



BEACH & DOWNTOWN DISTRICT

(A component Unit of the
City of Hollywood, Florida)

Fiscal Year Ended September 30, 2023

Hollywood, Florida Community Redevelopment Agency

(A component Unit of the City of Hollywood, Florida)

Financial Report

For the Fiscal Year Ended September 30, 2023



Prepared by:

City of Hollywood, Department of Financial Services

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and CRA Director
Hollywood, Florida Community Redevelopment Agency (Beach and Downtown Districts)

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hollywood, Florida Community Redevelopment Agency (the CRA), a component unit of the City of Hollywood, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the CRA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the CRA, as of September 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT - Continued

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-9 and 35-37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, on our consideration of the CRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control over financial reporting and compliance

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." is written over a light blue rectangular background.

Hollywood, Florida
March 28, 2024

Financial Section

Management's Discussion and Analysis



The Management's Discussion and Analysis (the "MD&A") of the Hollywood, Florida Community Redevelopment Agency (the "Agency") is intended to provide an overview of the Agency's position and results of operation for the fiscal year ended September 30, 2023. The MD&A is an element of the reporting model required by the Governmental Accounting Standards Board (the "GASB") Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis- for State and Local Governments issued in 1999. The MD&A should be read in conjunction with the Agency's financial statements, including the accompanying notes, to enhance the understanding of the Agency's financial performance.

Financial Highlights

- The Agency's Net Position increased by \$22.23 million. The Agency's ending net position was \$113.54 million.
- The Agency's long-term liabilities decreased by \$7.31 million. The decrease is the result of the Agency's normally scheduled debt service payments and a decrease in OPEB.
- Tax increment revenues increased by \$5.52 million or 14.59% from the prior year. This is in line with the increase in property tax/Tax Increment valuations for tax year 2022 (fiscal year 2023).
- Total assets increased by \$16.52 million and deferred outflows of resources decreased by \$0.20 million (due to the excess tax increment revenues versus expenditures).

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Agency's basic financial statements, which have the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances in a manner like a private-sector business. The statement of net position presents information on all the Agency's assets, liabilities, and deferred inflows/outflows 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 Agency is improving or deteriorating.

The statement of activities presents information showing how the Agency's net position changed during each 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 the statement for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements listed above distinguish functions of the Agency that are principally supported by taxes and intergovernmental revenues. The governmental activities of the Agency include general government, public safety, physical environment, transportation, economic environment and culture and recreation.

The Agency does not have any business-type activities.

Government Wide Analysis

The below summarizes the statement of net position:

	Summary of Net Position	
	Governmental Activities	
	2023	2022
Current and Other Assets	\$ 64,859,517	\$ 55,222,017
Capital Assets	60,598,072	53,712,834
Total Assets	<u>125,457,589</u>	<u>108,934,851</u>
Deferred Outflows of Resources	<u>199,911</u>	<u>397,627</u>
Current Liabilities	11,408,648	9,961,729
Long-Term Liabilities	611,661	7,928,775
Total Liabilities	<u>12,020,309</u>	<u>17,890,504</u>
Deferred Inflows of Resources	<u>94,644</u>	<u>124,582</u>
Net Position		
Net Investment In Capital Assets	59,325,398	45,400,683
Restricted for Debt Service	7,044,868	6,772,053
Restricted for Community Redevelopment	47,172,281	39,144,656
Total Net Position	<u>\$ 113,542,547</u>	<u>\$ 91,317,392</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets and deferred outflows exceeded liabilities and deferred inflows by \$113.54 million as of September 30, 2023, an increase of \$22.23 million or 24.34% from September 30, 2022.

Total assets increased by \$16.52 million 15.17% from the prior year. The significant increase in assets is consistent with the excess of tax increments versus operating and capital expenditures. The Agency has ongoing capital projects that are at various points of their project lifecycles. At September 30, 2023, the Agency had \$80.90 million in commitments for capital expenditures and ongoing.

Total liabilities decreased by \$5.87 million or 32.81% from the prior year. The decrease is the result of debt service payments on the Agency's bonds and loans and a decrease in the Total OPEB liability.

Total revenues increased by \$8.35 million or 21.72%. Tax increment revenues increased \$5.52 million or 14.59% from the prior year. The increase is primarily related to the increase in tax increment property values within the Beach and Downtown Districts. Property values subject to the Beach's tax increment increased from \$2.90 billion in 2022 to \$3.26 billion in 2023. The Downtown District's property values subject to the tax increment increased from \$816.89 million in 2022 to \$983.38 million in 2023. Operating expenses increased by \$3.46 million or 17.05% from the prior year. The most significant operating expenses continue to be personnel costs and City services (such as Police, Fire, etc.).

The Agency's investment earnings increased by \$2.89 million or 830.13% due to the increased returns on the Agency's money market investments (overall macroeconomic impacts). In addition, the Agency sold the properties located at 1845-1885 Hollywood Blvd. (La Piazza Parcels). for \$1.49 million. The properties cost the Agency \$2.30 million. This resulted in a loss on disposals of \$0.82 million.

The Agency's net position represents resources that are subject to external restrictions on how they may be used. There are also various normal impacts on revenue and expense that can affect the change in net position from year to year. The economic condition, which can reflect a declining, stable, or growing economic environment, can have a substantial impact on tax revenue as well as the public's spending habits on fees and charges for services. Also, market conditions may cause investment income to fluctuate from year to year. Expenses may change due to new programs, personnel levels, salary increases, supply and demand, and inflation.

The below summarizes the changes in net position (discussed above):

	Summary of Changed in Net Position	
	Governmental Activities	
	2023	2022
General Revenues		
Tax Increment	\$ 43,353,670	\$ 37,834,507
Miscellaneous	199,001	260,149
Unrestricted Investment Earnings	3,239,989	348,336
Total Revenues	46,792,660	38,442,992
Expenses		
General Government	21,914,081	17,961,384
Public Safety	-	-
Physical Environment	203,354	156,378
Transportation	-	-
Economic Environment	1,102,722	1,150,696
Culture and Recreation	43,009	280,375
Interest	485,476	739,014
Total Expenses	23,748,642	20,287,847
Excess of Revenues over Expenses	23,044,018	18,155,145
Other and Contributions		
Gain/(Loss) on Disposals	(818,863)	-
Contributions to the City	-	(119,841)
Total Contributions	(818,863)	(119,841)
Increase/(Decrease) in Net Position	22,225,155	18,035,304
Net Position, Beginning	91,317,392	73,282,088
Net Position, Ending	\$ 113,542,547	\$ 91,317,392

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 Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency reports only governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in 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 a 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 government'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 the comparison between governmental funds and governmental activities.

Key elements of the reconciliation of these two statements are that the government-wide statements report the issuance of debt as a liability, the purchases of capital assets as assets which are then charged to expense over their useful lives (depreciated) and changes in long-term liabilities as adjustments of expenses. Conversely, the governmental funds statements report the issuance of debt as another financing source of funds, the repayment of debt as an expenditure, the purchase of capital assets as an expenditure and do not reflect changes in long-term liabilities.

The Agency maintains two individual governmental funds; the Beach and Downtown Districts ("Beach CRA" and "Downtown CRA"). Information is presented separately in the governmental fund's balance sheet and in the governmental fund's statement of revenues, expenditures, and changes in fund balances.

Fund balance in the Agency's governmental funds totaled \$61.12 million. This is an increase of \$7.96 million from the prior year. The increase is due to property valuations and tax increments outpacing operating expenditures and capital expenditures. Capital expenditures are expected to continue in the next fiscal year. The below table summarizes the changes in fund balance for the Agency's governmental funds:

	Beach CRA	Downtown CRA	Total Governmental Funds
Fund Balance, September 30, 2022	\$ 40,017,945	\$ 13,146,510	\$ 53,164,455
Revenues	33,308,143	14,974,017	48,282,160
Expenditures	(28,475,711)	(11,848,656)	(40,324,367)
Fund Balance, September 30, 2023	<u>\$ 44,850,377</u>	<u>\$ 16,271,871</u>	<u>\$ 61,122,248</u>

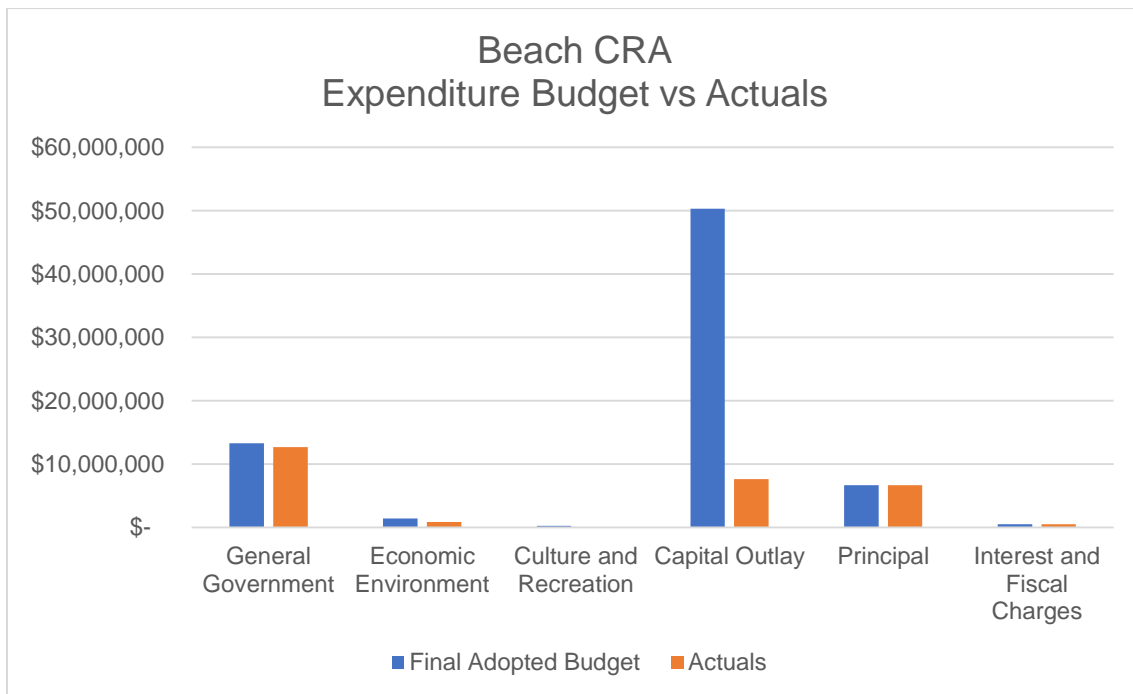
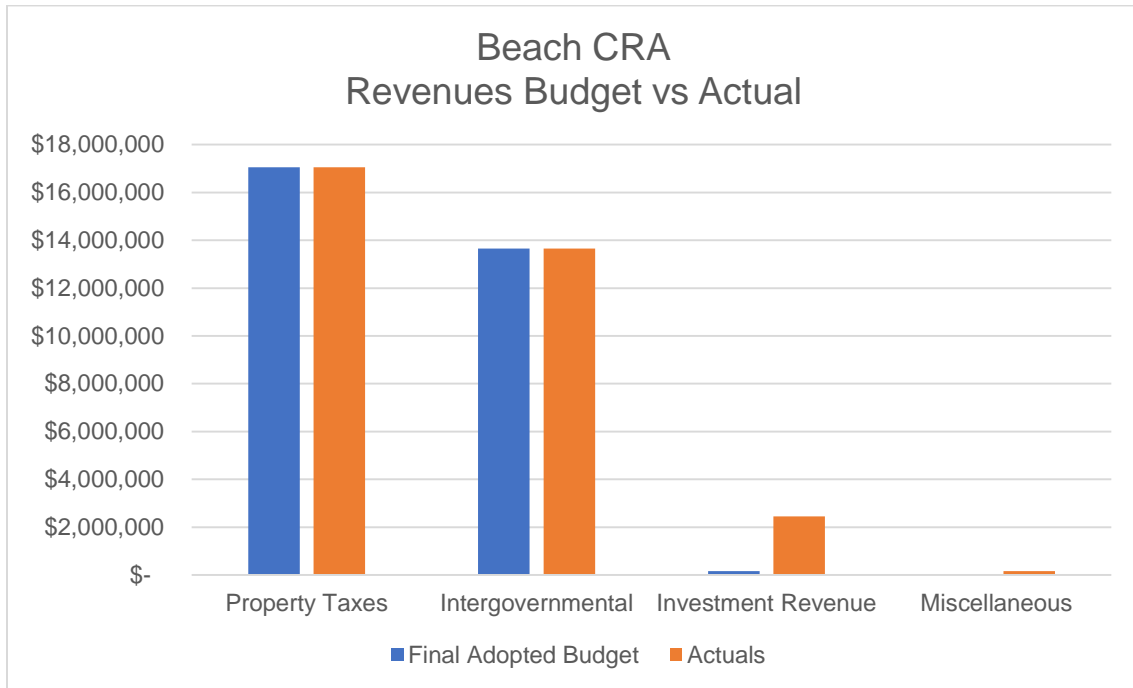
Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. For note details, refer to the table of contents. The Agency is considered a component unit of the City of Hollywood, Florida and as such, the financial information of the Agency is included in the City's Annual Comprehensive Financial Report for the current fiscal year.

Budgetary Highlights

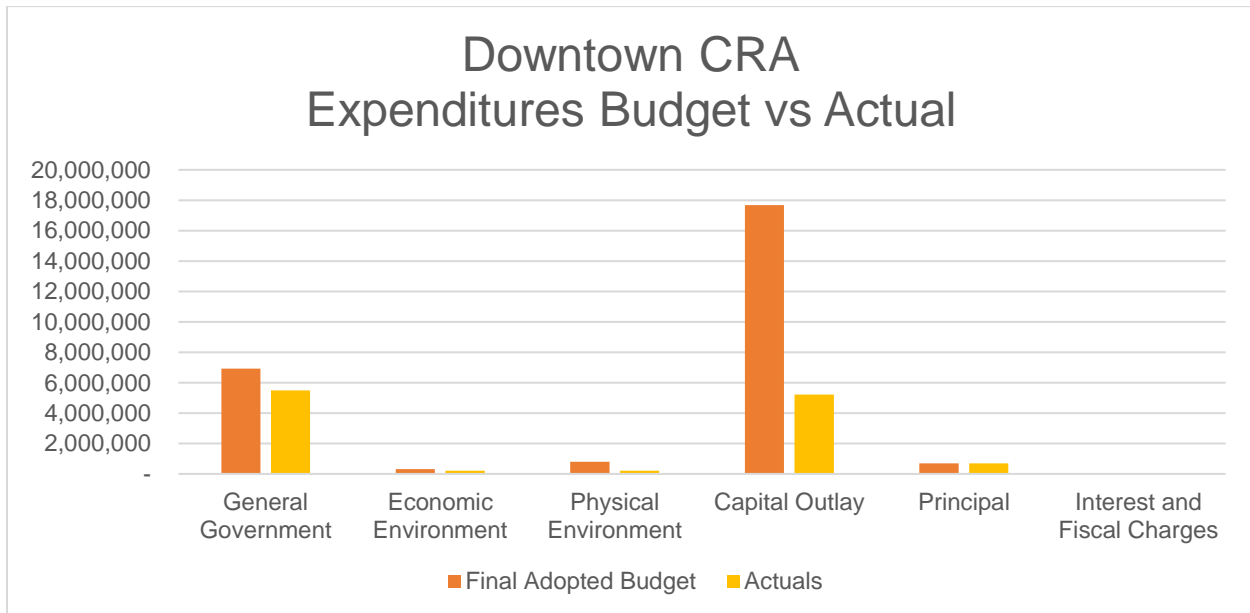
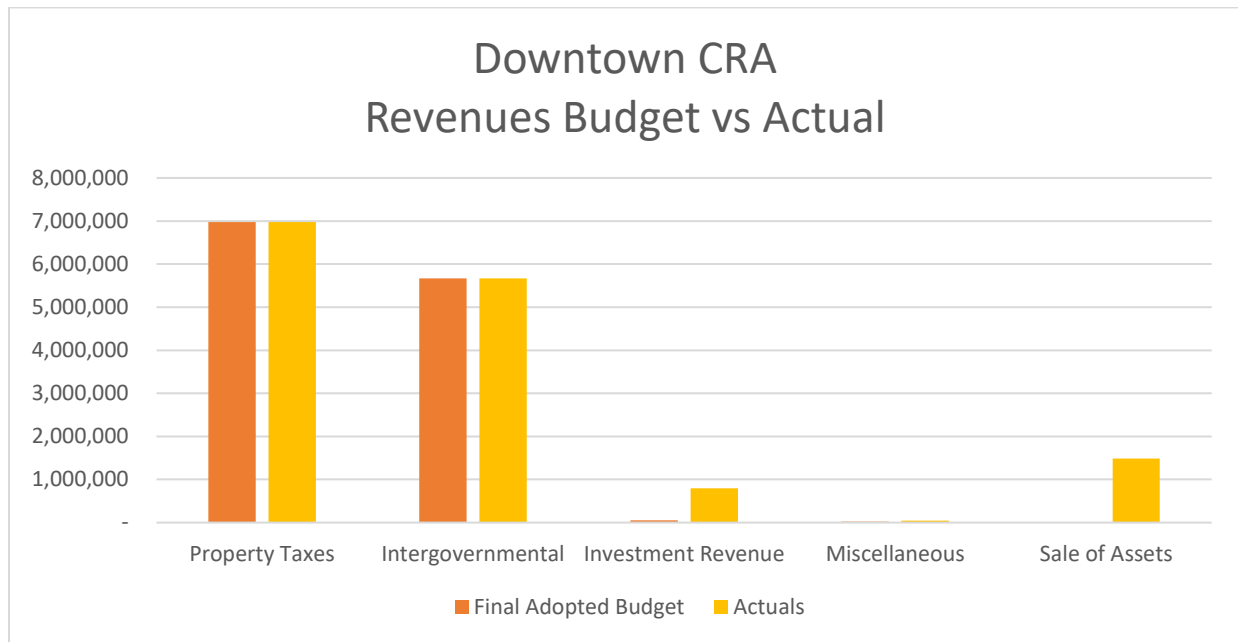
1. Beach CRA

The Beach CRA's revenues were more than the final adopted budget by \$2.44 million due to higher-than-expected investment earnings. Actual expenditures were less than the final adopted budget by \$44.04 million due to anticipated capital projects that are ongoing or commencing (timing/progress of capital expenditures).



2. Downtown CRA

The Downtown CRA's revenues were higher than the final adopted budget by \$763,536 due to higher-than-expected investment earnings and miscellaneous revenues. Actual expenditures were less than the final adopted budget by \$14.60 million due to ongoing and anticipated capital projects that are commencing (timing/progress of capital expenditures).



Capital Assets

The Agency's investment in capital assets for its governmental activities as of September 30, 2023 amounts to \$60.60 million (net of accumulated depreciation). During the year, the most significant additions to capital assets was \$12.5 construction in progress capital expenditures. These additions relate to various underground utility, streetscape, and boardwalk improvements that are in process. The Agency's capital assets are detailed as follows (net of accumulated depreciation):

Capital Assets Governmental Activities		
Asset Class	2023	2022
Land	\$ 11,349,175	\$ 13,653,947
Construction in Progress	22,660,009	10,214,910
Buildings and Improvements	55,768,762	55,674,130
Equipment	1,356,067	1,107,470
Right to Use Asset (Building)	274,525	274,525
Accumulated Depreciation & Amortization	(30,810,466)	(27,212,148)
	<u>\$ 60,598,072</u>	<u>\$ 53,712,834</u>

Details about the Agency's capital projects can be found at <https://www.hollywoodcra.org/93/CRA-Reports-Funding>.

Outstanding Debt

At the end of the current fiscal year, the Agency had a total debt outstanding in the governmental activities of \$7.58 million. The debt balance decreased by \$7.62 million during the fiscal year due to annual principal payments on the Agency's bonds and loans.

Hollywood Community Redevelopment Agency Outstanding Debt		
	2023	2022
Redevelopment Revenue Bonds	\$ 7,057,646	\$ 13,935,162
Redevelopment Loans	354,999	1,041,666
Lease	170,023	224,491
	<u>\$ 7,582,668</u>	<u>\$ 15,201,319</u>

Economic Factors and Future Developments

The Agency has continued to focus its efforts on several initiatives aimed at upgrading the area's infrastructure, streets, parks, alleviating traffic and parking congestion, and encouraging the continued increase in tourism. Details about the Agency's achievements and goals can be found at <https://www.hollywoodcra.org/93/CRA-Reports-Funding>.

Requests for Information

This financial report is designed to provide a general overview of the Hollywood, Florida Community Redevelopment Agency's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Hollywood, Florida Community Redevelopment Agency at 1948 Harrison St, Hollywood, FL 33020 or the City of Hollywood's Finance Department at 2600 Hollywood Blvd., Room 119, Hollywood, FL 33020.

Financial Section

(Continued)

Basic Financial Statements and Notes



Hollywood, Florida Community Redevelopment Agency
(A Component Unit of the City of Hollywood, Florida)

STATEMENT OF NET POSITION

September 30, 2023

	Primary Government Governmental Activities
ASSETS	
Cash	\$ 400
Investments	57,633,467
Accounts receivable - net	36,782
Due from City	144,000
Restricted Assets:	
Investments	7,044,868
Capital Assets:	
Non depreciable	34,009,184
Depreciable - net	26,588,888
Total assets	<u>125,457,589</u>
DEFERRED OUTFLOWS OF RESOURCES	
OPEB	15,753
Unamortized refunding costs	184,158
Total deferred outflows of resources	<u>199,911</u>
LIABILITIES	
Accounts payable	2,991,862
Accrued Wages and Leave	120,322
Construction Contracts Payable	621,508
Accrued interest payable	30,784
Deposits Payable	3,577
Due within one year:	
Compensated absences	157,315
Bonds, loans, and leases payable	7,477,193
Due in more than one year	
Compensated absences	382,880
Bonds, loans, and leases payable	105,475
Total other post employment liability (OPEB)	129,393
Total liabilities	<u>12,020,309</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB	94,644
Total deferred inflows of resources	<u>94,644</u>
NET POSITION	
Net investment in capital assets	59,325,398
Restricted for:	
Future debt service	7,044,868
Future community redevelopment	47,172,281
Total net position	<u>\$ 113,542,547</u>

Please refer to the Notes to the Financial Statements.

Hollywood, FloridaCommunity Redevelopment Agency
(A Component Unit of the City of Hollywood, Florida)
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 21,914,081	\$ -	\$ -	\$ -	\$ (21,914,081)
Public safety	-	-	-	-	-
Physical environment	203,354	-	-	-	(203,354)
Economic environment	1,102,722	-	-	-	(1,102,722)
Culture and recreation	43,009	-	-	-	(43,009)
Interest on long-term debt	485,476	-	-	-	(485,476)
Total governmental activities	23,748,642	-	-	-	(23,748,642)
Total primary government	<u>\$ 23,748,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(23,748,642)</u>
General revenues:					
Taxes:					
Tax increment					43,353,670
Miscellaneous					199,001
Gain (loss) on sale of capital assets					(818,863)
Unrestricted investment earnings					3,239,989
Total general revenues and contributions					<u>45,973,797</u>
Change in net position					<u>22,225,155</u>
Net position - beginning					<u>91,317,392</u>
Net position - ending					<u>\$ 113,542,547</u>

Please refer to the Notes to the Financial Statements.

Hollywood, Florida Community Redevelopment Agency
(A Component Unit of the City of Hollywood, Florida)
Balance Sheet
Governmental Funds
September 30, 2023

	Beach Community Redevelopment Agency	Downtown Community Redevelopment Agency	Total Governmental Funds
Assets:			
Cash	\$ 200	\$ 200	\$ 400
Investments	40,100,180	17,533,287	57,633,467
Accounts Receivable - Net of Allowances	9,089	3,282	12,371
Due from City	-	144,000	144,000
Prepays	24,411	-	24,411
Restricted Assets:			
Investments	7,044,868	-	7,044,868
Total Assets	<u>\$ 47,178,748</u>	<u>\$ 17,680,769</u>	<u>\$ 64,859,517</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ 1,747,934	\$ 1,243,928	\$ 2,991,862
Accrued Wages and Leave	88,399	31,923	120,322
Construction Contracts Payable	492,038	-	492,038
Deposits Payable	-	3,577	3,577
Restricted Liabilities:			
Retainage	-	129,470	129,470
Total Liabilities	<u>2,328,371</u>	<u>1,408,898</u>	<u>3,737,269</u>
Fund Balances:			
Nonspendable	24,411	-	24,411
Restricted	44,825,966	16,271,871	61,097,837
Total Fund Balances	<u>44,850,377</u>	<u>16,271,871</u>	<u>61,122,248</u>
Total Liabilities and Fund Balances	<u>\$ 47,178,748</u>	<u>\$ 17,680,769</u>	<u>\$ 64,859,517</u>

Please refer to the Notes to the Financial Statements.

Hollywood, Florida Community Redevelopment Agency
(A Component Unit of the City of Hollywood, Florida)
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
September 30, 2023

Total fund balances - governmental funds	\$	61,122,248
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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		60,598,072
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Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Bonds payable	(6,985,000)	
Loans payable	(354,999)	
Capital Lease	(170,023)	
Net premium on bonds	(72,646)	
Compensated absences	(540,195)	
Accrued interest payable	(30,784)	
OPEB	(129,393)	
Total long term liabilities		(8,283,040)

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	184,158	
Deferred outflows of resources relating to OPEB	15,753	
Deferred inflows of resources relating to OPEB	(94,644)	
		105,267

Net position of governmental activities	\$	<u>113,542,547</u>
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Please refer to the Notes to the Financial Statements.

Hollywood, Florida Community Redevelopment Agency
(A Component Unit of the City of Hollywood, Florida)
Statement of Revenues, Expenses, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2023

	Beach Community Redevelopment Agency	Downtown Community Redevelopment Agency	Total Governmental Funds
REVENUES			
Property Taxes	\$ 17,057,501	\$ 6,975,297	\$ 24,032,798
Intergovernmental	13,650,188	5,670,684	19,320,872
Investment Revenue	2,443,909	796,080	3,239,989
Miscellaneous	156,545	42,456	199,001
Total Revenues	33,308,143	13,484,517	46,792,660
EXPENDITURES			
General Government	12,680,706	5,485,007	18,165,713
Economic Environment	885,205	217,517	1,102,722
Physical Environment	-	203,354	203,354
Culture and Recreation	43,009	-	43,009
Capital Outlay			
General Government	774,832	-	774,832
Transportation	4,499,439	520	4,499,959
Physical Environment	829,058	-	829,058
Culture and Recreation	1,328,501	-	1,328,501
Economic Environment	206,122	5,217,648	5,423,770
Principal	6,698,574	697,560	7,396,134
Interest and Fiscal Charges	530,265	27,050	557,315
Total Expenses	28,475,711	11,848,656	40,324,367
OTHER FINANCING SOURCES (USES)			
Sales of Assets	-	1,489,500	1,489,500
Total Other Financing Sources/(Uses)	-	1,489,500	1,489,500
Net Change in Fund Balances	4,832,432	3,125,361	7,957,793
Beginning Fund Balance	40,017,945	13,146,510	53,164,455
Ending Fund Balance	\$ 44,850,377	\$ 16,271,871	\$ 61,122,248

Please refer to the Notes to the Financial Statements.

Hollywood, Florida Community Redevelopment Agency
(A Component Unit of the 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, 2023

Net change in fund balances - total governmental funds **\$ 7,957,793**

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	\$ 12,856,120	
Contributions of capital assets to the City	-	
Deletions	(2,337,385)	
Depreciation expense	<u>(3,633,497)</u>	
Excess of capital outlay over depreciation expense		6,885,238

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:

Proceeds from state revolving loan		
Payment to escrow for refunding debt		
Bonds principal retirement	7,396,134	
Amortization of unamortized refunding costs	(184,158)	
Amortization of net bond premium(s)	222,516	
OPEB	<u>26,883</u>	
Total long term-debt retirement and related transactions		7,461,375

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	(112,732)	
Increase in accrued interest expense	<u>33,481</u>	
Total additional expense		(79,251)

Change in net position of governmental activities **\$ 22,225,155**

Please refer to the Notes to the Financial Statements.

Note 1: Summary of Significant Accounting Policies

This summary of the Hollywood, Florida Community Redevelopment Agency's (the Agency or CRA) Significant Accounting Policies is presented to assist the reader in interpreting the financial statements and other data in this report. The Agency is a component unit of the City of Hollywood, Florida (the City). The Agency's policies mimic those of the City. These policies are considered essential and should be read in conjunction with the accompanying financial statements.

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 Agency 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.

The Agency's policies, ERP system, and procedures are commingled with those of the City. The City's policies are located at <https://www.hollywoodfl.org/538/Annual-Financial-Pension-Fund-Reports> and are incorporated via reference.

A. Financial Reporting Entity:

The Agency was created in 1979 with the establishment of the Downtown District. In 1997, the Beach District was established. Under one agency, the two districts' budgets are managed separately to best meet the objectives of fighting slum and blight confronting each area.

The Downtown Community Redevelopment Agency (DCRA) and Beach Community Redevelopment Agency (BCRA) are districts of the Hollywood, Florida 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.

Created in 1979 and encompassing Downtown Hollywood's central business district and nearby residential neighborhoods, the District boundaries include approximately 580 acres, including the 10-acre Arts Park at Young Circle. The boundaries are, Washington Street to the south, 22nd Avenue to the west, and Johnson Street to the north. The eastern boundaries are, 14th Avenue from Johnson Street south to Polk Street, 16th Avenue from Polk Street to Van Buren Street, and 17th Avenue from Van Buren Street to Washington Street.

The Beach District includes approximately 293 acres from Sherman Street south to the southern property line of the Westin Diplomat Resort and Spa, and from the Intracoastal Waterway east to the Atlantic Ocean.

Revenues for the CRA Districts are generated primarily from Tax Increment Financing (TIF). This is a unique tool available to cities and counties for redevelopment activities. It is used to leverage public funds to promote private sector activity in the targeted area. The dollar value of all real property in the Community Redevelopment Area is determined as of a fixed date "base year," also known as the "frozen value." The base year of the Beach District is 1997 and the Downtown District is 1979. Taxing authorities that contribute to the tax increment continue to receive property tax revenues based on the frozen value. These frozen value revenues go to their general funds and are available for general government purposes. However, any tax revenues from increases in real property value, referred to as "increment," are deposited into the Community Redevelopment Agency Trust Fund and dedicated to the redevelopment area.

The trust fund revenues generated through tax increment are contributed by four taxing authorities including the City of Hollywood (City), Broward County (County) Children's Services Council of Broward County (CSC), and South Broward Hospital District (Hospital).

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 non-fiduciary activities of the Agency. 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 Agency does not have any business-type activities.

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 the Agency's governmental funds. Major individual governmental 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. 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 fiscal 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 way 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 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 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 post-employment benefits, pensions, and claims and judgments, are recorded only when payment is due.

Tax increments that are levied for the current fiscal year are measurable and have been recognized as revenues of the current fiscal period, if available. All other revenues are measurable upon receipt of cash and are recognized at that time. All taxes are included in general revenues.

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

The Agency reports the following major governmental funds:

The Beach Community Redevelopment Fund accounts for governmental revenue and grants for financing redevelopment projects within the Beach redevelopment district.

The Downtown Community Redevelopment Fund accounts for governmental revenue and grants for financing redevelopment projects within the downtown redevelopment district.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance

1. Cash and Investments

The Agency's cash and demand deposits are cash on hand. The City established an investment policy in accordance with Section 218.415, State Statutes that allows the City to invest in relatively low risk securities. The Agency relies on the City's policy. Investments are stated at fair value based on quoted market prices. Resources of all funds have been combined into investment pools for the purpose of maximizing investment yields; this does not include assets that are restricted for bonds or other means. 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 Notes Receivable

If applicable, all accounts and tax increment receivables are shown net of an allowance for uncollectible accounts. Accounts receivable more than 90 days outstanding comprise the accounts receivable allowance for uncollectible accounts. All receivables are related for accruals of estimated employee deductions for the fiscal year ended September 30, 2023.

3. Due to/from City

The Agency and City have interrelated goals and transactions. The Agency provided the City an advance for the sale of a joint property(ies) known as "Pinnacle at Peacefield".

4. Restricted Assets

Certain bond proceeds and 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.

5. 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 government-wide financial statements. 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 more than 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

The Agency 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 Agency is depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Buildings	15 to 40
Buildings and Improvements	5 to 40
Infrastructure	20 to 50
Vehicles	3 to 20
Office Equipment	2 to 15
Computer Software/ Hardware	2 to 6

6. 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 Agency reports the following deferred outflows of resources: interest rate swap, deferred charge on refunding, 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. 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 Agency reports the following deferred inflows of resource relating to other postemployment benefits (OPEB). 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.

7. Compensated Absences

The Agency's participates in the City's compensated absence plan. It is the City's policy to permit employees to accumulate earned but unused vacation and sick 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.

8. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities 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 expensed as incurred.

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 are reported as debt service expenditures. Payments related to the swap are netted by each party to the other and made on a quarterly basis.

9. Fund Equity/Fund Balance

The Governmental Accounting Standards Board Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" (GASB 54) established consistency in the fund balance information reported by many governments and enables financial statement users to readily interpret reported fund balance information. This pronouncement requires governmental fund balances be classified as nonspendable, restricted, committed, assigned or unassigned. The Agency has disclosed information about governmental fund balance reporting as required in the Notes to the Financial Statements.

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 Agency/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.
- Assigned Fund Balance includes resources the Agency 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 CRA Board based on the CRA Board direction during the annual budget process, and the CRA Board 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.

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

Net position of the government-wide statements 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 consists of all net position that does not meet the definition of either of the other two components.

10. Leases

The Government Accounting Standards Board's Statement 87 defines leases as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the

contract for a period in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

When a lessee, the Agency recognizes a lease liability and lease asset measured as the present value of the payments expected to be made. The Agency participates in one lease of office space that qualifies for GASB 87. Please refer to the fixed asset and long-term debt footnotes for more details.

If a lessor, the Agency recognizes a lease asset and deferred inflow measured as the present value of lease payments expected to be received during the lease term. The Agency is not a lessor in any exchange or exchange-like transactions.

11. 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.

Note 2: Cash and Investments

Cash

The Agency's bank balances 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, 2023. The City's cash and demand deposits are considered cash on hand.

Investments

The Agency adopted the City's Investment Policy and Ordinances. The 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 Agency participates in the City's internal investment pool. The City also separately invests any debt-related cash reserves that are required by debt covenants, in accordance with the terms of the respective debt agreements. The Agency's total deposits and investments, including their investment maturities, are shown in this note classified by pooled versus non-pooled investments.

The 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 2023.

At September 30, 2023, the Agency had the following maturities and credit ratings for cash and investments:

Hollywood, Florida Community Redevelopment Agency
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Notes to the Financial Statements
September 30, 2023

	Investment Maturities				
	Reported Value	Less Than 1 Year	Credit Rating	Average Maturity in Months	Percent Distribution
Non-Pooled Investments:					
Money Market Accounts	\$ 64,678,335	\$ 64,678,335			100.00
Total Non-Pooled Investments	64,678,335	64,678,335			
Cash on Hand	400	400			0.00
Total Cash and Investments	<u>\$ 64,678,735</u>	<u>\$ 64,678,735</u>			<u>100.00 %</u>

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in the market interest rates. As a means of limiting its exposure to interest rate risk, the Agency diversifies its investments by security type and institution. The Agency also attempts to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, the investment policy limits the maturities to five years from the date of purchase. The Agency's investments are considered readily liquid, and all have a maturity of less than 1 year.

Credit Risk

Credit risk is the risk that the 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 investment policy limits its investment to a grade of A or higher. The Agency's investments were comprised of money market accounts.

Custodial Credit Risk

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

The investment policy requires securities, except for 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 Agency be properly designated as an asset of the Agency. 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, 2023, the investment portfolios were held with a third-party custodian as required by the City's investment policy.

Concentration of Risk

The investment policy has established asset allocation limits on the following investments designed to reduce concentration of credit risk of the investment portfolio. A maximum of 100% of available funds may be invested in cash equivalents and United States Government Securities. Seventy-Five percent (75%) of available funds may be invested in each of the following categories: federal instrumentalities (United States Government Sponsored Enterprises ("GSE"), non-negotiable interest-bearing time deposits, money market, or savings accounts. Fifty percent (50%) may be invested in United States Government Agencies. Thirty percent (30%) of available funds may be invested in each of the following categories: intergovernmental

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investment pools with both stable and floating net asset values, the Florida Local Government Surplus Funds Trust Fund (Florida Prime/SBA), and municipal bonds. Twenty-five percent (25%) of available funds may be invested in repurchase agreements and corporate notes. Twenty percent (20%) of available funds may be invested in each of the following categories: commercial paper, Mortgage-Backed Securities (MBS), Asset-Backed Securities (ABS), and registered investment companies (money market mutual funds).

Restricted Assets:

Borrowing agreements require the restriction of certain assets. Amounts required to be restricted totaled \$7,044,868. The composition of restricted assets is shown below:

Beach Community Redvelopment:	
2015 Beach CRA Refunding Bonds Debt Service	\$ 6,137,122
2015 Beach CRA Refunding Bonds Construction	907,746
	<u>\$ 7,044,868</u>

Note 3: Capital Assets

Capital asset activities for the year ended September 30, 2023 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Non-Depreciable Assets:				
Land	\$ 13,653,947	\$ -	\$ 2,304,772	\$ 11,349,175
Construction In Progress	10,214,910	12,568,752	123,653	22,660,009
Non-Depreciable Assets	<u>23,868,857</u>	<u>12,568,752</u>	<u>2,428,425</u>	<u>34,009,184</u>
Depreciable Assets:				
Buildings and Improvements	55,674,130	94,632	-	55,768,762
Equipment	1,107,470	287,368	38,771	1,356,067
Right to Use - Leased Building	274,525	-	-	274,525
Depreciable Assets	<u>57,056,125</u>	<u>382,000</u>	<u>38,771</u>	<u>57,399,354</u>
Total Gross Assets	<u>80,924,982</u>	<u>12,950,752</u>	<u>2,467,196</u>	<u>91,408,538</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	26,400,148	3,497,401	-	29,897,549
Equipment	757,095	81,191	35,179	803,107
Right to Use - Leased Building	54,905	54,905	-	109,810
Total Accumulated Depreciation	<u>27,212,148</u>	<u>3,633,497</u>	<u>35,179</u>	<u>30,810,466</u>
Total Depreciable Assets - Net	<u>29,843,977</u>	<u>(3,251,497)</u>	<u>3,592</u>	<u>26,588,888</u>
Total Capital Assets, net	<u>\$ 53,712,834</u>	<u>\$ 9,317,255</u>	<u>\$ 2,432,017</u>	<u>\$ 60,598,072</u>

Depreciation expense was charged to functions of the Agency as follows:

Depreciation by Function:	
Governmental Activities	<u>\$ 3,633,497</u>

Note 4: Commitments

The City has outstanding commitments for construction and acquisition of capital assets. These commitments were fully funded through bond proceeds and other reserves for the respective funds at September 30, 2023:

Beach Community Redevelopment Agency	\$ 57,947,810
Downtown Community Redevelopment Agency	22,953,972
	<u>\$ 80,901,782</u>

Note 5: Long-Term Liabilities/Obligations

\$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. Per the City’s and Agency’s “Bond Resolution”, in the event of default, applicable loans and bonds may become immediately due and payable. \$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 an Interlocal Agreement pursuant to which the City covenants to pledge certain designated non-ad valorem revenues of the City to the payment of the Series 2015 bonds under certain conditions. The coupon interest rate on these bonds is 2.0% for the first payment, then increasing to 5.0% for the remaining payments with a final maturity date of March 1, 2024.

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

Fiscal Year Ending:	Principal	Interest	Total
September 30,			
2024	6,985,000	174,625	7,159,625
	6,985,000	174,625	7,159,625
Premium (Discount)	72,646	-	72,646
	<u>\$ 7,057,646</u>	<u>\$ 174,625</u>	<u>\$ 7,232,271</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 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 1.90% at September 30, 2021. 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

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Fiscal Year Ending: September 30,	Principal	Interest	Total
2024	354,999	7,596	362,595
	<u>\$ 354,999</u>	<u>\$ 7,596</u>	<u>\$ 362,595</u>

On September 22, 2006, the Downtown District of the Hollywood, Florida 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. There was no gain or loss because of this refunding which basically consolidated three notes into one with no other financial reporting effect. This transaction constitutes an interest rate swap which is accounted for as an effective hedge as further described below.

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

At September 30, 2023, the 2006A loan and the related interest rate swap were fully satisfied.

In May 2016, the CRA leased office space at 1948 Harrison Street from 1948 Harrison Street LLC. The purpose of the lease is to fund office space to provide community redevelopment services within the CRA's districts. Payments are due monthly, and the lease term is 120 months (12 years). Payments are \$5,416.67 in years 1-5 and \$5,958.34 in years 5-10. The lease's interest rate is about 8.5%. The Office Space's cost was \$274,525 and currently has \$109,810 in accumulated depreciation.

The annual principal and interest requirements for this lease are:

Fiscal Year Ending: September 30,	Principal	Interest	Total
2024	59,294	12,206	71,500
2025	64,548	6,952	71,500
2026	46,181	1,488	47,669
	<u>\$ 170,023</u>	<u>\$ 20,646</u>	<u>\$ 190,669</u>

The following is a summary of changes in the long-term liabilities for the year ended September 30, 2023:

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Notes to the Financial Statements
September 30, 2023

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Government Activities:					
Bonds Payable:					
Redevelopment Revenue Bonds	\$ 13,640,000	\$ -	\$ 6,655,000	\$ 6,985,000	\$ 6,985,000
Bond Premium	295,162	-	222,516	72,646	72,646
Total Bonds Payable	<u>13,935,162</u>	<u>-</u>	<u>6,877,516</u>	<u>7,057,646</u>	<u>7,057,646</u>
Direct Borrowings:					
Redevelopment Loans	<u>1,041,666</u>	<u>-</u>	<u>686,667</u>	<u>354,999</u>	<u>354,999</u>
Total Direct Borrowings	<u>1,041,666</u>	<u>-</u>	<u>686,667</u>	<u>354,999</u>	<u>354,999</u>
Total Bonds and Direct Borrowings	<u>14,976,828</u>	<u>-</u>	<u>7,564,183</u>	<u>7,412,645</u>	<u>7,412,645</u>
Other Liabilities:					
Capital Leases	224,491	-	54,468	170,023	64,548
Compensated Absences	427,463	270,047	157,315	540,195	157,315
Other Postemployment Benefits Obligation	<u>137,589</u>	<u>-</u>	<u>8,196</u>	<u>129,393</u>	<u>6,087</u>
Total Other Liabilities	<u>789,543</u>	<u>270,047</u>	<u>219,979</u>	<u>839,611</u>	<u>227,950</u>
Total Governmental	<u>\$ 15,766,371</u>	<u>\$ 270,047</u>	<u>\$ 7,784,162</u>	<u>\$ 8,252,256</u>	<u>\$ 7,640,595</u>

Note 6: Related Party Transactions

The Agency participates in certain programs/services provided by the City. The City provides Information Technology, Records, Public Safety and Self-Insurance Services to the Agency. For the fiscal year, the Agency expended \$10.49 million for these services (\$7.73 million in the prior year).

Note 7: Transfers and Contributions

The Agency had no cash transfers between the Agency and the City.

Note 8: Receivables

As of the fiscal yearend, the Agency has \$144,000 due from the City of Hollywood's Special Program's Fund. Per Resolution 2018-363, the Agency loaned the City \$144,000 to facilitate the sale of the property "Pinnacle at Peacefield". The loan is to be repaid by June 30, 2025 or upon the dissolution of the Agency.

The Agency has \$3.50 million in Notes receivable. An allowance equal to the \$3.50 million has been established as the full note is deemed uncollectible and/or forgivable. 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.

Accounts receivable of \$36.782 consists of employee accruals for payroll deductions.

Note 9: Fund Balance

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. These classifications are detailed in Note 1.

Hollywood, Florida Community Redevelopment Agency
(A Component Unit of the City of Hollywood, Florida)
Notes to the Financial Statements
September 30, 2023

The following table shows the Agency's fund balance classifications for its governmental funds as of September 30, 2023:

	Beach Community Redevelopment	Downtown Community Redevelopment	Total
Nonspendable:			
Prepaid Items	24,411	-	24,411
Restricted for:			
Debt Covenants	\$ 7,044,868	\$ -	\$ 7,044,868
Transportation Projects	12,796,645	-	12,796,645
Redevelopment Projects	24,984,453	16,271,871	41,256,324
Total Fund Balances - Restricted	<u>\$ 44,850,377</u>	<u>\$ 16,271,871</u>	<u>\$ 61,122,248</u>

Note 10: Other Post-Employment Benefits (OPEB)

The Agency's Executive Director participates in the City's OPEB Plan. The Agency and City account for postemployment health care benefits provided in accordance with GASB 75. The below has been taken directly from the City's financial statement footnotes.

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 choose 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, 2023, the Agency had 1 active employee (CRA Director) in the plan.

Total OPEB Liability

The City's Total OPEB Liability of \$329,694,033 was determined by an actuarial valuation at September 30, 2023 for the measure date of September 30, 2023. The Agency's share of the total liability is \$129,393 or 0.05%.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2023 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	2.5 percent
Salary increases	3.00 percent, average, including inflation
Discount rate	4.63%
Healthcare cost trend rates	Developed using the 2022 SOA long term medical trend model
Retirees' share of benefit-related costs	20 percent of projected health insurance premiums for retirees

The discount rate of 4.63% was based on the 20-year general obligation index at September 30, 2023. Mortality rates were based on the Fully Generational MP2021 Mortality Improvement Scale.

The actuarial assumptions used on the September 30, 2023 measurement were based on pre and post-Medicare claims for the fiscal years 2020 through 2023.

OPEB Sensitivity to changes in the Discount Rate

Sensitivity of the total OPEB liability to Changes in the discount rate. The following presents the total OPEB liability of the Agency, as well as what the Agency'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.

	1% Decrease 3.63%	Discount Rate 4.63%	1% Increase 5.63%
Total OPEB Liability \$	148,093	\$ 129,393	\$ 114,163

OPEB Sensitivity to changes in the Healthcare Cost Trend Rate

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 2.94%	Healthcare Cost Trend Rates 3.94%	1% Increase 4.94%
Total OPEB Liability \$	112,216	\$ 129,393	\$ 150,762

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended September 30, 2023, the City recognized a negative OPEB expense of \$25,247,324. The Agency's share of the expense is approximately 0.05 percent or about \$12,286. OPEB is allocated based on each fund's proportionate share of the total active and retiree employee counts. At September 30, 2023 the Agency reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 43,269
Changes of Assumptions	11,278	46,513
Changes in each Fund's proportionate share	4,475	4,862
Total	\$ 15,753	\$ 94,644

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 Ended September 30:	Amount
2024	\$ (15,074)
2025	(23,460)
2026	(12,362)
2027	(13,724)
2028	(13,724)
Thereafter	(548)
Total	\$ (78,891)

Note 11: Tax Abatements

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 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 2023 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 2023, a total of \$803,843 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 Dixie 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 2023, a total of \$450,000 was rebated to the developer since development has yet to be completed.

Other CRA Business Incentive Programs:

Hotel Improvements Programs – 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 an 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 \$75,000 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 \$15,000 for cleaning, patching and painting of a building's exterior when done by a licensed contractor.

In FY 2023, a total of \$366,115 was expended for the PIP and POP programs. There were no funds expended for the HIP or POP program.

Future Programs

The County will begin to pay \$3 million to the Agency's Downtown District on December 31, 2025 through December 21, 2029. The Agency's Board have approved development agreements that authorize a portion of the County's annual payments to be allocated to the Block 58 (the Bread Building) redevelopment and to the Tropic workforce housing development on Van Buren St. and Federal Highway.

An agreement between the City, Downtown District, and Van Jackson LLC and/or Tropic Hollywood, Inc., affiliates of Affiliated Development, LLC for the development of a mixed-income, workforce housing project in the City of Hollywood. The CRA provides \$1.5 million when the project is at 50% or greater completion of construction. The City provides \$3.5 million in a forgivable loan from the ILA proceeds. The City and the Agency agree that 95% of the ad valorem or TIF revenue generated from the planned development will be annually reimbursed to Affiliated Development, LLC starting when the development generates TIF and ending on September 30, 2025 (estimated at \$602,122). Thereafter and ending on September 30, 2030, the Agency will pay the developer 95% of what the City's portion of TIF generated by project would be if TIF was still being paid to CRA (estimated at \$1,761,020). Total TIF reimbursements are capped at \$2.4 million.

An agreement between the City, Downtown District, and BTI Land Acquisitions, LLC for the redevelopment of Block 58 (former Hollywood Bread Building) with a mixed-use project including 361 luxury apartments and commercial retail space. The City and Agency agree that 95% of the ad valorem or TIF revenue generated from the planned development will be annually reimbursed to the BTI Land Acquisitions, LLC starting when the project generated TIF and ending on September 30, 2025. Thereafter, and ending on September 30, 2030, the Agency shall provide an amount equal to 95% of what the City's portion of the TIF generated from the completed Project would be if TIF was still being paid to the CRA plus an annual payment of \$280,000 or an amount equal to 95% of what Broward County's portion of the TIF generated by the complete project would be if the TIF was still being paid to the Agency, whichever is less. If the project is not substantially completed by December 31, 2024, the incentive expires and the agreement is terminated with no payments due.

There below are under negotiations:

- Block 57 (former Publix Supermarket site): BTI acquired Block 57, a 3.25 +/- acre property, in January 2020, and plans to demolish the existing structure and construct two towers totaling approximately 775 apartment units, 115,000 square feet of retail space and 60,000 square feet of office space.
- Alta Hollywood: Alta Developers has approved plans for two 18-story towers with a total of 466 apartments and 7,000 square feet of retail space for a parcel generally located at 401 N. Federal Highway.

Note 12: Defined Contribution Pension Plan

The Agency participates in a 401(a) plan; the agreement is between the Hollywood, Florida Community Redevelopment Agency and ICMA-RC covering the executive director and employees of the agency. The assets of the plan 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 plan does not require nor permit employee contributions. During fiscal year 2023, the Agency contributed approximately \$333,966 to the defined contribution plan. Plan participants become fully vested in the plan upon entry. The plan was established by City Commission resolutions. The Agency does not have control over the assets of the defined contribution plans and, accordingly, the plans are not reported in the accompanying financial statements.

Note 13: Risk Management

The Agency participates in the City's self-insurance and/or risk management programs. The City reports the details of such programs within its financial statements.

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 Agency paid \$0.59 million for its participation in the City's self-insurance programs.

Please refer to the City's Note III. C Claims Payable – Insurance Fund for more details (<https://www.hollywoodfl.org/538/Annual-Financial-Pension-Fund-Reports>).

Note 14: Subsequent Events and Contingencies

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

Management is currently not aware of any other subsequent events. The Agency has evaluated subsequent events through March 28, 2024 the date the financial statements were available to be issued.

Required Supplementary Information

Other than the MD&A

Unaudited



REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE AGENCY'S PROPORTION OF THE COLLECTIVE
TOTAL OPEB LIABILITY AND RELATED RATIOS
(Unaudited – See accompanying independent auditors' report)

	2023	2022	2021	2020	2019	2018
Agency's portion of the Total OPEB Liability	0.05%	0.05%	0.05%	0.05%	0.05%	0.05%
Agency's proportionate share of the TOTAL OPEB Liability	129,393	137,589	212,882	212,700	295,240	298,458
Agency's Covered-Employee Payroll	202,072	194,575	197,850	179,816	176,280	171,142
Total OPEB Liability as a percentage of the Covered-Employee Payroll	64.03%	70.71%	107.60%	118.29%	167.48%	174.39%

The years will be populated each year until 10 years are presented.

Budgetary Comparison Schedule
Beach Community Redevelopment Fund
For the Fiscal Year Ended September 30, 2023
Unaudited

	Original Budget	Revised Budget	Actual Amounts	Variance with Final Budget Positive/(Negative)
REVENUES				
Property Taxes	\$ 16,909,566	\$ 17,057,501	\$ 17,057,501	\$ -
Utilities Service Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	13,577,777	13,650,188	13,650,188	-
Charges for Services	-	-	-	-
Fines and Forfeitures	-	-	-	-
Investment Revenue	160,000	160,000	2,443,909	(2,283,909)
Miscellaneous	-	-	156,545	(156,545)
Total Revenues	30,647,343	30,867,689	33,308,143	(2,440,454)
EXPENDITURES				
General Government	12,700,949	13,281,271	12,680,706	600,565
Economic Environment	2,950,933	1,436,775	885,205	551,570
Culture and Recreation	330,000	275,000	43,009	231,991
Capital Outlay				
CO_General Government	1,376,000	2,200,453	774,832	1,425,621
CO_Public Safety	2,000	2,000	-	2,000
CO_Transportation	17,183,369	16,966,523	4,499,439	12,467,084
CO_Physical Environment	26,441,731	24,804,228	829,058	23,975,170
CO_Culture and Recreation	1,925,355	2,598,121	1,328,501	1,269,620
CO_Economic Environment	3,177,157	3,721,532	206,122	3,515,410
Principal	6,655,000	6,698,574	6,698,574	-
Interest and Fiscal Charges	518,292	531,918	530,265	1,653
Total Expenses	73,260,786	72,516,395	28,475,711	44,040,684
Net Income	(42,613,443)	(41,648,706)	4,832,432	\$ (46,481,138)
Beginning Fund Balance	40,017,945	40,017,945	40,017,945	
Ending Fund Balance	\$ (2,595,498)	\$ (1,630,761)	\$ 44,850,377	

Hollywood, Florida Community Redevelopment Agency
(A Component Unit of the City of Hollywood, Florida)
Notes to the Budgetary Comparison Schedules
September 30, 2023

Budgetary Comparison Schedule
Downtown Community Redevelopment Fund
For the Fiscal Year Ended September 30, 2023
Unaudited

	Original Budget	Revised Budget	Actual Amounts	Variance with Final Budget Positive/(Negative)
REVENUES				
Property Taxes	6,974,878	6,975,297	6,975,297	\$ -
Intergovernmental	5,689,141	5,670,684	5,670,684	-
Investment Revenue	50,000	50,000	796,080	(746,080)
Miscellaneous	25,000	25,000	42,456	(17,456)
Total Revenues	12,739,019	12,720,981	13,484,517	(763,536)
EXPENDITURES				
General Government	6,225,716	6,917,391	5,485,007	1,432,384
Economic Environment	991,130	316,130	217,517	98,613
Physical Environment	800,000	800,000	203,354	596,646
Capital Outlay				
CO_Transportation	1,065,965	1,625,986	520	1,625,466
CO_Economic Environment	16,112,192	16,063,179	5,217,648	10,845,531
Principal	686,668	697,562	697,560	2
Interest and Fiscal Charges	23,644	27,050	27,050	-
Total Expenses	25,905,315	26,447,298	11,848,656	14,598,642
OTHER FINANCING SOURCES (USES)				
Sales of Assets	-	-	1,489,500	(1,489,500)
Total Other Financing Sources/(Uses)	-	-	1,489,500	(1,489,500)
Net Income	(13,166,296)	(13,726,317)	3,125,361	(16,851,678)
Beginning Fund Balance	13,146,510	13,146,510	13,146,510	
Ending Fund Balance	\$ (19,786)	\$ (579,807)	\$ 16,271,871	

Budgetary Information

Budgets are legally adopted for the Beach and Downtown Community Redevelopment Agencies. Budgets are adopted on a basis consistent with generally accepted accounting principles. The level of budgetary control is the department. The CRA Board is authorized to transfer budgeted amounts within departments. Revisions increasing or decreasing the total budget for a department or fund require CRA Board approval. The Agency has supplemental appropriations in both CRA Funds. Appropriations in annually budgeted funds, except for amounts corresponding to outstanding encumbrances, lapse at year-end.

Principal and interest are not over budget. GASB 87 "Leases" requires lease payments that were generally operating to be reclassified to principal and interest. The related budget

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors and CRA Director
Hollywood, Florida Community Redevelopment Agency (Beach and Downtown Districts)

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 and each major fund of the Hollywood, Florida Community Redevelopment Agency (the CRA), a component unit of the City of Hollywood, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise CRA's basic financial statements and have issued our report thereon dated March 28, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CRA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the CRA's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

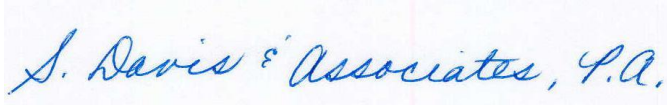
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CRA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**INDEPENDENT AUDITOR'S 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-
Continued**

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "S. Davis & Associates, P.A." The signature is written in a cursive style and is positioned above a light blue horizontal line.

Hollywood, Florida
March 28, 2024

**MANAGEMENT LETTER IN ACCORDANCE WITH THE CHAPTER 10.550 RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Board of Directors and CRA Director
Hollywood, Florida Community Redevelopment Agency (Beach and Downtown Districts)

Report on the Financial Statements

We have audited the financial statements of the Hollywood, Florida Community Redevelopment Agency (the CRA), a component unit of the City of Hollywood, Florida, as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated March 28, 2024.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on Compliance with Florida Statutes on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements with Florida Statutes in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated March 28, 2024, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note 1 to the financial statements. There are no component units.

Financial Condition and Management

Section 10.554(1)(i)5a and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the CRA has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the CRA did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the CRA. It is management's responsibility to monitor the CRA's

**MANAGEMENT LETTER IN ACCORDANCE WITH THE CHAPTER 10.550 RULES OF THE
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financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was performed as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Special District Component Unit

Section 10.554(1)(i)5.c., Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special agency 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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the CRA reported on 1 through 6 below and in Tables 1 and 2 below as September 30, 2023:

- 1) The total number of Agency employees compensated in the last pay period of the Agency's fiscal year.
- 2) The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Agency's fiscal year.
- 3) All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency.
- 4) All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
- 5) Each construction project with a total cost of at least \$65,000 approved by the Agency that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project, and
- 6) A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before beginning of the fiscal year being reported if the Agency amends a final adopted budget under Section 189.016(6), Florida Statutes.

Table -1
Responses for 1 - 4 & 6

Requirement	Management Response
Total number of district employees compensated in the last pay period of the fiscal year	29
Total number of independent contractors compensated in the last month of the fiscal year	224
All compensation paid or accrued to employees,	\$ 3,484,089
All compensation paid or accrued to independent contractors,	\$ 28,886,829
Listing of each construction project with cost of at least \$65,000 approved by the district and scheduled to begin after October 1 of the reporting year and total expenditures of such project	See Tab 3
A budget variance report based on the budget adopted under Section 189.016(4), Florida Statutes, and the amended budget under Section 189.016(6), Florida Statutes.	Please refer to pages 35-37 in the CRA Financials

**MANAGEMENT LETTER IN ACCORDANCE WITH THE CHAPTER 10.550 RULES OF THE
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Table -2:
List of construction projects with cost of at least \$65,000.

District	Project	Project Name	Original Budget	Amended Budget	Actual Expenditures	
					09.30.2023	Budget - Actual
Beach CRA	000003	Turtle Lighting R14374	\$ 263,000	\$ 263,000	\$ -	\$ 263,000
Beach CRA	000010	Underground PH 3 Oklahoma to New Mexico	645,000	645,000	-	645,000
Beach CRA	000011	Dune Restoration FY16	-	500,000	-	500,000
Beach CRA	000015	Small CapImp Proj	167,130	681,630	145,093	536,537
Beach CRA	001101	Contractual Services	230,000	230,000	-	230,000
Beach CRA	001103	A1A Linear Park FY 16 CIP	933,598	933,598	-	933,598
Beach CRA	001105	Const Imp-FDOT/CRA Comp Sts A1A Phill	16,783,369	16,783,369	4,499,439	12,283,930
Beach CRA	001234	Boardwalk Access Management Project	1,330,355	2,003,121	1,298,299	704,822
Beach CRA	001235	Underground Ph 4 - East/West Streets	11,500,000	11,500,000	305,580	11,194,420
Beach CRA	001236	Underground Ph 4 - A1A South	12,000,000	11,035,263	513,481	10,521,782
Beach CRA	001237	Underground Ph 4 - Keating & Harry Berry Park	2,178,731	1,505,965	-	1,505,965
Beach CRA	001348	Transportation Hub	400,000	183,154	-	183,154
Beach CRA	001456	FDOT Pump Stations	1,200,000	1,200,000	-	1,200,000
Beach CRA	001457	Traffic Signal - Nebraska/Carolina/Scott Streets	500,080	500,080	37,365	462,715
Beach CRA	001595	Gateway and Wayfinding Signage	221,000	221,000	-	221,000
Beach CRA	001596	Beach Walk Extension	595,000	595,000	30,202	564,798
Beach CRA	001597	Phase IV Harmonization of Private Property	337,000	337,000	-	337,000
Beach CRA	001598	Broadwalk Wall LED Light	842,000	1,666,453	774,832	891,621
Beach CRA	001599	Mermaid Offshore and 3 near shore Reefs	118,000	118,000	9,997	108,003
Downtown CRA	000018	Small CapProj	400,000	300,000	-	300,000
Downtown CRA	001107	Const Imp-Wayfinding Signage	401,513	401,513	13,643	387,870
Downtown CRA	001110	Const Imp-Streetscape/Hardscape-Tyler	1,065,965	1,625,986	520	1,625,466
Downtown CRA	001349	Hlwd Blvd - Streetscape Project	14,979,679	14,979,679	5,084,066	9,895,613
Downtown CRA	001350	Young Circle Re-design	120,000	120,000	-	120,000
Downtown CRA	001353	Neighborhood Masterplan Design Guide	200,000	200,000	-	200,000
			\$ 67,411,420	\$ 68,528,811	\$ 12,712,517	\$ 55,816,294

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, and other regulatory agencies, the Board of Directors, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

S. Davis & Associates, P.A.

Hollywood, Florida
March 28, 2024

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH FLORIDA STATUTES

To the Board of Directors and CRA Director
Hollywood, Florida Community Redevelopment Agency (Beach and Downtown Districts)

We have examined the Hollywood, Florida Community Redevelopment Agency (the CRA), a component unit of the City of Hollywood, Florida, compliance with Section 218.415, Florida Statutes, and Local Government Investment Policies for the fiscal year ended September 30, 2023. We also examined the CRA's compliance with Sections 163.387(6) and 163.387(7), Florida Statutes, for the fiscal year ended September 30, 2023.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CRA complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CRA complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, 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 CRA's compliance with the specified requirements.

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

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



Hollywood, Florida
March 28, 2024





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For more information visit our website
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