.9 million.

The General Fund fund balance at fiscal year end was \$74.6 million or \$(4.8) million lower than beginning fund balance. This is primarily due to the transfers of Building Operations and Park Impact Fees to their own special revenue funds.

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, 2021, amounts to \$588.5 million (net of accumulated depreciation) 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 2021 was 6.76% or \$37.2 million (a 4.88% increase for governmental activities and a 7.62% increase for business-type activities).

The most notable capital asset event occurring during the year was a net increase of \$12.1 million in land purchased for the preservation of open space. The most significant construction in progress of the Water and Sewer System were the construction of deep injection wells and Royal Poinciana sewer expansion.

Table 3
Capital Assets
As of September 30, 2021 and 2020
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 52,770	\$ 40,650	\$ 6,285	\$ 6,285	\$ 59,055	\$ 46,935
Buildings and Improvements - net	63,625	70,410	305,234	325,352	368,859	395,762
Machinery and Equipment - net	24,992	26,115	1,325	1,686	26,317	27,801
Infrastructure - net	23,536	23,700	-	-	23,536	23,700
Construction in Progress	17,516	13,068	93,206	43,980	110,722	57,048
Total	<u>\$ 182,439</u>	<u>\$ 173,943</u>	<u>\$ 406,050</u>	<u>\$ 377,303</u>	<u>\$ 588,489</u>	<u>\$ 551,246</u>

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

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LONG-TERM DEBT – At the end of fiscal year 2021, the City had total bonded debt outstanding of \$334.1 million. Of this amount, \$207.1 million is special obligation bonds and loans, \$6.4 million in capital leases and \$85.3 million in a general obligation note. The remainder of the City's debt represents bonds and loans secured solely by specified revenue sources (i.e., revenue bonds).

Table 4
Outstanding Debt
As of September 30, 2021 and 2020
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds and Loans	\$ 85,274	\$ 89,363	\$ -	\$ -	\$ 85,274	\$ 89,363
Other Loans and Notes	13,848	17,211	-	482	13,848	17,693
Revenue Bonds and Loans	52,913	61,922	154,182	138,652	207,095	200,574
Capital Leases	4,361	3,945	2,045	2,633	6,406	6,578
Total Bonds, Notes, Loans and Capital Leases	156,396	172,441	156,227	141,767	312,623	314,208
Bond Premium	13,353	15,200	8,111	1,681	21,464	16,881
Total	<u>\$ 169,749</u>	<u>\$ 187,641</u>	<u>\$ 164,338</u>	<u>\$ 143,448</u>	<u>\$ 334,087</u>	<u>\$ 331,089</u>

During fiscal year 2021, the City's total debt increased by \$3.0 million. Governmental activities total debt decreased by \$17.9 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 \$20.9 million. The increase is due to increases in state revolving loans.

The City achieved an "Aa3" rating from Moody's for its most recent borrowing, the \$60,045,000 General Obligation Bonds, Series 2019. 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.

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, 2021, the world continues to deal with the residual effects COVID-19 pandemic. The economic outlook of the City remains optimistic as the City has taken proactive steps to stabilize the City's finances from the Covid -19 pandemic crisis and reformed financial plans to address the short-term needs of the City. Property taxes and Utility revenue collections have remained strong. Furthermore, the City continues to strive to fund the needs of the community while ensuring sufficient resources are available to support the day-to day operations of the departments.

All of these factors were considered in preparing the City's budget for fiscal year 2022. The budget was also developed using conservative assumptions of revenues and moderate growth for expenditures. The City adopted a budget that is \$163.5 million or 27.6% higher than the previous year. The increase is largely attributable to a \$100 million borrowing in the Water and Sewer Fund to support the deep injection well capital project as required by the ocean outfall legislation. The City adopted an operating millage rate of 7.4665 which is the same as 2021. As a result of a 3.6% increase in the City's taxable property values, property tax revenues are expected to increase to \$134.7 million from \$131.5 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, 2021**

	Governmental Activities	Business-type Activities	Total	Component Unit Emerald Hills Safety District
ASSETS:				
Cash	\$ 505,345	\$ 3,130	\$ 508,475	\$ 75,864
Investments	313,664,773	174,424,976	488,089,749	-
Accounts Receivable - Net of Allowances	5,334,094	26,080,304	31,414,398	220
Notes Receivable - Net of Allowances	6,149,700	-	6,149,700	-
Reinsurance Receivable	371,591	-	371,591	-
Due from Other Governments	5,455,173	111,382	5,566,555	-
Internal Balances	(7,992,373)	7,992,373	-	-
Inventories of Supplies	255,963	1,731,091	1,987,054	-
Prepaid Items	2,015,120	1,250	2,016,370	-
Assets Held for Sale	932,516	-	932,516	-
Restricted Assets:				
Investments	18,492,431	107,261,858	125,754,289	-
Assessments - Net of Allowances	-	779,844	779,844	-
Capital Assets:				
Non Depreciable	70,285,983	99,491,801	169,777,784	-
Depreciable - Net	112,153,413	306,557,900	418,711,313	-
TOTAL ASSETS	527,623,729	724,435,909	1,252,059,638	76,084
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflow General Employees	31,273,815	12,516,824	43,790,639	-
Deferred Outflow Police	45,114,873	-	45,114,873	-
Deferred Outflow Fire	51,017,083	-	51,017,083	-
Deferred Outflow FRS	203,525	-	203,525	-
Deferred Outflow for OPEB	79,483,829	16,000,315	95,484,144	-
SWAP	134,041	-	134,041	-
Deferred Charge on Refunding	1,271,738	504,039	1,775,777	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	208,498,904	29,021,178	237,520,082	-
LIABILITIES:				
Vouchers Payable	5,320,740	3,559,041	8,879,781	8,482
Accrued Wages	4,728,918	789,365	5,518,283	-
Construction Contracts	518,682	556,155	1,074,837	-
Due to Other Governments	-	137,720	137,720	-
Interest Payable	1,512,268	15,526	1,527,794	-
Unearned Revenue	23,693,989	-	23,693,989	-
Deposits Payable	770,997	32,522	803,519	-
Payable from Restricted Assets:				
Construction Contracts	-	11,647,023	11,647,023	-
Interest Payable	-	508,793	508,793	-
Deposits	-	15,346,206	15,346,206	-

(Continued)

CITY OF HOLLYWOOD, FLORIDA

(Continued)

STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total	Component Unit Emerald Hills Safety District
LIABILITIES (Continued):				
Noncurrent Liabilities:				
Due Within One Year:				
Compensated Absences	\$ 8,017,893	\$ 1,280,708	\$ 9,298,601	\$ -
Claims Payable	5,699,014	-	5,699,014	-
Bonds, Loans and Leases Payable	20,270,073	14,748,213	35,018,286	-
Other Liabilities and Pension Settlement	1,623,289	694,547	2,317,836	-
Due in More Than One Year:				
Compensated Absences	9,436,689	1,076,073	10,512,762	-
Claims Payable	9,335,658	-	9,335,658	-
Bonds, Loans and Leases Payable	149,613,734	149,589,946	299,203,680	-
Other and Pension Settlement	5,616,103	2,402,929	8,019,032	-
Total Other Postemployment Benefits Liability (OPEB)	473,236,770	91,113,512	564,350,282	-
Net Pension Liability:				
Net Pension Liability General Employees	152,373,820	66,199,899	218,573,719	-
Net Pension Liability Police	240,864,372	-	240,864,372	-
Net Pension Liability Fire	185,966,998	-	185,966,998	-
Net Pension Liability FRS	244,667	-	244,667	-
TOTAL LIABILITIES	1,298,844,674	359,698,178	1,658,542,852	8,482
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflow General Employees	4,155,014	1,645,379	5,800,393	-
Deferred Inflow Police	6,737,109	-	6,737,109	-
Deferred Inflow Fire	3,142,019	-	3,142,019	-
Deferred Inflow FRS	769,550	-	769,550	-
Deferred Inflow for OPEB	111,309,098	29,022,346	140,331,444	-
Other Unearned or Advanced Revenue	2,216,731	-	2,216,731	-
TOTAL DEFERRED INFLOWS OF RESOURCES	128,329,521	30,667,725	158,997,246	-
NET POSITION				
Net Investment in Capital Assets	83,102,535	230,012,402	313,114,937	-
Restricted for:				
Future Capital Projects	55,674,732	66,646,770	122,321,502	-
Future Debt Service	7,260,264	3,113,066	10,373,330	-
Future Grants and Special Programs	19,338,923	-	19,338,923	-
Future Community Redevelopment	31,053,225	-	31,053,225	-
Building Operations	19,245,216	-	19,245,216	-
Water and Sewer Rate Stabilization Reserve	-	10,000,000	10,000,000	-
Future Public Safety Projects and Programs	11,130,610	-	11,130,610	-
Future Other Purposes	932,516	-	932,516	-
Unrestricted (Deficit)	(918,789,583)	53,318,946	(865,470,637)	67,602
TOTAL NET POSITION	\$ (691,051,562)	\$ 363,091,184	\$ (327,960,378)	\$ 67,602

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, 2021

FUNCTIONS / PROGRAMS	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Unit Emerald Hills Safety District
	Expenses	Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES:								
General Government	\$ 39,071,855	\$ 16,888,999	\$ -	\$ -	\$ (22,182,856)	\$ -	\$ (22,182,856)	\$ -
Public Safety:								
Police	110,248,892	1,636,945	343,851	122,088	(108,146,008)	-	(108,146,008)	-
Fire	70,287,222	35,944,989	74,579	-	(34,267,654)	-	(34,267,654)	-
Other Public Safety	7,469,391	10,738,822	-	-	3,269,431	-	3,269,431	-
Public Works	14,696,131	277,035	-	-	(14,419,096)	-	(14,419,096)	-
Transportation	3,228,944	-	46,833	15,917	(3,166,194)	-	(3,166,194)	-
Economic Environment	11,067,444	482,912	5,486,442	-	(5,098,090)	-	(5,098,090)	-
Physical Environment	892,450	159,697	-	-	(732,753)	-	(732,753)	-
Culture and Recreation	15,107,507	1,527,772	497,819	823,776	(12,258,140)	-	(12,258,140)	-
Emergency and Disaster Relief	2,929,632	-	6,396,588	-	3,466,956	-	3,466,956	-
Interest and Fiscal Charges	5,249,821	-	-	-	(5,249,821)	-	(5,249,821)	-
Total Governmental Activities	280,249,289	67,657,171	12,846,112	961,781	(198,784,225)		(198,784,225)	-
Business-type Activities:								
Water	27,205,029	42,345,997	-	848,806	-	15,989,774	15,989,774	-
Sewer	39,286,962	67,547,560	-	832,397	-	29,092,995	29,092,995	-
Sanitation	15,368,603	17,465,197	-	-	-	2,096,594	2,096,594	-
Stormwater	3,180,319	5,994,628	-	-	-	2,814,309	2,814,309	-
Golf	2,290,163	1,870,606	-	-	-	(419,557)	(419,557)	-
Parking	8,761,628	11,359,191	-	-	-	2,597,563	2,597,563	-
Other	35,352	31,735	-	-	-	(3,617)	(3,617)	-
Total Business-type Activities	96,128,056	146,614,914		1,681,203		52,168,061	52,168,061	-
Total Primary Government	\$ 376,377,345	\$ 214,272,085	\$ 12,846,112	\$ 2,642,984	(198,784,225)	52,168,061	(146,616,164)	-
Component Unit								
Emerald Hills Safety District	\$ 143,223	\$ -	\$ -	\$ -	-	-	-	(143,223)
General Revenues:								
Taxes:								
Property Taxes Levied for General Purpose					110,043,272	-	110,043,272	-
Property Taxes Levied for Debt Service					7,591,469	-	7,591,469	-
Property Taxes Incremental					38,442,269	-	38,442,269	-
Utility Service Taxes					20,961,290	-	20,961,290	-
Franchise Taxes					13,823,967	-	13,823,967	-
Sales Tax					10,911,080	-	10,911,080	-
Gas Tax					2,569,420	-	2,569,420	-
Local Business Tax					2,418,480	-	2,418,480	125,039
Contributions not Restricted to Specific Programs					6,590,441	-	6,590,441	-
Investment Revenue					173,861	(51,809)	122,052	-
Miscellaneous					4,886,855	493,975	5,380,830	-
Gain on Sale of Capital Assets					(173,943)	117,853	(56,090)	-
Transfers					5,662,837	(5,662,837)	-	-
Total General Revenues and Transfers					223,901,298	(5,102,818)	218,798,480	125,039
Change in Net Position					25,117,073	47,065,243	72,182,316	(18,184)
Net Position - Beginning					(716,168,635)	316,025,941	(400,142,694)	85,786
Net Position - Ending					\$ (691,051,562)	\$ 363,091,184	\$ (327,960,378)	\$ 67,602

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

CITY OF HOLLYWOOD, FLORIDA

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

	General	General Capital Projects	2019 GOB Capital Projects
ASSETS:			
Cash	\$ 12,300	\$ -	\$ -
Investments	69,514,092	6,755,473	51,167,418
Accounts Receivable - Net of Allowances	5,043,881	37,678	-
Notes Receivable - Net of Allowances	-	-	-
Due from Other Funds	3,650,508	-	-
Due from Other Governments	4,313,075	4,200	-
Inventories of Supplies	49,813	-	-
Assets Held for Sale	-	730,590	-
Prepays	-	339,184	1,614,579
Restricted Assets:			
Investments	-	11,745,087	-
TOTAL ASSETS	<u>\$ 82,583,669</u>	<u>\$ 19,612,212</u>	<u>\$ 52,781,997</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:			
LIABILITIES:			
Vouchers Payable	\$ 1,477,273	\$ 238,802	\$ 484,072
Accrued Wages and Leave	3,739,976	-	-
Construction Contracts Payable	-	318,700	-
Due to Other Funds	-	-	-
Unearned Revenue	-	-	-
Deposits Payable	494,426	-	-
Total Liabilities	<u>5,711,675</u>	<u>557,502</u>	<u>484,072</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable or Advanced Revenue	2,246,001	-	-
FUND BALANCES:			
Nonspendable	49,813	339,184	1,614,579
Restricted	-	4,514,673	50,683,346
Committed	10,465,645	11,504,513	-
Assigned	9,268,426	2,696,340	-
Unassigned	54,842,109	-	-
Total Fund Balances	<u>74,625,993</u>	<u>19,054,710</u>	<u>52,297,925</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 82,583,669</u>	<u>\$ 19,612,212</u>	<u>\$ 52,781,997</u>

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

Beach Community Redevelopment	Downtown Community Redevelopment	Special Programs	Other Governmental Funds	Total Governmental Funds
\$ 200	\$ 200	\$ -	\$ 20,200	\$ 32,900
31,540,078	11,376,597	17,247,146	51,397,120	238,997,924
22,020	7,475	-	120,001	5,231,055
-	-	19,875,874	11,578,148	31,454,022
-	144,000	-	-	3,794,508
-	-	256,581	881,317	5,455,173
-	-	-	-	49,813
-	-	201,926	-	932,516
-	-	-	-	1,953,763
6,747,344	-	-	-	18,492,431
<u>\$ 38,309,642</u>	<u>\$ 11,528,272</u>	<u>\$ 37,581,527</u>	<u>\$ 63,996,786</u>	<u>\$ 306,394,105</u>
\$ 741,632	\$ 114,362	\$ 509,397	\$ 870,241	\$ 4,435,779
91,782	31,155	20,256	131,253	4,014,422
94,632	-	22,647	82,703	518,682
-	-	144,000	1,243,532	1,387,532
-	-	9,499,870	15,595,534	25,095,404
-	3,577	104,695	168,299	770,997
928,046	149,094	10,300,865	18,091,562	36,222,816
-	-	20,116,649	11,867,846	34,230,496
-	-	-	-	2,003,576
37,381,596	11,379,178	6,839,212	33,106,909	143,904,914
-	-	247,741	45,404	22,263,303
-	-	77,060	1,856,017	13,897,843
-	-	-	(970,952)	53,871,157
37,381,596	11,379,178	7,164,013	34,037,378	235,940,793
<u>\$ 38,309,642</u>	<u>\$ 11,528,272</u>	<u>\$ 37,581,527</u>	<u>\$ 63,996,786</u>	<u>\$ 306,394,105</u>

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CITY OF HOLLYWOOD, FLORIDA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2021

Total fund balances - governmental funds	\$ 235,940,793
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets, net of accumulated depreciation, are not financial resources, and therefore are not reported in the funds.	174,205,215
Some liabilities are not due and payable in the current period therefore, are not reported in the funds. Those liabilities consist of	
Bonds payable	(167,794,753)
Pension settlement accrual	(443,184)
Compensated absences	(16,405,525)
Accrued interest payable	(1,386,260)
Total OPEB liability	(453,225,859)
Net pension liability - General Employees	(130,985,839)
Net pension liability - Police	(240,864,372)
Net pension liability - Fire	(185,966,998)
Net pension liability - FRS	(244,667)
Total long-term liabilities	(1,197,317,457)
Unavailable revenue that meet the criteria for recognition in the Statement of Activities.	8,110,832
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	1,271,738
Deferred outflows of resources relating to the General Employees Pension	26,013,391
Deferred outflows of resources relating to the Police Pension	45,114,873
Deferred outflows of resources relating to the Fire Pension	51,017,083
Deferred outflows of resources relating to the FRS Pension	203,525
Deferred outflows of resources relating to OPEB	75,325,920
Deferred inflows of resources relating to the General Employees Pension	(1,896,111)
Deferred inflows of resources relating to the Police Pension	(6,737,109)
Deferred inflows of resources relating to the Fire Pension	(3,142,019)
Deferred inflows of resources relating to the FRS Pension	(769,550)
Deferred inflows of resources relating to OPEB	(103,629,583)
Total net deferred outflows and inflows	82,772,158
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.	15,636,246
Adjustment to Enterprise Funds for Internal Service Funds look-back.	(10,399,349)
Net Position of Governmental Activities	\$ (691,051,562)

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, 2021

	General	General Capital Projects	2019 GOB Capital Projects
REVENUES:			
Property Taxes	\$ 109,910,343	\$ -	\$ -
Utilities Service Taxes	20,961,290	-	-
Franchise Taxes	13,823,967	-	-
Licenses and Permits	2,578,616	-	-
Intergovernmental	17,864,174	111,302	-
Charges for Services	58,046,750	95,723	-
Parking Impact Fees	-	-	-
Fines and Forfeitures	-	-	-
Investment Revenue	(37,980)	40,571	50,481
Miscellaneous	4,983,458	-	4,266
Total Revenues	<u>228,130,618</u>	<u>247,596</u>	<u>54,747</u>
EXPENDITURES:			
Current:			
General Government	24,389,477	461,315	-
Public Safety	155,562,336	552,451	112,132
Public Works	13,197,424	-	-
Transportation	2,241,621	345,505	242,135
Economic Environment	2,803,673	16,731	-
Physical Environment	-	66,521	362,167
Culture and Recreation	10,964,739	194,611	197,418
Emergency and Disaster Relief	-	-	-
Other	42,599	-	-
Capital Outlay:			
General Government	44,146	783,812	-
Public Safety	55,835	174,311	2,298,841
Transportation	-	448,560	-
Economic Environment	-	-	-
Physical Environment	-	(93,114)	150,085
Culture and Recreation	11,055	107,148	12,660,403
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>209,312,905</u>	<u>3,057,851</u>	<u>16,023,181</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>18,817,713</u>	<u>(2,810,255)</u>	<u>(15,968,434)</u>

Beach Community Redevelopment	Downtown Community Redevelopment	Special Programs	Other Governmental Funds	Total Governmental Funds
\$ 15,663,481	\$ 5,634,937	\$ -	\$ 7,591,469	\$ 138,800,230
-	-	-	-	20,961,290
-	-	-	-	13,823,967
-	-	-	6,561,639	9,140,255
12,549,583	4,594,268	6,085,756	10,837,807	52,042,890
-	-	312,105	1,560,435	60,015,013
-	-	-	823,776	823,776
-	-	-	437,000	437,000
127,077	18,749	5,457	(12,578)	191,777
26,346	21,301	244,767	9,161	5,289,299
<u>28,366,487</u>	<u>10,269,255</u>	<u>6,648,085</u>	<u>27,808,709</u>	<u>301,525,497</u>
9,233,384	5,136,562	-	2,017	39,222,755
29,774	-	302,699	8,271,038	164,830,430
-	-	-	-	13,197,424
-	-	-	589,305	3,418,566
514,658	268,846	4,868,680	264,014	8,736,602
206,283	255,452	-	-	890,423
509,638	-	497,370	87,034	12,450,810
-	-	-	2,928,519	2,928,519
-	-	-	-	42,599
-	-	-	31,396	859,354
35,602	-	105,713	299,801	2,970,103
53,970	-	-	1,219,962	1,722,492
-	178,322	-	-	178,322
2,839,107	-	-	(163,727)	2,732,351
48,147	-	-	123,681	12,950,434
6,035,000	1,696,667	278,947	8,269,289	16,279,903
1,153,842	219,943	7,639	5,178,098	6,559,522
<u>20,659,405</u>	<u>7,755,792</u>	<u>6,061,048</u>	<u>27,100,427</u>	<u>289,970,609</u>
<u>7,707,082</u>	<u>2,513,463</u>	<u>587,037</u>	<u>708,282</u>	<u>11,554,888</u>

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CITY OF HOLLYWOOD, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>General</u>	<u>General Capital Projects</u>	<u>2019 GOB Capital Projects</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	\$ 6,470,416	\$ 2,795,600	\$ -
Transfers Out	(30,188,680)	(2,426,849)	-
Sale of Assets	<u>82,692</u>	<u>12,906</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(23,635,572)</u>	<u>381,657</u>	<u>-</u>
Change in Fund Balances	(4,817,859)	(2,428,598)	(15,968,434)
Fund Balances - Beginning	<u>79,443,852</u>	<u>21,483,308</u>	<u>68,266,359</u>
Fund Balances - Ending	<u><u>\$ 74,625,993</u></u>	<u><u>\$ 19,054,710</u></u>	<u><u>\$ 52,297,925</u></u>

<u>Beach Community Redevelopment</u>	<u>Downtown Community Redevelopment</u>	<u>Special Programs</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 27,584,433	\$ 36,850,449
-	-	-	(670,319)	(33,285,848)
-	-	7,289	-	102,887
-	-	7,289	26,914,114	3,667,488
7,707,082	2,513,463	594,326	27,622,396	15,222,376
29,674,514	8,865,715	6,569,687	6,414,982	220,718,417
<u>\$ 37,381,596</u>	<u>\$ 11,379,178</u>	<u>\$ 7,164,013</u>	<u>\$ 34,037,378</u>	<u>\$ 235,940,793</u>

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

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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, 2021

Net Change in Fund Balances - Governmental Funds \$ 15,222,376

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	21,413,056	
Contributions of capital assets to proprietary funds, net	(383,294)	
Deletions	(524,270)	
Depreciation expense	<u>(11,407,764)</u>	
Excess of capital outlay over depreciation expense		9,097,728

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 principal retirement	16,279,903	
Other liability reduction	298,768	
Accrual of deferred long-term legal settlement	(107,238)	
Amortization of unamortized refunding costs	(276,396)	
Amortization of net bond premium(s)	1,789,036	
OPEB	<u>(4,074,503)</u>	
Total long term-debt retirements, issuances, and related transactions		13,909,570

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	(1,956,262)	
Increase in accrued interest expense	<u>110,518</u>	
Total additional expense		(1,845,744)

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	7,595,088	
Police pension	(16,330,194)	
Fire pension	(576,007)	
FRS pension	<u>110,710</u>	
		(9,200,403)

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, 2021**

Unearned revenue that meet the revenue recognition criteria in the Statement of Activities, but not the fund statements, i.e. property taxes.		(1,656,140)
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:		
Internal Service Funds Change in Net Position	(1,146,352)	
Look-Back adjustment	<u>736,038</u>	
Total internal service funds activity		<u>(410,314)</u>
Changes in Net Position of Governmental Activities		<u>\$ 25,117,073</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, 2021

	Business Activities - Enterprise Funds		
	Water and Sewer Utility	Sanitation Enterprise	Parking Enterprise
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
ASSETS:			
CURRENT ASSETS:			
Cash	\$ 700	\$ -	\$ 2,300
Investments	129,469,554	10,148,144	20,465,877
Accounts Receivable - Net of Allowances	22,416,516	2,665,900	84,394
Reinsurance Receivable	-	-	-
Due from Other Governments	111,382	-	-
Inventories of Supplies	1,731,091	-	-
Prepaid Items	-	-	-
Restricted Assets:			
Investments	26,489,380	1,012,642	-
Total Current Assets	180,218,623	13,826,686	20,552,571
NONCURRENT ASSETS:			
Restricted Assets:			
Investments	79,759,836	-	-
Total Restricted Assets	79,759,836	-	-
Capital Assets:			
Land	3,697,837	63,890	1,561,650
Buildings	51,197,766	1,165,148	47,274,001
Improvements	617,701,801	92,240	1,857,747
Machinery and Equipment	5,455,226	22,508	2,156,512
Accumulated Depreciation	(404,393,857)	(1,279,177)	(19,862,644)
Construction in Progress	91,253,888	-	-
Total Capital Assets	364,912,661	64,609	32,987,266
Other Assets:			
Assessments - Net of Allowances	779,844	-	-
Total Noncurrent Assets	445,452,341	64,609	32,987,266
Total Assets	625,670,964	13,891,295	53,539,837
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflow - General Employees Pension	9,784,094	734,197	1,617,440
Deferred Outflow for OPEB	10,672,791	888,869	3,585,969
Deferred Charge on Refunding	504,039	-	-
Total Deferred Outflows of Resources	20,960,924	1,623,066	5,203,409
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	646,631,888	15,514,361	58,743,246

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

Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 130	\$ 3,130	\$ 472,445
14,341,402	174,424,977	74,666,849
913,494	26,080,304	103,039
-	-	371,591
-	111,382	-
-	1,731,091	206,150
1,250	1,250	61,357
-	27,502,022	-
15,256,276	229,854,156	75,881,431
-	79,759,836	-
-	79,759,836	-
962,122	6,285,499	-
2,935,048	102,571,963	1,141,350
12,739,590	632,391,378	-
989,083	8,623,329	44,503,615
(11,493,092)	(437,028,770)	(37,410,784)
1,952,414	93,206,302	-
8,085,165	406,049,701	8,234,181
-	779,844	-
8,085,165	486,589,381	8,234,181
23,341,441	716,443,537	84,115,612
381,093	12,516,824	5,260,424
852,686	16,000,315	4,157,909
-	504,039	-
1,233,779	29,021,178	9,418,333
24,575,220	745,464,715	93,533,945

(Continued)

CITY OF HOLLYWOOD, FLORIDA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS (CONTINUED)
 SEPTEMBER 30, 2021

	Business Activities - Enterprise Funds		
	Water and Sewer Utility	Sanitation Enterprise	Parking Enterprise
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
LIABILITIES:			
CURRENT LIABILITIES:			
Vouchers Payable	\$ 1,190,290	\$ 1,940,691	\$ 130,344
Accrued Wages and Leave	625,122	43,613	93,119
Pension Settlement	562,995	40,480	59,724
Compensated Absences	1,010,658	66,495	150,202
Construction Contracts	-	-	-
Due to Other Funds	-	-	-
Due to Other Governments	-	-	137,720
Interest Payable	-	-	8,752
Claims Payable	-	-	-
Deposits Payable	-	-	5,925
Payable from Restricted Assets:			
Matured Bonds and Interest	508,793	-	-
Construction Contracts	11,647,023	-	-
Deposits	14,333,564	1,012,642	-
Bonds Payable - Net	7,210,122	-	10,196
Capital Lease Obligations	388,420	-	247,555
Loans Payable	6,805,951	-	-
Total Current Liabilities	<u>44,282,938</u>	<u>3,103,921</u>	<u>843,537</u>
NONCURRENT LIABILITIES:			
Compensated Absences	858,447	20,578	151,689
Claims Payable	-	-	-
Bonds Payable - Net	46,121,008	-	158,868
Capital Lease Obligations	860,738	-	548,582
Loans Payable	101,245,909	-	-
Total Other Postemployment Benefits Liability (OPEB)	70,038,190	5,960,697	11,069,866
Net Pension Liability - General Employees	53,940,717	3,258,916	7,132,178
Pension Settlement	1,947,797	140,050	206,626
Total Noncurrent Liabilities	<u>275,012,806</u>	<u>9,380,241</u>	<u>19,267,809</u>
Total Liabilities	<u>319,295,744</u>	<u>12,484,162</u>	<u>20,111,346</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflow - General Employees Pension	1,154,744	88,070	42,495
Deferred Inflow for OPEB	19,729,123	4,809,526	3,353,107
	<u>20,883,867</u>	<u>4,897,596</u>	<u>3,395,602</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>340,179,611</u>	<u>17,381,758</u>	<u>23,506,948</u>
NET POSITION:			
Net Investment in Capital Assets	191,137,529	64,609	32,022,065
Restricted for:			
Future Capital Projects	66,646,770	-	-
Future Debt Service	3,113,066	-	-
Rate Stabilization	10,000,000	-	-
Unrestricted (Deficit)	<u>35,554,912</u>	<u>(1,932,006)</u>	<u>3,214,233</u>
TOTAL NET POSITION	<u>\$ 306,452,277</u>	<u>\$ (1,867,397)</u>	<u>\$ 35,236,298</u>

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

Other Enterprise Funds		Governmental Activities - Internal Service Funds	
	Total		
\$ 297,717	\$ 3,559,042	\$ 884,935	
27,511	789,365	271,312	
31,348	694,547	261,985	
53,353	1,280,708	537,341	
556,155	556,155	-	
2,406,976	2,406,976	-	
-	137,720	-	
6,774	15,526	126,008	
-	-	5,699,014	
26,597	32,522	-	
-	508,793	-	
-	11,647,023	-	
-	15,346,206	-	
-	7,220,318	203,744	
-	635,975	1,752,195	
85,969	6,891,920	41,604	
3,492,400	51,722,796	9,778,138	
45,359	1,076,073	511,716	
-	-	9,335,658	
-	46,279,876	3,419,808	
-	1,409,320	2,608,678	
654,841	101,900,750	-	
4,044,759	91,113,512	20,010,911	
1,868,088	66,199,899	21,387,981	
108,456	2,402,929	906,391	
6,721,503	310,382,359	58,181,143	
10,213,903	362,105,155	67,959,281	
360,070	1,645,379	2,258,903	
1,130,590	29,022,346	7,679,515	
1,490,660	30,667,725	9,938,418	
11,704,563	392,772,880	77,897,699	
6,788,200	230,012,403	208,152	
-	66,646,770	-	
-	3,113,066	-	
-	10,000,000	-	
6,082,457	42,919,596	15,428,094	
\$ 12,870,657	\$ 352,691,835	\$ 15,636,246	

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CITY OF HOLLYWOOD, FLORIDA

**RECONCILIATION OF THE STATEMENT OF NET POSITION OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

Net Position - Proprietary Funds	\$	352,691,835
Adjustment to Enterprise Funds for Internal Service Funds look-back		<u>10,399,349</u>
Net Position of Business-type Activities	\$	<u><u>363,091,184</u></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, 2021

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Sanitation Enterprise	Parking Enterprise
OPERATING REVENUES:			
Intergovernmental	\$ 848,806	\$ -	\$ -
Charges for Sales and Services	109,511,221	17,431,391	10,241,923
Fines and Forfeitures	-	33,806	954,521
Miscellaneous	382,336	-	162,747
Total Operating Revenues	<u>110,742,363</u>	<u>17,465,197</u>	<u>11,359,191</u>
OPERATING EXPENSES:			
Personal Services and Benefits	18,705,549	561,253	3,701,274
Supplies, Services and Claims	25,926,999	14,690,033	2,814,587
Depreciation	18,447,198	278	2,132,202
Total Operating Expenses	<u>63,079,746</u>	<u>15,251,564</u>	<u>8,648,063</u>
Operating Income (Loss)	<u>47,662,617</u>	<u>2,213,633</u>	<u>2,711,128</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Revenue	(26,770)	(2,913)	(5,951)
Interest Expense	(2,902,597)	-	(46,409)
Gain/Loss on Disposals	117,853	-	-
Other Income (Expense)	493,975	-	-
Total Nonoperating Revenues (Expenses)	<u>(2,317,539)</u>	<u>(2,913)</u>	<u>(52,360)</u>
Income (Loss) Before Contributions and Transfers	<u>45,345,078</u>	<u>2,210,720</u>	<u>2,658,768</u>
CONTRIBUTIONS:			
Capital Contributions	-	-	-
Contributions - Large Users	(591,497)	-	-
Impact Fees	1,423,894	-	-
TRANSFERS IN (OUT):			
Transfers In	350,882	-	-
Transfers Out	(5,123,401)	(10,025)	(395,290)
Total Transfers In (Out)	<u>(4,772,519)</u>	<u>(10,025)</u>	<u>(395,290)</u>
Change in Net Position	<u>41,404,956</u>	<u>2,200,695</u>	<u>2,263,478</u>
Net Position - Beginning	<u>265,047,321</u>	<u>(4,068,092)</u>	<u>32,972,820</u>
Net Position - Ending	<u>\$ 306,452,277</u>	<u>\$ (1,867,397)</u>	<u>\$ 35,236,298</u>

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

Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ -	\$ 848,806	\$ -
7,701,046	144,885,581	61,420,215
-	988,327	-
195,923	741,006	3,673,381
<u>7,896,969</u>	<u>147,463,720</u>	<u>65,093,596</u>
730,325	23,698,401	8,520,027
4,315,881	47,747,500	56,656,088
392,943	20,972,621	3,453,072
<u>5,439,149</u>	<u>92,418,522</u>	<u>68,629,187</u>
<u>2,457,820</u>	<u>55,045,198</u>	<u>(3,535,591)</u>
(16,181)	(51,815)	(17,917)
(24,484)	(2,973,490)	(312,225)
-	117,853	211,825
<u>-</u>	<u>493,975</u>	<u>9,686</u>
<u>(40,665)</u>	<u>(2,413,477)</u>	<u>(108,631)</u>
<u>2,417,155</u>	<u>52,631,721</u>	<u>(3,644,222)</u>
-	-	399,634
-	(591,497)	-
-	1,423,894	-
-	350,882	2,510,000
<u>(485,003)</u>	<u>(6,013,719)</u>	<u>(411,764)</u>
<u>(485,003)</u>	<u>(5,662,837)</u>	<u>2,098,236</u>
<u>1,932,152</u>	<u>47,801,281</u>	<u>(1,146,352)</u>
<u>10,938,505</u>	<u>304,890,554</u>	<u>16,782,598</u>
<u>\$ 12,870,657</u>	<u>\$ 352,691,835</u>	<u>\$ 15,636,246</u>

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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, 2021**

Net Change in Net Position - Proprietary Funds	\$ 47,801,281
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>(736,038)</u>
Changes in Net Position of Business-type Activities	<u>\$ 47,065,243</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, 2021

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water and Sewer Utility</u>	<u>Sanitation Enterprise</u>	<u>Parking Enterprise</u>
CASH FLOWS FROM OPERATING			
ACTIVITIES:			
Cash Received from Customers, Employees and Other Governments	\$ 105,752,829	\$ 17,473,893	\$ 11,348,250
Payments to Suppliers for Goods and Services	(19,288,339)	(14,751,660)	(3,024,631)
Payments to Employees for Services	(23,203,106)	(1,641,954)	(3,420,756)
Payments for claims and judgements	-	-	-
Payments for Interfund Services	-	-	-
Other Operating Receipts	737,424	-	-
Net Cash Provided (Used) by Operating Activities	<u>63,998,808</u>	<u>1,080,279</u>	<u>4,902,863</u>
CASH FLOWS FROM NONCAPITAL			
FINANCING ACTIVITIES:			
Transfers In	350,882	-	-
Transfers Out	<u>(5,123,401)</u>	<u>(10,025)</u>	<u>(395,290)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(4,772,519)</u>	<u>(10,025)</u>	<u>(395,290)</u>
CASH FLOWS FROM CAPITAL AND			
RELATED FINANCING ACTIVITIES:			
Proceeds from Bonds and Other Borrowings	75,431,257	-	-
Principal Paid on Bonds, Notes and Equipment Contracts	(53,045,610)	-	(716,250)
Interest Paid on Bonds, Notes and Equipment Contracts	(3,992,877)	-	(76,057)
Proceeds from Sale of Equipment	117,853	-	169,231
Acquisition and Construction of Capital Assets	(54,635,831)	-	-
Impact Fees, Special Assessments, Other Capital Receipts	1,326,372	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(34,798,836)</u>	<u>-</u>	<u>(623,076)</u>
CASH FLOWS FROM INVESTING			
ACTIVITIES:			
Investment Revenue	<u>(26,769)</u>	<u>(2,910)</u>	<u>(5,947)</u>
Net Cash Provided (Used) by Investing Activities	<u>(26,769)</u>	<u>(2,910)</u>	<u>(5,947)</u>
 Net Increase (Decrease) in Cash	24,400,684	1,067,344	3,878,550
 Cash and Investments - beginning of year	<u>211,318,786</u>	<u>10,093,442</u>	<u>16,589,627</u>
 Cash and Investments - end of year	<u><u>\$ 235,719,470</u></u>	<u><u>\$ 11,160,786</u></u>	<u><u>\$ 20,468,177</u></u>
Classified as:			
Current assets	\$ 129,470,254	\$ 10,148,144	\$ 20,468,177
Restricted assets	106,249,216	1,012,642	-
	<u><u>\$ 235,719,470</u></u>	<u><u>\$ 11,160,786</u></u>	<u><u>\$ 20,468,177</u></u>

		Governmental Activities - Internal Service Funds
Other Enterprise Funds	Total	
\$ 7,973,627	\$ 142,548,599	\$ 65,155,046
(4,253,190)	(41,317,820)	(21,986,037)
(1,280,466)	(29,546,282)	(11,031,272)
-	-	-
320,658	320,658	-
-	737,424	(34,860,138)
<u>2,760,629</u>	<u>72,742,579</u>	<u>(2,722,401)</u>
-	350,882	2,510,000
(485,003)	(6,013,719)	(411,764)
<u>(485,003)</u>	<u>(5,662,837)</u>	<u>2,098,236</u>
-	75,431,257	-
(83,330)	(53,845,190)	(1,616,309)
(25,421)	(4,094,355)	(429,635)
-	287,084	233,558
(1,037,455)	(55,673,286)	(555,320)
-	1,326,372	-
<u>(1,146,206)</u>	<u>(36,568,118)</u>	<u>(2,367,706)</u>
<u>(16,181)</u>	<u>(51,807)</u>	<u>(17,917)</u>
<u>(16,181)</u>	<u>(51,807)</u>	<u>(17,917)</u>
1,113,239	30,459,817	(3,009,788)
<u>13,228,293</u>	<u>251,230,148</u>	<u>78,149,082</u>
<u>\$ 14,341,532</u>	<u>\$ 281,689,965</u>	<u>\$ 75,139,294</u>
\$ 14,341,532	\$ 174,428,107	\$ 75,139,294
-	107,261,858	-
<u>\$ 14,341,532</u>	<u>\$ 281,689,965</u>	<u>\$ 75,139,294</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water and Sewer Utility</u>	<u>Sanitation Enterprise</u>	<u>Parking Enterprise</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 47,662,617	\$ 2,213,633	\$ 2,711,128
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	18,447,198	278	2,132,202
Provision for Uncollectible Accounts	672,322	278,181	-
Pension Expense Adjustment	(3,211,828)	(6,446)	(133,152)
OPEB Expense Adjustment	(424,193)	(1,022,127)	475,074
Change in Assets, Liabilities and Deferred Inflows/Outflows:			
(Increase) Decrease in Accounts Receivable	(8,738,485)	(328,904)	(11,341)
(Increase) Decrease in Inventory	(406,636)	-	-
(Increase) Decrease in Prepaid Items	-	-	-
Increase (Decrease) in Vouchers Payable	(264,058)	(61,626)	(206,064)
Increase (Decrease) in Accrued Compensated Absences	(1,703,883)	(75,526)	(268,690)
Increase (Decrease) in Accrued Expenses, Wages and Leave	8,151,701	23,397	207,286
Increase (Decrease) in Interest Payable	-	-	-
Increase (Decrease) in Claims Payable	-	-	-
Increase (Decrease) in Long term Bond Payable	-		
Increase (Decrease) in Due To Other Governments	(111,382)	-	(3,980)
Increase (Decrease) in Due To Other Funds	-	-	-
Increase (Decrease) in Deposits Payable	3,925,435	59,419	400
Total Adjustments	<u>16,336,191</u>	<u>(1,133,354)</u>	<u>2,191,735</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 63,998,808</u>	<u>\$ 1,080,279</u>	<u>\$ 4,902,863</u>
NONCASH CAPITAL FINANCING AND INVESTING ACTIVITIES:			
Changes in Bond discount/premium	\$ (6,433,470)	\$ -	\$ 7,246
Change in Deferred Refunding costs	367,024	-	-
Change in construction related liabilities	(1,007,193)	-	-
Capital Contributions	<u>(591,497)</u>	<u>-</u>	<u>-</u>
Total Noncash Capital Financing and Investing Activities	<u>\$ (7,665,136)</u>	<u>\$ -</u>	<u>\$ 7,246</u>

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

<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 2,457,820	\$ 55,045,198	\$ (3,535,591)
392,943	20,972,621	3,453,072
102,696	1,053,199	-
(513,143)	(3,864,569)	(1,559,066)
24,198	(947,048)	(594,785)
(25,967)	(9,104,697)	61,453
-	(406,636)	2,742
(1,250)	(1,250)	(2,756)
(64,283)	(596,031)	114,455
(99,385)	(2,147,484)	(965,163)
170,656	8,553,040	(448,846)
-	-	-
-	-	752,084
-	-	-
(4,243)	(119,605)	-
320,658	320,658	-
(71)	3,985,183	-
<u>302,809</u>	<u>17,697,381</u>	<u>813,190</u>
\$ 2,760,629	\$ 72,742,579	\$ (2,722,401)
\$ -	\$ (6,426,224)	\$ 115,568
-	367,024	-
(132,467)	(1,139,660)	1,056,612
-	(591,497)	-
<u>\$ (132,467)</u>	<u>\$ (7,790,357)</u>	<u>\$ 1,172,180</u>

CITY OF HOLLYWOOD, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2021

	<u>Total Pension Plans</u>
ASSETS:	
Investments	
U.S. Government Securities	\$ 72,931,175
Money Market Funds	18,116,897
Corporate Equities	536,612,296
Corporate Bonds and Other	37,120,347
Mutual Funds	403,431,284
Pooled Investment Funds	<u>107,792,476</u>
Total Investments	1,176,004,475
Contributions Receivable	274,888
Interest Receivable	644,917
Accounts Receivable	12,282,680
Prepaid Items	2,956,655
Non Depreciable	<u>508,435</u>
 TOTAL ASSETS	 <u>1,192,672,050</u>
LIABILITIES:	
Vouchers Payable	1,736,077
Voucher Payable - Purchase of Investment	1,061,448
Due to Brokers	<u>1,394,968</u>
 TOTAL LIABILITIES	 <u>4,192,493</u>
NET POSITION:	
Restricted for Pension Benefits	<u><u>\$ 1,188,479,557</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, 2021

	Total Pension Plans
ADDITIONS:	
Contributions:	
City	\$ 74,501,832
Local or State Excise Tax	3,314,365
Members	8,099,836
Total Contributions	<u>85,916,033</u>
Investment Income:	
Net Increase in Fair	
Value of Plan Investments	201,949,380
Interest and Dividends	14,918,514
	<u>216,867,894</u>
Less: Investment Expense	<u>(4,384,433)</u>
Net Investment Income	212,483,461
Other Income	39,373
Total Additions	<u>298,438,867</u>
DEDUCTIONS:	
Pension Benefits	92,417,474
Refund of Contributions	569,518
Administrative Expenses	2,002,499
Total Deductions	<u>94,989,491</u>
Change in Net Position	203,449,376
Net Position Restricted for Pension	
Benefits - Beginning of Year	<u>985,030,181</u>
Net Position Restricted for Pension	
Benefits - End of Year	<u>\$ 1,188,479,557</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, 2021

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 as other governmental fund component units into the primary government. Beginning with fiscal year 2020, 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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

statements of this report, but are not included in the government-wide statements. Each of these pension plans issues a publicly available financial report.

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 2021 fiscal year and is shown as a discretely presented component unit.

- 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.

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

governmental activities column, 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, and 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 GENERAL CAPITAL PROJECTS FUND accounts for general capital improvements financed from various governmental fund resources.

The 2019 GOB GENERAL CAPITAL PROJECTS FUND accounts for general capital improvements financed from various governmental fund resources.

The BEACH COMMUNITY REDEVELOPMENT FUND accounts for capital projects funded via the Series 2019 General Obligation Bond.

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 SPECIAL PROGRAMS FUND accounts for federal, state and local governments program grants and other restricted sources.

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.

The SANITATION ENTERPRISE FUND accounts for solid waste fees, franchise and recycling revenues, as well as related collection and disposal costs. This fund is determined as major by management for public interest purpose.

The PARKING ENTERPRISE FUND accounts for on-street and parking garage operations. Fund determined as major by management for public interest purpose.

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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, 2021.

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, subject to a 1% per month discount for the period November through February, and are due not later than March 31. On April 1, unpaid amounts become delinquent with interest and penalties

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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, 2021

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

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. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. 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 services 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 position 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 postemployment 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, 2021

10. **COMPENSATED ABSENCES** – It is the City's policy to permit employees to accumulate earned but unused vacation, sick, and 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 EQUITY** – 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 un-expended 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, 2021**

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, 2021

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, 2021. 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 2021.

The City maintains three defined benefit pension plans covering substantially all full-time employees. These plans have updated their investment policies pursuant to 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, 2021

At September 30, 2021, 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
CITY CASH & INVESTMENTS:						
Pooled Cash:						
Demand Deposits	\$ 17,742,748	\$ 17,742,748	\$ -			2.89 %
Money Market	213,644,036	213,644,036	-			34.78
Non-pooled Cash:						
Insurance Fund:						
Cash with Paying Agent	471,945	471,945				0.08
Capital Projects/Bond Related						
Golf Enterprise Funds						
Orangebrook cash	100,000	100,000	-			0.02
Total City Cash	<u>231,958,729</u> *	<u>231,958,729</u>	<u>-</u>			
Pooled Investments:						
Demand Deposits	102,651,791	102,651,791	-			16.71
Florida Cooperative Liquid Assets Securities Systems (FLCLASS)	614,114	614,114	-	AAAm	2.80	0.10
Florida Public Assets for Liquidity Liquidity Management (FLPALM)	6,841	6,841		AAAm	2.67	-
Local Government Investment Pool	13,308,825	13,308,825	-	AAAm	1.63	2.17
U.S. Government Instruments:						
U.S. Treasury	149,659,353	4,157,303	145,502,050		2.57	24.36
Total Pooled Investments	<u>266,240,924</u>	<u>120,738,874</u>	<u>145,502,050</u>			
Non-Pooled Investments:						
Community Redevelopment Agency:						
Demand Deposits	19,744,474	19,744,474	-			3.21
Money Market	30,084,639	30,084,639	-			4.90
Total Community Redevelopment Agency	<u>49,829,113</u>	<u>49,829,113</u>	<u>-</u>			
Capital Projects/Bond Related Reserves:						
Demand Deposits	14,858,153	14,858,153	-			2.42
Florida Cooperative Liquid Assets Securities Systems (FLCLASS)	41,429,094	41,429,094		AAAm	2.80	6.74
Money Market	10,000,000	10,000,000	-			1.63
Total Non-Pooled Investments	<u>116,116,360</u>	<u>116,116,360</u>	<u>-</u>			<u>100.00</u> %
Total City Investments	<u>382,357,284</u>	<u>236,855,234</u>	<u>145,502,050</u>			
Total City Cash & Investments	<u>\$ 614,316,013</u>	<u>\$ 468,813,963</u>	<u>\$ 145,502,050</u>			

* Variance with Financial Statement is due to 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, 2021

	Fair Value	Less Than 1 Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
FIDUCIARY FIXED INCOME INVESTMENTS:					
U. S. Government Securities:					
U. S. Treasuries:					
Fire Pension Fund	\$ 2,905,320	\$ -	\$ -	\$ 2,905,320	\$ -
Police Retirement Fund	19,186,018	-	-	-	19,186,018
Total U. S. Treasuries	<u>22,091,338</u>	<u>-</u>	<u>-</u>	<u>2,905,320</u>	<u>19,186,018</u>
U. S. Government Agencies:					
Fire Pension Fund	19,638,284	-	-	19,638,284	-
Police Retirement Fund	21,507,670	17,470,574	4,037,096	-	-
Total U. S. Government Agencies	<u>41,145,954</u>	<u>17,470,574</u>	<u>4,037,096</u>	<u>19,638,284</u>	<u>-</u>
Total U. S. Government Securities	<u>63,237,292</u>	<u>17,470,574</u>	<u>4,037,096</u>	<u>22,543,604</u>	<u>19,186,018</u>
Corporate Bonds and Notes:					
Fire Pension Fund	32,048,381	-	-	32,048,381	-
Police Retirement Fund	22,377,113	10,407,404	11,969,709	-	-
Total Corporate Bonds and Notes	<u>54,425,494</u>	<u>10,407,404</u>	<u>11,969,709</u>	<u>32,048,381</u>	<u>-</u>
Bond Mutual Funds					
General Employees Retirement Fund	48,157,567	-	-	48,157,567	-
Total Bond Mutual Funds	<u>48,157,567</u>	<u>-</u>	<u>-</u>	<u>48,157,567</u>	<u>-</u>
Total Fiduciary Fixed Income Investments	<u>\$ 165,820,353</u>	<u>\$ 27,877,978</u>	<u>\$ 16,006,805</u>	<u>\$ 102,749,552</u>	<u>\$ 19,186,018</u>

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 changes 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 three years from the date of purchase. The City's L CLASS, FL PALM, and U.S. Treasury investments have a "weighted average maturity" of 2.80, 2.67, and 2.57 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, 2021.

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 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, 2021 (\$614.4 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.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

The following table discloses credit ratings by fixed income investment type for the City's three pension plans at September 30, 2021, as applicable:

	Fair Value	Percentage of Portfolio
EMPLOYEES RETIREMENT FUND:		
Fixed Income Securities	\$ 115,749,420	100.00 %
Total Employees Retirement Fund Fixed Income Securities	<u>115,749,420</u>	<u>100.00</u>
FIRE PENSION FUND:		
U. S. Government Guaranteed (a)	32,237,487	73.94
Quality Rating of Credit Risk Debt Securities:		
A	<u>11,360,547</u>	<u>26.06</u>
Total Fire Pension Fund Fixed Income Securities	<u>43,598,034</u>	<u>100.00</u>
POLICE RETIREMENT FUND:		
U. S. Government Guaranteed (a)	<u>40,693,688</u>	<u>64.52</u>
Quality Rating of Credit Risk Debt Securities:		
AAA	3,287,188	5.21
AA+	-	-
AA	-	-
AA-	1,410,379	2.24
A+	-	-
A	3,147,838	4.99
A-	6,246,210	9.90
BBB+	6,613,970	10.49
BBB-	<u>1,671,528</u>	<u>2.65</u>
Total Credit Risk Debt Securities	<u>22,377,113</u>	<u>35.48</u>
Total Police Retirement Fund Fixed Income Securities	<u>63,070,801</u>	<u>100.00</u>
 Total Combined Pension Funds Fixed Income Securities	 <u><u>\$ 222,418,255</u></u>	
COMBINED PENSION FUNDS:		
U. S. Government Guaranteed (a)	<u>188,680,595</u>	<u>61.00</u>
Quality Rating of Credit Risk Debt Securities:		
AAA	3,287,188	2.00
AA	1,410,379	2.00
A	20,754,595	33.00
BBB	<u>8,285,498</u>	<u>2.00</u>
Total Credit Risk Debt Securities	<u>33,737,660</u>	<u>39.00</u>
Total Combined Pension Funds Fixed Income Securities	<u><u>\$ 222,418,255</u></u>	<u><u>100 %</u></u>

(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.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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, 2021, 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 the SBA Investment Pool and United States government securities. Ninety percent (90%) of available funds may be invested in United States government agencies and instrumentalities, one hundred percent (100%) of available funds may be invested in non-negotiable interest bearing time deposits or savings accounts, twenty percent (20%) of available funds may be invested in each of the following categories: repurchase agreements, highest grade commercial paper, mutual funds consisting of U.S. government obligations, registered investment companies and intergovernmental investment pools.

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, 2021. At September 30, 2021, 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 Inflex Fund (12.3%), RhumbLine Russle 1000 Growth Pooled Index Fund (6.6%), and U.S. Real Estate Investment Fund (7.5%). 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 Net Position
S&P 500 Index Fund - Non Lending	19.40 %
Wellington Trust Company - CTF International	12.30
Baird Core Plus Bond Fund	10.90
Neuberger Berman - Crossroads XXI Fund	6.20
Neuberger Berman - Short Duration Emerging Market Fund	5.60

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, 2021, the Police Officers' Retirement system had 0.2% 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.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 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.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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, 2021:

City of Hollywood Investments

Investments by Fair Value Level:	September 30, 2021	Fair Value Measurements Using:	
		Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
U.S. Government Instrumentalities:			
U.S. Treasury	\$ 149,659,353	\$ -	\$ 149,659,353
	\$ 149,659,353	\$ -	\$ 149,659,353
Investments Measured at the Net Asset Value (NAV):			
Florida Cooperative Liquid Assets Securities System (FLCLASS)	42,043,208		
Florida Public Assets for Liquidity Management (FLPALM)	6,841		
Total Investment measured at the NAV	42,050,049		
Demand Deposits	154,997,166		
Money Market	253,728,675		
Cash with Paying Agents	471,945		
Florida Prime - SBA Local Government Surplus Trust Fund	13,308,825		
Orangebrook Demand Deposit	100,000		
Total Investments	\$ 614,316,013		

Investments Measured at the NAV:	Fair Value	Redemption Frequency	Notice Period
Florida Cooperative Liquid Assets Securities Systems (FLCLASS)	\$ 42,043,208	Daily	Same day
Florida Public Assets for Liquidity Management (FLPALM)	6,841	Daily	Same day
	\$ 42,050,049		

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 84 days as of September 30, 2021.

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 80 days as of September 30, 2021.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 49 days as of September 30, 2021.

Employees Retirement Fund Investments

Investment by Fair Value Level	September 30, 2021	Fair Value Measurements Using	
		Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Bond Mutual Fund	\$ 48,157,567	\$ 48,157,567	\$ -
Fixed Income Composite	59,269,246	15,840,850	43,428,396
Domestic Stocks	15,729,350	14,369,253	1,360,097
Large Cap Equity Investment Fund	87,491,631	-	87,491,631
Small Cap Equity Investment Fund	32,139,870	-	32,139,870
International Equity Investment Fund	78,358,754	21,910,170	56,448,584
Total Investments by Fair Value Level	321,146,418	<u>\$ 100,277,840</u>	<u>\$ 220,868,578</u>
Investments Measured at the Net Asset Value (NAV):			
Private Equity Investment Funds	49,848,481		
Private Debt Investment Funds	8,322,607		
Real Estate Investment Funds	31,591,537		
Infrastructure Investment Funds	11,834,520		
Total Investments Measured at NAV	101,597,145		
Money Market (exempt)	8,990,722		
Total Investments	<u>\$ 431,734,285</u>		

Bond Mutual Fund – Valued at the daily closing price as reported by the General Employees Retirement System (Plan). Mutual fund held by the Plan is open-ended and is registered with the Securities and Exchange Commission.

Fixed Income Composites - Valued by using one or more of the following methods: security 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.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Private Equity Investment Funds:				
NB Crossroads Fund XXI - Asset Allocation, LP	\$ 27,647,059	\$ 5,400,000	Not Eligible	N/A
HarbourVest Dover Fund IX, LP	8,899,821	1,800,000	Not Eligible	N/A
GoldPoint Co-Investment VI, LP	13,301,601	1,121,497	Not Eligible	N/A
Total Private Equity Investment	<u>49,848,481</u>	<u>8,321,497</u>		
Private Debt Investment Fund:				
AG Direct Lending Fund II, LP	<u>8,322,607</u>	<u>-</u>	Not Eligible	N/A
Real Estate Investment Funds:				
AG Realty Value Fund X, LP	5,615,150	5,054,500	Not Eligible	N/A
Morgan Stanley - Prime Property Fund, LLC	12,757,726	-	Quarterly	90 Days
Principal Enhanced Property Fund, LP	<u>13,218,661</u>	<u>-</u>	Quarterly	90 Days
Total Investment in Real Estate Funds	<u>31,591,537</u>	<u>5,054,500</u>		
Private Infrastructure Investment Fund:				
IFM Global Infrastructure Investment Fund	<u>11,834,520</u>	<u>-</u>	Quarterly	90 Days
Total Investments Measured at NAV	<u>\$ 101,597,145</u>	<u>\$ 13,375,997</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. 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.

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). 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.

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 the middle market direct lending. The Partnership intends to provide corporate financing support to North American middle-market companies, focusing on senior debt and other debt instruments, including unitranche facilities, second lien

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

debt, mezzanine loans and equity co-investments. The fair value of the investment in this fund has been determined using 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.

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, 2019 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.

Morgan Stanley Prime Property Fund, LLC (The Company) 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 at September 30, 2019 were located throughout the United States. An independent appraiser will perform quarterly appraisals of the fund's 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 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.

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.

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 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.

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AG Realty Value Fund X, L.P is a Delaware limited partnership which was formed on February 5, 2018, and commenced operations on August 2, 2018. Investments 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.

Fire Pension Fund Investments

Investment by Fair Value Level	September 30, 2021	Fair Value Measurement Using:		
		Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Securities	\$ 21,049,045	-	\$ 21,049,045	\$ -
U.S. Government Agencies	11,188,442	-	11,188,442	-
Corporate Bonds	3,825,803	-	3,825,803	-
International Fixed Income Investment Fund	-	-	-	-
Domestic Fixed Income Investment Fund	1,457,476	1,457,476	-	-
Domestic Stocks	93,335,977	93,335,977	-	-
Domestic Equity Investment Fund	87,731,244	87,731,244	-	-
International Equity Investment Fund	25,432,599	25,432,599	-	-
International Stock	35,636,575	35,636,575	-	-
Timber Investment Fund	4,548,000	-	-	4,548,000
Temporary Investments	12,582,388	12,582,388	-	-
Total Investments by Fair Value Level	296,787,549	\$ 256,176,259	\$ 36,063,290	\$ 4,548,000
Investments Measured at the Net Asset Value (NAV):				
Real Estate Investment Funds	32,161,140			
Domestic Fixed Income Investment Fund	9,459,955			
Total Investments Measured at NAV	41,621,095			
Total Investments Measured at Fair Value	\$ 338,408,644			

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.

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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:

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 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
Real Estate Investment Funds:				
U.S. Real Estate Investment Fund, LLC	\$ 14,317,890	\$ 3,982,490	Quarterly	90 Days
Affiliated Housing Impact Fund	1,784,499	868,154	Quarterly	60 Days
JPMCB Special Situation Property Fund	16,058,751	-	Quarterly	45 Days
Total Real Estate Investment Funds	32,161,140	4,850,644		
Domestic Fixed Income Investment Fund:				
Crescent Direct Lending Levered Fund	3,502,131	914,665	Indefinite	90 Days
LBC Credit Partners, IV, L.P. Fund	3,382,320	5,767,286	Indefinite	n/a
EntrustPermal Special Opportunities Fund IV, LTD	2,575,504	2,763,637	Indefinite	90 Days
Total	9,459,955	9,445,588		
Total Investments Measured at NAV	<u>\$ 41,621,095</u>	<u>\$ 14,296,232</u>		

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.

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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.
- 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

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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 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. The program has since grown and expanded over 10-plus years, with opportunistic co-investments currently comprising over \$7.2 billion.
- EnTrustPermal launched the fourth iteration of its Special Opportunities Funds with a first tranche-close of approximately \$1 billion in commitments across 70 global investors. 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 green multi-family housing at attainable rents.

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Police Retirement Fund Investments

	September 30, 2021	Fair Value Measurement Using:		
		Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
U.S. Government Securities	\$ 40,693,688	\$ -	\$ 40,693,688	\$ -
Corporate Bonds and Notes	22,377,113	-	22,377,113	-
Equity Securities - Common Stocks	201,239,543	201,239,543	-	-
REITs	801,150	801,150	-	-
Comingled Equity Funds	76,705,858	76,705,858	-	-
Total Investments by Fair Value Level	341,817,352	\$ 278,746,551	\$ 63,070,801	\$ -
Investments Measured at the Net Asset Value (NAV):				
Real Estate Funds	41,099,874			
Hedge Funds	13,452,482			
Total Investments Measured at NAV	54,552,356			
Money Market Funds (exempt)	9,126,175			
Total Investments	\$ 405,495,883			

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.

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The Fund's valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2021 are as follows:

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Real Estate Fund (1)	\$ 30,550,072	\$ -	Quarterly	90 Days
Real Estate Fund (2)	3,568,995	1,736,306	N/A	N/A
Real Estate Fund (3)	6,980,807	3,088,025	N/A	N/A
Hedge Fund (4)	7,068,960	552,726	Quarterly	95 Days
Hedge Fund (5)	764,754	-	N/A	N/A
Hedge Fund (6)	431,726	4,577,244	N/A	N/A
Hedge Fund (7)	3,733,138	10,654,000	N/A	N/A
Hedge Fund (8)	1,453,904	3,604,218	N/A	N/A
Total Investments Measured at NAV	<u>\$ 54,552,356</u>	<u>\$ 24,212,519</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 is an open-end, diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the U.S. The investment is valued at NAV and its redemption must be received by the fund 10 days prior to quarter end.
- (3) 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.
- (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 fund 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.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

- 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 Accounts Receivable
	Taxes	Accounts	Reinsurance	Inter- governmental	Less: Allowance for Uncollectibles	
General	\$ 2,718,192	\$ 6,173,743	\$ -	\$ 4,313,075	\$ (3,848,054)	\$ 9,356,956
General Capital Projects	-	44,178	-	4,200	(6,500)	41,878
Beach Community Redevelopment	-	22,020	-	-	-	22,020
Downtown Community Redevelopment	-	183,442	-	-	(175,967)	7,475
Special Programs	-	-	-	256,581	-	256,581
Other Governmental	-	120,001	-	881,317	-	1,001,318
Internal Service	-	103,039	371,591	-	-	474,630
	<u>\$ 2,718,192</u>	<u>\$ 6,646,423</u>	<u>\$ 371,591</u>	<u>\$ 5,455,173</u>	<u>\$ (4,030,521)</u>	<u>\$ 11,160,858</u>
	Business-type Activities				Net Total Accounts Receivable	
	Accounts	Assessments	Less: Allowance for Uncollectibles			
Water & Sewer Utility	\$ 25,589,106	\$ 779,844	\$ (3,172,590)	\$ 23,196,360		
Sanitation Enterprise	3,588,964	-	(923,064)	2,665,900		
Parking Enterprise	84,394	-	-	84,394		
Other Enterprise	1,183,557	-	(270,063)	913,494		
	<u>\$ 30,446,021</u>	<u>\$ 779,844</u>	<u>\$ (4,365,717)</u>	<u>\$ 26,860,148</u>		

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 Inflows	Unearned
Local Business Taxes and Other Charges (General Fund)	\$ (2,246,001)	\$ -
Grant Revenue (General Capital Projects)	-	-
Deferred Grant and Contract Revenue(Special Programs Fund)	(20,116,649)	(9,499,870)
Deferred Grant and Contract Revenue (Nonmajor Funds)	(11,867,846)	(15,595,534)
Total Deferred Inflow/Unearned Revenue for Governmental Funds	<u>\$ (34,230,496)</u>	<u>\$ (25,095,404)</u>

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CITY OF HOLLYWOOD, FLORIDA

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

	2021
GOVERNMENTAL ACTIVITIES:	
Housing Long-term Loans	\$ 32,039,700
Less: Allowance for Uncollectibles	(25,890,000)
Notes Receivable - Net	<u>6,149,700</u>
 Downtown Community Redevelopment:	
Long-term Loans	\$ 3,500,000
Less: Allowance for Uncollectibles	(3,500,000)
Notes Receivable - Net	<u>-</u>
 GOVERNMENTAL FUNDS:	
Special Program and SHIP Funds:	
Long-term Loans	32,039,700 (a)
	<u>32,039,700</u>
Less: Allowance for Uncollectibles	(585,678)
Notes Receivable - Net	<u>31,454,022</u>
 Total Notes Receivable - Net	<u><u>\$ 31,454,022</u></u>

- (a) The notes receivable reported in the Special Programs Fund and Local Housing Assistance Trust Fund consist of collateralized home improvement loans. The deferred loans represent individual borrowings (limited to \$70,000) which are repayable without interest at time of sale or transfer of the property. The notes receivable in the Downtown Community Redevelopment Fund consist of loans to developers and others to assist in approved projects. Loans are secured by mortgages on real property and repayable over various time periods at various interest rates.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

E. CAPITAL ASSETS – Capital asset activity for the fiscal year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 40,650,546	\$ 12,119,401	\$ -	\$ -	\$ 52,769,947
Construction in Progress	13,068,034	16,842,444	12,394,442	-	17,516,036
Total Capital Assets, Not Being Depreciated	53,718,580	28,961,845	12,394,442	-	70,285,983
Capital Assets, Being Depreciated:					
Buildings and Improvements	194,324,560	55,317	-	-	194,379,877
Machinery and Equipment	87,146,762	5,582,887	7,302,086	(1,276)	85,426,287
Infrastructure	106,548,937	1,447,304	842,618	-	107,153,623
Total Capital Assets, Being Depreciated	388,020,259	7,085,508	8,144,704	(1,276)	386,959,787
Less Accumulated Depreciation For:					
Buildings and Improvements	123,914,688	6,840,555	-	-	130,755,243
Machinery and Equipment	61,031,566	6,434,317	7,030,694	(1,276)	60,433,913
Infrastructure	82,848,787	1,585,965	817,534	-	83,617,218
Total Accumulated Depreciation	267,795,041	14,860,837 (1)	7,848,228	(1,276)	274,806,374
Total Capital Assets, Being Depreciated - Net	120,225,218	(7,775,329)	296,476	-	112,153,413
Governmental Activities Capital Assets - Net	<u>\$ 173,943,798</u>	<u>\$ 21,186,516</u>	<u>\$ 12,690,918</u>	<u>\$ -</u>	<u>\$ 182,439,396</u>

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

Governmental Activities:	
General Government	\$ 1,350,878
Public Safety - Police	445,396
Public Safety - Fire	2,042,464
Other Public Safety	20,346
Public Works	1,820,423
Transportation	11,335
Economic Environment	2,027
Physical Environment	2,823,920
Culture and Recreation	2,890,976
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	3,453,072
Total Governmental Activities Depreciation Expense	<u>\$ 14,860,837</u>

For the current year, governmental funds contributed \$0.4 million in vehicles and equipment to the Central Services Fund. At the government wide level, all capital contributions are accounted for in the transfers line item.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Business-type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 6,285,499	\$ -	\$ -	\$ -	\$ 6,285,499
Construction in Progress	43,979,568	55,645,518	6,418,784	-	93,206,302
Total Capital Assets, Not Being Depreciated	50,265,067	55,645,518	6,418,784	-	99,491,801
Capital Assets, Being Depreciated:					
Buildings and Systems	734,799,730	1,630,761	1,467,150	-	734,963,341
Machinery and Equipment	9,030,539	218,952	627,438	1,276	8,623,329
Total Capital Assets, Being Depreciated	743,830,269	1,849,713	2,094,588	1,276	743,586,670
Less Accumulated Depreciation For:					
Buildings and Systems	409,447,911	20,394,684	112,472	-	429,730,123
Machinery and Equipment	7,345,266	577,937	625,832	1,276	7,298,647
Total Accumulated Depreciation	416,793,177	20,972,621	738,304	1,276	437,028,770
Total Capital Assets, Being Depreciated - Net	327,037,092	(19,122,908)	1,356,284	-	306,557,900
Business-type Activities Capital Assets - Net	\$ 377,302,159	\$ 36,522,610	\$ 7,775,068	\$ -	\$ 406,049,701
Business-type Activities:					
Water and Sewer					18,447,198
Sanitation					278
Parking					2,132,202
Nonmajor Enterprise Funds					392,943
Total Business-type Activities Depreciation Expense					\$ 20,972,621

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, 2021:

General Fund	\$ 502,000
General Capital Projects Fund	17,941,206
Series General Obligation Capital Project Fund	41,128,243
Beach CRA	28,168,970
Downtown CRA	10,391,748
Special Programs Fund	633,166
Nonmajor Governmental Funds	7,948,490
Water and Sewer	98,761,682
Parking	575,023
Nonmajor Enterprise Funds	4,809,748
Central Services Internal Service	2,147,325
	<u>\$ 213,007,601</u>

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

G. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – The composition of interfund balances as of September 30, 2021, is as follows:

Due From	Due to:		
	General Fund	Downtown Community Redevelopment Agency	Total
Special Programs Fund	\$ -	\$ 144,000	\$ 144,000
Police Grants Fund	93,665	-	93,665
Emergency and Disaster Fund	1,149,867	-	1,149,867
Golf Enterprise Fund	2,406,976	-	2,406,976
Total Due From	<u>\$ 3,650,508</u>	<u>\$ 144,000</u>	<u>\$ 3,794,508</u>

The above mainly represents cash advanced by the General Fund to other Funds which are outstanding at September 30, 2021.

	Transfers In:					Total Transfers Out
	General Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Water and Sewer Utility	Internal Service Funds	
Transfers Out:						
General Fund	\$ -	\$ 2,795,600	\$ 24,883,080	\$ -	\$ 2,510,000	\$ 30,188,680
General Capital Projects Fund	-	-	2,426,849	-	-	2,426,849
Nonmajor Governmental Funds	450,000	-	220,319	-	-	670,319
Water and Sewer Utility Fund	5,123,401	-	-	-	-	5,123,401
Sanitation Enterprise Fund	10,025	-	-	-	-	10,025
Parking Enterprise Fund	395,290	-	-	-	-	395,290
Nonmajor Enterprise Funds	134,121	-	-	350,882	-	485,003
Internal Service Funds	357,579	-	54,185	-	-	411,764
Total Transfers In	<u>\$ 6,470,416</u>	<u>\$ 2,795,600</u>	<u>\$ 27,584,433</u>	<u>\$ 350,882</u>	<u>\$ 2,510,000</u>	<u>\$ 39,711,331</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 \$2.80 million transfer between the General Fund and the General Capital Project Fund is to fund capital projects. The \$27.58 million transferred into the Nonmajor Governmental Funds represents transfers for debt service and the transfer of the Building Operations Fund from the General Fund (\$14.94 million). The \$6.47 million of transfers into the General Fund were primarily to offset administrative costs. The \$2.51 million transferred into the Internal Service Funds are primarily to fund capital asset acquisitions.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

H. CAPITAL LEASES – The City has entered into master lease purchase agreements and other lease agreements as lessee for financing the acquisition of fleet vehicles, equipment and other improvements. The value of assets acquired under capital leases totals approximately \$21.6million which is comprised of approximately \$14.7 million in gross value and \$4.6 million in net book value of equipment and approximately \$6.9 million in gross value and \$1.8 million in net book value of improvements. Future minimum lease payments and the present value of net minimum lease payments as of September 30, 2021 are as follows:

Fiscal Year	Minimum Lease Payments	
	Governmental Activities	Business-type Activities
2022	\$ 1,962,197	\$ 708,022
2023	1,505,173	725,928
2024	1,259,517	747,706
Total Minimum Lease Payments	4,726,887	2,181,656
Less: Amount Representing Interest	(366,014)	(136,361)
Present Value of Net Minimum Lease Payments	<u>\$ 4,360,873</u>	<u>\$ 2,045,295</u>

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

- 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, 2021:

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 September 30,	Principal	Interest	Total
2022	\$ 2,813,000	\$ 831,295	\$ 3,644,295
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
2026-2030	16,725,000	1,493,580	18,218,580
	<u>\$ 28,469,000</u>	<u>\$ 4,316,519</u>	<u>\$ 32,785,519</u>

- \$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.
- Annual debt service requirements to maturity for the PNC Refunding Revenue Note, Series 2017:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	\$ 1,280,000	\$ 33,280	\$ 1,313,280
	<u>\$ 1,280,000</u>	<u>\$ 33,280</u>	<u>\$ 1,313,280</u>

- \$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.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	\$ 765,000	\$ 55,577	\$ 820,577
2023	780,000	37,446	817,446
2024	800,000	18,960	818,960
	<u>\$ 2,345,000</u>	<u>\$ 111,983</u>	<u>\$ 2,456,983</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.
- Annual debt service requirements to maturity for the Government Activities portion of the Capital Improvement Revenue and Refunding Bonds, Series 2016A:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	\$ 1,339,396	\$ 1,438,413	\$ 2,777,809
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
2026-2030	16,387,381	2,968,246	19,355,627
2031-2034	<u>3,555,244</u>	<u>106,657</u>	<u>3,661,901</u>
	30,190,356	8,232,118	38,422,474
Premium/(Discount)	<u>3,251,437</u>	<u>-</u>	<u>3,251,437</u>
	<u>\$ 33,441,793</u>	<u>\$ 8,232,118</u>	<u>\$ 41,673,911</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,

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 September 30,	Principal	Interest	Total
2022	\$ 6,335,000	\$ 840,375	\$ 7,175,375
2023	6,655,000	515,625	7,170,625
2024	6,985,000	174,625	7,159,625
	<u>19,975,000</u>	<u>1,530,625</u>	<u>21,505,625</u>
Premium/(Discount)	671,745	-	671,745
	<u>\$ 20,646,745</u>	<u>\$ 1,530,625</u>	<u>\$ 22,177,370</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 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, 2021. 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 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 September 30,	Principal	Interest	Total
2022	\$ 1,706,667	\$ 113,003	\$ 1,819,670
2023	686,667	23,644	710,311
2024	355,000	7,596	362,596
	<u>\$ 2,748,334</u>	<u>\$ 144,243</u>	<u>\$ 2,892,577</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.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

- 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, 2021, 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, 2021 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, 2021, 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 September 30,	Principal	Interest	Swap Rate Interest	Total
2022	\$ 1,366,667	\$ 38,001	\$ 30,489	\$ 1,435,157
2023	341,665	1,118	897	343,680
	<u>\$ 1,708,332</u>	<u>\$ 39,119</u>	<u>\$ 31,386</u>	<u>\$ 1,778,837</u>

- \$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, 2021. Annual principal payments continue through maturity on August 1, 2021. 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 2021.
- \$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, 2021 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.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

- 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 September 30,	Principal	Interest	Total
2022	\$ 1,425,000	\$ 2,474,600	\$ 3,899,600
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
2026-2030	9,570,000	9,926,500	19,496,500
2031-2035	12,120,000	7,359,650	19,479,650
2036-2040	14,830,000	4,654,200	19,484,200
2041-2044	14,140,000	1,442,000	15,582,000
	<u>56,805,000</u>	<u>32,839,000</u>	<u>89,644,000</u>
Premium/(Discount)	9,429,545	-	9,429,545
	<u>\$ 66,234,545</u>	<u>\$ 32,839,000</u>	<u>\$ 99,073,545</u>

- \$11,700,000 Series 2021A and Series 2021B Capital Improvement Revenue Bonds – On May 20, 2021, the City issued the Series 2021A and Series 2021B Capital Improvement Revenue Bonds. The bond is payable quarterly commencing on August 1, 2021. 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 2021A to 2.27% for Series 2021B. The purpose of the bonds are to fund capital projects.

Annual debt service requirements to maturity for the Series 2021A and Series 2021B Capital Improvement Revenue Bonds:

Fiscal Year Ending:	Capital Improvement Revenue & Refunding Bonds, 2020A			Capital Improvement Revenue & Refunding Bonds, 2020B		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 851,339	\$ 183,172	\$ 1,034,511	\$ 343,016	\$ 44,263	\$ 387,279
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
2026-2030	4,617,702	273,699	4,891,401	658,022	14,941	672,963
	<u>\$ 8,145,548</u>	<u>\$ 883,897</u>	<u>\$ 9,029,445</u>	<u>\$ 2,077,928</u>	<u>\$ 144,151</u>	<u>\$ 2,222,079</u>

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 on September 30, 2023 and are secured 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.

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	\$ 5,990,000	\$ 578,500	\$ 6,568,500
2023	5,580,000	279,000	5,859,000
	11,570,000	857,500	12,427,500
Premium/(Discount)	565,152	-	565,152
	<u>\$ 12,135,152</u>	<u>\$ 857,500</u>	<u>\$ 12,992,652</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 were 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.
- \$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 2010B Revenue Bonds.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

Annual debt service requirements to maturity for the Series 2020 bonds:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	\$ -	\$ 1,375,200	\$ 1,375,200
2023	-	1,375,200	1,375,200
2024	1,295,000	1,375,000	2,670,000
2025	1,360,000	1,310,450	2,670,450
2026	1,430,000	1,242,450	2,672,450
2027-2031	8,295,000	5,066,000	13,361,000
2032-2036	10,555,000	2,796,900	13,351,900
2037-2041	7,490,000	529,150	8,019,150
	<u>30,425,000</u>	<u>15,070,350</u>	<u>45,495,350</u>
Premium	7,078,552	-	7,078,552
	<u>\$ 37,503,552</u>	<u>\$ 15,070,350</u>	<u>\$ 52,573,902</u>

- \$108,792,670 State of Florida Revolving Fund Loans – Funds borrowed and outstanding to finance the construction of a 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 secured by a pledge of the 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 September 30,	Principal	Interest	Total
2022	\$ 6,891,920	\$ 1,263,484	\$ 8,155,404
2023	8,157,112	1,272,389	9,429,501
2024	8,054,572	1,174,055	9,228,627
2025	7,318,050	1,030,974	8,349,024
2026	7,424,903	900,649	8,325,552
2027-2031	26,556,094	3,218,307	29,774,401
2032-2036	24,845,785	1,595,497	26,441,282
2037-2041	17,293,273	464,878	17,758,151
2042-2046	2,250,961	13,800	2,264,761
	<u>\$ 108,792,670</u>	<u>\$ 10,934,033</u>	<u>\$ 119,726,703</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 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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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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

Fiscal Year Ending	Principal	Interest	Total
September 30,			
2022	150,603	161,737	312,340
2023	291,605	154,207	445,812
2024	306,261	139,627	445,888
2025	403,799	124,314	528,113
2026-2030	1,842,619	333,754	2,176,373
2031	399,757	11,993	411,750
	<u>3,394,644</u>	<u>925,632</u>	<u>4,320,276</u>
Premium/(Discount)	466,846	-	466,846
	<u>\$ 3,861,490</u>	<u>\$ 925,632</u>	<u>\$ 4,787,122</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, 2021. 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 2021.

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, 2021.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

5. CHANGES IN LONG-TERM LIABILITIES – The following is a summary of changes in the long-term liabilities for the year ended September 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Loans Payable:					
Indirect Borrowings:					
General Obligation					
Notes, Series 2015	\$ 31,198,000	\$ -	\$ 2,729,000	28,469,000	\$ 2,813,000
Capital Improvement					
Bonds, Series 2016A	31,466,828	-	1,276,472	30,190,356	1,339,396
General Obligation Bond, Series 2019	58,165,000	-	1,360,000	56,805,000	1,425,000
Redevelopment Revenue					
Bonds	26,010,000	-	6,035,000	19,975,000	6,335,000
Bond Premium/(Discount)	15,200,366	-	1,847,639	13,352,727	1,659,460
Total Indirect Borrowings	162,040,194	-	13,248,111	148,792,083	13,571,856
Direct Borrowings:					
Redevelopment Loans	4,444,999	-	1,696,665	2,748,334	1,706,667
HUD Section 108 Loans	200,000	-	200,000	-	-
PNC Refunding Note, Series 2017	2,530,000	-	1,250,000	1,280,000	1,280,000
Pinnacle Refunding Note, Series 2017	3,090,000	-	745,000	2,345,000	765,000
Bank Loan Series 2020	11,390,521	-	1,167,045	10,223,476	1,194,355
Total Direct Borrowing	21,655,520	-	5,058,710	16,596,810	4,946,022
Total Bonds, Notes and Loans Payable	183,695,714	-	18,306,821	165,388,893	18,517,878
Other Liabilities:					
Compensated Absences	15,414,426	10,270,528	8,230,372	17,454,582	8,017,893
Claims and Judgments	14,282,588	46,286,791	45,534,707	15,034,672	5,699,014
Capital Lease Obligations	3,945,615	1,908,019	1,492,761	4,360,873	1,752,195
Other Liabilities	11,205,600	-	3,966,208	7,239,392	1,623,289
Other Postemployment Benefits Liability	441,139,886	32,308,492	211,608	473,236,770	-
Net Pension Liability					
General	165,527,189	-	13,153,369	152,373,820	-
Police	230,859,036	10,005,336	-	240,864,372	-
Fire	179,086,535	6,880,463	-	185,966,998	-
FRS	1,302,054	-	1,057,387	244,667	-
Total Other Liabilities	1,062,762,929	107,659,629	73,646,412	1,096,776,146	17,092,391
Total Governmental Activities Long-term Liabilities	\$ 1,246,458,643	\$ 107,659,629	\$ 91,953,233	\$ 1,262,165,039 *	\$ 35,610,269

* 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 (\$134,041).

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% 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. Currently, the General Fund and Water and Sewer Utility bear approximately 74% and 17% respectively of all insurance costs; no other individual fund is charged more than 5% of the total amount.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 77% is assigned to the General Fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Bonds and Loans Payable:					
Indirect Borrowings:					
Water and Sewer					
Revenue Bonds,					
Series 2014 (a)	\$ 17,280,000	\$ -	\$ 5,710,000	\$ 11,570,000	\$ 5,990,000
Water and Sewer					
Revenue Bonds,					
Series 2010 (a)	40,805,000	-	40,805,000	-	-
Capital Improvement					
Revenue and Refunding					
Bonds, Series 2016 (a)	3,538,172	-	143,528	3,394,644	150,603
Water and Sewer					
Revenue Bonds,					
Series 2020	-	30,425,000	-	30,425,000	-
Bond Premium/Discount	1,680,752	7,640,545	1,210,747	8,110,550	1,079,715
Total Indirect Borrowings	63,303,924	38,065,545	47,869,275	53,500,194	7,220,318
Direct Borrowing:					
Promissory Note	481,029	-	481,029	-	-
State Revolving Loans	77,030,452	37,879,775	6,117,557	108,792,670	6,891,920
Total Direct Borrowings	77,511,481	37,879,775	6,598,586	108,792,670	6,891,920
Total Bonds, Notes and Loans Payable	140,815,405	75,945,320	54,467,861	162,292,864	14,112,238
Other Liabilities:					
Compensated Absences	2,147,484	1,490,005	1,280,708	2,356,781	1,280,708
Capital Lease Obligations	2,633,373	-	588,078	2,045,295	635,975
Other Liabilities	4,666,115	-	1,568,639	3,097,476	694,547
Other Postemployment					
Benefits Liability	89,546,717	2,190,335	623,540	91,113,512	-
Net Pension Liability	73,455,753	-	7,255,854	66,199,899	-
Total Other Liabilities	172,449,442	3,680,340	11,316,819	164,812,963	2,611,230
Total Business-Type Activities Long-term Liabilities	\$ 313,264,847	\$ 79,625,660	\$ 65,784,680	\$ 327,105,827	\$ 16,723,468

These amounts are reflected in the financial statements net of unamortized premium/discount of \$8,110,550.

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.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 2021 through FY 2025. Interest is accrued based on the Board's long-term discount rate (7.5%). The City elected to prepay a portion of the fiscal year 2021 contribution during fiscal year 2020. Below is a breakdown of the applicable payout schedule:

Fiscal Year	Governmental Activities	Business Type Activities	Total Primary Government
2022	\$ 1,623,289	\$ 694,547	\$ 2,317,836
2023	1,739,880	744,432	2,484,312
2024	1,870,371	800,265	2,670,636
2025	2,005,852	858,232	2,864,084
	<u>\$ 7,239,392</u>	<u>\$ 3,097,476</u>	<u>\$ 10,336,868</u>

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, 2021.

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, 2021:

Bond/Loan Description	Pledged Revenue	Revenue Received	Principal and Interest Paid	Outstanding Principal and Interest	Pledged Through
Governmental Activities:					
General Obligation Note, Series 2015	Ad Valorem Revenues	\$ 117,501,812	\$ 3,639,982	\$ 28,469,000	2030
Capital Improvement Revenue & Refunding Bonds, Series 2016	Half Cent Sales Tax & Simplified Communications Tax Revenues	15,394,110	2,778,708	30,190,356	2031
BCRA Redevelopment Revenue Bonds, Series 2015	Increment Tax Revenues	28,213,064	7,184,625	19,975,000	2024
	Designated Non-Ad Valorem Revenues *	58,441,095			
DCRA Redevelopment Revenue Loans, Series 2002 to 2013	Increment Tax Revenues	21,298,418	1,917,147	2,748,334	2024
HUD Section 108 Loans	CDBG Grant Allocation and Program Revenue	1,584,627	201,233	-	2021
PNC Refunding Revenue Note, Series 2017	Non-Ad Valorem Revenues	110,628,806	1,296,575	1,280,000	2022
Pinnacle Refunding Revenue Note, Series 2017	Non-Ad Valorem Revenues	110,628,806	818,233	2,345,000	2024
General Obligation Notes, Series 2019	Ad Valorem Revenues	117,501,812	3,902,600	56,805,000	2044
Series 2020 Capital Improvement Bond	Local Business Tax	4,483,030	1,421,790	10,223,476	2030
Business-type Activities:					
Water and Sewer Revenue Bonds, Series 2014	Utility Revenues	109,893,557	6,574,000	11,570,000	2023
Water and Sewer Revenue Bonds, Series 2010	Utility Revenues	109,893,557	40,805,000	-	2039
Water and Sewer Revenue Refunding Bonds, Series 2020	Utility Revenues	109,893,557	1,268,240	30,425,000	2039
State Revolving Fund Loans	Reuse System and Utility Revenues	115,888,185	7,313,278	108,792,670	2042
Capital Improvement Revenue & Refunding Bonds, Series 2016	Half Cent Sales Tax & Simplified Communications Tax Revenues	15,394,110	312,442	3,394,644	2031
Promissory Note, Series 2009A	Non-Ad Valorem Revenues	110,628,806	512,101	-	2021

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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.

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.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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, 2021.

The following table shows the City's fund balance classifications for its governmental funds as of September 30, 2021:

	Major Funds						Other
	General	General Capital Projects	2019 GOB Capital Project	Beach Community Redevelopment	Downtown Community Redevelopment	Special Programs	Governmental Funds
Nonspendable:							
Inventory	\$ 49,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Items	-	339,184	1,614,579	-	-	-	-
Nonspendable Fund Balance	49,813	339,184	1,614,579	-	-	-	-
Restricted for:							
Assets Held for Sale	-	-	-	-	-	201,926	-
Debt Covenants	-	-	-	6,747,344	-	-	512,920
Grants & Special Programs	-	976,066	-	10,859,000	-	6,637,286	866,582
Public Safety Projects	-	907,736	7,500,064	9,700	-	-	2,713,110
Transportation Projects	-	2,064,699	-	91,500	-	-	6,731,784
Redevelopment Projects	-	-	-	19,674,052	11,379,178	-	-
Park Improvements & Renovations	-	-	27,856,845	-	-	-	3,037,297
Building Operations	-	-	-	-	-	-	19,245,216
Neighborhood and Infrastructure	-	-	14,592,126	-	-	-	-
Other Capital Projects	-	566,172	734,311	-	-	-	-
Restricted Fund Balance	-	4,514,673	50,683,346	37,381,596	11,379,178	6,839,212	33,106,909
Committed to:							
Economic Stabilization	10,465,645	-	-	-	-	-	-
General Capital Project	-	6,764,712	-	-	-	-	-
Public Safety Projects	-	922,232	-	-	-	247,741	45,404
Physical Environment	-	125,560	-	-	-	-	-
Economic Environment	-	183,298	-	-	-	-	-
Transportation Project	-	2,292,718	-	-	-	-	-
Park and Improvement Projects	-	1,215,993	-	-	-	-	-
Committed Fund Balance	10,465,645	11,504,513	-	-	-	247,741	45,404
Subsequent Years' Budget	8,766,426	-	-	-	-	-	-
Encumbrances	502,000	-	-	-	-	-	-
Assets Held for Sale	-	730,590	-	-	-	-	-
General Government	-	603,147	-	-	-	-	-
Public Safety Projects	-	167,000	-	-	-	77,060	-
Physical Environment	-	294,671	-	-	-	-	-
Culture and Recreation Projects	-	50,000	-	-	-	-	-
Transportation Projects	-	850,932	-	-	-	-	-
Future Debt Service	-	-	-	-	-	-	1,856,017
Assigned Fund Balance	9,268,426	2,696,340	-	-	-	77,060	1,856,017
Unassigned	54,842,109	-	-	-	-	-	(970,952)
Total Fund Balances	\$ 74,625,993	\$ 19,054,710	\$ 52,297,925	\$ 37,381,596	\$ 11,379,178	\$ 7,164,013	\$ 34,037,378

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021**

- 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 \$20.4 million in FY 2021, and total other postemployment benefit liability of \$18.7 million in FY 2021. The fund's revenues exceeded expenses by \$3.0 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 Sanitation fund is primarily related to long-term liabilities for Sanitation's share of the net pension liability and total other post-employment benefits liability. The fund sustained a gain of \$2.2 million. Management will continue to evaluate the operations in the Sanitation 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 \$60,177 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 \$0.9 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.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021:

Water and Sewer Utility Fund:			
Construction Contracts and Retainage		\$	12,155,816
Customer Deposits			14,333,564
Rate Stabilization Funds			10,000,000
Notes Payable - State Revolving Loan			3,113,066
Renewal, Replacement and Improvement Funds:			
Construction Projects			58,980,075
Impact Fee Reserves:			
Water System	\$	3,660,086	
Sewer System		4,006,609	7,666,695
			<u>\$ 106,249,216</u>
Sanitation Enterprise Fund:			
Customer Deposits		\$	<u>1,012,642</u>

Borrowing agreements for other funds require restriction of certain assets. Amounts required to be restricted totaled \$18.49 million at September 30, 2021 for Governmental Funds. The composition of this amount is shown by fund below:

General Capital Projects:			
2016 Capital Improvement Bonds	\$	2,364,657	
2020 Capital Improvement Bonds		9,380,430	
		<u>11,745,087</u>	
Beach Community Redevelopment:			
2015 Beach CRA Refunding Bonds Debt Service		5,877,934	
2015 Beach CRA Refunding Bonds Construction		869,410	
		<u>6,747,344</u>	
Total Governmental Restricted Assets	\$	<u>18,492,431</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, 2021

- 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, 2021 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 \$15,034,672 reported in the Insurance Fund at September 30, 2021, 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, 2021. 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, 2021, claims payable for auto and general liability totaled \$8,139,727 and \$4,025,534 for workers' compensation claims. These amounts reflect a discounted rate factor of 2%. The remaining

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 Year	Claims Payable October 1	Claims and Changes in Estimates	Adjustment Expenses Paid	Claims Payable September 30
2020	14,403,825	33,912,649	(34,033,886)	14,282,588
2021	14,282,588	46,286,791	(45,534,707)	15,034,672

- 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, 2021

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 2021 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 2021, a total of \$797,685 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 2021, 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, 2021

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 2021, a total of \$226,646 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, 2021

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, 2021, a total of 2,527 participants were covered by the benefit terms:

Active employees	1,297
Inactive employees entitled to but not yet receiving benefit payments	41
Inactive employees currently receiving benefit payments	1,189
	<u>2,527</u>

TOTAL OPEB LIABILITY

The City's total OPEB liability of \$564,350,282 was determined by an actuarial valuation at March 1, 2021 for the measurement date of September 30, 2021.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

2. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS – The total OPEB liability in the March 1, 2020 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	2.19 percent
Healthcare cost trend rates	Developed using the SOA long term medical trend model
Retirees' share of benefit related costs	25 percent of projected health insurance premiums for retirees

The discount rate of 2.19% was based on the 20-year general obligation index at September 30, 2021. Mortality rates were based on the Fully Generational MP2019 Mortality Improvement Scale.

The actuarial assumptions used on the September 30, 2021 measurement were based on pre and post-Medicare claims for the fiscal years 2018 through 2021.

3. CHANGES IN THE TOTAL OPEB LIABILITY

Changes in the Total OPEB Liability	Total OPEB Liability (a)
Balance at 9/30/20	\$ 530,686,603
Changes for the Year:	
Service Cost	13,628,905
Interest	12,619,714
Changes in assumptions or other inputs	21,509,060
Trust Contributions - Employer	(14,094,000)
Net Changes	33,663,679
Balance at 9/30/21	\$ 564,350,282

- d. Changes in assumptions and other inputs reflect a change in the discount rate as noted below

<u>Fiscal Year Ending</u>	<u>Discount Rate</u>
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 %

The mortality and trend tables were updated to the latest SOA public sector experience rates (MP2019). 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 or 1-percentage-point higher than the current discount rate.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

	1% Decrease (1.19)%	Discount Rate (2.19)%	1% Increase (3.19)%
Total OPEB Liability	\$ 679,240,492	\$ 564,350,282	\$ 475,520,900

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 (3.00)%	Cost Trend Discount Rate (4.00)%	1% Increase (5.00)%
Total OPEB Liability	\$ 464,140,225	\$ 564,350,282	\$ 696,417,750

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

For the year ended September 30, 2021, the City recognized an OPEB expense of \$16,626,670. OPEB is allocated to each fund based on each fund's proportionate share of the total active and retiree employee counts. At September 30, 2021 the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 89,459,049
Changes in each Fund's proportionate share	11,327,288	11,327,288
Changes of assumptions or other inputs	84,156,856	39,545,107
Total	\$ 95,484,144	\$ 140,331,444

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 September 30:	Amount
2022	\$ (9,621,949)
2023	(9,621,947)
2024	(3,555,354)
2025	(25,632,895)
2026	3,584,845
Total	\$ (44,847,300)

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 at October 1, 2019, the date of the most recent actuarial valuation:

	Employees Retirement System	Fire Pension Fund	Police Retirement System
Active Members	603	287	254
Inactive Plan Members Entitled But Not Yet Receiving Benefits	69	13	9
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	1,117	199	421
	<u>1,789</u>	<u>499</u>	<u>684</u>

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

credited service, up to a maximum benefit of 81 percent of average final compensation. 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.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

Members are not eligible to participate in the DROP.

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

not less than 20 percent of the member's average monthly compensation, which is 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.

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NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 applicable collective bargaining agreement. As of September 30, 2021, there were 61 members in the DROP and the estimated fair value of DROP investment was approximately \$6,929,000, 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, 2019.

ACTUARIAL ASSUMPTIONS – The total pension liability was determined by an actuarial valuation as of October 1, 2019 and rolled forward to the measurement date of September 30, 2020 using the following actuarial assumptions applied to all prior periods included in the measurement:

Assumed Rate of Return on Investments	7.50%
Annual Salary Increases	3.00% to 8.00% depending on service, including inflation
Inflation Rate	2.5%
Cost-of-Living Adjustments	Pre July 15, 2009 pool = 2.0%; None for all others
Mortality	The mortality table for healthy lives is the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rates include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their July 1, 2018 actuarial valuation report, as mandated by Chapter 112.63, Florida Statutes.

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, 2021 are summarized in the following table:

Asset Class	Target Allocation		Real Rate of Return	
Fixed Income	25 - 45	%	0.38	%
Domestic Equity	20 - 35		6.28	
Emerging Markets Equity			8.82	
International Equity	10 - 25		7.00	
Real Estate	0 - 12.5		3.50	
Private Equity	0 - 15		10.11	
Private Credit			5.56	
Infrastructure	0 - 5		5.51	
Cash	0 - 5			
	<u>100.00</u>	%		

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 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	\$ 572,369,486	\$ 333,386,545	\$ 238,982,941
Changes for the Year:			
Service Cost	6,616,301	-	6,616,301
Interest	42,124,159	-	42,124,159
Differences Between Expected and Actual Experience	1,791,933	-	1,791,933
Change of Assumptions	-	-	-
Change of Benefit Terms	-	-	-
Contributions - Employer	-	42,284,055	(42,284,055)
Contributions - Nonemployer	-	29,738	(29,738)
Contributions - Employee	-	3,635,402	(3,635,402)
Net Investment Income	-	25,798,439	(25,798,439)
Benefit Payments	(34,235,265)	(34,235,265)	-
Refunds of Contributions	(425,409)	(425,409)	-
Administrative Expense	-	(806,019)	806,019
Other changes	-	-	-
Net Changes	15,871,719	36,280,941	(20,409,222)
Balance, End of Year	\$ 588,241,205	\$ 369,667,486	\$ 218,573,719

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

	1% Decrease (6.50)%	Current Rate (7.50)%	1% Increase (8.50)%
Net Pension Liability	\$ 284,606,803	\$ 218,573,719	\$ 163,289,623

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, 2021

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 \$31,660,699. 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	\$ 6,616,301
Interest	42,124,159
Change in benefit terms	-
Contributions - Employee	(3,635,402)
Non-Employer Contributing Entity ontributions (made negative for addition here)	(29,738)
Projected Earnings on Plan Investments	(25,397,085)
Administrative Expense	806,020
Net Amortization of Deferred Outflows/Inflows	11,176,444
Total Pension Expense*	<u>\$ 31,660,699</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 of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 1,333,497	\$ 1,302,305
Change of Assumptions	3,810,419	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	5,041,708	-
Changes in proportionate share -- Funds	4,498,088	4,498,088
Contributions subsequent to the measurement date but prior to fiscal year end	29,106,927	-
	<u>\$ 43,790,639</u>	<u>\$ 5,800,393</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$29,106,927 will be recognized as a reduction of net pension liability in the fiscal year ending September 30, 2022. 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 September 30,	Net Deferred Outflows/ (Inflows)
2021	\$ 3,615,752
2022	3,244,274
2023	2,103,563
2024	(80,270)
Total	<u>\$ 8,883,319</u>

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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, 2021

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.

A summary of the provisions is as follows:

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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.

SUPPLEMENTAL PENSION CHECK (13th CHECK) – If the actual asset return of the trust exceeds the assumed actuarial return for any fiscal year, the excess return (up to

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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 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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019.

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 Male: PubS.H.-2010 for Employees, set forward one year Female: PubS.H.-2010 (Above Median) for Healthy Retirees, set forward one year Male: PubS.H.-2010 (Above Median) for Healthy Retirees, set forward one year Female: PubG.H.-2010 (Above Median) for Healthy Retirees Male: PubG.H.-2010 (Above Median) for Healthy Retirees, set back one year. 80% PubG.H.-2010 for Disabled Retirees / 20% PubS.H.-2010 for Disabled Retirees.
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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

ACTUARIAL ASSUMPTIONS - The total pension liability was determined by an actuarial valuation as of October 1, 2019 using the following actuarial assumptions applied to all prior periods included in the measurement:

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 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 – FIRE PENSION FUND

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, Beginning of Year	\$ 433,101,442	\$ 254,014,907	\$ 179,086,535
Changes for the Year:			
Service Cost	6,023,556	-	6,023,556
Interest	31,893,232	-	31,893,232
Differences Between Expected and actual experience	12,898,819	-	12,898,819
Change of assumptions	5,260,528	-	5,260,528
Change of Benefit Terms	-	-	-
Contributions - Employer	-	20,460,578	(20,460,578)
Contributions - State	-	1,483,741	(1,483,741)
Contributions - Employee	-	1,825,589	(1,825,589)
Net Investment Income	-	26,117,570	(26,117,570)
Benefit Payments	(27,741,742)	(27,741,742)	-
Contributions - Buy-Back	18,481	18,481	-
Administrative Expense	-	(691,806)	691,806
DROP Default Loan Payment	45,235	45,235	-
Other Changes	-	-	-
Net Changes	28,398,109	21,517,646	6,880,463
Balance, End of Year	\$ 461,499,551	\$ 275,532,553	\$ 185,966,998

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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:

	FIRE PENSION FUND		
	1% Decrease (6.50)%	Current Rate (7.50)%	1% Increase (8.50)%
Net Pension Liability	\$ 228,256,301	\$ 185,966,998	\$ 151,105,639

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, 2021, the City recognized pension expense of \$22,875,002:

Service Cost	\$ 6,023,556
Interest	31,893,232
Change in Benefit Terms	0
Contributions - Employee	(1,825,589)
Contributions - State	-
Projected Earnings on Plan Investments	(18,878,621)
Administrative Expense	691,806
Net Amortization of Deferred Outflows/(Inflows)	4,970,618
Total Pension Expense	<u>\$ 22,875,002 *</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 of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,441,886	\$ -
Change of assumptions	8,187,802	-
Net difference between projected and actual earnings on pension plan investments	-	3,142,019
Contributions subsequent to the measurement date but prior to fiscal year end	20,387,395	-
	<u>\$ 51,017,083</u>	<u>\$ 3,142,019</u>

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$20,387,395 will be recognized as a reduction of net pension liability in the fiscal year ending September 30, 2022. 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 September 30,	Net Deferred Outflows/(Inflows),
2022	\$ 5,490,781
2023	7,181,523
2024	5,909,577
2025	2,794,345
2026	3,517,251
Thereafter	2,594,192
Total	<u>\$ 27,487,669</u>

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:

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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.

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:

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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.

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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.

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	\$	108,861,604
Additions		3,864,076
Distributions		(5,004,278)
Net Earnings		8,522,486
Ending Balance	\$	<u>116,243,888</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.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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

Beginning Balance	\$	754,689
Additional Loans		629,000
Loan Repayments		(735,205)
Ending Balance	\$	648,484

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
- 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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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.

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

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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, 2019.

ACTUARIAL ASSUMPTIONS - The total pension liability was determined by an actuarial valuation as of October 1, 2019 and rolled forward to the measurement date of September 30, 2020 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	None (Prior to October 1, 2011, 2.00% annual increase commencing 3 years after retiree's benefit payments have begun)
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 Male: Median Employee 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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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.

CHANGES IN NET PENSION LIABILITY – POLICE RETIREMENT SYSTEM

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, Beginning of Year	\$ 552,342,523	\$ 321,483,487	\$ 230,859,036
Changes for the Year:			
Service Cost	6,546,335	-	6,546,335
Interest	46,783,055	-	46,783,055
Differences between expected and actual experience	2,081,615	-	2,081,615
Change of Assumptions	-	-	-
Change of Benefit Terms	3,634,391	-	3,634,391
Contributions - Employer	-	19,856,774	(19,856,774)
Contributions - State	-	1,797,433	(1,797,433)
Contributions - Employee	-	2,922,863	(2,922,863)
Net Investment Income	-	25,141,119	(25,141,119)
Benefit Payments	(30,379,009)	(30,379,009)	-
Refunds of Contributions	(314,396)	(314,396)	-
Administrative Expense	-	(722,989)	722,989
Other Charges	-	44,860	(44,860)
Net Changes	<u>28,351,991</u>	<u>18,346,655</u>	<u>10,005,336</u>
Balance, End of Year	<u>\$ 580,694,514</u>	<u>\$ 339,830,142</u>	<u>\$ 240,864,372</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 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 (7.00)%	Current Rate (8.00)%	1% Increase (9.00)%
Net Pension Liability	\$ 292,130,102	\$ 240,864,372	\$ 189,961,782

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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.

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 \$93,184,691:

Service Cost	\$ 6,546,335
Interest	46,783,055
Change in Benefit Terms	3,634,391
Expensed portion of current-period difference between expected and actual experience in the total pension liability	546,356
Expensed portion of current-period changes of assumptions	-
Contributions - Employee	(2,922,863)
Other	(44,860)
Projected Earnings on Plan Investments	(25,446,900)
Expensed portion of current-period differences between actual and projected earnings on plan investments	61,156
Administrative Expense	722,989
Net Amortization of Deferred Outflows/Inflows	6,820,726
Total Pension Expense *	<u>\$ 36,700,385</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 of Resources	Deferred Inflows of Resources
Differences between expected and actual experience of the total pension liability	\$ 11,193,779	\$ -
Change of Assumptions	7,845,565	6,737,109
Net difference between Projected and Actual Earnings on Pension Plan Investments	1,859,545	-
Contributions subsequent to the measurement date but prior to fiscal year end	24,215,984	-
	<u>\$ 45,114,873</u>	<u>\$ 6,737,109</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$24,215,984 will be recognized as a reduction of net pension liability in the year ending September 30, 2021. 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 September 30,	Amortization
2022	\$ 4,279,068
2023	4,214,066
2024	5,440,518
2025	228,128
2026	-
Total	<u>\$ 14,161,780</u>

CITY OF HOLLYWOOD, FLORIDA

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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. A 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).

The City's pension expense for FRS and HIS totaled \$283,853 for the fiscal year ended September 30, 2021.

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, 2021

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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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, 2021 are as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00 %	10.82 %
FRS, Elected Local Officers	3.00	51.42
FRS, Senior Management Service	3.00	29.01
FRS, Special Risk Regular	3.00	25.89
FRS, Special Risk Administrative	3.00	37.76
DROP - Applicable to Members for All of the Above Classes	0.00	18.34
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 \$133,746 and employee contributions totaled \$8,090 for the fiscal year ended September 30, 2021

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – At September 30, 2021, the City reported a liability of \$175,379 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2021, 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 2021 fiscal year contributions relative to the FY 2021 fiscal year contributions of all participating members. At June 30, 2021, the City's proportionate share was 0.002321716%.

For the fiscal year ended September 30, 2021, the City recognized a negative pension expense of \$23,947 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 of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,060	\$ -
Changes of Assumptions	120,003	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	-	611,854
Changes in Employer Proportion	18,283	147,288
Contributions subsequent to the measurement date but prior to fiscal year end	24,785	-
	<u>\$ 193,131</u>	<u>\$ 759,142</u>

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The deferred outflows of resources related to pensions, totaling \$24,785, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. 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 Outflows/(Inflows), Net
2022	\$ (104,054)
2023	(121,337)
2024	(160,724)
2025	(205,957)
2026	1,276
Total	<u>\$ (590,796)</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	6.80% net of pension investment expense, including inflation
Annual Salary Increases	3.25% average, including inflation
Inflation Rate	2.40%
Mortality	PUB-2010, projected generationally with Scale MP-2018

The actuarial assumptions used in the June 30, 2021, 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 Allocation (1)		Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00	%	2.10%	2.10%	1.10%
Fixed Income	20.00		3.80%	3.70%	3.30%
Global Equity	54.20		8.20%	6.70%	17.80%
Real Estate	10.30		7.10%	6.20%	13.80%
Private Equity	10.80		11.70%	8.50%	26.40%
Strategic Investments	3.70		5.70%	5.40%	8.40%
	<u>100.00</u>	%			
Assumed Inflation - Mean				2.40%	1.20%

(1) As outlined in the Plan's investment policy.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

DISCOUNT RATE – The discount rate used to measure the total pension liability was 6.80%. 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 6.80%, 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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease (5.80)%	Current Rate (6.80)%	1% Increase (7.80)%
City's Proportionate Share of the Net Pension Liability	\$ 784,307	\$ 175,379	\$ (333,616)

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 Statutes. 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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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – At September 30, 2021, the City reported a net pension liability of \$69,288 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021 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, 2021, the City's proportionate share was 0.000564855%.

For the fiscal year ended September 30, 2021, the City recognized pension expense of \$3,836 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 of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,319	\$ 28
Changes of Assumptions	5,444	2,855
Net difference between projected and actual earnings on pension plan investments	72	-
Changes in proportion and differences between City HIS contributions and proportionate share of HIS contributions	1,685	7,525
Contributions subsequent to the measurement date but prior to fiscal year end	874	-
	<u>\$ 10,394</u>	<u>\$ 10,408</u>

The deferred outflows of resources related to pensions, totaling \$874, resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. 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 September 30,	Net Deferred Outflows/(Inflows),
2022	\$ (245)
2023	(78)
2024	(161)
2025	(213)
2026	(160)
Thereafter	(31)
	<u>\$ (888)</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	2.16%
Annual Salary Increases	3.25% average, including inflation
Inflation Rate	2.40%
Mortality	PUB-2010 base table, projected generationally with Scale MP-2018

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

DISCOUNT RATE – The discount rate used to measure the total pension liability was 2.16%. 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 2.16%, 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 (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	1% Decrease (1.16)%	Discount Rate (2.16)%	1% Increase (3.16)%
City's Proportionate Share of the Net Pension Liability	\$ 80,104	\$ 69,288	\$ 60,427

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, 2021, the City recognized the below as a result of GASB No. 68.

	General Employees Pension	Police Pension	Fire Pension	FRS/HIS Pension	Total
Total Deferred Outflows	\$ 43,790,639	\$ 45,114,873	\$ 51,017,083	\$ 203,525	\$ 140,126,120
Total Deferred Inflows	5,800,393	6,737,109	3,142,019	769,550	16,449,071
Total Net Pension Liability	218,573,719	240,864,372	185,966,998	244,667	645,649,756
Total Pension Expense	31,660,699	36,700,385	22,875,002	(20,111)	91,215,975

5. DEFINED CONTRIBUTION PLANS – The City has a contract with the ICMA-RC 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 2021 the City and CRAs contributed approximately \$580,997 to these defined contribution plans. Of this amount, approximately \$292,274 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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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, 2021:

- GASB Statement No. 84, "Fiduciary Activities." This Statement improves guidance relating to the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria is included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021. Management has not yet determined the effect this Statement will have on the City's financial statements
- GASB Statement No. 90, "Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61." This Statement's objective is to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit using the equity method. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021. Management has not yet determined the effect this Statement will have on the City's financial statements.
- GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". This Statements delays the effective dates of the GASB Statements 83, 84, 88, 89, 90, 91, 92, 93 by one year. GASB statement 87 was postponed by 18 months. This Statement is effective immediately.
- GASB Statement 98, "The Annual Comprehensive Financial Report". This statement establishes the term annual comprehensive financial report and its acronym ACFR. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2022. Management has decided to early implement this standard.

2. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

- 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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

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. Management has not yet determined the effect this Statement will have on the City's financial statements

- 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. 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. Management has not yet determined the effect this Statement will have on the City's 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. 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 Statements 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 Statements 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 Statements 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. 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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

Statements will be effective for the City beginning with its year ending September 30, 2022. 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, 2021

	Beach CRA	
	Deposits	Withdrawals
Sources of Deposits:		
Tax Increment Rev - City of Hollywood	\$ 15,663,481	\$ -
Tax Increment Rev - Broward County	11,523,915	-
Tax Increment Rev - Children's Services Council	1,025,668	-
Investment Revenue	127,077	-
Other Revenue	26,346	-
Purpose of Withdrawal:		
Debt Service - Principal	-	6,035,000
Debt Service - Interest	-	1,153,842
Salaries, Wages and Benefits	-	2,299,576
Consultants, legal and Other Contractual	-	1,409,123
Training	-	37,019
Utilities	-	123,118
Rentals and Leases	-	136,923
Insurance	-	96,983
Maintenance, Repairs, and Operations	-	61,924
Consumables and Supplies	-	143,449
Central Services	-	4,951,429
Promotional, Special Events and Advertising	-	784,937
Economic Environment - Trolley Service	-	449,257
Capital - Public Safety	-	35,601
Capital - Transportation	-	53,970
Capital - Physical Environment	-	2,839,107
Capital - Culture and Recreation	-	48,147
Total	<u>\$ 28,366,487</u>	<u>\$ 20,659,405</u>

Note: Deposits equal revenues and transfers in. Withdrawals equal expenditures and transfers out.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2021

	Downtown CRA	
	Deposits	Withdrawals
Sources of Deposits:		
Tax Increment Rev - City of Hollywood	\$ 5,634,937	\$ -
Tax Increment Rev - Broward County	4,134,653	-
Tax Increment Rev - South Broward Hospital District	90,623	-
Tax Increment Rev - Children's Services Council	368,992	-
Investment Revenue	18,749	-
Other Revenue	21,301	-
Purpose of Withdrawal:		
Debt Service - Principal	-	1,696,667
Debt Service - Interest	-	219,943
Salaries, Wages and Benefits	-	660,753
Consultants and Other Contractual	-	1,039,498
Training and Transportation	-	10,186
Utilities	-	15,901
Postage	-	584
Rentals and Leases	-	22,385
Insurance	-	6,007
Maintenance and Repairs	-	335,075
Consumables, Supplies, and Operations	-	496,725
Abatements	-	797,685
Promotional, Special Events and Advertising	-	478,214
Central Services	-	1,756,603
Economic Environment - Trolley Service	-	112,314
Capital - Economic Environment	-	107,252
Total	<u>\$ 10,269,255</u>	<u>\$ 7,755,792</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 April 6, 2022, the City Commission passed Resolution R-2022-101 that approves issuing the Series 2022A and Series 2022B bank loans. The loans settled on April 21, 2022. Interest is expected to be between 2.03% and 1.90%. The aggregate amount of the loans are not to exceed \$10,000,000. The loan is secured primarily by the City Electric Franchise Fees (pledged revenues). In the event of default, the loans will bear interest at the default rate (undetermined at this time). The purpose of the loans is to repay the general employees' pension settlement agreement debt (contributions owed) and to finance the acquisition of municipal vehicles. The pension settlement liability was paid in full on April 26, 2022.

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CITY OF HOLLYWOOD, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(Unaudited - See accompanying independent auditors' report)**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property Taxes	\$ 110,015,102	\$ 110,015,102	\$ 109,910,343	\$ (104,759)
Utilities Service Taxes	19,956,556	19,956,556	20,961,290	1,004,734
Franchise Taxes	11,873,153	11,873,153	13,823,967	1,950,814
Licenses and Permits	2,177,500	2,177,500	2,578,616	401,116
Intergovernmental	15,011,095	15,131,095	17,864,174	2,733,079
Charges for Services	55,093,157	55,519,542	58,046,750	2,527,208
Investment Revenue	850,000	900,000	(37,980)	(937,980)
Miscellaneous	2,486,700	2,487,853	4,983,458	2,495,605
Total Revenues	217,463,263	218,060,801	228,130,618	10,069,817
EXPENDITURES:				
General Government:				
City Commission	1,454,346	1,457,458	1,440,355	17,103
City Manager	2,524,653	2,631,848	2,470,750	161,098
City Clerk	879,900	916,466	859,278	57,188
City Attorney	3,278,972	3,500,868	3,319,806	181,062
Financial Services	10,781,020	10,706,979	8,340,712	2,366,267
Human Resources	2,429,849	2,473,732	2,396,139	77,593
Planning & Development Services	1,457,748	1,667,757	1,299,059	368,698
Code Enforcement	3,979,974	4,398,814	4,263,378	135,436
Total General Government	26,786,462	27,753,922	24,389,477	3,364,445
Public Safety:				
Police	92,044,746	93,028,669	89,424,698	3,603,971
Fire	65,461,497	66,350,353	66,137,638	212,715
Total Public Safety	157,506,243	159,379,022	155,562,336	3,816,686
Public Works:				
Facilities and Grounds	13,732,437	13,507,734	13,197,424	310,310
Transportation:				
Engineering	2,419,502	2,463,144	2,241,621	221,523
Economic Environment:				
Community Development	2,753,364	2,998,547	2,803,673	194,874

(Continued)

CITY OF HOLLYWOOD, FLORIDA

(Continued)

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(Unaudited - See accompanying independent auditors' report)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Culture and Recreation:				
Recreation and Parks	10,709,860	10,646,209	9,818,254	827,955
Marina	1,024,685	1,317,525	1,146,485	171,040
Total Culture and Recreation	11,734,545	11,963,734	10,964,739	998,995
Other:				
Contingencies	5,338,725	1,903,526	42,599	1,860,927
Capital Outlay:				
General Government	-	192,761	44,146	148,615
Public Safety	-	55,835	55,835	-
Culture and Recreation	-	11,055	11,055	-
Total Capital Outlay	-	259,651	111,036	148,615
Total Expenditures	220,271,278	220,229,280	209,312,905	10,916,375
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,808,015)	(2,168,479)	18,817,713	20,986,192
OTHER FINANCING SOURCES (USES):				
Transfers In	6,480,416	6,480,416	6,470,416	(10,000)
Transfers Out	(9,487,577)	(15,248,586)	(30,188,680)	(14,940,094)
Sale of Assets	40,840	40,840	82,692	41,852
TOTAL OTHER FINANCING SOURCES (USES)	(2,966,321)	(8,727,330)	(23,635,572)	(14,908,242)
Change in Fund Balance	(5,774,336)	(10,895,809)	(4,817,859)	6,077,950
Fund Balance - Beginning	79,443,852	79,443,852	79,443,852	-
Fund Balance - Ending	<u>\$ 73,669,516</u>	<u>\$ 68,548,043</u>	<u>\$ 74,625,993</u>	<u>\$ 6,077,950</u>

The notes to the required supplementary information are an integral part of this statement.

CITY OF HOLLYWOOD, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
BEACH COMMUNITY REDEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(Unaudited - See accompanying independent auditors' report)**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property Taxes	\$ 15,673,063	\$ 15,663,481	\$ 15,663,481	\$ -
Intergovernmental	12,558,813	12,549,584	12,549,583	(1)
Investment Revenue	160,000	160,000	127,077	(32,923)
Miscellaneous	-	-	26,346	26,346
Total Revenues	<u>28,391,876</u>	<u>28,373,065</u>	<u>28,366,487</u>	<u>(6,578)</u>
EXPENDITURES:				
Current:				
General Government	10,707,031	10,161,480	9,233,384	928,096
Public Safety	-	33,080	29,774	3,306
Economic Environment	1,269,192	1,862,904	514,658	1,348,246
Physical Environment	350,000	218,678	206,283	12,395
Culture and Recreation	615,000	605,938	509,638	96,300
Total Current	<u>12,941,223</u>	<u>12,882,080</u>	<u>10,493,737</u>	<u>2,388,343</u>
Capital Outlay:				
General Government	191,000	193,000	-	193,000
Public Safety	50,000	-	35,602	(35,602)
Transportation	10,912,970	10,912,970	53,970	10,859,000
Economic Environment	860,150	860,150	-	860,150
Physical Environment	16,422,917	18,559,272	2,839,107	15,720,165
Culture and Recreation	632,000	632,000	48,147	583,853
Total Capital Outlay	<u>29,069,037</u>	<u>31,157,392</u>	<u>2,976,826</u>	<u>28,180,566</u>
Debt Service:				
Principal	6,035,000	6,035,000	6,035,000	-
Interest and Fiscal Charges	1,152,125	1,153,842	1,153,842	-
Total Debt Service	<u>7,187,125</u>	<u>7,188,842</u>	<u>7,188,842</u>	<u>-</u>
Total Expenditures	<u>49,197,385</u>	<u>51,228,314</u>	<u>20,659,405</u>	<u>30,568,909</u>
Change in Fund Balance	(20,805,509)	(22,855,249)	7,707,082	30,562,331
Fund Balance - Beginning	<u>29,674,514</u>	<u>29,674,514</u>	<u>29,674,514</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 8,869,005</u>	<u>\$ 6,819,265</u>	<u>\$ 37,381,596</u>	<u>\$ 30,562,331</u>

The notes to the required supplementary information are an integral part of this statement.

CITY OF HOLLYWOOD, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
DOWNTOWN COMMUNITY REDEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021
(Unaudited - See accompanying independent auditors' report)**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property Taxes	\$ 5,639,262	\$ 5,634,937	\$ 5,634,937	\$ -
Intergovernmental	4,598,626	4,594,268	4,594,268	-
Investment Revenue	50,000	50,000	18,749	(31,251)
Miscellaneous	25,000	25,000	21,301	(3,699)
Total Revenues	<u>10,312,888</u>	<u>10,304,205</u>	<u>10,269,255</u>	<u>(34,950)</u>
EXPENDITURES:				
Current:				
General Government	5,972,075	5,984,119	5,136,562	847,557
Economic Environment	291,873	275,369	268,846	6,523
Physical Environment	450,000	350,000	255,452	94,548
Capital Outlay:				
Economic Environment	10,189,280	10,547,507	178,322	10,369,185
Debt Service:				
Principal	1,696,667	1,696,667	1,696,667	-
Interest and Fiscal Charges	<u>220,481</u>	<u>221,913</u>	<u>219,943</u>	<u>1,970</u>
Total Expenditures	<u>18,820,376</u>	<u>19,075,575</u>	<u>7,755,792</u>	<u>11,319,783</u>
Change in Fund Balance	(8,507,488)	(8,771,370)	2,513,463	11,284,833
Fund Balance - Beginning	<u>8,865,715</u>	<u>8,865,715</u>	<u>8,865,715</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 358,227</u>	<u>\$ 94,345</u>	<u>\$ 11,379,178</u>	<u>\$ 11,284,833</u>

The notes to the required supplementary information are an integral part of this statement.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE BUDGETARY COMPARISON SCHEDULES

(Unaudited – See accompanying independent auditors' report)

NOTE I – 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.

General Fund Transfers Out - Building operations transferred out of the General Fund during FY 2021 and reported in a nonmajor special revenue fund to monitor compliance with Florida Statutes. Subsequent to the final budget amendment, it was determined that the transfer of Building Operations funds out of the General Fund should be at gross instead of net operations and long-term liabilities. As such, the transfer out has a negative variance with the budget. Transfers in to the Building Fund is off-set by the same amount. Both funds are reported under governmental activities in the government wide financial statements.

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,	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 13,628,905	\$ 18,177,238	\$ 17,891,399	\$ 18,898,738
Interest	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	-	(134,188,575)	-	-
Changes of assumptions or other inputs	21,509,060	(41,117,883)	132,465,278	(36,399,562)
Benefit Payments	<u>(14,094,000)</u>	<u>(17,169,001)</u>	<u>(16,305,000)</u>	<u>(15,376,000)</u>
Net Change in Total OPEB Liability	33,663,679	(203,279,308)	142,720,951	(12,031,237)
Total OPEB Liability - Beginning	<u>530,686,603</u>	<u>733,965,911</u>	<u>591,244,960</u>	<u>603,276,197</u>
Total OPEB Liability - Ending	<u>\$ 564,350,282</u>	<u>\$ 530,686,603</u>	<u>\$ 733,965,911</u>	<u>\$ 591,244,960</u>
Covered Employee Payroll	\$ 115,344,128	\$ 109,236,487	\$ 104,238,991	\$ 102,544,514
Total OPEB Liability as a Percentage of Covered Employee Payroll	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:

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 %

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 SEVEN FISCAL YEARS

(Unaudited – See accompanying independent auditors' report)

Measurement Date	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Fiscal Year	9/30/2021	9/30/2020	9/30/2019	9/30/2018
TOTAL PENSION LIABILITY				
Service Cost	\$ 6,616,301	\$ 5,887,828	\$ 5,738,426	\$ 5,017,634
Interest	42,124,159	38,173,241	35,698,698	33,809,853
Benefit Changes	-	51,225,519	-	-
Difference Between Actual and Expected Experience	1,791,933	(3,670,131)	2,221,979	(2,204,530)
Change of Assumptions	-	5,212,188	31,374,924	23,474,009
Refunds of Contributions	(425,409)	(539,713)	(448,377)	(166,465)
Benefit Payments	(34,235,265)	(41,161,931)	(30,896,779)	(29,804,293)
Net Change in Total Pension Liability	15,871,719	55,127,001	43,688,871	30,126,208
Total Pension Liability - Beginning	572,369,485	517,242,484	473,553,613	443,427,405
Total Pension Liability - Ending	588,241,204	572,369,485	517,242,484	473,553,613
PLAN FIDUCIARY NET POSITION				
Contributions - Employer.	42,284,055	26,904,543	22,101,019	20,562,868
Contributions - State	-	-	-	-
Contributions - Employee	3,635,402	3,561,448	3,277,081	3,185,801
Net Investment Income	25,798,439	13,819,381	21,635,666	33,218,838
Benefit Payments	(34,235,265)	(41,161,931)	(30,896,779)	(29,804,293)
Contributions Buy-Back	29,738	26,734	(448,377)	(166,465)
Contributions - Non-Employer Contributing Entity	(425,409)	(539,713)	12,694	11,723
Administrative Expense	(806,018)	(671,545)	(497,898)	(486,528)
Other	-	271,143	(271,143)	-
Net change in Plan Fiduciary Net Position	36,280,942	2,210,060	14,912,263	26,521,944
Plan Fiduciary Net Position - Beginning	333,386,543	331,176,483	316,264,220	289,742,276
Plan Fiduciary Net Position - Ending	369,667,485	333,386,543	331,176,483	316,264,220
Net Pension Liability	\$ 218,573,719	\$ 238,982,942	\$ 186,066,001	\$ 157,289,393
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.84%	58.25%	64.03%	66.79%
Covered Payroll	40,869,983	41,243,666	40,963,513	39,822,513
Net Pension Liability as a Percentage of Covered Payroll	534.80%	579.44%	454.22%	394.98%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

<u>9/30/2016</u> <u>9/30/2017</u>	<u>9/30/2015</u> <u>9/30/2016</u>	<u>9/30/2014</u> <u>9/30/2015</u>
\$ 4,493,709	\$ 4,587,285	\$ 4,152,898
33,373,524	33,065,052	32,492,291
665,893	-	-
1,986,958	1,839,725	333,165
4,147,745	4,976,256	-
(271,849)	(434,468)	(231,708)
<u>(38,120,910)</u>	<u>(31,649,219)</u>	<u>(28,191,052)</u>
6,275,070	12,384,631	8,555,594
437,152,336	424,767,705	416,212,111
<u>443,427,406</u>	<u>437,152,336</u>	<u>424,767,705</u>
9,767,849	23,216,393	23,160,583
-	8,469	-
3,088,620	2,604,831	2,671,277
29,224,225	5,108,678	28,051,900
(38,120,911)	(31,649,219)	(28,191,052)
(271,849)	(434,468)	(231,708)
10,433	-	-
(298,730)	(287,053)	(282,797)
<u>-</u>	<u>-</u>	<u>-</u>
3,399,637	(1,432,369)	25,178,203
286,342,639	287,775,008	262,596,805
<u>289,742,276</u>	<u>286,342,639</u>	<u>287,775,008</u>
\$	\$	\$
<u>153,685,130</u>	<u>150,809,697</u>	<u>136,992,697</u>
65.34%	65.50%	67.75%
38,607,750	32,560,388	33,390,963
398.07%	463.17%	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 SEVEN FISCAL YEARS
(Unaudited – See accompanying independent auditors' report)

Measurement Date Fiscal Year	9/30/2020 9/30/2021	9/30/2019 9/30/2020	9/30/2018 9/30/2019	9/30/2017 9/30/2018
TOTAL PENSION LIABILITY				
Service Cost	\$ 6,023,556	\$ 7,338,471	\$ 5,467,335	\$ 4,750,396
Interest	31,893,232	30,625,834	27,748,028	26,389,549
Change in Excess State Money	-	-	-	-
Change in benefit terms	-	21,759,327	2,830,293	-
Difference Between Actual and Expected Experience	12,898,819	6,461,410	5,074,190	5,102,275
Assumption Changes	5,260,528	-	-	-
Drop default loan payment	45,235	83,010	40,967	-
Contributions - Buyback	18,481	149,358	-	-
Contributions	(27,741,742)	(25,147,318)	(22,033,151)	(21,319,658)
Refunds of Contributions	-	-	-	-
Net Change in Total Pension Liability	28,398,109	41,270,092	19,127,662	14,922,562
Total Pension Liability - Beginning	433,101,442	391,831,350	372,703,688	357,781,126
Total Pension Liability - Ending	461,499,551	433,101,442	391,831,350	372,703,688
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	20,460,578	21,482,941	16,373,064	14,349,564
Contributions - State	1,483,741	1,467,281	-	-
Contributions - Employee	1,825,589	1,381,810	1,458,572	1,360,393
Contributions - Buyback	18,481	149,358	-	-
Drop default loan payment	45,235	83,010	40,967	-
Net Investment Income	26,117,570	6,807,053	22,909,517	26,873,377
Benefit Payments	(27,741,742)	(25,147,318)	(22,033,151)	(21,319,658)
Refunds of Contributions	-	-	-	-
Other	-	(2,004,645)	-	-
Administrative Expense	(691,806)	(691,571)	(654,714)	(559,938)
Net change in Plan Fiduciary Net Position	21,517,646	3,527,919	18,094,255	20,703,738
Plan Fiduciary Net Position - Beginning	254,014,907	250,486,988	232,392,733	211,688,995
Plan Fiduciary Net Position - Ending	275,532,553	254,014,907	250,486,988	232,392,733
 Net Pension Liability - Ending	 <u>\$ 185,966,998</u>	 <u>\$ 179,086,535</u>	 <u>\$ 141,344,362</u>	 <u>\$ 140,310,955</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 59.70%	 58.65%	 63.93%	 62.35%
Covered Payroll	\$ 23,731,474	\$ 20,902,962	\$ 18,938,690	\$ 17,401,469
Net Pension Liability as a Percentage of Covered Payroll	783.63%	856.75%	746.33%	806.32%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

9/30/2016 9/30/2017	9/30/2015 9/30/2016	9/30/2014 9/30/2015
\$ 4,453,321 24,500,448 - 1,979,452 5,256,660 11,571,857 102,854 (22,187,054) - <u>25,677,538</u> <u>332,103,588</u> <u>357,781,126</u>	\$ 3,767,328 23,842,805 - 485,214 1,276,360 2,607,740 - (20,162,497) (66,761) <u>11,750,189</u> <u>320,353,399</u> <u>332,103,588</u>	\$ 3,392,835 23,251,404 62,926 - - - - (19,171,355) (44,105) <u>7,491,705</u> <u>312,861,694</u> <u>320,353,399</u>
14,398,112 - 1,304,661 102,854 - 17,432,805 (22,187,054) - - (625,368) <u>10,426,010</u> <u>201,262,985</u> <u>211,688,995</u>	14,310,591 - 1,170,620 - - 3,909,497 (20,162,497) (66,761) - (489,016) <u>(1,327,566)</u> <u>202,590,551</u> <u>201,262,985</u>	10,721,832 1,625,106 1,078,161 - - 19,962,042 (19,171,355) (44,105) - (635,223) <u>13,536,458</u> <u>189,054,093</u> <u>202,590,551</u>
<u>\$ 146,092,131</u>	<u>\$ 130,840,603</u>	<u>\$ 117,762,848</u>
59.17% \$ 16,642,582 877.82%	60.60% \$ 16,753,713 780.96%	63.24% \$ 13,712,168 858.82%

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 SEVEN FISCAL YEARS
(Unaudited – See accompanying independent auditors' report)

Measurement Date	9/30/2020	9/30/2019	9/30/2018	9/30/2017
Fiscal Year	9/30/2021	9/30/2020	9/30/2019	9/30/2018
TOTAL PENSION LIABILITY				
Service Cost	\$ 6,546,335	\$ 5,379,012	\$ 5,062,784	\$ 4,926,424
Interest	46,783,055	42,872,487	29,915,966	27,871,029
Changes in excess state mone	-	-	-	-
Change in benefit terms	3,634,391	61,009,969	-	-
Difference Between Actual and Expected Experience	2,081,615	4,813,881	7,322,883	8,126,704
Change of assumptions	-	(14,264,607)	-	16,168,696
DROP Default loan payment	-	-	-	-
Contributions - Buy-Back	(314,396)	(112,090)	(53,956)	(20,298)
Benefit Payments, including refunds of Employee Contribution	(30,379,009)	(30,099,345)	(28,190,020)	(27,582,433)
Net Change in Total Pension Liability	28,351,991	69,599,307	14,057,657	29,490,122
Total Pension Liability - Beginning	552,342,523	482,743,216	468,685,559	439,195,437
Total Pension Liability - Ending	580,694,514	552,342,523	482,743,216	468,685,559
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	19,856,774	24,446,359	19,492,251	17,005,579
Contributions - State	1,797,433	7,379,064	-	-
Contributions - Employee	2,922,863	3,329,431	1,714,922	1,625,263
Contributions - Buy-Back	(314,396)	(112,090)	(53,956)	(20,298)
DROP Default loan payment	-	-	-	-
Net Investment Income	25,141,119	11,164,200	33,082,120	30,856,527
Benefit Payments, including refunds of Employee Contribution	(30,379,009)	(30,099,345)	(28,190,020)	(27,582,433)
Administrative Expense	(722,989)	(714,919)	(592,690)	(726,806)
Other	44,860	61,795	91,696	164,029
Net change in Plan Fiduciary Net Position	18,346,655	15,454,495	25,544,323	21,321,861
Plan Fiduciary Net Position - Beginning	321,483,487	306,028,992	280,484,669	259,162,808
Plan Fiduciary Net Position - Ending	339,830,142	321,483,487	306,028,992	280,484,669
Net Pension Liability	\$ 240,864,372	\$ 230,859,036	\$ 176,714,224	\$ 188,200,890
Plan Fiduciary Net Position as a Percentage				
of Total Pension Liability	58.52%	58.20%	63.39%	59.84%
Covered Payroll	\$ 22,824,881	\$ 21,786,392	\$ 23,585,094	\$ 23,676,707
Net Pension Liability as a Percentage of Covered Payroll	1055.27%	1059.65%	749.26%	794.88%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

9/30/2016 9/30/2017	9/30/2015 9/30/2016	9/30/2014 9/30/2015
\$ 4,093,052	\$ 3,518,988	\$ 3,148,678
25,130,908	24,415,878	29,080,971
-	-	-
-	2,093,658	-
9,005,099	5,887,738	1,770,772
25,704,000	-	-
-	-	-
(35,258)	(73,428)	(126,781)
<u>(23,179,330)</u>	<u>(23,318,201)</u>	<u>(22,993,671)</u>
40,718,471	12,524,633	10,879,969
398,476,966	385,952,333	375,072,364
<u>439,195,437</u>	<u>398,476,966</u>	<u>385,952,333</u>
13,960,747	13,425,807	11,209,547
-	-	1,269,750
1,714,832	1,454,477	1,341,148
(35,258)	(73,428)	(126,781)
-	-	-
22,123,392	3,175,147	22,976,304
(23,179,330)	(23,318,201)	(22,993,671)
(671,069)	(656,738)	(684,234)
<u>(160,748)</u>	<u>210,285</u>	<u>27,952</u>
13,752,566	(5,782,651)	13,020,015
245,410,242	251,192,893	238,172,878
<u>259,162,808</u>	<u>245,410,242</u>	<u>251,192,893</u>
<u>\$ 180,032,629</u>	<u>\$ 153,066,724</u>	<u>\$ 134,759,440</u>
59.01%	61.59%	65.08%
\$ 18,649,015	\$ 16,504,396	\$ 15,092,088
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 EIGHT FISCAL YEARS
(Unaudited – See accompanying independent auditors' report)

FLORIDA RETIREMENT SYSTEM

June 30,	2021	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.002321716 %	0.002825208 %	0.002918758 %	0.002802949 %	0.002714891 %
City's Proportionate Share of the Net Pension Liability	\$ 175,379	\$ 1,224,487	\$ 1,005,180	\$ 844,263	\$ 803,047
City's Covered Payroll	\$ 192,890	\$ 217,322	\$ 210,951	\$ 209,565	\$ 198,905
City's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	90.92 %	563.44 %	476.50 %	402.86 %	403.73 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.40 %	78.85 %	82.61 %	84.26 %	83.89 %

HEALTH INSURANCE SUBSIDY

June 30,	2021	2020	2019	2018	2017
City's Proportion of the Net Pension Liability	0.000564855	0.000635283 %	0.000644734 %	0.00064163 %	0.00062404 %
City's Proportionate Share of the Net Pension Liability	\$ 69,288	\$ 77,567	\$ 72,139	\$ 67,911	\$ 66,724
City's Covered Payroll	\$ 192,890	\$ 217,322	\$ 210,951	\$ 209,565	\$ 198,905
City's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	35.92 %	35.69 %	34.20 %	32.41 %	33.55
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.56 %	3.00 %	2.63 %	2.15 %	1.64

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

2016	2015	2014
0.002740042 %	0.002844445 %	0.002229762 %
\$ 691,863	\$ 367,398	\$ 136,048
\$ 185,400	\$ 185,400	\$ 185,400
373.17 %	198.17 %	73.38 %
84.88 %	92.00 %	96.09 %

2016	2015	2014
0.00060059 %	0.000611052 %	0.000623967 %
\$ 69,997	\$ 62,318	\$ 58,342
\$ 185,400	\$ 185,400	\$ 185,400
37.75 %	33.61 %	31.47 %
0.97 %	0.50 %	0.99 %

CITY OF HOLLYWOOD, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LAST EIGHT FISCAL YEARS
(Unaudited – See accompanying independent auditors' report)

GENERAL EMPLOYEES RETIREMENT SYSTEM

September 30,	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 29,106,927	\$ 28,553,978	\$ 22,101,019	\$ 24,702,602	\$ 20,513,012
Contribution Made	<u>(29,106,927)</u>	<u>(26,711,564)</u>	<u>(26,904,543)</u>	<u>(22,113,713)</u>	<u>(20,574,591)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ 1,842,414 b</u>	<u>\$ (4,803,524) a</u>	<u>\$ 2,588,889</u>	<u>\$ (61,579)</u>
Covered Payroll	\$ 40,246,956	\$ 42,117,351	\$ 41,243,666	\$ 40,963,513	\$ 39,822,513
Contribution as a Percentage of Covered Payroll	72.32%	63.42%	65.23%	53.98%	51.67%

a - Includes a contribution to be in compliances with the Florida Division of Retirement Statutes.

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,	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 20,387,395	\$ 20,032,719	\$ 17,029,397	\$ 16,373,064	\$ 14,349,564
Contribution Made	<u>(20,387,395)</u>	<u>(20,032,719)</u>	<u>(21,482,940)</u>	<u>(16,373,064)</u>	<u>(14,349,564)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,453,543) a</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 24,863,920	\$ 23,731,474	\$ 20,902,962	\$ 18,938,690	\$ 17,401,469
Contribution as a Percentage of Covered Payroll	82.00%	84.41%	110.21%	82.46%	82.46%

a - Includes a contribution to be in compliances with the Florida Division of Retirement Statutes.

POLICE OFFICERS' RETIREMENT SYSTEM

September 30,	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 25,848,334	\$ 27,676,165	\$ 29,182,499	\$ 19,492,251	\$ 17,005,579
Contribution Made	<u>(25,848,334)</u>	<u>(29,033,271)</u>	<u>(29,182,499)</u>	<u>(19,492,251)</u>	<u>(17,005,579)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (1,357,106) a</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 22,966,730	\$ 22,824,881	\$ 21,786,392	\$ 23,585,094	\$ 23,676,707
Contribution as a Percentage of Covered Payroll	112.55%	127.20%	133.95%	82.65%	71.82%

a - Excess contribution to be applied to the fiscal year 2022 contribution.

2016	2015	2014
\$ 20,167,849 (9,778,282)	\$ 20,230,240 (23,224,862)	\$ 19,834,090 (23,160,583)
<u>\$ 10,389,567</u>	<u>\$ (2,994,622)</u>	<u>\$ (3,326,493)</u>
\$ 38,607,750	\$ 32,560,388	\$ 33,390,963
25.33%	71.33%	69.36%

2016	2015	2014
\$ 14,398,112 (14,398,112)	\$ 14,310,591 (14,310,591)	\$ 12,284,012 (12,284,012)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 16,642,582	\$ 16,753,713	\$ 13,712,168
86.51%	85.42%	89.58%

2016	2015	2014
\$ 13,960,747 (13,960,747)	\$ 13,425,807 (13,425,807)	\$ 12,479,297 (12,479,297)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 18,649,015	\$ 16,504,396	\$ 15,092,088
74.86%	81.35%	82.69%

CITY OF HOLLYWOOD, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS (Continued)
LAST EIGHT FISCAL YEARS
(Unaudited – See accompanying independent auditors' report)

FLORIDA RETIREMENT SYSTEM

<u>September 30,</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 92,776	\$ 104,746	\$ 102,298	\$ 79,882	\$ 70,675
Actual Contribution in Relation to Contractually Required Contribution	<u>(92,776)</u>	<u>(104,746)</u>	<u>(102,298)</u>	<u>(79,882)</u>	<u>(70,675)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 192,890	\$ 221,667	\$ 217,322	\$ 210,951	\$ 204,451
Contribution as a Percentage of Covered Payroll	48.10%	47.25%	47.07%	37.87%	34.57%

HEALTH INSURANCE SUBSIDY

<u>September 30,</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 3,266	\$ 3,687	\$ 3,608	\$ 3,480	\$ 3,303
Actual Contribution in Relation to Contractually Required Contribution	<u>(3,266)</u>	<u>(3,687)</u>	<u>(3,608)</u>	<u>(3,480)</u>	<u>(3,303)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 192,890	\$ 221,667	\$ 217,322	\$ 210,951	\$ 204,451
Contribution as a Percentage of Covered Payroll	1.69%	1.66%	1.66%	1.65%	1.62%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 78,909	\$ 77,916	\$ 63,460
<u>(78,909)</u>	<u>(77,916)</u>	<u>(63,460)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 192,530	\$ 185,400	\$ 185,400
40.99%	42.03%	34.23%

<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 3,078	\$ 2,336	\$ 2,138
<u>(3,078)</u>	<u>(2,336)</u>	<u>(2,138)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 192,530	\$ 185,400	\$ 185,400
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, 2021:

	<u>General Employees Retirement System</u>	<u>Fire Pension Fund</u>	<u>Police Officers' Retirement System</u>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent Closed	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	30 Years	30 Years	20 Years
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	5 Year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return	7.50%	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 table of rates that are specific to the type of eligibility condition	N/A	Experience-based table of rates that are specific to the type of eligibility condition
Mortality Rates	RP-2000 Combined Health Participant Mortality Table	PubG.H-2010 Scale MP-2018	PubG.H-2010 Scale MP-2018
			Male PubG.H-2010 Scale MP-2018
Mortality Rate - Disabled	RP-2000 Combined Health Participant Mortality Table	RP-2000 Combined Disability Table	Pub-2010 Disability Table
Valuation Date	10/01/19	10/01/19	10/01/19

(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.

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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.

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.

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.

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.

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.

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.

PARK IMPACT FEE FUND - This fund accounts for receipts and expenses associated with the City's Park Impact Fee.

PAY-GO CAPITAL REPLACEMENT FUND - This fund accounts for the receipts and expenditures reserved for capital replacements.

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CITY OF HOLLYWOOD, FLORIDA

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021**

	Special Revenue Funds				
	Law Enforcement Forfeiture	Police Grants	Building	Emergency and Disaster	Local Housing Assistance (S.H.I.P.)
ASSETS:					
Cash	\$ 20,200	\$ -	\$ -	\$ -	\$ -
Investments	2,862,388	-	19,678,970	190,746	1,832,999
Accounts Receivable - Net of Allowances	-	-	120,001	-	-
Notes Receivable - Net of Allowances	-	-	-	-	11,578,148
Due from Other Governments	1,500	168,262	-	258,659	-
Due from Other Governments: Restricted Assets:					
TOTAL ASSETS	\$ 2,884,088	\$ 168,262	\$ 19,798,971	\$ 449,405	\$ 13,411,147
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:					
LIABILITIES:					
Vouchers Payable	\$ 2,680	\$ 55,339	\$ 422,502	\$ 49	\$ 54,832
Accrued Wages and Leave	-	-	131,253	-	-
Construction Contracts Payable	-	-	-	-	11,320
Due to Other Funds	-	93,665	-	1,149,867	-
Unearned Revenue	-	-	-	-	900,265
Deposits Payable	168,299	-	-	-	-
Payable from Restricted Assets:					
Total Liabilities	170,979	149,004	553,755	1,149,916	966,417
DEFERRED INFLOWS OF RESOURCES:					
Unavailable or Advanced Revenue	-	79,435	-	210,264	11,578,147
FUND BALANCES:					
Restricted	2,713,109	-	19,245,216	-	866,583
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(60,177)	-	(910,775)	-
Total Fund Balances	2,713,109	(60,177)	19,245,216	(910,775)	866,583
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,884,088	\$ 168,262	\$ 19,798,971	\$ 449,405	\$ 13,411,147

Special Revenue Funds	Debt Service Funds		Capital Project Funds			
The American Rescue Plan	Debt Service Fund	General Obligation Bonds Series 2005	Park Impact Fee	Pay Go Capital Replacement	Gas Tax Capital Projects	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,200
14,695,269	1,856,017	512,920	3,058,523	45,404	6,663,884	51,397,120
-	-	-	-	-	-	120,001
-	-	-	-	-	-	11,578,148
-	-	-	-	-	452,896	881,317
<hr/>						
<u>\$ 14,695,269</u>	<u>\$ 1,856,017</u>	<u>\$ 512,920</u>	<u>\$ 3,058,523</u>	<u>\$ 45,404</u>	<u>\$ 7,116,780</u>	<u>\$ 63,996,786</u>
<hr/>						
\$ -	\$ -	\$ -	\$ 21,226	\$ -	\$ 313,613	\$ 870,241
-	-	-	-	-	-	131,253
-	-	-	-	-	71,383	82,703
-	-	-	-	-	-	1,243,532
14,695,269	-	-	-	-	-	15,595,534
-	-	-	-	-	-	168,299
<hr/>						
<u>14,695,269</u>	<u>-</u>	<u>-</u>	<u>21,226</u>	<u>-</u>	<u>384,996</u>	<u>18,091,562</u>
<hr/>						
-	-	-	-	-	-	11,867,846
<hr/>						
-	-	512,920	3,037,297	-	6,731,784	33,106,909
-	-	-	-	45,404	-	45,404
-	1,856,017	-	-	-	-	1,856,017
-	-	-	-	-	-	(970,952)
<u>-</u>	<u>1,856,017</u>	<u>512,920</u>	<u>3,037,297</u>	<u>45,404</u>	<u>6,731,784</u>	<u>34,037,378</u>
<hr/>						
<u>\$ 14,695,269</u>	<u>\$ 1,856,017</u>	<u>\$ 512,920</u>	<u>\$ 3,058,523</u>	<u>\$ 45,404</u>	<u>\$ 7,116,780</u>	<u>\$ 63,996,786</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, 2021**

	Special Revenue Funds				
	Law Enforcement Forfeiture	Police Grants	Building	Emergency and Disaster	Local Housing Assistance (S.H.I.P.)
REVENUES:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	6,561,639	-	-
Intergovernmental	-	524,939	-	7,105,996	637,452
Charges for Services	-	-	1,560,435	-	-
Parking Impact Fees	-	-	-	-	-
Fines and Forfeitures	437,000	-	-	-	-
Investment Revenue	(626)	-	(3,961)	-	(783)
Miscellaneous	4,208	2,500	-	2,453	-
Total Revenues	<u>440,582</u>	<u>527,439</u>	<u>8,118,113</u>	<u>7,108,449</u>	<u>636,669</u>
EXPENDITURES:					
Current:					
General Government	-	-	-	-	-
Public Safety	232,274	379,180	7,676,681	(17,097)	-
Transportation	-	-	-	-	-
Economic Environment	-	-	-	-	264,014
Culture and Recreation	-	-	-	-	-
Emergency and Disaster Relief	-	-	-	2,928,519	-
Capital Outlay:					
Debt Service:					
General Government	-	-	-	-	-
Public Safety	146,887	101,617	-	51,297	-
Transportation	-	-	-	-	-
Physical Environment	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>379,161</u>	<u>480,797</u>	<u>7,676,681</u>	<u>2,962,719</u>	<u>264,014</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>61,421</u>	<u>46,642</u>	<u>441,432</u>	<u>4,145,730</u>	<u>372,655</u>

Special Revenue Funds		Debt Service Funds		Capital Project Funds		
The American Rescue Plan	Debt Service Fund	General Obligation Bonds Series 2005	Park Impact Fee	Pay Go Capital Replacemnt	Gas Tax Capital Projects	Total
\$ -	\$ -	\$ 7,591,469	\$ -	\$ -	\$ -	\$ 7,591,469
-	-	-	-	-	-	6,561,639
-	-	-	-	-	2,569,420	10,837,807
-	-	-	-	-	-	1,560,435
-	-	-	823,776	-	-	823,776
-	-	-	-	-	-	437,000
-	(109)	1,401	(2,613)	(4,596)	(1,291)	(12,578)
-	-	-	-	-	-	9,161
-	(109)	7,592,870	821,163	(4,596)	2,568,129	27,808,709
-	-	-	-	-	2,017	2,017
-	-	-	-	-	-	8,271,038
-	-	-	-	-	589,305	589,305
-	-	-	-	-	-	264,014
-	-	-	87,034	-	-	87,034
-	-	-	-	-	-	2,928,519
-	-	-	-	-	31,396	31,396
-	-	-	-	-	-	299,801
-	-	-	-	-	1,219,962	1,219,962
-	-	-	-	-	(163,727)	(163,727)
-	-	-	123,681	-	-	123,681
-	4,180,289	4,089,000	-	-	-	8,269,289
-	1,723,978	3,454,120	-	-	-	5,178,098
-	5,904,267	7,543,120	210,715	-	1,678,953	27,100,427
-	(5,904,376)	49,750	610,448	(4,596)	889,176	708,282

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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, 2021

	Special Revenue Funds				
	Law Enforcement Forfeiture	Police Grants	Building	Emergency and Disaster	Local Housing Assistance (S.H.I.P.)
OTHER FINANCING SOURCES (USES):					
Transfers In:					
Transfers In	-	-	18,824,103	-	-
Total Transfers In	-	-	18,824,103	-	-
Transfers Out:					
Transfers Out	-	-	(20,319)	-	-
Total Transfers Out	-	-	(20,319)	-	-
Total Other Financing Sources (Uses)	-	-	18,803,784	-	-
Change in Fund Balances	61,421	46,642	19,245,216	4,145,730	372,655
Fund Balances - Beginning	2,651,688	(106,819)	-	(5,056,505)	493,928
Fund Balances - Ending	<u>\$ 2,713,109</u>	<u>\$ (60,177)</u>	<u>\$ 19,245,216</u>	<u>\$ (910,775)</u>	<u>\$ 866,583</u>

Special Revenue Funds	Debt Service Funds		Capital Project Funds			
The American Rescue Plan	Debt Service Fund	General Obligation Bonds Series 2005	Park Impact Fee	Pay Go Capital Replacement	Gas Tax Capital Projects	Total
-	6,283,481	-	2,426,849	50,000	-	27,584,433
-	6,283,481	-	2,426,849	50,000	-	27,584,433
-	-	-	-	-	(650,000)	(670,319)
-	-	-	-	-	(650,000)	(670,319)
-	6,283,481	-	2,426,849	50,000	(650,000)	26,914,114
-	379,105	49,750	3,037,297	45,404	239,176	27,622,396
-	1,476,912	463,170	-	-	6,492,608	6,414,982
<u>\$ -</u>	<u>\$ 1,856,017</u>	<u>\$ 512,920</u>	<u>\$ 3,037,297</u>	<u>\$ 45,404</u>	<u>\$ 6,731,784</u>	<u>\$ 34,037,378</u>

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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.

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.

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CITY OF HOLLYWOOD, FLORIDA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Stormwater Utility	Golf Enterprise	Records Preservation	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
ASSETS:				
CURRENT ASSETS:				
Cash	\$ -	\$ -	\$ 130	\$ 130
Investments	14,114,094	-	227,308	14,341,402
Accounts Receivable - Net of Allowances	913,494	-	-	913,494
Prepaid Items	-	1,250	-	1,250
Total Current Assets	<u>15,027,588</u>	<u>1,250</u>	<u>227,438</u>	<u>15,256,276</u>
NONCURRENT ASSETS:				
Capital Assets:				
Land	-	962,122	-	962,122
Buildings	-	2,935,048	-	2,935,048
Improvements	8,912,703	3,826,887	-	12,739,590
Machinery and Equipment	136,132	852,951	-	989,083
Accumulated Depreciation	(4,163,395)	(7,329,697)	-	(11,493,092)
Construction in Progress	1,952,414	-	-	1,952,414
Total Noncurrent Assets	<u>6,837,854</u>	<u>1,247,311</u>	<u>-</u>	<u>8,085,165</u>
Total Assets	<u>21,865,442</u>	<u>1,248,561</u>	<u>227,438</u>	<u>23,341,441</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflow - General Employees Pension	323,347	57,746	-	381,093
Deferred Outflow for OPEB	762,042	90,644	-	852,686
Total Deferred Outflows of Resources	<u>1,085,389</u>	<u>148,390</u>	<u>-</u>	<u>1,233,779</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>22,950,831</u>	<u>1,396,951</u>	<u>227,438</u>	<u>24,575,220</u>

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CITY OF HOLLYWOOD, FLORIDA

(Continued)

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Stormwater Utility	Golf Enterprise	Records Preservation	Total
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:				
LIABILITIES:				
CURRENT LIABILITIES:				
Vouchers Payable	\$ 140,923	\$ 156,792	\$ 2	\$ 297,717
Accrued Wages and Leave	27,511	-	-	27,511
Pension Settlement	29,735	1,613	-	31,348
Compensated Absences	53,353	-	-	53,353
Construction Contracts	556,155	-	-	556,155
Due to Other Funds	-	2,406,976	-	2,406,976
Interest Payable	6,774	-	-	6,774
Deposits Payable	-	26,597	-	26,597
Loans Payable	85,969	-	-	85,969
Total Current Liabilities	<u>900,420</u>	<u>2,591,978</u>	<u>2</u>	<u>3,492,400</u>
NONCURRENT LIABILITIES:				
Compensated Absences	45,359	-	-	45,359
Loans Payable	654,841	-	-	654,841
Total Other Postemployment Benefits Liability (OPEB)	3,831,877	212,882	-	4,044,759
Net Pension Liability - General Employees	1,558,698	309,390	-	1,868,088
Pension Settlement	102,876	5,580	-	108,456
Total Noncurrent Liabilities	<u>6,193,651</u>	<u>527,852</u>	<u>-</u>	<u>6,721,503</u>
Total Liabilities	<u>7,094,071</u>	<u>3,119,830</u>	<u>2</u>	<u>10,213,903</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflow - General Employees Pension	346,129	13,941	-	360,070
Deferred Inflow for OPEB	1,069,377	61,213	-	1,130,590
Total Deferred Inflows of Resources	<u>1,415,506</u>	<u>75,154</u>	<u>-</u>	<u>1,490,660</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>8,509,577</u>	<u>3,194,984</u>	<u>2</u>	<u>11,704,563</u>
NET POSITION:				
Net Investment in Capital Assets	5,540,889	1,247,311	-	6,788,200
Unrestricted (Deficit)	<u>8,900,365</u>	<u>(3,045,344)</u>	<u>227,436</u>	<u>6,082,457</u>
TOTAL NET POSITION	<u>\$ 14,441,254</u>	<u>\$ (1,798,033)</u>	<u>\$ 227,436</u>	<u>\$ 12,870,657</u>

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CITY OF HOLLYWOOD, FLORIDA

**NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<u>Stormwater Utility</u>	<u>Golf Enterprise</u>	<u>Records Preservation</u>	<u>Total</u>
OPERATING REVENUES:				
Charges for Sales and Services	\$ 5,994,628	\$ 1,706,418	\$ -	\$ 7,701,046
Miscellaneous	-	164,188	31,735	195,923
Total Operating Revenues	<u>5,994,628</u>	<u>1,870,606</u>	<u>31,735</u>	<u>7,896,969</u>
OPERATING EXPENSES:				
Personal Services and Benefits	764,182	(33,857)	-	730,325
Supplies, Services and Claims	2,083,594	2,197,206	35,081	4,315,881
Depreciation	283,683	109,260	-	392,943
Total Operating Expenses	<u>3,131,459</u>	<u>2,272,609</u>	<u>35,081</u>	<u>5,439,149</u>
Operating Income (Loss)	<u>2,863,169</u>	<u>(402,003)</u>	<u>(3,346)</u>	<u>2,457,820</u>
NONOPERATING REVENUES (EXPENSES):				
Investment Revenue	(3,393)	(12,753)	(35)	(16,181)
Interest Expense	(24,484)	-	-	(24,484)
Total Nonoperating Revenues (Expenses)	<u>(27,877)</u>	<u>(12,753)</u>	<u>(35)</u>	<u>(40,665)</u>
Income (Loss) Before Transfers and Capital Contributions	<u>2,835,292</u>	<u>(414,756)</u>	<u>(3,381)</u>	<u>2,417,155</u>
Transfers Out	(416,750)	(68,253)	-	(485,003)
Total Capital Contributions and Transfers	(416,750)	(68,253)	-	(485,003)
Change in Net Position	2,418,542	(483,009)	(3,381)	1,932,152
Net Position - Beginning	<u>12,022,712</u>	<u>(1,315,024)</u>	<u>230,817</u>	<u>10,938,505</u>
Net Position - Ending	<u>\$ 14,441,254</u>	<u>\$ (1,798,033)</u>	<u>\$ 227,436</u>	<u>\$ 12,870,657</u>

CITY OF HOLLYWOOD, FLORIDA

**NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	Stormwater Utility	Golf Enterprise	Records Preservation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers, Employees and Other Governments	\$ 6,071,882	\$ 1,870,010	\$ 31,735	\$ 7,973,627
Payments to Suppliers for Goods and Services	(2,012,062)	(2,205,995)	(35,133)	(4,253,190)
Payments to Employees for Services	(1,276,799)	(3,667)	-	(1,280,466)
Payments for interfund services used	-	320,658	-	320,658
Net Cash Provided (Used) by Operating Activities	2,783,021	(18,994)	(3,398)	2,760,629
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers In			-	-
Transfers Out	(416,750)	(68,253)	-	(485,003)
Net Cash Provided (Used) by Noncapital Financing Activities	(416,750)	(68,253)	-	(485,003)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal Paid on Bonds, Notes and Equipment Contracts	(83,330)	-	-	(83,330)
Interest Paid on Bonds, Notes and Equipment Contracts	(25,421)	-	-	(25,421)
Proceeds from sale of Capital Assets	-	-	-	-
Acquisition and Construction of Capital Assets	(1,037,455)	-	-	(1,037,455)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,146,206)	-	-	(1,146,206)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from Sale and Maturities of Investment Revenue	(3,393)	(12,753)	(35)	(16,181)
Net Cash Provided (Used) by Investing Activities	(3,393)	(12,753)	(35)	(16,181)
Net Increase in Cash and Investments	1,216,672	(100,000)	(3,433)	1,113,239
Cash and Investments - beginning of year	12,897,422	100,000	230,871	13,228,293
Cash and Investments - end of year	<u>\$ 14,114,094</u>	<u>\$ -</u>	<u>\$ 227,438</u>	<u>\$ 14,341,532</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA

**NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<u>Stormwater Utility</u>	<u>Golf Enterprise</u>	<u>Records Preservation</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 2,863,169	\$ (402,003)	\$ (3,346)	\$ 2,457,820
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	283,683	109,260	-	392,943
Provision for Uncollectible Accounts	102,696	-	-	102,696
Pension Expense Adjustment	(460,691)	(52,452)	-	(513,143)
OPEB Expense Adjustment	6,151	18,047	-	24,198
Change in Assets, Liabilities and Deferred Inflows/Outflows:				
(Increase) Decrease in Accounts Receivable	(25,442)	(525)	-	(25,967)
(Increase) Decrease in Due from Other Funds	-	-	-	-
(Increase) Decrease in Prepaid Expenses	-	(1,250)	-	(1,250)
(Increase) Decrease in Due to Other Governments	-	(4,243)	-	(4,243)
Increase (Decrease) in Vouchers Payable	(60,935)	(3,296)	(52)	(64,283)
Increase (Decrease) in retainage payable	-	-	-	-
Increase (Decrease) in Due to Other Funds	-	320,658	-	320,658
Increase (Decrease) in accrued expenses	173,775	(3,119)	-	170,656
Increase (Decrease) in interest payable	-	-	-	-
Increase (Decrease) in accrued compensated absences	(99,385)	-	-	(99,385)
Increase (Decrease) in Deposits Payable	-	(71)	-	(71)
Total Adjustments	<u>(80,148)</u>	<u>383,009</u>	<u>(52)</u>	<u>302,809</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,783,021</u>	<u>\$ (18,994)</u>	<u>\$ (3,398)</u>	<u>\$ 2,760,629</u>
NONCASH CAPITAL FINANCING ACTIVITIES				
Change in construction and related liabilities	<u>\$ (132,467)</u>	<u>-</u>	<u>-</u>	<u>\$ (132,467)</u>

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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.

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CITY OF HOLLYWOOD, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Central Services	Insurance	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
ASSETS:			
CURRENT ASSETS:			
Cash	\$ 500	\$ 471,945	\$ 472,445
Investments	26,190,206	48,476,643	74,666,849
Accounts Receivable - Net of Allowances	61,190	41,849	103,039
Reinsurance Receivable	-	371,591	371,591
Inventories of Supplies	206,150	-	206,150
Total Current Assets	<u>26,458,046</u>	<u>49,362,028</u>	<u>75,820,074</u>
NONCURRENT ASSETS:			
Prepaid Items	-	61,357	61,357
Capital Assets:			
Buildings	1,141,350	-	1,141,350
Machinery and Equipment	44,503,615	-	44,503,615
Accumulated Depreciation	<u>(37,410,784)</u>	<u>-</u>	<u>(37,410,784)</u>
Total Noncurrent Assets	<u>8,234,181</u>	<u>61,357</u>	<u>8,295,538</u>
Total Assets	<u>34,692,227</u>	<u>49,423,385</u>	<u>84,115,612</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflow - General Employees Pension	5,079,675	180,749	5,260,424
Deferred Outflow for OPEB	<u>3,957,694</u>	<u>200,215</u>	<u>4,157,909</u>
Total Deferred Outflows of Resources	<u>9,037,369</u>	<u>380,964</u>	<u>9,418,333</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>43,729,596</u>	<u>49,804,349</u>	<u>93,533,945</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA

(continued)

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Central Services	Insurance	Total
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
LIABILITIES:			
CURRENT LIABILITIES:			
Vouchers Payable	817,221	67,714	884,935
Accrued Wages and Leave	255,048	16,264	271,312
Pension Settlement	244,778	17,207	261,985
Compensated Absences	515,002	22,339	537,341
Interest Payable	126,008	-	126,008
Claims Payable	-	5,699,014	5,699,014
Bonds Payable - Net	203,744	-	203,744
Capital Lease Obligations	1,752,195	-	1,752,195
Loans Payable	41,604	-	41,604
Total Current Liabilities	3,955,600	5,822,538	9,778,138
NONCURRENT LIABILITIES:			
Compensated Absences	455,964	55,752	511,716
Claims Payable	-	9,335,658	9,335,658
Bonds Payable - Net	3,419,808	-	3,419,808
Capital Lease Obligations	2,608,678	-	2,608,678
Total Other Postemployment Benefits Liability (OPEB)	18,733,619	1,277,292	20,010,911
Net Pension Liability - General Employees	20,403,922	984,059	21,387,981
Pension Settlement	846,859	59,532	906,391
Total Noncurrent Liabilities	46,468,850	11,712,293	58,181,143
Total Liabilities	50,424,450	17,534,831	67,959,281
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflow - General Employees Pension	1,933,376	325,527	2,258,903
Deferred Inflow for OPEB	6,935,253	744,262	7,679,515
Total Deferred Inflows of Resources	8,868,629	1,069,789	9,938,418
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	59,293,079	18,604,620	77,897,699
NET POSITION			
Net Investment in Capital Assets	208,152	-	208,152
Unrestricted (Deficit)	(15,771,635)	31,199,729	15,428,094
TOTAL NET POSITION	\$ (15,563,483)	\$ 31,199,729	\$ 15,636,246

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CITY OF HOLLYWOOD, FLORIDA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<u>Central Services</u>	<u>Insurance</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Sales and Services	\$ 21,155,589	\$ 40,264,626	\$ 61,420,215
Miscellaneous	<u>1,056,614</u>	<u>2,616,767</u>	<u>3,673,381</u>
Total Operating Revenues	<u>22,212,203</u>	<u>42,881,393</u>	<u>65,093,596</u>
OPERATING EXPENSES:			
Personal Services and Benefits	8,178,362	341,665	8,520,027
Supplies, Services and Claims	9,926,039	46,730,049	56,656,088
Depreciation	<u>3,453,072</u>	<u>-</u>	<u>3,453,072</u>
Total Operating Expenses	<u>21,557,473</u>	<u>47,071,714</u>	<u>68,629,187</u>
Operating Income (Loss)	<u>654,730</u>	<u>(4,190,321)</u>	<u>(3,535,591)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Revenue	(4,485)	(13,432)	(17,917)
Interest Expense	(312,225)	-	(312,225)
Gain/Loss on Disposals	211,825	-	211,825
Other Income (Expense)	<u>9,686</u>	<u>-</u>	<u>9,686</u>
Total Nonoperating Revenues	<u>(95,199)</u>	<u>(13,432)</u>	<u>(108,631)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>559,531</u>	<u>(4,203,753)</u>	<u>(3,644,222)</u>
CONTRIBUTIONS:			
Capital Contributions	399,634	-	399,634
TRANSFERS IN (OUT):			
Transfers In:			
Transfers In	<u>2,510,000</u>	<u>-</u>	<u>2,510,000</u>
Total Transfers In	<u>2,510,000</u>	<u>-</u>	<u>2,510,000</u>
Transfers Out:			
Transfers Out	<u>(411,764)</u>	<u>-</u>	<u>(411,764)</u>
Total Transfers In (Out)	<u>(411,764)</u>	<u>-</u>	<u>(411,764)</u>
Change in Net Position	3,057,401	(4,203,753)	(1,146,352)
Net Position - Beginning	<u>(18,620,884)</u>	<u>35,403,482</u>	<u>16,782,598</u>
Net Position - Ending	<u><u>\$ (15,563,483)</u></u>	<u><u>\$ 31,199,729</u></u>	<u><u>\$ 15,636,246</u></u>

CITY OF HOLLYWOOD, FLORIDA

**INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	<u>Central Services</u>	<u>Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers and Employees	\$ 22,151,010	\$ 43,004,036	\$ 65,155,046
Cash Received from Other Funds	-	-	-
Payments to Suppliers for Goods and Services	(10,905,041)	(11,080,996)	(21,986,037)
Payments to Employees for Services	(10,331,842)	(699,430)	(11,031,272)
Other Operating Receipts (Payments)	-	(34,860,138)	(34,860,138)
Net Cash Provided (Used) by Operating Activities	<u>914,127</u>	<u>(3,636,528)</u>	<u>(2,722,401)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers In	2,510,000	-	2,510,000
Transfers Out	<u>(411,764)</u>	<u>-</u>	<u>(411,764)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,098,236</u>	<u>-</u>	<u>2,098,236</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from Sale of Capital Assets	233,558	-	233,558
Principal Paid on Bonds	(1,575,679)	-	(1,575,679)
Principal Paid on loans	(40,630)	-	(40,630)
Purchase of Capital Assets	(555,320)	-	(555,320)
Interest Paid on Other Borrowing	<u>(429,635)</u>	<u>-</u>	<u>(429,635)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,367,706)</u>	<u>-</u>	<u>(2,367,706)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment Revenue	<u>(4,485)</u>	<u>(13,432)</u>	<u>(17,917)</u>
Net Cash Provided (Used) by Investing Activities	<u>(4,485)</u>	<u>(13,432)</u>	<u>(17,917)</u>
Net Increase (Decrease) in Cash and Investments	640,172	(3,649,960)	(3,009,788)
Cash and Investments - beginning of year	<u>25,550,534</u>	<u>52,598,548</u>	<u>78,149,082</u>
Cash and Investments- end of year	<u><u>\$ 26,190,706</u></u>	<u><u>\$ 48,948,588</u></u>	<u><u>\$ 75,139,294</u></u>
NON-CASH TRANSACTIONS AFFECTING FINANCIAL POSITION			
Change in cinstruction and related liabilities	\$ 1,056,612	\$ -	\$ 1,056,612
Change in bond discount/premium	115,568	-	115,568
Total non-cash transactions affecting financial position	<u><u>\$ 1,172,180</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,172,180</u></u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Central Services</u>	<u>Insurance</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 654,730	\$ (4,190,321)	\$ (3,535,591)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(used) by Operating Activities:			
Depreciation	3,453,072	-	3,453,072
Pension Expense Adjustment	(1,301,617)	(257,449)	(1,559,066)
OPEB Expense Adjustment	(504,401)	(90,384)	(594,785)
Change in Assets, Liabilities and Deferred Inflows/Outflows:			
(Increase) Decrease in Accounts Receivable	(61,190)	122,643	61,453
(Increase) Decrease in Inventory	2,742	-	2,742
(Increase) Decrease in Prepaid Expense	-	(2,756)	(2,756)
(Increase) Decrease in Accrued Expense	(498,781)	49,935	(448,846)
Increase (Decrease) in Accounts Payable	74,868	39,587	114,455
Increase (Decrease) in retainage payable			-
Increase (Decrease) in Compensated Absences	(905,296)	(59,867)	(965,163)
Increase (Decrease) in Accrued Wages and Leave			-
Increase (Decrease) in Claims Payable	-	752,084	752,084
Total Adjustments	<u>259,397</u>	<u>553,793</u>	<u>813,190</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 914,127</u>	<u>\$ (3,636,528)</u>	<u>\$ (2,722,401)</u>

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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, 2021**

	General Employees Retirement System	Fire Pension Fund	Police Retirement System	Total Pension Plans
ASSETS:				
Investments				
U.S. Government Securities	\$ -	\$ 32,237,487	\$ 40,693,688	\$ 72,931,175
Money Market Funds	8,990,722	-	9,126,175	18,116,897
Corporate Equities	15,729,350	242,136,395	278,746,551	536,612,296
Corporate Bonds and Other	-	14,743,234	22,377,113	37,120,347
Mutual Funds	299,587,400	49,291,528	54,552,356	403,431,284
Pooled Investment Funds	107,426,813	365,663	-	107,792,476
Total Investments	431,734,285	338,774,307	405,495,883	1,176,004,475
Contributions Receivable	-	274,888	-	274,888
Interest Receivable	47,411	185,996	411,510	644,917
Accounts Receivable	11,333,840	65,556	883,284	12,282,680
Prepaid Items	156,479	8,136	2,792,040	2,956,655
Non Depreciable	508,435	-	-	508,435
TOTAL ASSETS	443,780,450	339,308,883	409,582,717	1,192,672,050
LIABILITIES:				
Vouchers Payable	1,093,948	455,457	186,672	1,736,077
Voucher Payable - Purchase of Investment	-	-	1,061,448	1,061,448
Due to Brokers	-	1,394,968	-	1,394,968
TOTAL LIABILITIES	1,093,948	1,850,425	1,248,120	4,192,493
NET POSITION:				
Restricted for Pension Benefits	<u>\$ 442,686,502</u>	<u>\$ 337,458,458</u>	<u>\$ 408,334,597</u>	<u>\$ 1,188,479,557</u>

CITY OF HOLLYWOOD, FLORIDA

**FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

	General Employees Retirement System	Fire Pension Fund	Police Retirement System	Total Pension Plans
ADDITIONS:				
Contributions:				
City	\$ 29,914,901	\$ 20,370,947	\$ 24,215,984	\$ 74,501,832
Local or State Excise Tax	29,913	1,652,102	1,632,350	3,314,365
Members	3,455,694	1,960,009	2,684,133	8,099,836
Total Contributions	<u>33,400,508</u>	<u>23,983,058</u>	<u>28,532,467</u>	<u>85,916,033</u>
Investment Income:				
Net Increase in Fair Value of Plan Investments	73,078,946	61,406,291	67,464,143	201,949,380
Interest and Dividends	4,703,525	3,874,223	6,340,766	14,918,514
	<u>77,782,471</u>	<u>65,280,514</u>	<u>73,804,909</u>	<u>216,867,894</u>
Less: Investment Expense	(677,406)	(1,930,200)	(1,776,827)	(4,384,433)
Net Investment Income	<u>77,105,065</u>	<u>63,350,314</u>	<u>72,028,082</u>	<u>212,483,461</u>
Other Income	-	-	39,373	39,373
Total Additions	<u>110,505,573</u>	<u>87,333,372</u>	<u>100,599,922</u>	<u>298,438,867</u>
DEDUCTIONS:				
Pension Benefits	36,204,572	24,878,447	31,334,455	92,417,474
Refund of Contributions	480,993	36,768	51,757	569,518
Administrative Expenses	800,992	492,252	709,255	2,002,499
Total Deductions	<u>37,486,557</u>	<u>25,407,467</u>	<u>32,095,467</u>	<u>94,989,491</u>
Change in Net Position	73,019,016	61,925,905	68,504,455	203,449,376
Net Position Restricted for Pension Benefits - Beginning of Year	<u>369,667,486</u>	<u>275,532,553</u>	<u>339,830,142</u>	<u>985,030,181</u>
Net Position Restricted for Pension Benefits - End of Year	<u><u>\$ 442,686,502</u></u>	<u><u>\$ 337,458,458</u></u>	<u><u>\$ 408,334,597</u></u>	<u><u>\$ 1,188,479,557</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	182-193
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	194-200
These schedules contain information to help the reader assess the government's most significant tax revenue sources, and in particular property taxes.	
DEBT CAPACITY	201-205
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	206-207
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	208-214
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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
GOVERNMENTAL ACTIVITIES:					
Net Investment in Capital Assets	\$ 83,103	\$ 70,938	\$ 69,416	\$ 71,886	\$ 65,894
Restricted	144,635	139,737	119,212	34,865	33,995
Unrestricted	<u>(918,790)</u>	<u>(926,843)</u>	<u>(830,648)</u>	<u>(779,606)</u>	<u>(451,440)</u>
Total Governmental Activities Net Position	<u><u>\$ (691,052)</u></u>	<u><u>\$ (716,168)</u></u>	<u><u>\$ (642,020)</u></u>	<u><u>\$ (672,855)</u></u>	<u><u>\$ (351,551)</u></u>
BUSINESS-TYPE ACTIVITIES:					
Net Investment in Capital Assets	\$ 230,012	\$ 222,928	\$ 219,044	\$ 186,154	\$ 164,263
Restricted	79,760	63,242	62,248	64,916	64,238
Unrestricted	<u>53,319</u>	<u>29,856</u>	<u>20,480</u>	<u>9,765</u>	<u>68,179</u>
Total Business-type Activities Net Position	<u><u>\$ 363,091</u></u>	<u><u>\$ 316,026</u></u>	<u><u>\$ 301,772</u></u>	<u><u>\$ 260,835</u></u>	<u><u>\$ 296,680</u></u>
PRIMARY GOVERNMENT:					
Net Investment in Capital Assets	\$ 313,115	\$ 293,866	\$ 288,460	\$ 258,040	\$ 230,157
Restricted	224,395	202,979	181,460	99,781	98,233
Unrestricted	<u>(865,471)</u>	<u>(896,987)</u>	<u>(810,168)</u>	<u>(769,841)</u>	<u>(383,261)</u>
Total Primary Government Net Position	<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><u>\$ (54,871)</u></u>

(1) Previously titled Invested in Capital Assets - Net of Related Debt

(2) Net Position previously titled Net Assets

<u>2016</u>	<u>2015 (1)</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 65,085	\$ 63,650	\$ 58,658	\$ 54,284 (1)	\$ 55,803
49,191	36,472	37,383	35,220	34,097
(457,116)	(440,035)	(79,505)	(76,747)	(83,169)
<u>\$ (342,840)</u>	<u>\$ (339,913)</u>	<u>\$ 16,536</u>	<u>\$ 12,757 (2)</u>	<u>\$ 6,731</u>
\$ 145,990	\$ 125,409	\$ 121,880	\$ 105,450 (1)	\$ 98,007
62,157	63,303	61,237	54,816	51,281
59,580	48,867	63,610	60,044	47,901
<u>\$ 267,727</u>	<u>\$ 237,579</u>	<u>\$ 246,727</u>	<u>\$ 220,310 (2)</u>	<u>\$ 197,189</u>
\$ 211,075	\$ 189,059	\$ 180,538	\$ 159,734 (1)	\$ 153,810
111,348	99,775	98,620	90,036	85,378
(397,536)	(391,168)	(15,895)	(16,703)	(35,268)
<u>\$ (75,113)</u>	<u>\$ (102,334)</u>	<u>\$ 263,263</u>	<u>\$ 233,067 (2)</u>	<u>\$ 203,920</u>

CITY OF HOLLYWOOD, FLORIDA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (Accrual Basis of Accounting) (\$ in thousands)

	2021	2020	2019	2018
PRIMARY GOVERNMENT:				
EXPENSES:				
Governmental activities				
General government	\$ 39,072	\$ 54,781	\$ 64,445	\$ 34,331
Public safety	188,005	252,285	152,776	155,948
Public Works	14,696	17,001	16,012	13,047
Transportation	3,229	2,610	3,437	3,375
Economic Environment	11,067	8,092	6,602	6,767
Physical Environment	892	989	633	7,100
Culture and Recreation	15,108	17,165	15,386	14,851
Emergency and Disaster Relief & Other	2,930	3,994	239	7,002
Interest and Fiscal Charges	5,250	5,753	4,872	4,509
Total Governmental Activities	<u>280,249</u>	<u>362,670</u>	<u>264,402</u>	<u>246,930</u>
Business-type Activities:				
Water	27,205	36,700	29,721	27,276
Sewer	39,287	54,588	43,645	42,248
Sanitation	15,369	15,408	13,547	12,804
Stormwater	3,180	2,730	2,605	2,471
Golf	2,290	2,125	2,081	2,088
Parking	8,762	10,278	8,768	7,280
Other	35	16	27	34
Total Business-type Activities	<u>96,128</u>	<u>121,845</u>	<u>100,394</u>	<u>94,201</u>
Total Primary Government Expenditures	<u>\$ 376,377</u>	<u>\$ 484,515</u>	<u>\$ 364,796</u>	<u>\$ 341,131</u>
REVENUES:				
Governmental activities:				
Charges for services:				
General government	\$ 16,889	\$ 14,135	\$ 13,909	\$ 12,718
Public Safety	48,320	49,619	49,655	42,433
Public Works	277	13	259	251
Transportation	-	-	-	76
Economic Environment	483	837	2,629	2,904
Physical Environment	160	291	962	733
Culture and Recreation	1,528	1,006	1,436	1,447
Operating grants and Contributions	12,846	7,275	21,457	3,929
Capital Grants and Contributions	962	625	474	82
Total Governmental Activities	<u>81,465</u>	<u>73,801</u>	<u>90,781</u>	<u>64,573</u>
Business-type Activities:				
Water	42,346	41,100	38,887	40,425
Sewer	67,548	62,018	56,876	57,900
Sanitation	17,465	15,491	13,049	13,335
Stormwater	5,994	5,781	3,177	3,215
Golf	1,871	1,655	2,009	1,922
Parking	11,359	8,403	9,566	9,136
Other	32	33	41	34
Operating Grants and Contributions	-	-	-	47
Capital Grants and Contributions	1,681	4,540	2,968	2,802
Total Business-type Activities	<u>148,296</u>	<u>139,021</u>	<u>126,573</u>	<u>128,816</u>
Total Primary Government Revenues	<u>\$ 229,761</u>	<u>\$ 212,822</u>	<u>\$ 217,354</u>	<u>\$ 193,389</u>

	2017	2016	2015	2014	2013	2012
\$	36,963	\$ 37,369	\$ 26,828	\$ 26,525	\$ 25,874	\$ 19,740
	160,110	145,365	135,739	132,446	124,728	117,283
	15,400	15,566	13,647	14,238	13,752	11,332
	5,041	3,698	2,604	1,830	809	274
	6,641	6,143	22,407	10,025	5,018	8,383
	1,551	787	5,680	2,114	1,775	5,457
	14,815	14,970	14,460	14,966	15,039	15,748
	3,293	-	-	-	-	-
	4,973	5,565	7,034	7,689	8,021	9,153
	<u>248,787</u>	<u>229,463</u>	<u>228,399</u>	<u>209,833</u>	<u>195,016</u>	<u>187,370</u>
	29,604	27,398	24,353	26,367	25,293	24,977
	41,754	41,179	41,869	42,032	42,329	41,589
	12,539	12,421	11,501	11,393	11,765	12,339
	2,238	2,230	2,155	2,000	1,983	2,191
	2,411	2,374	2,474	2,910	2,912	2,878
	7,080	7,320	6,588	6,880	6,825	6,387
	28	6	4	-	22	-
	<u>95,654</u>	<u>92,928</u>	<u>88,944</u>	<u>91,582</u>	<u>91,129</u>	<u>90,361</u>
\$	<u>344,441</u>	<u>\$ 322,391</u>	<u>\$ 317,343</u>	<u>\$ 301,415</u>	<u>\$ 286,145</u>	<u>\$ 277,731</u>
\$	12,279	\$ 10,881	\$ 8,750	\$ 8,847	\$ 8,688	\$ 8,450
	38,318	36,503	38,024	39,196	35,367	34,431
	244	206	206	200	193	270
	104	333	312	1,500	-	-
	1,581	1,949	1,770	1,882	1,798	1,191
	1,109	1,496	335	1,174	267	412
	1,470	1,558	1,462	1,362	1,220	1,128
	3,895	2,692	2,013	7,078	7,905	8,402
	658	863	1,258	1,413	953	2,027
	<u>59,658</u>	<u>56,481</u>	<u>54,130</u>	<u>62,652</u>	<u>56,391</u>	<u>56,311</u>
	41,050	39,757	40,551	38,394	36,572	34,452
	56,718	54,473	58,975	55,481	53,577	51,258
	13,590	13,651	16,085	13,274	14,810	13,571
	3,275	3,201	3,245	3,333	3,191	3,313
	2,069	1,829	2,285	2,470	2,646	2,724
	7,489	6,625	6,604	6,588	6,540	6,518
	40	30	19	19	17	17
	-	-	29	29	197	232
	2,731	4,808	2,933	2,151	1,870	879
	<u>126,962</u>	<u>124,374</u>	<u>130,726</u>	<u>121,739</u>	<u>119,420</u>	<u>112,964</u>
\$	<u>186,620</u>	<u>\$ 180,855</u>	<u>\$ 184,856</u>	<u>\$ 184,391</u>	<u>\$ 175,811</u>	<u>\$ 169,275</u>

CITY OF HOLLYWOOD, FLORIDA

**CHANGES IN NET POSITION
LAST TEN FISCAL YEAR
(Accrual Basis of Accounting)
(\$ in thousands)**

	2021	2020	2019	2018
NET (EXPENSE) REVENUES:				
Governmental Activities	\$ (198,784)	\$ (288,869)	\$ (173,621)	\$ (182,357)
Business-type Activities	52,168	17,176	26,179	34,615
Total Primary Government Net (Expenses) Revenues	<u>\$ (146,616)</u>	<u>\$ (271,693)</u>	<u>\$ (147,442)</u>	<u>\$ (147,742)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:				
Governmental activities				
Property Taxes Levied for General Purpose	\$ 110,043	\$ 103,745	\$ 100,692	\$ 89,282
Property Taxes Levied for Debt Service	7,591	7,609	3,680	3,673
Property Taxes Incremental	38,442	37,479	31,082	35,366
Utility Service Taxes	20,961	20,886	20,673	21,004
Franchise Taxes	13,824	12,057	13,007	12,911
Sales Tax	10,911	9,081	10,080	10,137
Gas Tax	2,569	2,469	2,773	2,760
Local Business Tax	2,418	2,411	2,299	2,332
Contributions not Restricted to Specific Programs	6,590	7,084	8,025	7,843
Investment Revenue	174	3,032	4,435	2,881
Gain (loss) on sale of Capital Assets	(174)	14	729	-
Miscellaneous	4,887	3,331	14,751	3,138
Transfers	5,663	5,522	(7,772)	6,980
Total Governmental Activities	<u>223,901</u>	<u>214,720</u>	<u>204,454</u>	<u>198,307</u>
Business-type activities				
Investment Revenue	(52)	2,041	4,543	2,420
Gain (loss) on sale of Capital Assets	118	(91)	(2)	-
Miscellaneous	494	559	2,443	826
Transfers	(5,663)	(5,522)	7,772	(6,981)
Total Business-type Activities	<u>(5,103)</u>	<u>(2,922)</u>	<u>14,758</u>	<u>(3,735)</u>
Total Primary Government General Revenues and Other Changes in Net Position	<u>\$ 218,798</u>	<u>\$ 211,798</u>	<u>\$ 219,212</u>	<u>\$ 194,572</u>
CHANGE IN NET POSITION:				
Governmental Activities	25,117	(74,149)	30,833	15,950
Business-type Activities	47,065	14,254	40,937	30,880
Total Primary Government Change in Net Position	<u>\$ 72,182</u>	<u>\$ (59,895)</u>	<u>\$ 71,770</u>	<u>\$ 46,830</u>

2017	2016	2015	2014	2013	2012
\$ (189,129) 31,308	\$ (172,982) 31,446	\$ (174,269) 41,782	\$ (147,181) 30,157	\$ (138,625) 28,291	\$ (131,059) 22,603
<u>\$ (157,821)</u>	<u>\$ (141,536)</u>	<u>\$ (132,487)</u>	<u>\$ (117,024)</u>	<u>\$ (110,334)</u>	<u>\$ (108,456)</u>
\$ 77,073 3,682 32,512 20,629 12,726 9,563 2,766 2,030	\$ 70,740 3,742 29,790 20,324 11,540 10,254 2,913 1,871	\$ 64,459 3,781 27,988 20,595 11,955 9,252 2,652 1,773	\$ 61,107 3,983 25,191 20,625 11,748 8,769 2,562 2,075	\$ 59,636 2,944 22,815 20,127 11,064 8,247 2,487 1,949	\$ 59,248 4,284 22,869 19,633 11,141 7,738 2,491 1,885
7,025 1,268 - 2,411 6,059 <u>177,744</u>	6,984 932 - 6,790 4,175 <u>170,055</u>	6,883 759 - 1,728 6,763 <u>158,588</u>	6,390 526 - 2,793 5,191 <u>150,960</u>	5,834 331 - 4,262 4,955 <u>144,651</u>	5,791 288 - 1,701 4,297 <u>141,366</u>
2,546 - 686 (6,059) (2,827)	2,151 - 728 (4,175) (1,296)	1,409 - 1,052 (6,763) (4,302)	501 - 950 (5,191) (3,740)	303 - 411 (4,955) (4,241)	315 - 1,028 (4,297) (2,954)
<u>\$ 174,917</u>	<u>\$ 168,759</u>	<u>\$ 154,286</u>	<u>\$ 147,220</u>	<u>\$ 140,410</u>	<u>\$ 138,412</u>
(11,385) 28,481	(2,927) 30,149	(15,681) 37,480	3,779 26,417	6,026 24,050	10,307 19,649
<u>\$ 17,096</u>	<u>\$ 27,222</u>	<u>\$ 21,799</u>	<u>\$ 30,196</u>	<u>\$ 30,076</u>	<u>\$ 29,956</u>

CITY OF HOLLYWOOD, FLORIDA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)
 (\$ in thousands)

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Utilities Service Taxes</u>	<u>Franchise Taxes</u>	<u>Sales Tax</u>	<u>Gas Tax</u>	<u>Local Business Tax</u>	<u>Total</u>
2021	\$ 156,077	\$ 20,961	\$ 13,824	\$ 10,911	\$ 2,569	\$ 2,418	\$ 206,761
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
2012	86,401	19,633	11,141	7,738	2,490	1,885	129,288

CITY OF HOLLYWOOD, FLORIDA

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(\$ in thousands)**

Fiscal Year	General Fund					
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
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
2012	6,090	-	13,294	1,086	4,787	25,257

Fiscal Year	Other Governmental Funds						Total Governmental Funds
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total	
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
2012	1,114	62,427	3,865	1,901	(505)	68,802	94,059

CITY OF HOLLYWOOD, FLORIDA

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(\$ in thousands)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
REVENUES:					
Property Taxes	\$ 138,800	\$ 132,135	\$ 121,538	\$ 112,390	\$ 98,520
Utilities Service Taxes	20,961	20,886	20,673	21,004	20,629
Franchise Taxes	13,824	12,057	13,007	12,878	12,726
Licenses and Permits	9,140	9,618	10,878	10,305	7,973
Intergovernmental	52,043	49,886	42,807	41,235	38,261
Charges for Services	60,015	57,614	59,582	50,182	48,187
Fines and Forfeits	437	508	159	1,284	61
Impact Fees	824	-	-	-	-
Investment Revenue	192	2,440	3,238	2,062	1,006
Miscellaneous	5,289	3,331	14,663	3,261	3,023
Total Revenues	<u>301,525</u>	<u>288,475</u>	<u>286,545</u>	<u>254,601</u>	<u>230,386</u>
EXPENDITURES:					
Current:					
General Government	39,223	39,873	55,236	33,057	31,292
Public Safety	164,830	165,753	152,847	141,936	133,224
Public Works	13,197	13,159	12,921	12,229	12,144
Transportation	3,419	3,085	2,840	2,297	2,211
Economic Environment	8,737	6,808	5,992	3,826	3,455
Physical Environment	890	988	432	20	335
Culture and Recreation	12,451	11,959	11,698	11,411	10,538
Human Services	-	-	-	-	-
Emergency and Disaster Relief	2,929	3,994	239	7,002	3,293
Other	43	113	250	2,252	2,333
Capital Outlay:					
General Government	859	1,755	16,290	4,691	1,840
Public Safety	2,970	4,248	2,810	2,721	3,046
Public Works	-	11	-	-	-
Transportation	1,722	1,087	1,573	1,719	5,358
Economic Environment	178	50	6	-	5
Physical Environment	2,732	2,132	4,524	7,607	4,080
Culture and Recreation	12,950	2,117	55	305	468
Debt Service:					
Principal	16,280	16,091	13,853	13,982	13,628
Interest and Fiscal Charges	6,560	6,484	5,696	5,576	6,213
Total Expenditures	<u>289,971</u>	<u>279,707</u>	<u>287,262</u>	<u>250,631</u>	<u>233,463</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,555</u>	<u>8,768</u>	<u>(717)</u>	<u>3,970</u>	<u>(3,077)</u>

2016	2015	2014	2013	2012
\$ 90,697	\$ 84,028	\$ 78,931	\$ 75,318	\$ 76,240
20,324	20,595	20,625	20,127	19,729
11,540	11,955	11,749	11,064	11,141
8,864	8,054	6,688	5,952	5,416
37,116	34,467	37,515	36,183	37,025
44,915	44,010	45,188	41,804	41,108
424	1,659	774	307	484
-	-	-	-	-
628	486	284	112	104
5,860	1,651	3,110	5,033	2,039
<u>220,368</u>	<u>206,905</u>	<u>204,864</u>	<u>195,900</u>	<u>193,286</u>
26,847	26,240	22,104	19,950	18,453
120,134	123,346	118,827	111,088	102,345
10,977	12,114	11,975	11,443	9,062
1,589	2,246	2,028	496	285
2,990	19,427	8,981	4,291	5,850
258	572	1,565	1,529	2,171
9,835	11,093	10,479	10,049	10,724
-	-	52	57	53
-	-	-	-	-
2,718	3,775	2,447	3,748	1,291
3,097	1,599	2,065	158	1,663
2,582	1,340	1,341	1,538	4,557
-	-	-	-	-
3,402	3,624	881	792	370
-	5	3	3	1,018
718	7,625	671	1,057	7,009
313	571	444	150	515
13,773	12,702	20,097	11,716	24,147
8,974	7,864	7,591	7,907	9,122
<u>208,207</u>	<u>234,143</u>	<u>211,551</u>	<u>185,972</u>	<u>198,635</u>
<u>12,161</u>	<u>(27,238)</u>	<u>(6,687)</u>	<u>9,928</u>	<u>(5,349)</u>
				(Continued)

CITY OF HOLLYWOOD, FLORIDA

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(\$ in thousands)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
OTHER FINANCING SOURCES (USES):					
Issuance of Debt	\$ -	\$ 11,700	\$ 70,738	\$ -	\$ 14,831
Retirement of Debt			-	-	(14,831)
Transfers In	36,850	21,377	14,593	13,246	12,143
Transfers Out	(33,286)	(18,390)	(11,220)	(7,600)	(8,011)
Sale of Assets	103	56	2,133	-	-
Impact Fees	-	1,064		-	-
Total Other Financing Sources (Uses)	<u>3,667</u>	<u>15,807</u>	<u>76,244</u>	<u>5,646</u>	<u>4,132</u>
 Change in Fund Balances	 <u>\$ 15,222</u>	 <u>\$ 24,575</u>	 <u>\$ 75,527</u>	 <u>\$ 9,616</u>	 <u>\$ 1,055</u>
 Debt Service as a Percentage of Noncapital Expenditures	 8.5%	 8.4%	 7.5%	 8.4%	 9.1%

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 92,127	\$ 45,922	\$ 7,965	\$ -	\$ 12,848
(53,924)	(43,732)	-	-	-
15,352	16,783	14,182	13,643	13,915
(11,937)	(12,817)	(9,452)	(9,286)	(9,771)
-	-	-	-	-
-	-	-	-	-
<u>41,618</u>	<u>6,156</u>	<u>12,695</u>	<u>4,357</u>	<u>16,992</u>
<u>\$ 53,779</u>	<u>\$ (21,082)</u>	<u>\$ 6,008</u>	<u>\$ 14,285</u>	<u>\$ 11,643</u>
11.5%	9.4%	13.4%	10.8%	18.1%

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CITY OF HOLLYWOOD, FLORIDA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 (\$ in thousands)

Fiscal Year	Property Taxes	Utilities Service Taxes	Franchise Taxes	Sales Tax	Gasoline Tax	Local Business Tax	Total
2021	\$ 138,800	\$ 20,961	\$ 13,824	\$ 10,911	\$ 2,569	\$ 2,578	\$ 189,644
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
2012	76,240	19,729	11,141	7,738	2,419	1,910	119,177

CITY OF HOLLYWOOD, FLORIDA

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(\$ in thousands)**

Fiscal Year	Real Property			Personal Property	Less:	Total Taxable Assessed Value
	Residential Property	Commercial Property	Other Property		Tax Exempt Property	
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
2012	9,074,429	4,815,235	3,320	647,910	4,433,935	10,106,959

Source: Broward County Property Appraiser's Office.

(1) Includes tax exempt property.

Total Direct Tax Rate (mills)	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
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 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
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
2012	7.4479	0.4449	7.8928	5.1860	0.3670	5.5530	7.4180	0.0000	7.4180

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 Districts	South Broward Hospital District	North Broward Hospital District	Total Direct and Overlapping Rates	
			(2)	(3)
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 2021	
	Taxable Assessed Value (1)	Percentage of Total City Taxable Assessed Value
Florida Power & Light Company	\$ 1,149,392	6.21 %
Diplomat Properties LTD Partnership	516,557	2.79
MVHF LLC (BLDG) City of Hollywood	154,915	0.84
Oakwood Plaza LP	153,714	0.83
HC Real Property LLC	126,409	0.68
Equity One Sheridan Plaza LLC	91,765	0.50
Parc Station Acquisition LLC	78,587	0.42
MHI Hospitality	71,627	0.39
Hollywood Beach LLC	61,096	0.33
Windsor Hollywood LLC	58,334	0.32
Total Taxpayer	<u>\$ 2,462,396</u>	<u>13.32 %</u>
Total Taxable Assessed Value	<u>\$ 18,502,076</u>	

Taxpayer	Fiscal Year 2012	
	Taxable Assessed Value (2)	Percentage of Total City Taxable Assessed Value
Diplomat Properties LTD Partnership	\$ 221,000	2.19 %
Florida Power & Light Company	217,000	2.15
Orange Bowl Eastern III, LLC	135,000	1.34
Michael Swerdlow Properties	89,939	0.89
Equity One LLC	79,655	0.79
Distribution Funding, Inc.	45,825	0.45
WRI/Hollywood Hills LLC	41,978	0.42
BellSouth Telecommunications, Inc.	37,898	0.37
CDR Presidential LLC	33,923	0.34
HBC Associates	33,050	0.33
Total Taxpayer	<u>\$ 935,268</u>	<u>9.25 %</u>
Total Taxable Assessed Value	<u>\$ 10,106,959</u>	

Source: Broward County Revenue Collector.

(1) Value of nonexempt real and personal property subject to taxation at January 1, 2017.

(2) Value of nonexempt real and personal property subject to taxation at January 1, 2008.

CITY OF HOLLYWOOD, FLORIDA

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEAR
(\$ in thousands)**

Fiscal Year	Total Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy Collected		Amount	Percentage of Levy Collected
2021	139,538	138,828	99.5 %	-	\$ 138,828	99.5 %
2020	132,469	132,026	99.7	426	132,452	100.0
2019	121,653	121,561	99.9	69	121,630	100.0
2018	112,621	112,407	99.8	206	112,613	100.0
2017	98,636	98,539	99.9	87 (2)	98,626	100.0
2016	90,797	90,711	99.9	73 (2)	90,784	100.0
2015	84,181	84,045	99.8	123 (2)	84,168	100.0
2014	78,834	78,739	99.9	84 (2)	78,823	100.0
2013	75,416	75,342	99.9	66 (2)	75,408	100.0
2012	76,383	76,271	99.9	100 (2)	76,371	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 is not readily available.

CITY OF HOLLYWOOD, FLORIDA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(\$ in thousands, except per capita amount)**

Fiscal Year	Governmental Activities						Bond Premium (Discount)
	General Obligation Bonds/Note	Capital Improvement Bonds and Loans	Capital Leases	Revenue Bonds and Loans (CRA's)	Other Loans and Notes		
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	-	-	
2012	49,195	58,463	5,323	66,293	-	-	

Business-type Activities						
Water & Sewer Revenue Bonds	Other Loans and Notes	Capital Leases	Bond Premium (Discount)	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 45,390	\$ 108,792	\$ 2,045	\$ 8,111	\$ 334,088	7.08 %	\$ 2,155
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
117,780	67,424	9,703	(1,214)	372,967	9.87	2,620
124,645	70,594	10,340	(1,410)	395,960	10.53	2,810
131,205	70,647	10,896	(1,279)	414,702	10.66	2,912

CITY OF HOLLYWOOD, FLORIDA

**RATIOS OF GENERAL OBLIGATION BONDS/NOTES DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

(\$ in thousands, except per capita amount)

<u>Fiscal Year</u>	<u>General Obligation Bonds/Note(1)</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Total Taxable Assessed Value of Property</u>	<u>Per Capita</u>
2021	\$ 98,627	\$ (513)	\$ 98,114	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
2012	49,195	(1,536)	47,659	0.47	335

(1) Net of related premiums/discounts.

CITY OF HOLLYWOOD, FLORIDA

**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
SEPTEMBER 30, 2021**

Governmental Unit	Bonded Debt Outstanding	Applicable to City of Hollywood	
		Percent (1)	Amount
DIRECT DEBT:			
City of Hollywood:			
General Obligation (2)	\$ 98,627,727	100.00 %	\$ 98,627,727
Non-Self-Supporting Revenue Debt (2)	<u>71,122,039</u>	100.00	<u>71,122,039</u>
 Total Direct Debt	 <u>169,749,766</u>	 100.00	 <u>169,749,766</u>
OVERLAPPING DEBT:			
Broward County	102,733,000	8.00	8,218,640
Broward School District	<u>2,192,624,000</u>	8.00	<u>175,409,920</u>
 Total Overlapping Debt	 <u>2,295,357,000</u>		 <u>183,628,560</u>
 Total Direct and Overlapping Debt	 <u>\$ 2,465,106,766</u>		 <u>\$ 353,378,326</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, 2021**

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 Year		Revenues (1)	Less:	Net	Debt Service		Coverage	
			Operating Expenses (3)	Available Revenue (4)	Principal	Interest		
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	
2012	(2)	86,022	42,028	43,994	11,544	8,345	2.21	

(1) Total revenues include charges for services (excluding Impact Fees) and miscellaneous revenue.

(2) Total operating and investment revenue

(3) Total expense exclusive of depreciation.

(4) The terms, Revenues, Operating Expenses, and Principal and Interest Requirements are defined in Ordinance No. 0-91-44 and do not necessarily have the same meanings as under generally accepted accounting principles. Operating Expenses exclude payments in lieu of taxes to the City that approximated \$3.9 million in fiscal year 2009.

CITY OF HOLLYWOOD, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (2) (\$ in thousands)	Per Capita Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2021	153,854	4,889,634	31,781	40.6	20,410	8.2 %
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
2012	142,374	3,779,460	26,546	41.4	19,822	8.4

(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.

CITY OF HOLLYWOOD, FLORIDA

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

SEPTEMBER 30, 2021

<u>Employer</u>	<u>Employees</u>	<u>Product/ Business</u>	<u>Percentage of Employment</u>
Memorial Regional Hospital	4,004	Hospital	3.1 %
Chewy	2,000	Pet Food Distributor	1.6
Joe DiMaggio Children's Hospital	1,499	Hospital	1.2
City of Hollywood	1,463	Government	1.1
Publix Supermarkets	1,127	Supermarket Chain	0.9
Diplomat Resort & Spa	960	Hotel	0.8
Memorial Regional Hospital South	795	Hospital	0.6
BrandsMart U.S.A.	400	Retail Consumer Electronics	0.3
Toyota of Hollywood	318	Vehicle Sales	0.2
HEICO Corporation	230	Aircraft Parts	0.2

SEPTEMBER 30, 2012

<u>Employer</u>	<u>Employees</u>	<u>Product/ Business</u>	<u>Percentage of Employment</u>
Memorial Healthcare System	10,000	Hospital	13.0 %
City of Hollywood	1,165	Government	1.5
Westin Diplomat Resort & Spa	1,100	Hotel	1.4
Publix Supermarkets	900	Supermarket Chain	1.2
Memorial Regional Hospital South	550	Hospital	0.7
Brandsmart U.S.A.	400	Retail Consumer Electronics	0.5
The Continental Group	320	Property Management	0.4
HEICO Corporation	250	Aircraft Parts	0.4
Great Health Works, Inc.	299	Health Care Products	0.4
Sheridan Technical Center	256	Educational Facility	3.0

Source: City of Hollywood

CITY OF HOLLYWOOD, FLORIDA

BUDGETED FULL-TIME POSITIONS FOR CITY EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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	7	7	7	7	7	7	7	7	7	7
City Clerk	6	6	6	6	8	8	8	8	8	8
City Attorney	14	14	14	14	14	14	12	10	10	10
Procurement Services	-	8	8	8	-	-	-	-	-	-
Budget & Performance Management	7	8	-	-	-	-	-	-	-	-
Business & International Trade			-	-	-	-	-	-	-	4
Public Affairs & Marketing		-	-	-	5	5	6	6	6	6
Communications, Marketing & Economic Development	10	11	10	10						
Financial Services	41	33	42	42	50	50	49	48	57	52
Human Resources & Risk Management	-	-	-	-	-	-	-	15	15	12
Human Resources	13	13	9	10	11	11	12	-	-	-
Labor Relations & Risk Management	4	4	4	3	4	4	3	-	-	-
Development Services:										
Administration	4	4	4	3	3	-	-	-	-	-
Architecture	-	9	9	8	9	-	-	-	-	-
Engineering/Transportation Mobility	14	5	5	6	6	-	-	-	-	-
Parking Services	-	-	18	18	16	16	16	16	16	19
Planning & Development Services	-	-	-	-	-	-	-	41	41	33
Planning	9	9	7	7	7	11	11	-	-	8
Building	32	32	33	31	31	31	30	-	-	-
Code Compliance	28	28	-	-	-	-	-	-	-	-
Community Development - ILA	1	-	-	-	-	-	-	-	-	-
Public Safety:										
Police:										
Officers	321	321	323	321	321	322	323	335	334	334
Civilians	129	127	103	109	109	133	168	168	164	166
Fire:										
Certified	235	233	233	226	225	213	213	230	230	230
Beach Safety	27	27	26	26	26	26	26	26	26	26
Civilians	12	14	12	12	12	12	12	12	12	12
Public Works:										
Administration	6	6	6	6	6	6	6	7	7	6
Code Compliance	-	-	25	25	25	-	-	-	-	-
Streets & Highways	28	28	28	27	24	24	24	24	29	-
Building & Grounds	29	29	27	33	36	48	51	52	34	37
Fleet Maintenance	15	15	15	15	15	15	15	14	14	14
Community & Economic Development	-	-	-	-	4	4	4	4	4	-
Culture and Recreation	42	42	42	42	42	42	44	44	43	69
Public Utilities:										
Administration	44	44	44	44	44	44	44	39	23	23
Engineering Services	19	19	19	19	19	18	18	18	18	21
Water & Wastewater	134	130	130	130	130	131	132	132	128	128
Stormwater	11	11	11	11	11	11	11	11	11	11
Sanitation	15	15	18	15	15	11	10	10	5	5
Information Technology	23	22	22	23	23	23	23	23	23	23
Design & Construction Management	19	18	-	-	-	4	8	8	18	17
Total	1,312	1,305	1,273	1,270	1,271	1,257	1,299	1,321	1,296	1,294

Source: City of Hollywood adopted fiscal year budget.

CITY OF HOLLYWOOD, FLORIDA

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

	2021	2020	2019	2018
FUNCTION:				
Police:				
Physical Arrests	4,073	3,578	5,368	6,172
Traffic Summons	15,027	10,481	13,883	16,184
Fire:				
Emergency Unit Responses	47,659	44,755	45,192	48,260
Ambulance Transports	14,386	12,221	13,765	13,063
Inspections Conducted	7,079	5,222	6,889	3,742
Building Activity:				
Permits Issued:				
Electrical	2,171	2,503	2,789	3,289
Mechanical	1,316	1,348	1,595	1,567
Plumbing	1,616	1,904	1,908	2,672
Structural	7,480	7,057	7,881	8,647
Zoning	146	137	55	-
Reviewer Valuation:				
Electrical	\$ 28,675,899	\$ 38,459,641	\$ 34,409,093	\$ 50,594,374
Mechanical	32,907,612	31,126,705	18,050,008	24,154,831
Plumbing	15,801,199	24,398,214	17,441,998	23,497,454
Structural	287,192,145	372,062,082	604,218,963	424,251,620
Zoning	511,667	4,042,988	184,627	-
Public Works:				
Compressed Natural Gas (CGN) Used in Place of Gasoline (Gallons)		-	11,837	5,389
E85 Gas	465,355	442,243	410,133	391,873
Reuse Water Used for Irrigation Purposes (Cubic Feet)	4,478,696	4,482,969	4,922,167	4,922,167
Culture and Recreation:				
Special Events/Programs Held	44	64	177	174
Special Events/Program Participants	97,105	45,416	126,365	130,984
Sports Fields Prepared for Games	1,350	1,755	3,840	10,188
Rounds of Golf Played at Orangebrook Golf Course	50,231	52,892	73,931	71,508
Water System:				
Average Daily Consumption (Million GPD)	22.1	21.7	21.2	21.9
Wastewater System:				
Average Daily Treatment (Million GPD)	40.7	38.9	38.3	34.7
Sanitation:				
Solid Waste Collection (Tons)	50,721	51,835	45,622	45,622
Material Recycled (Tons)	9,654	9,714	11,320	11,320
Parking Services:				
Parking Violations Issued	53,913	43,641	43,670	39,967

Source: Information herein provided by various City departments annually.
The use of E85 gas began in May 2017

2017	2016	2015	2014	2013	2012
7,059	7,502	5,584	2,536	2,291	2,359
22,583	23,809	22,150	22,915	17,921	12,911
65,483	65,221	63,443	55,773	53,485	50,686
13,810	14,740	14,825	14,719	15,583	15,281
3,750	5,097	7,612	7,670	7,637	8,512
2,667	2,598	2,047	1,993	2,533	2,616
1,520	1,411	1,393	1,447	1,449	1,296
2,582	2,427	4,169	2,116	1,793	1,700
6,361	6,422	5,596	5,441	5,137	4,511
-	-	-	-	-	-
33,592,099	\$ 48,951,927	\$ 28,147,130	\$ 26,130,994	\$ 26,216,036	\$ 21,298,232
19,751,604	25,482,660	30,026,421	21,556,183	14,013,724	18,134,724
18,259,839	26,030,291	22,863,089	21,908,622	8,948,921	12,381,215
293,230,831	411,440,568	345,464,780	222,708,457	214,519,259	170,308,683
-	-	-	-	-	-
8,118	98,855	86,859	41,548	26,308	25,705
165,926	-	-	-	-	-
3,620,000	2,352,286	3,534,628	2,530,166	2,229,544	2,665,615
102	118	113	265	343	380
254,694	209,869	238,948	228,332	379,016	350,815
3,810	5,200	8,100	11,110	9,174	9,393
75,133	64,497	76,181	78,745	85,360	80,445
20.9	22.6	22.3	21.4	20.9	20.9
38.5	36.0	36.5	38.0	38.5	40.1
44,809	41,640	41,307	43,191	41,468	41,764
9,989	9,753	9,216	9,030	9,096	8,397
35,896	37,886	38,934	41,756	27,937	28,765

CITY OF HOLLYWOOD, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

	2021	2020	2019	2018
FUNCTION:				
Police:				
Stations	1	1	1	1
Neighborhood Network Centers	2	2	2	2
Patrol Units & Other Vehicles	461	439	480	510
Fire:				
Stations	6	6	6	6 (1)
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	85
Number of Street Lights	9,026	9,026	8,819	8,822
Culture and Recreation:				
Art and Culture Centers	2	2	2	2
Baseball/Softball Diamonds	14	14	15	15
Basketball Courts-Indoor	3	3	3	2
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	23	18
Golf Courses (36, 18 and 9 Holes)	3	3	3	3
Paddleball Courts	18	18	18	18
Parks and Playgrounds	90	79	80	81
Performing Arts Center-Indoor (508 Seats)	1	1	1	1
Recreation Centers	12	11	11	11
Roller Hockey Rinks (Converted for pickleball use)	1	1	1	1
Shuffleboard Courts	26	26	36	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	547	547	550
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		41,377	40,565	41,372
Number of Fire Hydrants	3,037	2,913	2,869	2,832

2017	2016	2015	2014	2013	2012
1	1	1	1	1	1
2	2	3	3	3	3
510	521	550	518	441	417
5 (1)	6	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
9,438	9,262	9,262	9,246	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
80	80	81	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	557	555	555	545
22	22	22	22	22	22
46	46	46	46	46	46
60	60	60	60	60	60
18	18	18	18	13	13
40,565	41,128	40,247	40,299	40,299	41,300
2,832	2,685	2,687	2,592	2,578	2,660

(Continued)

CITY OF HOLLYWOOD, FLORIDA

CAPITAL ASSET STATISTICS BY FUNCTION LAST TEN FISCAL YEARS

	2021	2020	2019	2018	2017
Stormwater:					
Miles of Storm Drains	77.0	123.0	124.0	130.0	152.0
Number of Catch Basins	4,260	4,398	4,439	4,480	4,581
Number of Pump Stations	10	10	10	10	10
Number of Drainage Wells	12	12	12	9	9
Number of Out-falls	350	367	350	379	383
Wastewater System:					
Miles of Sanitary Sewers	212	207	205	270	270
Number of Lift Stations	85	80	80	80	80
Maximum Treatment Capacity (Million GPD)	55.5	55.5	55.5	56.0	56.0
Number of Service Connections	22,342	21,870	21,870	21,726	20,688
Number of Sanitary Sewer Manholes	4,589	4,399	4,335	4,344	4,330

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)

(Continued)

2016	2015	2014	2013	2012
159.0	156.0	156.0	157.0	157.0
4,624	4,842	4,786	4,785	4,731
10	10	10	10	10
9	12	10	10	8
389	462	463	463	456
279	324	324	321	288
80	80	80	84	76
56.0	55.5	55.5	55.0	55.5
21,303	21,178	20,947	20,947	20,550
4,354	4,569	4,544	4,516	4,518

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City of Hollywood, Florida
Department of Financial Services
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Hollywood, Florida 33022-9045
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CITY OF HOLLYWOOD, FLORIDA
COMPLIANCE REPORTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 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, 2021, 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 14, 2022. 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. 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 may exist that have not been 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.

Marcum LLP

Fort Lauderdale, FL
June 14, 2022

**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

We have audited the City of Hollywood, Florida's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on the City's major federal program and state project for the fiscal year ended September 30, 2021. The City's major federal program and state project are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal awards and state projects applicable to its federal programs and state projects.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program and state project based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance 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 for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program and state project. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program and its state project for the fiscal year ended September 30, 2021.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 14, 2022, which contained unmodified opinions on those financial statements. Our report includes reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 basic financial statements as a whole.

Marcum LLP

Fort Lauderdale, FL
June 14, 2022

CITY OF HOLLYWOOD, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Federal/State Grantor, Pass Through Entity, Program Title	ALN/ CSFA No.	Grant/ Contract Number	Expenditures	Passed through to Subrecipients
FEDERAL GRANTS:				
U.S. Department of Housing and Urban Development:				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant - Year XXXX	14.218	B-12-MC-12-0009	\$ 12,883	\$ -
Community Development Block Grant - Year XXXX	14.218	B-13-MC-12-0009	14,934	-
Community Development Block Grant - Year XXXXI	14.218	B-14-MC-12-0009	174,500	-
Community Development Block Grant - Year XXXXII	14.218	B-17-MC-12-0009	59,668	-
Community Development Block Grant - Year XXXXIII	14.218	B-18-MC-12-0009	77,403	-
Community Development Block Grant - Year XXXXIV	14.218	B-19-MC-12-0009	485,252	85,012
Community Development Block Grant - Year XXXXV	14.218	B-20-MC-12-0009	320,022	112,686
Community Development Block Grant - Year XXXXVI	14.218	B-20-MW-12-0009	118,237	-
TOTAL Community Development Block Grant - Entitlement Grants Cluster			1,262,899	197,698
HOME Investment Partnership Program Grant	14.239	M19-MC-12-0227	121,287	119,457
HOME Investment Partnership Program Grant	14.239	M20-MC-12-0227	81,438	27,267
TOTAL HOME Investment Partnerships Program			202,725	146,724
Community Development Block Grants Section 108 Loan Guarantees	14.248	B-97-MC-12-2009	200,000	-
TOTAL U.S. Department of Housing and Urban Development			1,665,624	344,422
U.S. Department of Justice:				
Direct Programs:				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0988	18,009	-
Federal Equitable Sharing Agreement	16.922	FL0060500	87,581	-
Indirect Programs:				
Passed through the State of Florida, Department of Legal Affairs:				
Victims of Crime Act Grant (VOCA) - FY 21	16.575	VOCA-2020-City of Hollywood Police - 00699	78,435	-
TOTAL U.S. Department of Justice			184,025	-
U.S. Department of Transportation:				
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/G1B36	26,885	-
TOTAL Highway Planning and Construction Cluster			26,885	-
Passed through the Broward Metropolitan Planning Organization				
Federal Transit Cluster:				
USDOT-FTA-BPMO-Hlwd Blvd/SR 7 Mobility Hub Project	20.507	69A36520401910RTEFL	57,750	-
TOTAL Federal Transit Cluster			57,750	-
Passed through the State of Florida, Department of Transportation:				
Federal Railroad Administration - Trespassing Pilot Grant Program	20.301	69A36520401910RTEFL	41,824	-
TOTAL U.S. Department of Transportation			126,459	-
U.S. Department of Treasury				
Indirect Programs:				
Passed through the Florida Housing Financing Corporation -				
Coronavirus Relief Fund	21.019	N/A	2,519,434	1,476,937
TOTAL U.S. Department of Treasury			2,519,434	1,476,937

(Continued)

CITY OF HOLLYWOOD, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Federal/State Grantor, Pass Through Entity, Program Title	ALN/ CSFA No.	Grant/ Contract Number	Expenditures	Passed through to Subrecipients
U.S. Department of Environmental Protection Agency:				
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	DW060470	2,308,295	-
Capitalization Grants for Drinking Water State Revolving Fund	66.468	DW060490	5,273,634	-
TOTAL Drinking Water State Revolving Fund Cluster			7,581,929	-
TOTAL U.S. Department of Environmental Protection			7,581,929	-
U.S. Department of Health and Human Services				
Direct Programs:				
Provider Relief Fund - Phase III (COVID-19)	93.498	N/A	105,084	-
TOTAL U.S. Department of Homeland Security			105,084	-
U.S. Department of Homeland Security:				
Indirect Program:				
Passed through the State of Florida, Division on Emergency Management:				
Urban Area Security Initiative (UASI) - FY 19	97.067	R0075 / EMW-2019-SS-00049	122,088	-
Passed through the State of Florida, Division of Emergency Management:				
FEMA - Hazard Mitigation - Generator Project		4337-307-R, 4337-250-R, 4337-248-R, 4337-252-R, 4337-161-R,		-
	97.039	4337-151-R	111,382	-
TOTAL U.S. Department of Homeland Security			233,470	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 12,416,025	\$ 1,821,359
STATE GRANTS:				
State of Florida, Housing Finance Corporation				
Direct Program:				
State Housing Initiatives Partnership (SHIP) Program	40.901	225001	\$ 264,015	\$ -
Total State of Florida, Housing Finance Corporation			264,015	-
State of Florida, Department of Environmental Protection:				
Direct Programs:				
Capitalization Grants for Drinking Water State Revolving Fund	37.076	DW060460	9,394,646	-
City of Hollywood Marina Boat Ramp Resiliency Improvements	37.077	WW060480	4,890,552	-
Capitalization Grants for Drinking Water State Revolving Fund	37.077	WW060430	11,144,747	-
Capitalization Grants for Drinking Water State Revolving Fund	37.077	DW0604B0	5,381,964	-
Total Capitalization Grants for DWSRF			21,417,263	-
Total State of Florida, Department of Environmental Protection			30,811,909	-
State of Florida, Department of Elder Affairs:				
Indirect Programs:				
Passed through the Areawide Council on Aging of Broward County, Inc.:				
Local Service Programs - Elderly Grant 2020-2021	65.009	JL 120-29-2021	38,929	-
Local Service Programs - Elderly Grant 2021-2022	65.009	JL 121-29-2022	336	-
Total State of Florida, Department of Elder Affairs			39,265	-
State of Florida, Department of Health				
Direct Program:				
Florida Dept of Health - EMS Grant	64.003	M8043	32,635	-
Total State of Florida, Department of Health			32,635	-
State of Florida, Fish and Wildlife Conservation Commission				
Direct Program:				
Derelict Vessel Removal Project	77.005	FWC-20389	63,822	-
Total State of Florida, Fish and Wildlife Conservation Commission			63,822	-
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			\$ 31,211,646	\$ -

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, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the “Schedule”) includes the federal and state grant activity of the City of Hollywood, Florida (the “City”) under programs of the federal government and the State of Florida for the fiscal year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Florida Single Audit Act, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – OUTSTANDING LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

On July 19, 2002, the City received a \$5,585,000 loan commitment from the U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program. The outstanding loan balance was fully paid off as of September 30, 2021.

CITY OF HOLLYWOOD, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

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, 2021

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 not considered
to be material weakness(es)? ☐ Yes ☒ None reported

Non-compliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards and State Projects

Internal control over major program and project:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified that are not
considered to be material weakness(es)? ☐ Yes ☒ None reported

Type of auditors’ report issued on compliance for
major programs and projects: *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 program and project:

ALN
21.019

Federal Program or Cluster
United States Department of Treasury –
Passed through the Florida Housing Finance
Corporation - Coronavirus Relief Fund

CSFA No.
37.077

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, 2021

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, 2021, and have issued our report thereon dated June 14, 2021. 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 14, 2022, 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.

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 have recommendations to improve financial management which are described in the current year and prior year observations section in Appendix A. In addition, we did not report audit findings in the schedule of findings and questioned costs.

Special District Component Units

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

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 14, 2021

CITY OF HOLLYWOOD, FLORIDA

APPENDIX A – CURRENT YEAR AND PRIOR YEARS RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

No.	Observations	Observation Is Still Relevant	Observation Addressed or No Longer Relevant
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Current Year

None

Prior Year

MLC 2019-001	SHIP Grant - Noncompliance with Reporting Requirements	Repeated
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CITY OF HOLLYWOOD, FLORIDA

APPENDIX A – CURRENT YEAR AND PRIOR YEARS RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

MLC 2019-001 SHIP GRANT – NONCOMPLIANCE WITH REPORTING REQUIREMENTS

Observation

As part of our Florida Single Audit testing, the State Housing Initiatives Partnership (SHIP) Program (CFSA 40.901) was selected as a major program for fiscal year 2019. The SHIP program is designed to create affordable housing for low-income and moderate-income households through assistance to purchase a home, money to repair or replace a home, and many other types of housing assistance. The SHIP funds awarded to the City are received in advance of expending the funds. The program operates on a three year cycle, requiring the SHIP funds to be encumbered within two years of receiving the funds and fully expended by the third year (close out period). As part of the SHIP program reporting requirements, an annual report is required to be completed and submitted to Florida Housing Finance Corporation by September 15 of each year pursuant to Florida Statute section 420.9071(4). As of September 15, 2019, the SHIP program was required to prepare a close out report relating to the funding received for the 2016-2017 fiscal year. However, during the audit year, the City's housing department noted that there were still monies relating to the 2016-2017 fiscal year funding that were not expended as the result of the following:

1. Contractor procurement delays
2. Construction delays due to unanticipated repairs
3. Negotiations to include the sale of the homes with the First Time Home Buyer's Program
4. Delay in the approval of the First Time Home Buyer's Program

As such, the remaining SHIP funds were used to construct two properties, which were not completed until subsequent to September 30, 2019 and therefore an extension was granted for the close-out report to be filed by December 2019. The City's housing department was not able to find a buyer for the newly constructed properties and did not meet the December 2019 extended filing due date. A second extension was filed and denied by grantor. The close out report for the funding received for the 2016-2017 fiscal year is currently pending the sale of the newly constructed properties.

Effect

The City was not in compliance with the reporting requirements of the SHIP program and the granting agency can withhold future funding until the reporting requirements are met.

Recommendation

We recommend that SHIP funds received by the City are properly tracked to ensure they are encumbered and fully expended within the required three year period in order to ensure that all annual reports are filed in a timely manner.

CITY OF HOLLYWOOD, FLORIDA

APPENDIX A – CURRENT YEAR AND PRIOR YEARS RECOMMENDATIONS TO IMPROVE FINANCIAL MANAGEMENT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

MLC 2019-001 SHIP GRANT – NONCOMPLIANCE WITH REPORTING REQUIREMENTS (CONTINUED)

Management's Response and Status

Management concurs with the finding. Management is aware of the compliance requirements regarding State Housing Initiatives Partnership (SHIP) expenditures and the related “three year cycle”. The encumbrances and expenditures are actively monitored by the City. The City and the State of Florida are in regular communication regarding programmatic decisions that are outside the normal course of business. In fiscal year 2019, the State of Florida withheld the funding for the years 2019 and 2020 due to unanticipated events noted within the above finding. During fiscal year 2020, the City and the State of Florida reallocated the expenditures associated with the above finding to a different program (a readily acceptable procedure per SHIP representatives). As such, the State of Florida approved the City’s plan and report in February 2021. As a result of the above actions, the City also received the prior year’s SHIP allocation in February 2021. During fiscal year 2021, the City is noncompliant with the reporting requirements of the program. The City is actively working with the program representatives to rectify the issues. Management is not aware of any additional risks to funding at this time.

**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, 2021. 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.

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, 2021.

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 14, 2021

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), and O-2019-17 (Sewer Impact Fee) implementing an impact fee or authorized City of Hollywood, Florida to receive and expend proceeds of an impact fee 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 23 day of May, 2022.

J. Ewing
NOTARY PUBLIC

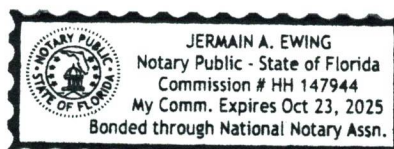
Print Name Jermain A. Ewing

Personally known X or produced identification _____

Type of identification produced: _____

My Commission Expires:

10/23/2025



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P.O. Box 229045
Hollywood, Florida
33022-9045

hollywoodfl.org