

CITY OF
Hollywood
FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT CITY OF HOLLYWOOD, FLORIDA

For the Fiscal Year Ended September 30, 2023



**Prepared by
Financial Services Department**

CITY OF HOLLYWOOD, FLORIDA
COMMISSION - MANAGER FORM OF GOVERNMENT
SEPTEMBER 30, 2023

CITY COMMISSION

JOSH LEVY, Mayor

CARYL SHUHAM, Commissioner - District 1

LINDA HILL ANDERSON, Commissioner - District 2

TRACI CALLARI, Commissioner - District 3

ADAM GRUBER, Voice Mayor - District 4

KEVIN BIEDERMAN, Commissioner - District 5

IDELMA QUINTANA, Commissioner - District 6

CITY MANAGER

GEORGE R. KELLER, Jr. CPPT

CITY ATTORNEY

DOUGLAS R. GONZALES

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

City of Hollywood, Florida

MISSION STATEMENT

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

DIVERSITY STATEMENT

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

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hollywood
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

The City of Hollywood has received a certificate of Achievement for the last 48 consecutive years, fiscal year ended 1975 through 2022. Hollywood became the 29th municipality in the United States and the second city in Florida to receive this award when its first certificate was obtained for the City's 1956 annual financial report.

CITY OF HOLLYWOOD, FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED SEPTEMBER 30, 2023

TABLE OF CONTENTS

	<u>Page No.</u>
I. INTRODUCTORY SECTION (UNAUDITED)	
Table of Contents	1-2
Letter of Transmittal	3-7
City of Hollywood Organizational Chart	8
II. FINANCIAL SECTION	
Independent Auditors' Report	9-12
Management's Discussion and Analysis (Unaudited Required Supplementary Information)	13-25
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE:	
Statement of Net Position	26-27
Statement of Activities	28
FUND FINANCIAL STATEMENTS	
GOVERNMENTAL FUNDS:	
Balance Sheet	29
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	30
Statement of Revenues, Expenditures and Changes in Fund Balances	31-32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
PROPRIETARY FUNDS:	
Statement of Net Position	34-35
Reconciliation of the Statement of Net Position of Proprietary Funds to the Statement of Net Position	36
Statement of Revenues, Expenses and Changes in Net Position	37
Reconciliation of the Statement of Revenues, Expenses and Changes in Net Position of Proprietary Funds to the Statement of Activities	38
Statement of Cash Flows	39-40
FIDUCIARY FUNDS:	
Statement of Fiduciary Net Position	41
Statement of Changes in Fiduciary Net Position	42
Notes to the Financial Statements	43-134
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED):	
Budgetary Comparison Schedule – General Fund	135-136
Budgetary Comparison Schedule – Beach Community Redevelopment Fund	137
Budgetary Comparison Schedule – Downtown Community Redevelopment Fund	138

CITY OF HOLLYWOOD, FLORIDA

TABLE OF CONTENTS (Continued)

	<u>Page No.</u>
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED):	
Changes in the City's Total OPEB Liability and Related Ratios	139
Schedule of Changes in the City's Net Pension Liability and Related Ratios	140-145
Schedule of the City's Proportionate Share of the Net Pension Liability	146-147
Schedule of Contributions	148-149
Notes to the Required Supplementary Information	150-151
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
NONMAJOR GOVERNMENTAL FUNDS:	
Combining Balance Sheet	154-155
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	156-157
NONMAJOR ENTERPRISE FUNDS:	
Combining Statement of Net Position	159-160
Combining Statement of Revenues, Expenses and Changes in Net Position	161
Combining Statement of Cash Flows	162-1635
INTERNAL SERVICE FUNDS:	
Combining Statement of Net Position	165-166
Combining Statement of Revenues, Expenses and Changes in Net Position	167
Combining Statement of Cash Flows	168-169
FIDUCIARY FUNDS:	
Combining Statement of Fiduciary Net Position	171
Combining Statement of Changes in Fiduciary Net Position	172
III. STATISTICAL SECTION (UNAUDITED)	
Index to Statistical Section	173
Net Position by Component – Last Ten Fiscal Years	174-175
Changes in Net Position – Last Ten Fiscal Years	176-179
Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years	180
Fund Balances of Governmental Funds – Last Ten Fiscal Years	181
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	182-185
General Governmental Tax Revenues by Source – Last Ten Fiscal Years	186
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	187-188
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	189-190
Principal Taxpayers – Current Year and Nine Years Ago	191
Property Tax Levies and Collections – Last Ten Fiscal Years	192
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	193-194
Ratios of General Obligation Bonds/Note Debt Outstanding – Last Ten Fiscal Years	195
Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds	196
Computation of Legal Debt Margin	196
Pledged-Revenue Coverage – Last Ten Fiscal Years	197
Demographic and Economic Statistics – Last Ten Fiscal Years	198
Principal Employers – Current Year and Nine Years Ago	199
Budgeted Full-Time Positions for City Employees by Function – Last Ten Fiscal Years	200
Operating Indicators by Function – Last Ten Fiscal Years	201-202
Capital Asset Statistics by Function – Last Ten Fiscal Years	203-206

Office of the City Manager
 George R. Keller, Jr. CPPT
 City Manager



tel: 954.921.3201

June 26, 2024

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

Dear Honorable Mayor, Vice Mayor, and City Commissioners:

We are pleased to submit the Annual Comprehensive Financial Report ("ACFR") of the City of Hollywood, Florida, ("the City") for the fiscal year ended September 30, 2023. This report, presented in conformity with generally accepted accounting principles ("GAAP"), was prepared by the City's Department of Financial Services and audited by an independent firm of certified public accountants, Marcum LLP, as mandated by both local ordinances and State statutes. The independent auditor has issued an unmodified opinion that the financial statements fairly present the financial position of the City and comply with applicable reporting standards. The Independent Auditors' Report is located at the front of the Financial Section of the report.

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

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

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

PROFILE OF THE CITY

The City of Hollywood, incorporated in 1925, is a full-service municipality located in Broward County on the southeastern coast of the State of Florida. The City comprises 30 square miles including 6 linear miles of Atlantic Ocean beaches. The 2023 permanent population of the City of Hollywood is estimated to be 154,875 (Bureau of Economic and Business Research, University of Florida).

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

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

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

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

The City has three defined-benefit pension plans: 1) the General Employees Retirement Fund, 2) the Police Officer's Retirement System and 3) the Firefighter's Pension Plan. A board of trustees administers each plan. The boards are composed of members elected by active employees and appointees of the Mayor and Commissioners. The Boards have responsibility for investment of the pension assets and determination of benefits as employees retire or seek other benefits under the plans. At September 30, 2023, the plans had total combined assets of \$1.1 billion.

FACTORS AFFECTING ECONOMIC CONDITION

The City benefits from its geographical location, relative affordability in the South Florida market, and its growing fiscal stabilization. The City's property taxable value for fiscal year 2023 was \$21.03 billion, an increase of 11.26% from prior year. The City's operating tax millage rate was 7.4665 mills in fiscal year 2023. The total debt service millage rate was 0.6883 mills. The total FY 2023 millage rate is 8.1548 mills which is an increase of 3.27% from the prior year. Property tax revenue collections remained strong in fiscal year 2023. The City collected \$164.99 million of the \$165.12 million in fiscal year 2023 property taxes (over 99% collection rate).

As noted in the MD&A, Fitch and Moody's rated the City's recent borrowings as "AA-" and "AA" (September 13, 2022 and August 17, 2023). These ratings are considered high quality and subject to low credit risk.

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

Relevant Financial Policies

One of the most important measures of the City's financial health is its fund balance. The restoration of the General Fund's fund balance reflects the positive financial results achieved after many difficult budget decisions made in prior years. The City's audited fund balance in the General Fund at the end of fiscal year 2023 was \$83.33 million. This amount decreased by \$4.94 million but is up from a low of \$4.3 million in fiscal year 2012. Having a healthy fund balance gives the City financial flexibility, provides the ability to meet its cash flow needs, mitigates current and future financial risks, and ensures continuity of future governmental services. The City is committed to maintaining this progress by budgeting prudently to ensure its continued fiscal health.

Fund Balance Target

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

- The Fund Balance Policy establishes a minimum of 17% of General Fund operating expenditures to be maintained as reserves. This amounted to \$39.27 million in fiscal year 2023.
- The Fund Balance Policy sets an additional 5% of General Fund operating expenditures (within the committed fund balance definition) to provide an economic stabilization reserve to protect the City from adverse financial impacts in the event of unforeseen events. This amounted to \$11.55 million for fiscal year 2023.

Projections

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

MAJOR INITIATIVES

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

Significant redevelopment activity in recent years includes:

- Wyndham Dolce Kosher House Hotel – is a six-story hotel development located on South State Road 7 directly across from the Seminole Hard Rock Hotel. This development is currently under construction and will feature 100 guest rooms and a roof-top eatery.
- Hudson Village – Hudson Village is an attainable rental community along the South Federal Highway corridor. The development contains 96 units.
- Memorial Joe DiMaggio Children's Hospital expansion – Memorial Healthcare System's Joe DiMaggio Children's Hospital is undergoing an approximately \$97 million expansion to add over 156,000 square feet to its existing facilities vertically by adding four floors. It will consolidate pediatric healthcare services (i.e. ICU, Operating Rooms, and Cardiac Surgery) on the same floor and expand private and semi-private rooms.
- 1818 Park (aka Block 40) - is a mixed-use development under construction at the southwest corner of Hollywood Boulevard and Young Circle at the site of the former Great Southern Hotel. The development is expected to be completed in 2024 and will include 170 upscale residential units and 103 hotel rooms with approximately 30,000 square feet of commercial space.
- Icon Office Building - is a 50,000 square feet Class A office building under construction with retail bays and space for a financial institution on the ground floor located at 1895 Tyler Street in Downtown Hollywood. Tenant leases began in 2023.
- Various Public Utility Projects – The City completed major improvements to the Deep Well Injections – Hallandale Beach Main Improvements (\$2.25 million), 9531A clarifier improvements (\$2.05 million), Parkside Mains (\$10.29 million), and Royal Poinciana Mains (\$13.20 million).

- Several major initiatives are underway in the City which include infrastructure improvements and development of condominium, luxury rental and resort projects (<https://www.hollywoodfl.org/845/Economic-Development>).

Major initiatives include the following projects:

- The Bread Building – is an approved mixed-use development currently under construction on the southeast corner of Hollywood Boulevard and Young Circle at the site of the former Hollywood Bread Building. The development includes 362 multifamily luxury rental units and 17,000 square feet of retail space.
- Monroe Residences - is a five story, 40-unit condominium development. The project is currently under construction and will feature 4 three-bedroom units, 16 two-bedroom units and 20 one-bedroom units. Amenities will include rooftop green space, access-controlled parking, a pool, gym and barbecue picnic area.
- Soleste Hollywood Blvd - is an approved mixed-use development at 2001 Hollywood Boulevard in the downtown area. Miami-based Estate Investment Group is slated to begin construction later this year on the development, which will include 324 apartments and 30,000 square feet of retail space.
- Soleste Village North and South – A development a block south of Soleste Hollywood Blvd. North Village includes 206,985 sq. ft. in 12 stories with 300 apartments, 384 parking spaces, a pool, and indoor amenities. South Village consists of 8 stories and a total of 160,250 sq. ft. with 203 apartments, 273 parking spaces, and an amenity/pool deck on the 4th floor.
- Pinnacle 441 – is a planned mixed-income, mixed-use development at the corner of Johnson Street and State Road 7. The eight-story project will feature 213 residential units and amenities, as well as 6,760 square feet of retail on the ground floor.
- 441 ROC – is an estimated \$48 million mixed-use project currently under construction, located at the northeast corner of US 441 and Griffin Road, and near the Seminole Hard Rock Hotel and Casino. The plan calls for an 8-story apartment building with 180 units, a Wawa with 16 fueling stations, a Wendy's restaurant, and a self-storage facility. This development will add to continued growth of new development along the US 441/State Road 7 corridor in Hollywood.
- University Station (CRA Downtown District) – An attainable housing community with 15,000 sq. ft. of ground floor retail space which includes Barry University. A shared parking garage with approximately 343 public parking spaces is to be managed by the City's parking department.
- The Tropic – is a planned 244 unit rental community featuring both workforce and market rate units along with 650 square feet of commercial space. The City has contributed funds towards this project.
- Eterna (CRA Beach District) – Eterna is a planned condominium project in Central Beach featuring 36 units ranging from 1 to 4 bedrooms.
- Nine Hollywood (CRA Downtown District) – A 13 story mixed use, commercial and multi-family, residential development featuring 204 of both workforce and market rate units with 7,000 sq. ft. of retail space. The project is located near ArtsPark at Young Circle.
- New Police Headquarters – The City is in process of finalizing the design and planning for the construction of a new Police Headquarters. This will allow the department to provide enhanced and more efficient services to all City Residents.
- Various Public Utility Projects – The City has various improvements to inflow/infiltration, and infrastructure improvements to the Water, Sewer, and Sanitation Systems ongoing. These projects are needed for compliance and the overall health of the Utility.
 - Construction in process in the Water and Sewer funds is about \$80.09 million.
 - Major improvements include:
 - Improvements to Deep Well Injections.
 - Deep Well injections are required to eliminate the ocean outfall disposal at the Southern Regional Wastewater Treatment Plant ("SRWWTP") per Ocean Outfall Legislation. The City began design, construction/drilling, and administration for two deep injection wells at SRWWTP. Upon completion, an additional 39.84 million gallons per day capacity will be achieved for disposal of secondary effluent from SRWWTP to Boulder Zone approximately 3,000 feet below grade elevation.
 - Various lift-stations and pump-stations.

Office of the City Manager
George R. Keller, Jr. CPPT
City Manager



tel: 954.921.3201

- Water/Sewer Mains such as 21st Ave and Hollywood Blvd. to Sheridan St.
- The CRA district has \$22.66 million in construction in process mainly related to the A1A overhead utilities project.
- Various equipment improvements funded by the American Rescue Plan are in process and provide public safety, government service, communication, and community enhancements. Improvements include the Noresco Street Lighting Project.
- GOB Bond updates at: <https://www.hollywoodfl.org/1214/General-Obligation-Bond-Projects>.

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

Tax Abatements

During the fiscal year, the City's Downtown Community Redevelopment Agency provided \$803,843 and \$450,000 in incentives to the Block 55 Redevelopment project and H3 Hollywood LLC. The project has reduced blight and brought new development to the Young Circle ArtsPark area. The City also paid \$73,362 for its commercial property improvement program. Lastly, \$366,115 was spent on various property improvement and paint only programs.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Hollywood, Florida for its Annual Comprehensive Financial Report for the year ended September 30, 2022 (prior year). This was the forty-eighth consecutive year the City has received this prestigious national award. The City received this recognition by publishing a report that is usable, transparent, and goes beyond the minimum requirements of generally accepted accounting principles (and applicable legal requirements).

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

Respectfully submitted,

DocuSigned by:

George Keller

BB25DD053647405...

George R. Keller, Jr. CPPT
City Manager

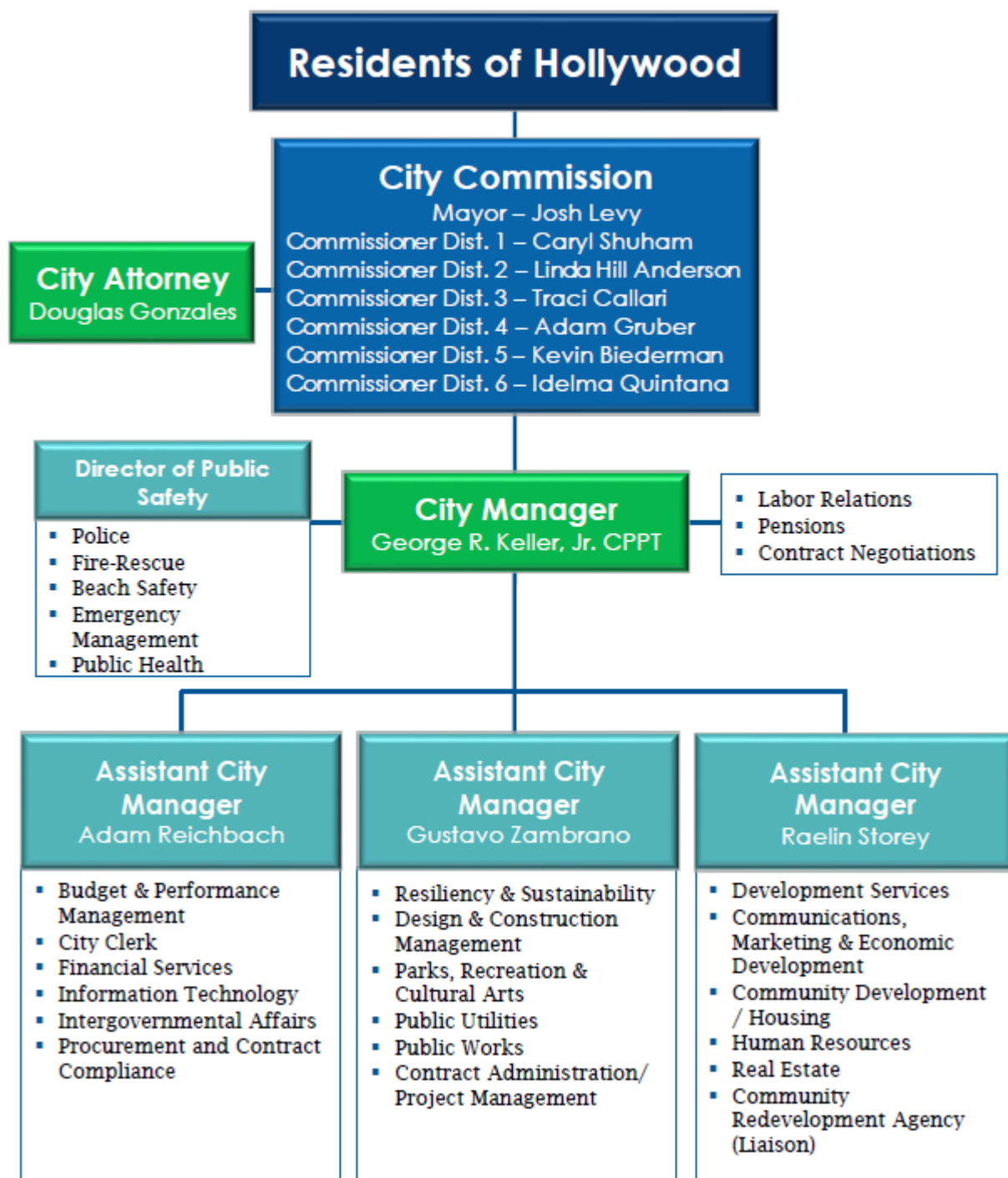
DocuSigned by:

Stephanie Tinsley

A5200B173E98424...

Stephanie Tinsley
Director, Financial Services

Citywide Organizational Chart



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hollywood, Florida (the "City"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Hollywood, Florida Community Redevelopment Agency (the "CRA"), which includes the Beach and Downtown Community Redevelopment funds as major governmental funds, which represents 12%, 23%, and 12%, respectively, of the assets, net position, and revenues of the governmental activities of the City as of September 30, 2023. We also did not audit the financial statements of the City of Hollywood Firefighters' Pension Fund and City of Hollywood Police Officers' Retirement System, fiduciary funds of the City (the "Plans"), which represent 48%, 54% and 42%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information as of September 30, 2023. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the CRA and the Plans is based solely on the reports of the other auditors.

Basis for Opinions

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

our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 25, the budgetary comparison schedules, the schedule of changes in the City's total OPEB liability and related ratios, the schedules of changes in the City's net pension liability and related ratios, the schedules of City's proportionate share of the net pension liability, the schedules of City contributions – pensions, and notes to the required supplementary information on pages 135 through 151 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Marcum LLP

Fort Lauderdale, FL
June 26, 2024

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

The City offers readers of its financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and financial statements.

FINANCIAL HIGHLIGHTS

Under the Government-wide Statements Section:

- The liabilities and deferred inflows of resources of the City exceeded its assets and deferred outflows of resources at the close of fiscal year 2023 by \$48.1 million, net result of \$1,899.5 million in liabilities and deferred inflows of resources and \$1,851.5 million in assets and deferred outflows of resources.
- The City's total net position increased by approximately \$160.5 million in fiscal year 2023; governmental activities increased by \$100.1 million and business-type activities increased by \$60.4 million.
- The deficit in unrestricted net position for governmental activities totaled \$(746.0) million. The deficit decreased by \$69.0 million. The City's unrestricted net position was positively impacted by increases in general revenues, such as sales and other state shared revenues, healthy property taxes, population/tourism, and stabilization of other post-employment costs.
- The City's total liabilities increased by \$296.1 million during the current fiscal year due to the issuance of the General Obligation Series 2022 Bonds and increased pension liabilities for the General Employees, Police, and Fire pension plans.

Under the Fund Statements Section:

- As of the end of fiscal year 2023, the City's governmental funds reported combined ending fund balances of \$391.0 million, an increase of \$138.7 million which was a result of the following:
 - Decrease of \$4.9 million in the General Fund due to expenditures and other financing uses outpacing the increases in revenues:
 - Revenue increased by \$30.4 million. Major changes include:
 - \$12.0 million increased in property tax revenues
 - \$2.9 million increase in utility service taxes
 - \$5.0 million increase in charges for services
 - \$6.9 million increase in investment revenue
 - Expenditures increased by \$8.2 million and Net Other Financing Uses increased by \$40.9 million. Major changes include:
 - Transfers out increased by \$35.7 million to fund capital projects in other funds,
 - \$2.4 million increase in public works expenditures,
 - \$2.8 million increase in Design and Construction Management expenditures
 - \$1.4 million in debt service expenditures
 - Increase of \$4.8 million in the Beach Community Redevelopment Fund primarily due to relatively consistent revenues of \$33.3 million offset by expenditures of \$28.5 million.
 - Increase of \$3.1 million in the Downtown Community Redevelopment Fund due to a consistent property tax increments and sale of property for \$1.5 million.
 - Increase of \$97.4 million in the General Obligation Bond Series 2022 Capital Projects Fund (second tranche) due to the issuance and receipt of \$94.3 million in net debt proceeds, investment revenue of \$4.3 million, and cost of issuance expenditures of \$1.2 million.
 - Increase of \$38.3 million in other governmental funds primarily due to net Building Operations of \$5.6 million and the timing of capital project funds' revenues/transfers versus the related expenditures. For instance, the General Capital Project Fund received a transfer in of \$42.6 million (primarily from the General Fund) and expended \$7.6 million in related expenditures. The difference in receipt versus expenditure will resolve in future fiscal years.
- During the fiscal year, the City's governmental expenditures and other financing uses totaled \$406.0 million compared to \$544.7 million generated in revenues and other financing sources.

CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

- At the end of fiscal year 2023, fund balance for the General Fund was \$83.3 million or 36.08% of General Fund expenditures. Of this balance, \$11.5 million was committed for economic stabilization reserves, \$2.5 million was assigned for the subsequent year's budget and capital encumbrances, and \$69.2 million was unassigned (of this amount, \$39.3 million is internally reserved as a "rainy day" reserve).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report follows a format consisting of four parts – Management's Discussion and Analysis (this section), the basic financial statements, Required Supplementary Information, and Supplementary Information that presents combining statements for non-major governmental funds, non-major enterprise funds, internal service funds and fiduciary funds. The basic financial statements include two kinds of statements. The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

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

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

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

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

CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

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

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

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

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

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

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

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

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

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

CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-six (26) individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, General Obligation Bond Capital Projects Series 2022 Fund, Beach Community Redevelopment Fund (BCRA) and Downtown Community Redevelopment Fund (DCRA), all of which are major funds. Data from the other twenty-two (22) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the report.

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

PROPRIETARY FUNDS – The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, stormwater, sanitation, golf, parking, and records preservation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central services and insurance operations. Because both services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

Table 1
Summary of Net Position
As of September 30, 2023 and 2022
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 571,417	\$ 427,787	\$ 337,783	\$ 328,432	\$ 909,200	\$ 756,219
Capital Assets	221,530	196,662	448,735	417,170	670,265	613,832
Total Assets	792,947	624,449	786,518	745,602	1,579,465	1,370,051
Deferred Outflows of Resources	237,552	160,468	34,434	22,153	271,986	182,621
Long-term Liabilities	1,147,277	880,445	265,679	258,450	1,412,956	1,138,895
Other Liabilities	111,263	89,890	51,529	50,865	162,792	140,755
Total Liabilities	1,258,540	970,335	317,208	309,315	1,575,748	1,279,650
Deferred Inflows of Resources	271,624	414,354	52,155	67,201	323,779	481,555
Net Position:						
Net Investment in Capital Assets	147,120	75,703	287,790	239,324	434,910	315,027
Restricted	99,216	139,520	120,934	94,404	220,150	233,924
Unrestricted	(746,001)	(814,995)	42,865	57,511	(703,136)	(757,484)
Total Net Position	\$ (499,665)	\$ (599,772)	\$ 451,589	\$ 391,239	\$ (48,076)	\$ (208,533)

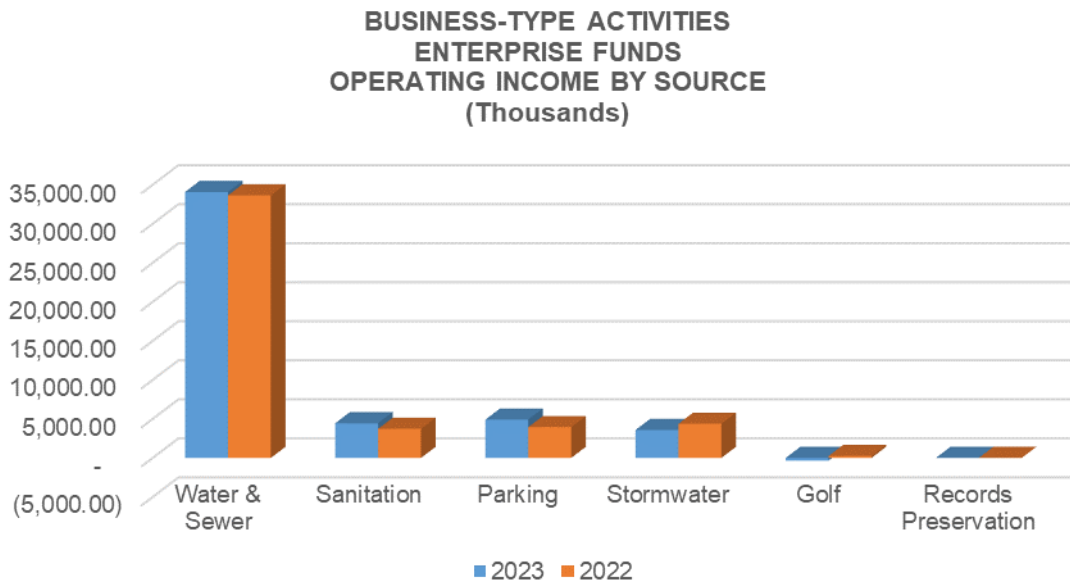
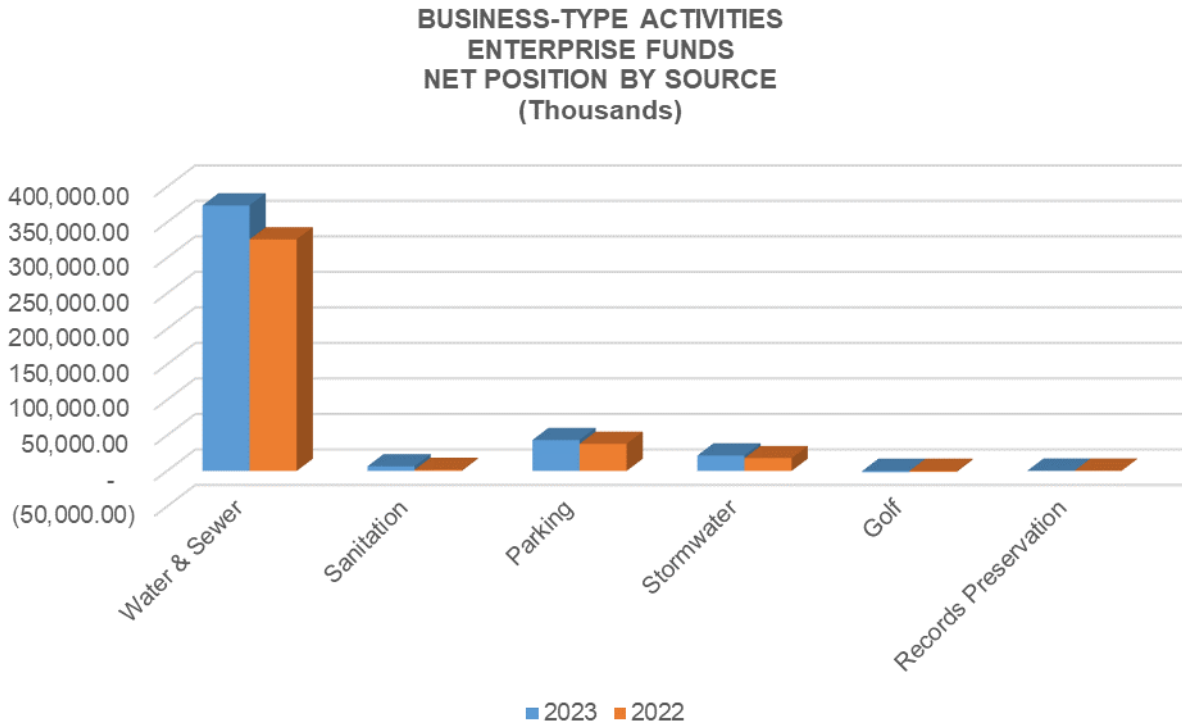
The largest portion of the City's assets (42.4%) are capital assets (e.g., land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt and any associated deferred inflows or outflows, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A portion of the City's net position, \$220.2 million, represents resources that are subject to external restrictions on how funds may be expended.

During the fiscal year, the City's governmental activities experienced an increase in total assets of \$168.5 million primarily because of debt proceeds (cash) of \$94.2 million relating to the General Obligations Bonds Series 2022, \$24.9 million increase in capital assets, and general increases in cash and equivalents due to increases in tax-based revenues (property taxes). Long-term liabilities outstanding also experienced an increase of \$266.8 million primarily due to significant increases in the General Employees', Fire, and Police net pension liabilities and the issuance of the Series 2022 General Obligations Bond. Business-type activities had an increase in its net position by \$60.4 million due to increased operating income (charges for services (utility bills) outpacing related operating expenses). In summary, the combined net position of the City increased by \$160.5 million, substantially as a result of revenues outpacing the increase in expenses.

(The remainder of the page was intentionally left blank.)

CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

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



CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

Table 2 presents a summary of the City's operations for fiscal year 2023 with comparative information for fiscal year 2022.

Table 2
Summary Changes in Net Position
As of September 30, 2023 and 2022
(\$ in thousands)

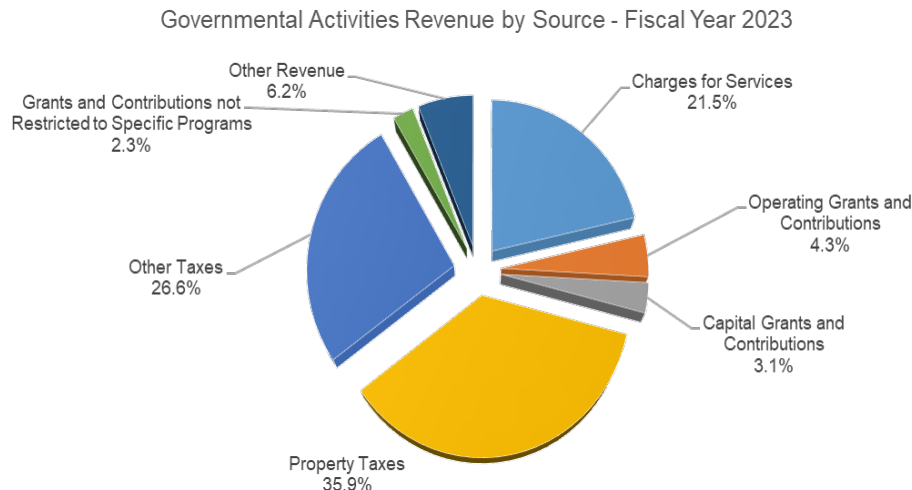
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 84,460	\$ 73,093	\$ 155,098	\$ 139,207	\$ 239,558	\$ 212,300
Operating Grants and Contributions	17,080	13,036	-	-	17,080	13,036
Capital Grants and Contributions	12,218	7,041	15,564	1,235	27,782	8,276
General Revenues						
Property Taxes	141,081	122,694	-	-	141,081	122,694
Other Taxes	104,329	94,240	-	-	104,329	94,240
Grants and Contributions not Restricted to Specific Programs	9,142	7,815	-	-	9,142	7,815
Other Revenue	24,438	1,149	11,897	(7,371)	36,335	(6,222)
Total Revenues	392,748	319,068	182,559	133,071	575,307	452,139
Expenses:						
General Government	49,739	38,931	-	-	49,739	38,931
Public Safety	183,934	147,853	-	-	183,934	147,853
Public Works	16,093	11,957	-	-	16,093	11,957
Transportation	6,306	2,955	-	-	6,306	2,955
Economic Environment	12,767	12,404	-	-	12,767	12,404
Physical Environment	380	158	-	-	380	158
Culture and Recreation	18,172	14,426	-	-	18,172	14,426
Emergency and Disaster Relief	1,739	(94)	-	-	1,739	(94)
Interest and Fiscal Charges	9,805	4,887	-	-	9,805	4,887
Water	-	-	31,761	30,973	31,761	30,973
Sewer	-	-	47,058	38,571	47,058	38,571
Sanitation	-	-	16,152	15,786	16,152	15,786
Stormwater	-	-	5,755	3,367	5,755	3,367
Golf	-	-	2,915	2,439	2,915	2,439
Parking	-	-	8,842	8,059	8,842	8,059
Other	-	-	44	39	44	39
Total Expenses	298,935	233,477	112,527	99,234	411,462	332,711
Increase (Decrease) in Net Position Before Transfers	93,813	85,591	70,032	33,837	163,845	119,428
Net Transfers In/(Out)	6,294	5,689	(6,294)	(5,689)	-	-
Special Item	-	-	(3,388)	-	(3,388)	-
Increase/(Decrease) in Net Position	100,107	91,280	60,350	28,148	160,457	119,428
Net Position, October 1	(599,772)	(691,052)	391,239	363,091	(208,533)	(327,961)
Net Position, September 30	\$ (499,665)	\$ (599,772)	\$ 451,589	\$ 391,239	\$ (48,076)	\$ (208,533)

CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

GOVERNMENTAL ACTIVITIES – Governmental activities net position was \$(499.7) million. Net position increased by \$100.1 million. The following describes the changes in revenues and expenses:

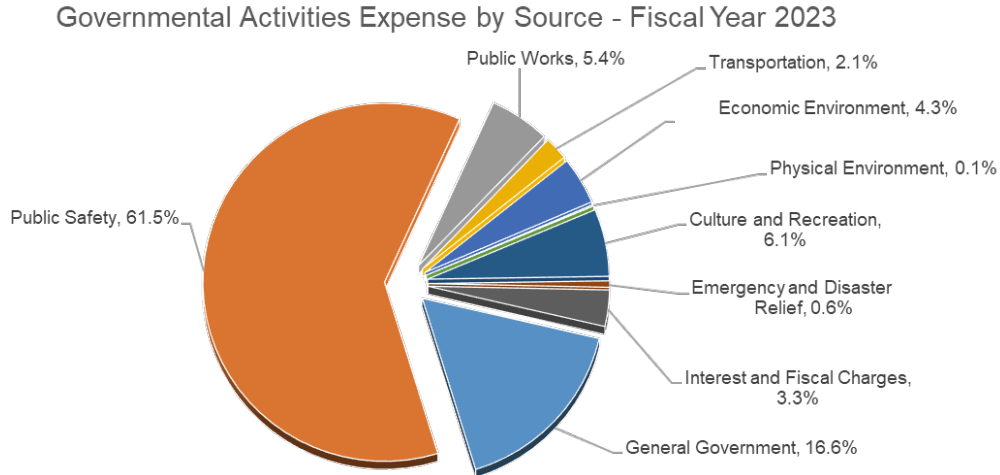
- Total revenues of \$392.7 million for governmental activities showed an overall increase of \$73.7 million primarily due to an increase in overall tax-based revenues, charges for services, investment revenues, and operating grant revenues.
- Increase in property taxes of \$18.4 million during the fiscal year due to a 11.3% increase in the taxable assessed values.
- Increase of \$10.1 million of other taxes.
- The increase of \$11.4 million in charges for services is due increased demand for engineering related permits, administrative fees, and building charges.
- Increase in operating/capital grants and contributions of \$9.2 million due to the American Rescue Plan Federal Grant, SAFER Grant (Fire Staffing), Sur-Tax Transportation Grants, and various community development grants.
- Increase in other revenue of \$23.3 million due primarily to increase in investment earnings.
- Total expenses of \$298.9 million for governmental activities showed an overall increase of \$65.4 million due to:
 - Public safety accounted for the largest increase in expense - \$36.1 million. This is primarily due to increases in the Police and Fire Pensions and operating costs.
 - The increase of \$4.1 million in Public Works expenses during fiscal year 2023 was due to increased pension costs and contractual services costs in ground maintenance and technical trades.
 - Increase of \$10.8 million in General Government due to increased pension costs, increased costs relating to Design and Construction Management, and personnel costs.
 - Increase of \$4.9 million in interest and fiscal charges due to the General Obligations Bond Series 2022.

The following chart compares program revenues for governmental activities for fiscal year 2023:



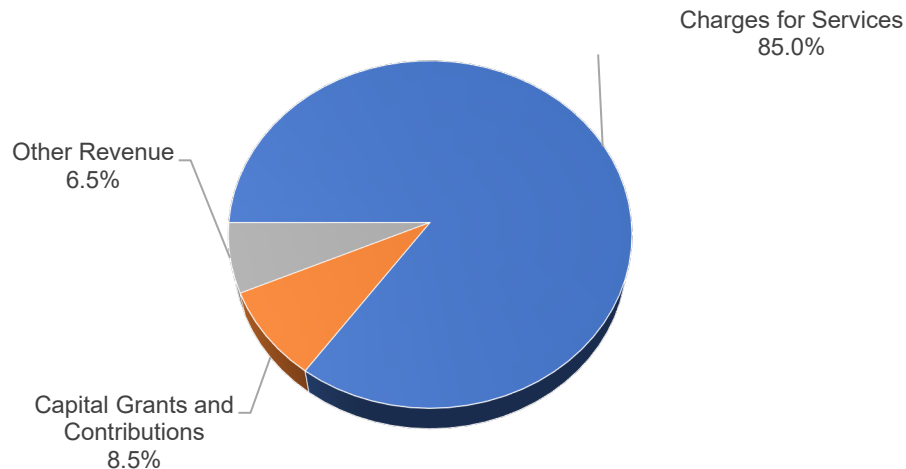
CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

The following chart illustrates expenses by source for governmental activities for fiscal year 2023.



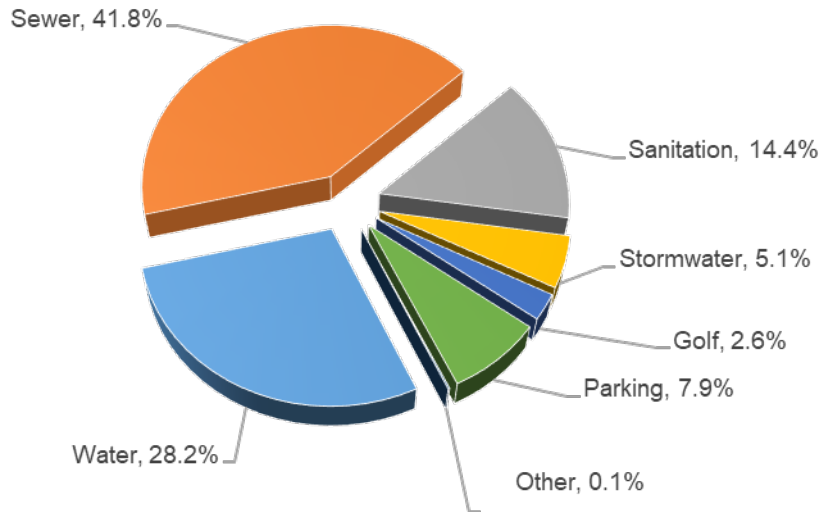
BUSINESS-TYPE ACTIVITIES – Business-type activities net position increased by approximately \$60.4 million in fiscal year 2023. The change in net position increased \$32.2 million when compared to the prior year (\$28.1 million). Depreciation charges totaled \$23.7 million; an increase of \$3.0 million from the prior year as the result of capitalized construction in process. Revenues increased by \$49.5 million and operating expenses increased by \$13.3 million from 2022 to 2023. Revenues increased due to a net investment gain of \$11.9 million, increased charges for services of \$15.9 million, and increased capital grants and contributions of \$14.3 million. Expenses increased in the water and sewer system due to increased personnel costs, increased operational costs for chemicals, supplies, repairs, various feasibility studies, assessments, and master plan studies taking place. In addition, the Water and Sewer fund incurred a contingent liability of \$3.4 million (Special Item) for ongoing litigation (large user agreement). During fiscal year 2023, business-type activities recorded capital contributions of approximately \$10.9 million. The following charts show revenues and expenses for business-type activities for fiscal year 2023.

Business-Type Revenue by Source - Fiscal Year 2023



CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

Business-Type Expense by Source - Fiscal Year 2023



FINANCIAL ANALYSIS OF CITY FUNDS

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

The General Fund is the chief operating fund of the City. At the end of fiscal year 2023, total fund balance of the General Fund was \$83.3 million and was classified as \$11.5 million committed, \$2.5 million assigned and \$69.2 million unassigned. The City's unrestricted fund balance is 30.0 percent of General Fund operating expenditures. Non-spendable, Restricted, Committed, and Assigned Fund balances comprised 6.1 percent of General Fund operating expenditures. For more information on the explanations for changes in fund balance, please refer to the next subsection of the MD&A.

The BCRA records overlapping governmental revenue and grants for financing redevelopment activity in the beach redevelopment district. Due to the multi-year nature of redevelopment activities, funds may be accumulated for the purpose of providing funding for ongoing or planned construction projects. Fund balance for this fund totaled approximately \$44.9 million at September 30, 2023 and is restricted for specified activities of the fund. Fund balance increased by \$4.8 million during the current fiscal year. Tax increment revenues increased by \$3.4 million from the prior within the BCRA. The increase is primarily related to the increase in tax increment property values within the Beach District. Property values subject to the Beach's tax increment increased from \$2.9 billion in 2022 to \$3.3 billion in 2023. The most significant operating expenses continue to be personnel costs and payments to the City for shared services (such as Police, Fire, etc.). The BCRA's capital expenditures increased by \$0.6 million primarily due ongoing construction in process.

The DCRA records overlapping governmental revenue and grants for financing redevelopment activity in the downtown redevelopment district. Due to the multi-year nature of redevelopment activities, funds may be accumulated for the purpose of providing funding for ongoing or planned construction projects. Fund balance for this fund totaled approximately \$16.3 million at September 30, 2023 and is restricted for specified activities of the fund. Fund balance increased \$3.1 million during the current fiscal year due to the increased in property tax increments. The Downtown District's property values subject to the tax increment increased from \$816.9 million in 2022 to \$981.1 million in 2023. The DCRA's expenses increased by \$2.8 million primarily due to an increase of \$3.6 million in economic environment capital

CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

expenditures offset by a reduction in debt service expenditures. The most significant capital expenditure relates to drainage projects within the DCRA's district.

The General Obligation Capital Projects Fund Series 2022 received \$89.7 million in par debt proceeds, \$4.6 million in bond premium, and \$4.3 million in investment revenues. The Fund's only expenditure relates to the cost of issuance cost of \$1.2 million. Capital costs are anticipated to begin in FY 2024.

Nonmajor governmental funds had a change in fund balance of \$38.3 million. The most significant cause for this increase in fund balance is the result of increase in revenues of \$25.3 million and increase in other financing sources of \$36.2 million offset by an increase in expenditures of \$21.5 million.

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

Unrestricted net position of the Water and Sewer Utility Fund and Other Enterprise Funds at the end of the fiscal year amounted to \$12.96 million and \$22.1 million, respectively. The Water and Sewer Utility Fund has an increase in net position of \$47.9 million. Nonmajor enterprise fund's net position increased by \$13.6 million. The Utility Funds increase is due to increased operating income that is billed via Utility Bills (Water and Sewer, Stormwater, and Sanitation) and the demand of beach and downtown parking. Enterprise Fund expenditures increased for personnel costs. In addition, supply, inflation, and the damage to the LOX system caused increased operating costs relating to contractual services, repairs, and chemicals. The City's Regional Wastewater Treatment Facility provides services to residents of the City and those of six (6) other jurisdictions in southern Broward County. The terms and conditions of these services are set in Large User Wastewater Agreements entered with those local governments.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the City revenue and expense budgets remained significantly unchanged from original budget.

Total revenues for the fiscal year were higher than the amended revenues by approximately \$22.9 million. The most significant variances were attributed to actual revenues exceeding budget by \$7.4 million for utilities and franchise taxes, \$2.7 million for intergovernmental, \$4.0 million for charges for services, \$4.5 million in investment revenue, and \$2.3 million for miscellaneous.

Overall, General Fund expenditures were less than final budgeted expenditures by \$17.0 million. This positive variance was due primarily to actual costs being less than expected; public safety for \$5.1 million, general government for \$10.4 million, public works for \$0.4, transportation for \$0.2 million, economic environment for \$0.4 million, and culture and recreation for \$1.2 million.

The General Fund's fund balance at fiscal year-end was \$83.3 million or \$4.9 million less than beginning fund balance. This is primarily due to increase in personnel costs and contractual services (increased labor costs). In addition, the American Rescue Plan allowed for governmental services to be incurred and reported within the American Rescue Plan Special Revenue Fund as part of that grant program (and not within the General Fund).

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS – The City's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to \$670.3 million (net of accumulated depreciation and amortization) as presented in Table 3. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, streets, roads, and bridges. The total increase in the City's investment in capital assets for fiscal year 2023 was 9.2% or \$56.2 million (a 12.5% increase for governmental activities and a 7.6% increase for business-type activities). The most notable governmental capital asset additions were the A1A Overhead Utility Project (CRA), Hollywood Blvd. Streetscape (CRA) Noresco Street Lighting Project, and Police Headquarters. Within business type activities, the Water and Sewer fund completed \$13.2 million in the Royal Poinciana Project – Hollywood Blvd., \$6.9 million in Royal

CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

Poinciana Sewer Projects, \$37.2 million in Deep Well Injection Wells No 3 and 4, and \$10.3 million in the Parkside Project.

Table 3
Capital Assets
As of September 30, 2023 and 2022
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 50,465	\$ 52,770	\$ 6,285	\$ 6,285	\$ 56,750	\$ 59,055
Buildings and Improvements - net	64,415	71,161	352,712	330,145	417,127	401,306
Machinery and Equipment - net	32,057	30,885	2,357	1,666	34,414	32,551
Lease - GASB 87	823	619	309	-	1,132	619
SBITA - GASB 96	6,351	249	551	-	6,902	249
Infrastructure - net	30,450	25,239	-	-	30,450	25,239
Construction in Progress	36,969	15,988	86,521	79,074	123,490	95,062
	<u>\$ 221,530</u>	<u>\$ 196,911</u>	<u>\$ 448,735</u>	<u>\$ 417,170</u>	<u>\$ 670,265</u>	<u>\$ 614,081</u>

Additional information on the City's capital assets can be found in Note 5.

LONG-TERM DEBT – At the end of fiscal year 2023, the City had total bonded debt outstanding of \$390.8 million. Of this amount, \$195.9 million is revenue bonds and loans, \$163.2 million in a general obligation note and \$10.0 million in leases and SBITA. The remainder of the City's debt represents other loans and notes secured solely by specified revenue sources.

Table 4
Outstanding Debt
As of September 30, 2023 and 2022
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligations						
Notes	\$ 163,249	\$ 81,036	\$ -	\$ -	\$ 163,249	\$ 81,036
Other Loans and Notes	800	1,581	-	-	800	1,581
Revenue Bonds and						
Loans	46,028	59,410	149,861	163,717	195,889	223,127
Lease - GASB 87	875	648	309	-	1,184	648
SBITA	5,841	-	507	-	6,348	-
Financed Purchases	1,763	3,683	729	1,409	2,492	5,092
	<u>218,556</u>	<u>146,358</u>	<u>151,406</u>	<u>165,126</u>	<u>369,962</u>	<u>311,484</u>
Premium/(Discount)	14,676	11,693	6,123	7,024	20,799	18,717
Total Outstanding	<u>\$ 233,232</u>	<u>\$ 158,051</u>	<u>\$ 157,529</u>	<u>\$ 172,150</u>	<u>\$ 390,761</u>	<u>\$ 330,201</u>

During fiscal year 2023, the City's total debt increased by \$60.6 million. Governmental activities' total debt increased by \$75.1 million. The increase in governmental activities debt is mainly due to the issuance of the Series 2022 General Obligation Bonds less normal reoccurring debt service payments. Business-type activities had a net decrease in total debt of \$14.6 million. The decrease is due to recurring debt service payments.

The City achieved an "AA-" rating from Fitch and "Aa3" from Moody's for its most recent borrowing, the \$84,800,000 General Obligation Bonds, Series 2022. The City's Water and Sewer Revenue bonds achieved an "AA" rating from Fitch in August 2023.

CITY OF HOLLYWOOD, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited – See accompanying independent auditors' report)

The City implemented GASB 96 – Subscription Based Information Technology Arrangements (SBITA) during fiscal year 2023. As such, the City recognized several SBITA liabilities (and related capital assets).

Additional information on the City's capital leases and long-term debt can be found in Notes 8 - 10 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At September 30, 2023, inflation, rising interest rates, rising energy costs, supply chain issues, and overall economic instability continue to cause increased cost across all operations. Property taxes and demand for housing in South Florida have helped in the financial stability of the City. However, property insurance costs have risen and may reduce future demand for South Florida properties.

All these factors were considered in preparing the City's budget for fiscal year 2024. The budget was also developed using conservative assumptions of revenues and moderate growth for expenditures. The City adopted a budget that is \$103.2 million or 15.7% higher than the previous year. The increase is largely attributable to improving existing services, security enhancements, workforce investment, technology upgrade and increases in the capital improvement plan. The City adopted an operating millage rate of 7.4665 which is the same as 2023. As a result of a 11.18% increase in the City's taxable property values, property tax revenues are expected to increase to \$167.0 million from \$149.1 million.

REQUESTS FOR INFORMATION

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

(THIS PAGE INTENTIONALLY LEFT BLANK)

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-type Activities	Total	Component Unit Emerald Hills Safety District
ASSETS:				
Cash	\$ 592,560	\$ 103,130	\$ 695,690	\$ 60,138
Investments	339,042,506	182,159,816	521,202,322	-
Accounts Receivable - Net of Allowances	5,151,655	12,871,197	18,022,852	1,657
Notes Receivable - Net of Allowances	6,592,036	-	6,592,036	-
Lease Receivable - GASB 87	58,688,499	-	58,688,499	-
Reinsurance Receivable	1,190,778	-	1,190,778	-
Due from Other Governments	7,263,937	135,303	7,399,240	-
Internal Balances	(5,274,057)	5,274,057	-	-
Inventories of Supplies	319,062	1,165,463	1,484,525	-
Prepaid Items	916,080	1,250	917,330	-
Assets Held for Sale	520,626	-	520,626	-
Restricted Assets:				
Investments	156,413,336	135,008,584	291,421,920	-
Assessments - Net of Allowances	-	1,063,636	1,063,636	-
Capital Assets:				
Non Depreciable	87,433,578	92,806,552	180,240,130	-
Depreciable - Net	126,922,183	355,068,552	481,990,735	-
Right to Use Assets - net	822,890	309,578	1,132,468	-
Right to Use - IT Subscription - Net	6,350,904	550,607	6,901,511	-
TOTAL ASSETS	792,946,573	786,517,725	1,579,464,298	61,795
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflow General Employees	55,797,292	22,601,595	78,398,887	-
Deferred Outflow Police	66,236,808	-	66,236,808	-
Deferred Outflow Fire	80,173,267	-	80,173,267	-
Deferred Outflow FRS	240,482	-	240,482	-
Deferred Outflow for OPEB	34,384,863	11,474,147	45,859,010	-
SWAP	-	-	-	-
Deferred Charge on Refunding	718,945	358,072	1,077,017	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	237,551,657	34,433,814	271,985,471	-
LIABILITIES:				
Vouchers Payable	13,583,710	14,630,955	28,214,665	-
Accrued Wages	5,424,344	754,274	6,178,618	-
Retainage Payable	1,348,449	476,822	1,825,271	-
Due to Other Governments	27,512	3,389,783	3,417,295	-
Interest Payable	2,293,065	9,209	2,302,274	-
Unearned Revenue	33,077,881	1,675,755	34,753,636	-
Deposits Payable	627,989	32,981	660,970	-
Payable from Restricted Assets:				
Construction Contracts	-	4,774,220	4,774,220	-
Interest Payable	-	471,932	471,932	-
Deposits	-	8,827,045	8,827,045	-

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

(Continued)

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Governmental Activities	Business-type Activities	Total	Component Unit Emerald Hills Safety District
LIABILITIES (Continued):				
Noncurrent Liabilities:				
Due Within One Year:				
Compensated Absences	\$ 8,360,229	\$ 730,113	\$ 9,090,342	\$ -
Claims Payable	7,193,659	-	7,193,659	-
Bonds, Financed Purchases, and Loans Payable	24,026,545	12,943,319	36,969,864	-
Lease Liability	363,149	123,708	486,857	-
Total Other Postemployment Benefits Liability	12,972,477	2,538,499	15,510,976	-
SBITA Liability	1,964,164	148,551	2,112,715	-
Due in More Than One Year:				
Compensated Absences	12,432,859	1,984,340	14,417,199	-
Claims Payable	11,334,136	-	11,334,136	-
Bonds and Loans Payable	202,489,798	143,769,920	346,259,718	-
Lease Liability	511,459	185,177	696,636	-
SBITA Liability	3,876,811	358,555	4,235,366	-
Net Pension Liability				
Net Pension Liability General Employees	169,055,716	67,962,993	237,018,709	-
Net Pension Liability Police	266,155,259	-	266,155,259	-
Net Pension Liability Fire	217,678,086	-	217,678,086	-
Net Pension Liability FRS	977,812	-	977,812	-
Total Other Postemployment Benefits Liability	262,764,566	51,418,491	314,183,057	-
TOTAL LIABILITIES	1,258,539,675	317,206,642	1,575,746,317	-
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflow General Employees	4,946,392	4,618,679	9,565,071	-
Deferred Inflow Police	2,987,493	-	2,987,493	-
Deferred Inflow Fire	-	-	-	-
Deferred Inflow FRS	131,110	-	131,110	-
Deferred Inflow for OPEB Liability	206,023,732	47,536,779	253,560,511	-
Deferred Inflow for Leases	57,535,484	-	57,535,484	-
TOTAL DEFERRED INFLOWS OF RESOURCES	271,624,211	52,155,458	323,779,669	-
NET POSITION:				
Net Investment in Capital Assets	147,119,663	287,789,521	434,909,184	-
Restricted for:				
Future Capital Projects	21,998,465	106,792,463	128,790,928	-
Future Debt Service	996,631	4,142,924	5,139,555	-
Future Grants and Special Programs	9,212,830	-	9,212,830	-
Future Community Redevelopment	41,256,524	-	41,256,524	-
Building operations	25,230,990	-	25,230,990	-
Water and Sewer Rate Stabilization Reserve	-	10,000,000	10,000,000	-
Future Other Purposes	520,626	-	520,626	-
Unrestricted (Deficit)	(746,001,385)	42,864,531	(703,136,854)	61,795
TOTAL NET POSITION	\$ (499,665,656)	\$ 451,589,439	\$ (48,076,217)	\$ 61,795

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

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Emerald Hills Safety District
FUNCTIONS/PROGRAMS:								
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES:								
General Government	\$ 49,739,193	\$ 19,830,635	\$ 1,396,543	\$ 540,851	\$ (27,971,164)	\$ -	\$ (27,971,164)	\$ -
Public Safety:								
Police	101,200,652	2,505,346	1,548,724	2,953,264	(94,193,318)	-	(94,193,318)	-
Fire	73,243,380	39,275,963	3,322,826	561,428	(30,083,163)	-	(30,083,163)	-
Other Public Safety	9,490,053	19,906,775	-	-	10,416,722	-	10,416,722	-
Public Works	16,093,410	-	-	-	(16,093,410)	-	(16,093,410)	-
Transportation	6,305,712	-	1,230,516	5,679,897	604,701	-	604,701	-
Economic Environment	12,767,112	303,008	8,020,822	-	(4,443,282)	-	(4,443,282)	-
Physical Environment	379,944	707,337	125,500	-	452,893	-	452,893	-
Culture and Recreation	18,172,426	1,930,441	1,435,172	2,482,277	(12,324,536)	-	(12,324,536)	-
Emergency and Disaster Relief	1,738,755	-	1	-	(1,738,754)	-	(1,738,754)	-
Interest and Fiscal Charges	9,804,990	-	-	-	(9,804,990)	-	(9,804,990)	-
Total Governmental Activities	298,935,627	84,459,505	17,080,104	12,217,717	(185,178,301)	-	(185,178,301)	-
BUSINESS-TYPE ACTIVITIES:								
Water	31,761,461	48,410,653	-	1,579,148	-	18,228,340	18,228,340	-
Sewer	47,057,905	60,835,417	-	13,985,133	-	27,762,645	27,762,645	-
Sanitation	16,152,510	20,421,894	-	-	-	4,269,384	4,269,384	-
Stormwater	5,755,317	9,247,191	-	-	-	3,491,874	3,491,874	-
Golf	2,914,644	2,523,674	-	-	-	(390,970)	(390,970)	-
Parking	8,842,333	13,626,374	-	-	-	4,784,041	4,784,041	-
Other	43,971	33,171	-	-	-	(10,800)	(10,800)	-
Total Business-type Activities	112,528,141	155,098,374	-	15,564,281	-	58,134,514	58,134,514	-
Total Primary Government	\$ 411,463,768	\$ 239,557,879	\$ 17,080,104	\$ 27,781,998	(185,178,301)	58,134,514	(127,043,787)	-
Component Unit								
Emerald Hills Safety District	\$ 130,193	\$ -	\$ -	\$ -	-	-	-	(130,193)
General Revenues:								
Taxes:								
Property Taxes Levied for General Purpose					127,152,414	-	127,152,414	-
Property Taxes Levied for Debt Service					13,929,073	-	13,929,073	-
Property Taxes Incremental					43,353,670	-	43,353,670	-
Utility Service Taxes					25,099,898	-	25,099,898	-
Franchise Taxes					17,825,381	-	17,825,381	-
Sales Tax					12,899,347	-	12,899,347	-
Gas Tax					2,727,975	-	2,727,975	-
Local Business Tax					2,422,526	-	2,422,526	130,748
Miscellaneous					5,865,413	-	5,865,413	-
Gain (loss) on sale of capital asset					-	2,865	2,865	-
Unrestricted investment earnings					18,572,731	11,894,842	30,467,573	329
Noncapital Other Contributions					9,142,342	-	9,142,342	-
Transfers					6,293,828	(6,293,828)	-	-
Total General Revenues and Transfers					285,284,598	5,603,879	290,888,477	131,077
Special Item								
Large User Lawsuit Settlement					-	(3,387,820)	(3,387,820)	-
Change in Net Position					100,106,297	60,350,573	160,456,870	884
Net Position - Beginning					(599,771,953)	391,238,866	(208,533,087)	60,911
Net Position - Ending					\$ (499,665,656)	\$ 451,589,439	\$ (48,076,217)	\$ 61,795

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

CITY OF HOLLYWOOD, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General	General Obligation Bond Capital Projects Series 2022	Beach Community Redevelopment	Downtown Community Redevelopment	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash	\$ 12,300	\$ -	\$ 200	\$ 200	\$ 20,200	\$ 32,900
Investments	81,603,234	-	40,100,180	17,533,287	134,055,222	273,291,923
Accounts Receivable - Net of Allowances	5,000,407	-	9,089	3,282	107,749	5,120,527
Notes Receivable - Net of Allowances	-	-	-	-	36,460,178	36,460,178
Lease Receivable - GASB 87	58,688,499	-	-	-	-	58,688,499
Due from Other Funds	4,189,123	-	-	144,000	-	4,333,123
Due from Other Governments	3,457,113	-	-	-	3,806,824	7,263,937
Inventories of Supplies	119,857	-	-	-	-	119,857
Prepaid Items	5,972	-	24,411	-	-	30,383
Assets Held for Sale	-	-	-	-	520,626	520,626
Restricted Assets:						
Investments	-	97,376,804	7,044,868	-	51,985,794	156,407,466
Total Assets	<u>\$ 153,076,505</u>	<u>\$ 97,376,804</u>	<u>\$ 47,178,748</u>	<u>\$ 17,680,769</u>	<u>\$ 226,956,593</u>	<u>\$ 542,269,419</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
LIABILITIES:						
Vouchers Payable	\$ 2,440,088	\$ 8,550	\$ 1,747,934	\$ 1,243,928	\$ 7,296,828	\$ 12,737,328
Accrued Wages and Leave	4,579,291	-	88,399	31,923	542,826	5,242,439
Construction Contracts Payable	-	-	492,038	-	726,941	1,218,979
Due to Other Funds	-	-	-	-	1,767,152	1,767,152
Due to Other Governments	-	-	-	-	27,512	27,512
Unearned Revenue	2,132,779	-	-	-	27,542,092	29,674,871
Deposits Payable	504,022	-	-	3,577	120,390	627,989
Payable from Restricted Assets:						
Construction Contracts Payable	-	-	-	129,470	-	129,470
Total Liabilities	<u>9,656,180</u>	<u>8,550</u>	<u>2,328,371</u>	<u>1,408,898</u>	<u>38,023,741</u>	<u>51,425,740</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable or Advanced Revenue	2,549,926	-	-	-	39,725,827	42,275,753
Deferred Inflow for Leases	57,535,484	-	-	-	-	57,535,484
Total Deferred Inflows of Resources	<u>60,085,410</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,725,827</u>	<u>99,811,237</u>
FUND BALANCES:						
Nonspendable	125,829	-	24,411	-	-	150,240
Restricted	-	97,368,254	44,825,966	16,271,871	88,983,918	247,450,009
Committed	11,548,550	-	-	-	59,290,000	70,838,550
Assigned	2,495,478	-	-	-	2,530,649	5,026,127
Unassigned	69,165,058	-	-	-	(1,597,542)	67,567,516
Total Fund Balances	<u>83,334,915</u>	<u>97,368,254</u>	<u>44,850,377</u>	<u>16,271,871</u>	<u>149,207,025</u>	<u>391,032,442</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
	<u>\$ 153,076,505</u>	<u>\$ 97,376,804</u>	<u>\$ 47,178,748</u>	<u>\$ 17,680,769</u>	<u>\$ 226,956,593</u>	<u>\$ 42,269,419</u>

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

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		\$ 391,032,442
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		207,383,631
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	(222,655,913)	
Pension Settlement Accrued Expenses		
Net premium on bonds		
Compensated absences	(19,937,372)	
Accrued interest payable	(2,240,709)	
OPEB	(265,903,155)	
Net pension liability - General Pension	(151,175,534)	
Net pension liability - Police	(266,155,259)	
Net pension liability - Fire	(217,678,086)	
Net pension liability - FRS	(977,812)	
Total long term liabilities		(1,146,723,840)
Unavailable revenues that meet the criteria for recognition in the Statement of Activities.		9,004,601
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	718,945	
Deferred outflows of resources relating to the General Employees Pension	49,630,321	
Deferred outflows of resources relating to the Police Pension	66,236,808	
Deferred outflows of resources relating to the Fire Pension	80,173,267	
Deferred outflows of resources relating to the FRS Pension	240,482	
Deferred outflows of resources relating to OPEB	32,371,971	
Deferred inflows of resources relating to the General Employees Pension	(847,577)	
Deferred inflows of resources relating to the Police Pension	(2,987,493)	
Deferred inflows of resources relating to the Fire Pension	-	
Deferred inflows of resources relating to the FRS Pension	(131,110)	
Deferred inflows of resources relating to OPEB	(194,493,607)	
		30,912,007
Internal service funds are used by management to charge the costs of fleet management, property management, central services, self insurance, and communications to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		16,565,531
Adjustment to the Enterprise Funds for Internal Services Look-back		(7,840,028)
Net position of governmental activities		<u>\$ (499,665,656)</u>

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

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General	General Obligation Bond Capital Projects Series 2022	Beach Community Redevelopment	Downtown Community Redevelopment	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Property Taxes	\$ 127,005,879	\$ -	\$ 17,057,501	\$ 6,975,297	\$ 13,929,073	\$ 164,967,750
Utilities Service Taxes	25,099,898	-	-	-	-	25,099,898
Franchise Taxes	17,825,381	-	-	-	-	17,825,381
Licenses and Permits	2,450,337	-	-	-	11,807,040	14,257,377
Intergovernmental	22,348,969	-	13,650,188	5,670,684	27,844,077	69,513,918
Impact Fees	-	-	-	-	2,173,670	2,173,670
Charges for Services	67,647,300	-	-	-	4,120,686	71,767,986
Fines and Forfeitures	-	-	-	-	395,857	395,857
Investment Revenue	4,622,122	4,339,544	2,443,909	796,080	3,836,202	16,037,857
Miscellaneous	4,984,379	-	156,545	42,456	631,699	5,815,079
Total Revenues	<u>271,984,265</u>	<u>4,339,544</u>	<u>33,308,143</u>	<u>13,484,517</u>	<u>64,738,304</u>	<u>387,854,773</u>
EXPENDITURES:						
Current:						
General Government	28,820,653	-	12,680,706	5,485,007	1,952,729	48,939,095
Public Safety	166,209,642	-	-	-	16,043,349	182,252,991
Public Works	15,484,302	-	-	-	-	15,484,302
Transportation	2,441,358	-	-	-	3,837,897	6,279,255
Economic Environment	2,866,487	-	885,205	217,517	4,231,081	8,200,290
Physical Environment	-	-	-	203,354	176,590	379,944
Culture and Recreation	12,401,187	-	43,009	-	3,450,248	15,894,444
Emergency and Disaster Relief	-	-	-	-	1,737,548	1,737,548
Capital Outlay:						
General Government	530,470	-	774,832	-	2,316,193	3,621,495
Public Safety	351,334	-	-	-	10,291,787	10,643,121
Transportation	-	-	4,499,439	520	7,136,390	11,636,349
Economic Environment	-	-	206,122	5,217,648	2,458,961	7,882,731
Physical Environment	-	-	829,058	-	681,789	1,510,847
Culture and Recreation	-	-	1,328,501	-	4,600,375	5,928,876
Debt Service:						
Principal	1,738,600	-	6,698,574	697,560	12,265,815	21,400,549
Interest and Fiscal Charges	126,253	1,217,118	530,265	27,050	7,826,879	9,727,565
Total Expenditures	<u>230,970,286</u>	<u>1,217,118</u>	<u>28,475,711</u>	<u>11,848,656</u>	<u>79,007,631</u>	<u>351,519,402</u>
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	<u>41,013,979</u>	<u>3,122,426</u>	<u>4,832,432</u>	<u>1,635,861</u>	<u>(14,269,327)</u>	<u>36,335,371</u>

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

(Continued)

(Continued)

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>General</u>	<u>General Obligation Bond Capital Projects Series 2022</u>	<u>Beach Community Redevelopment</u>	<u>Downtown Community Redevelopment</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
OTHER FINANCING SOURCES (USES):						
Transfers In	\$ 7,091,562	\$ -	\$ -	\$ -	\$ 49,826,747	\$ 56,918,309
Transfers Out	(53,784,335)		-	-	(694,970)	(54,479,305)
Sale of Assets	24,827	-	-	1,489,500	1,374,139	2,888,466
Lease (right-of-use asset) Acquired	513,000		-	-	-	513,000
SBITA	197,230	-	-		2,067,000	2,264,230
Debt Issued - Principal		89,660,000				89,660,000
Debt Issued - Premium	-	4,584,677	-		-	4,584,677
Total Other Financing Sources (Uses)	<u>(45,957,716)</u>	<u>94,244,677</u>	<u>-</u>	<u>1,489,500</u>	<u>52,572,916</u>	<u>102,349,377</u>
Change in Fund Balances	(4,943,737)	97,367,103	4,832,432	3,125,361	38,303,589	138,684,748
Fund Balances - Beginning	88,278,652	1,151	40,017,945	13,146,510	110,903,436	252,347,694
Fund Balances - Ending	<u>\$ 83,334,915</u>	<u>\$ 97,368,254</u>	<u>\$ 44,850,377</u>	<u>\$ 16,271,871</u>	<u>\$ 149,207,025</u>	<u>\$ 391,032,442</u>

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

CITY OF HOLLYWOOD, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Net change in fund balance - total governmental funds	\$ 138,684,748
---	----------------

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	\$ 38,433,479	
Lease and SBITA	2,720,000	
Deletions	(3,627,589)	
Amortization expense	(767,377)	
Depreciation expense	<u>(13,069,650)</u>	
Excess of capital outlay over depreciation expense		23,688,863

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	20,971,068	
Loan Proceeds	(92,437,230)	
Lease Principal	429,481	
Bond premium	(4,584,677)	
Acquisition of Lease and SBITA	-	
Amortization of unamortized refunding costs	(276,396)	
Amortization of net bond premium(s)	1,547,949	
OPEB	<u>30,080,157</u>	
Total long term-debt retirement and related transactions		(44,269,648)

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	(3,094,138)	
Increase in accrued interest expense	<u>(947,374)</u>	
Total additional expense		(4,041,512)

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

General employee pension	(5,272,617)	
Police pension	(4,811,092)	
Fire Pension	(7,308,346)	
FRS Pension	<u>(77,862)</u>	
		(17,469,917)

Unearned revenue that meet the revenue recognition criteria in the Statement of Activities, but not the fund statements, i.e. property taxes.	895,429.00
---	------------

Internal funds are used by management to charge the costs of fleet management, property management, central services, self insurance, and communications to individual funds.

Internal Service Funds Change in Net Position	1,500,018.00	
Look-Back adjustment	<u>1,118,316.00</u>	
		2,618,334

Change in net position of governmental activities	<u><u>\$ 100,106,297</u></u>
---	------------------------------

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

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Utility	Other Enterprise Funds	Total	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
ASSETS:				
CURRENT ASSETS:				
Cash	\$ 700	\$ 102,430	\$ 103,130	\$ 559,660
Investments	123,955,693	58,204,123	182,159,816	65,750,583
Accounts Receivable - Net of Allowances	8,862,646	4,008,551	12,871,197	31,128
Reinsurance Receivable	-	-	-	1,190,778
Due from Other Governments	135,303	-	135,303	-
Inventories of Supplies	1,165,463	-	1,165,463	199,205
Prepaid Items	-	1,250	1,250	885,697
Restricted Assets:				
Investments	12,948,972	1,124,225	14,073,197	5,870
Total Current Assets	<u>147,068,777</u>	<u>63,440,579</u>	<u>210,509,356</u>	<u>68,622,921</u>
NONCURRENT ASSETS:				
Restricted Assets:				
Investments	120,935,387	-	120,935,387	-
Total Restricted Assets	<u>120,935,387</u>	<u>-</u>	<u>120,935,387</u>	<u>-</u>
Capital Assets:				
Land	3,697,837	2,587,662	6,285,499	-
Buildings	51,197,766	51,374,197	102,571,963	1,141,350
Improvements	700,638,325	22,371,415	723,009,740	-
Machinery and Equipment	6,557,874	4,044,252	10,602,126	45,753,060
Accumulated Depreciation	(443,671,091)	(37,444,186)	(481,115,277)	(37,294,120)
Construction in Progress	80,093,023	6,428,030	86,521,053	-
Right to Use - Subscription Asset	621,116	63,420	684,536	5,214,701
Accumulated Amortization - Subscription Asset	(110,200)	(23,729)	(133,929)	(669,067)
Right to Use - Leased equipment	-	388,284	388,284	-
Accumulated Amortization - Right to Use - Leased Equipment	-	(78,706)	(78,706)	-
Total Capital Assets	<u>399,024,650</u>	<u>49,710,639</u>	<u>448,735,289</u>	<u>14,145,924</u>
Other Assets:				
Assessments - Net of Allowances	1,063,636	-	1,063,636	-
Total Noncurrent Assets	<u>521,023,673</u>	<u>49,710,639</u>	<u>570,734,312</u>	<u>14,145,924</u>
Total Assets	<u>668,092,450</u>	<u>113,151,218</u>	<u>781,243,668</u>	<u>82,768,845</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflow - General Employees Pension	14,368,248	8,233,347	22,601,595	6,166,971
Deferred Outflow for OPEB	4,590,869	6,883,278	11,474,147	2,012,892
Deferred Charge on Refunding	358,072	-	358,072	-
Total Deferred Outflows of Resources	<u>19,317,189</u>	<u>15,116,625</u>	<u>34,433,814</u>	<u>8,179,863</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>687,409,639</u>	<u>128,267,843</u>	<u>815,677,482</u>	<u>90,948,708</u>

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

(Continued)

(Continued)

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Utility	Other Enterprise Funds	Total	
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:				
LIABILITIES:				
CURRENT LIABILITIES:				
Vouchers Payable	\$ 11,808,951	\$ 2,822,004	\$ 14,630,955	\$ 846,382
Accrued Wages and Leave	577,382	176,892	754,274	181,905
Compensated Absences	479,030	251,083	730,113	586,961
Construction Contracts	-	476,822	476,822	-
Due to Other Funds	-	2,565,971	2,565,971	-
Due to Other Governments	3,387,820	1,963	3,389,783	-
Interest Payable	-	9,209	9,209	52,356
Claims Payable	-	-	-	7,193,659
Unearned Revenue	-	1,675,755	1,675,755	-
Deposits Payable	-	32,981	32,981	-
Payable from Restricted Assets:				
Matured Bonds and Interest	471,932	-	471,932	-
Construction Contracts	4,774,220	-	4,774,220	-
Deposits	7,702,820	1,124,225	8,827,045	-
Bonds Payable - Net	2,306,880	16,573	2,323,453	347,972
Financed Purchases	445,514	283,943	729,457	1,683,747
Short Term - Total Other Postemployment Benefits Obligation	1,832,339	706,160	2,538,499	462,651
Short Term - Subscription Liability	135,912	12,639	148,551	1,520,494
Short Term - Lease Liability	-	123,708	123,708	-
Loans Payable	9,640,479	249,930	9,890,409	629,130
Total Current Liabilities	43,563,279	10,529,858	54,093,137	13,505,257
NONCURRENT LIABILITIES:				
Accrued Wages and Leave	1,742,390	241,950	1,984,340	268,755
Claims Payable	-	-	-	11,334,136
Bonds Payable - Net	37,051,333	126,057	37,177,390	2,733,210
Financed Purchases	-	-	-	75,077
Loans Payable	105,996,665	595,865	106,592,530	1,100,651
Other Postemployment Benefits Obligation	37,115,033	14,303,458	51,418,491	9,371,237
Net Pension Liability - General Employees Pension	49,394,445	18,568,548	67,962,993	17,880,182
Long Term - Subscription Liability	-	27,914	27,914	2,485,732
Long Term - Lease Liability	330,641	185,177	515,818	-
Total Noncurrent Liabilities	231,630,507	34,048,969	265,679,476	45,248,980
Total Liabilities	275,193,786	44,578,827	319,772,613	58,754,237
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflow for OPEB Liability	34,184,811	13,351,968	47,536,779	11,530,125
Deferred Inflow - General Employees Pension	4,237,624	381,055	4,618,679	4,098,815
Total Deferred Inflows	38,422,435	13,733,023	52,155,458	15,628,940
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	313,616,221	58,311,850	371,928,071	74,383,177
NET POSITION:				
Net Investment in Capital Assets	239,897,863	47,891,658	287,789,521	3,684,744
Restricted for:				
Future Capital Projects	106,792,463	-	106,792,463	-
Future Debt Service	4,142,924	-	4,142,924	-
Rate Stabilization	10,000,000	-	10,000,000	-
Unrestricted	12,960,168	22,064,335	35,024,503	12,880,787
TOTAL NET POSITION	\$ 373,793,418	\$ 69,955,993	\$ 443,749,411	\$ 16,565,531

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

CITY OF HOLLYWOOD, FLORIDA
RECONCILIATION OF THE STATEMENT OF NET POSITION OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

Net Position - Proprietary Funds	\$ 443,749,411
Adjustment to Enterprise Funds for Internal Service Funds look-back	<u>7,840,028</u>
Net Position of Business-type Activities	<u><u>\$ 451,589,439</u></u>

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

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Utility	Other Enterprise Funds	Total	
OPERATING REVENUES:				
Charges for Sales and Services	\$ 108,732,311	\$ 43,276,212	\$ 152,008,523	\$ 65,453,916
Fines and Forfeitures	-	2,034,363	2,034,363	-
Miscellaneous	513,759	541,729	1,055,488	4,698,111
Total Operating Revenues	109,246,070	45,852,304	155,098,374	70,152,027
OPERATING EXPENSES:				
Personal Services and Benefits	16,043,612	6,438,033	22,481,645	3,624,904
Supplies, Services and Claims	38,052,158	24,216,312	62,268,470	66,128,703
Depreciation and Amortization	21,088,848	2,650,636	23,739,484	5,296,743
Total Operating Expenses	75,184,618	33,304,981	108,489,599	75,050,350
Operating Income (Loss)	34,061,452	12,547,323	46,608,775	(4,898,323)
NONOPERATING REVENUES/(EXPENSES):				
Investment Revenue	9,918,593	1,976,249	11,894,842	2,534,874
Interest Expense	(2,478,043)	(58,457)	(2,536,500)	(401,604)
Gain/Loss on Capex Disposals	(382,675)	2,865	(379,810)	71,049
Other Income (Expense)	(1,050)	-	(1,050)	339,198
Total Nonoperating Revenues/(Expenses)	7,056,825	1,920,657	8,977,482	2,543,517
Income (Loss) Before Contributions, Transfers, and Special Item	41,118,277	14,467,980	55,586,257	(2,354,806)
CAPITAL CONTRIBUTIONS, GRANTS, AND IMPACT FEES:				
Capital Contributions - Large Users	10,498,179	-	10,498,179	-
Impact Fees	5,032,009	-	5,032,009	-
Intergovernmental	34,093	-	34,093	-
	15,564,281	-	15,564,281	-
TRANSFERS IN (OUT):				
Transfers In	350,882	-	350,882	4,893,689
Transfers Out	(5,744,027)	(900,683)	(6,644,710)	(1,038,865)
Total Transfers In (Out)	(5,393,145)	(900,683)	(6,293,828)	3,854,824
SPECIAL ITEM:				
Large User Legal Settlement	(3,387,820)	-	(3,387,820)	-
Change in Net Position	47,901,593	13,567,297	61,468,890	1,500,018
Net Position - Beginning	325,891,825	56,388,696	382,280,521	15,065,513
Net Position - Ending	\$ 373,793,418	\$ 69,955,993	\$ 443,749,411	\$ 16,565,531

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

CITY OF HOLLYWOOD, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Net Change in Net Position - Proprietary Funds	\$ 61,468,890
Net revenue of the Internal Service Funds (funds used to charge the costs of certain activities to individual funds) is reported with Governmental Activities. Consolidated adjustment to Enterprise Funds for Internal Service Funds look-back	<u>(1,118,317)</u>
Changes in Net Position of Business-type Activities	<u><u>\$ 60,350,573</u></u>

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

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Utility	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers, Employees and Other Governments	\$ 99,974,766	\$ 46,904,362	\$ 146,879,128	\$ 69,492,758
Cash Received from Other Funds	-	-	-	
Payments to Suppliers for Goods and Services	(27,925,693)	(25,126,917)	(53,052,610)	(30,977,750)
Payments to Employees for Services	(23,038,080)	(6,505,481)	(29,543,561)	(8,100,123)
Payments for Claims and Judgments				(33,004,572)
Other Operating Receipts (Payments)	(113,217)	277,861	164,644	-
Net Cash Provided (Used) by Operating Activities	<u>48,897,776</u>	<u>15,549,825</u>	<u>64,447,601</u>	<u>(2,589,687)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers In	350,882	-	350,882	4,893,689
Transfers Out	(5,744,027)	(900,683)	(6,644,710)	(1,038,865)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(5,393,145)</u>	<u>(900,683)</u>	<u>(6,293,828)</u>	<u>3,854,824</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from Bonds and Other Borrowings - Net	1,619,405	-	1,619,405	-
Principal Paid on Bonds, Notes and Equipment Contracts	(15,714,582)	(612,543)	(16,327,125)	(3,658,739)
Interest Paid on Bonds, Notes and Equipment Contracts	(3,302,360)	(65,130)	(3,367,490)	(493,225)
Proceeds from Sale of Equipment	17,325	2,865	20,190	226,637
Acquisition and Construction of Capital Assets	(50,592,945)	(8,796,915)	(59,389,860)	(1,456,214)
Cash Contributed from Customers, Other Funds and Governments	15,564,281	-	15,564,281	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(52,408,876)</u>	<u>(9,471,723)</u>	<u>(61,880,599)</u>	<u>(5,381,541)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Revenue	9,918,594	1,976,249	11,894,843	2,534,873
Net Cash Provided (Used) by Investing Activities	<u>9,918,594</u>	<u>1,976,249</u>	<u>11,894,843</u>	<u>2,534,873</u>
Net Increase (Decrease) in Cash	1,014,349	7,153,668	8,168,017	(1,581,531)
Cash - October 1	256,826,403	52,277,110	309,103,513	67,897,644
Cash - September 30	<u>\$ 257,840,752</u>	<u>\$ 59,430,778</u>	<u>\$ 317,271,530</u>	<u>\$ 66,316,113</u>

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

(Continued)

(Continued)

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water and Sewer Utility	Other Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 34,061,452	\$ 12,547,323	\$ 46,608,775	\$ (4,898,323)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	21,088,848	2,650,636	23,739,484	5,296,743
Provision for Uncollectible Accounts		-	-	-
Other Noncash Expenses - Pension and OPEB	(7,796,122)	(198,485)	(7,994,607)	(4,092,790)
Change in Assets, Liabilities and Deferred Inflows/Outflows:				
(Increase) Decrease in Accounts Receivable	(1,233,859)	(683,938)	(1,917,797)	(659,269)
(Increase) Decrease in Due to Other Funds		277,861	277,861	-
(Increase) Decrease in Due from Other Governments	(113,217)	-	(113,217)	-
(Increase) Decrease in Inventory	(548,590)	-	(548,590)	10,291
(Increase) Decrease in Prepaid Items	-	-	-	(724,410)
Increase (Decrease) in Vouchers Payable	10,675,056	836,999	11,512,055	252,850
Increase (Decrease) in Accrued Expenses	801,653	(1,614,140)	(812,487)	(382,429)
Increase (Decrease) in Claims Payable	-	-	-	2,607,650
Increase (Decrease) in Due to Other Governments	-	(2,427)	(2,427)	-
Increase (Decrease) in Unearned Revenue	-	1,675,755	1,675,755	-
Increase (Decrease) in Deposits Payable	(8,037,445)	60,241	(7,977,204)	-
Total Adjustments	14,836,324	3,002,502	17,838,826	2,308,636
Net Cash Provided (Used) by Operating Activities	\$ 48,897,776	\$ 15,549,825	\$ 64,447,601	\$ (2,589,687)

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

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	Total Pension Plans
<hr/>	
ASSETS:	
Investments	
U. S. Government Securities	\$ 51,345,838
Money Market Funds	17,500,872
Corporate Equities	498,649,841
Corporate Bonds and Other	17,749,194
Real Estate Funds	121,187,390
Asset Backed Securities	2,670,010
Private Credit Funds	40,375,184
Private Equity Funds	46,393,352
Hedge Funds	22,426,811
Alternative Investments	3,421,978
Mutual Funds	188,341,130
Pooled Investment Funds	97,284,040
Total Investments	1,107,345,640
DROP Loan Receivable	977,521
Interest Receivable	684,747
Employee and Participant Loan Receivable	33,918
Accounts Receivable	1,246,437
Prepaid Items	39,211
Non Depreciable	1,398,000
TOTAL ASSETS	1,111,725,474
<hr/>	
LIABILITIES:	
Vouchers Payable	3,802,734
TOTAL LIABILITIES	3,802,734
<hr/>	
NET POSITION:	
Restricted for Pension Benefits	\$ 1,107,922,740
	<hr/>

CITY OF HOLLYWOOD, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Total Pension Plans
<hr/>	
ADDITIONS:	
Contributions:	
City	\$ 73,051,743
State	4,505,540
Local	49,833
Members	9,150,877
Total Contributions	<u>86,757,993</u>
Investment Income:	
Net Increase in Fair	
Value of Plan Investments	82,278,679
Interest and Dividends	36,233,940
	<u>118,512,619</u>
Less: Investment Expense	<u>(3,910,279)</u>
Net Investment Income	<u>114,602,340</u>
Other Income	<u>106,242</u>
Total Additions	<u>201,466,575</u>
 DEDUCTIONS:	
Pension Benefits	99,581,702
Refunds of Contributions	1,057,058
Administrative Expenses	2,376,554
Depreciation and Amortization	55,184
Total Deductions	<u>103,070,498</u>
 Change in Net Position	 98,396,077
 Net Position Restricted for Pension	
Benefits - Beginning of Year	 <u>1,009,526,663</u>
 Net Position Restricted for Pension	
Benefits - End of Year	 <u><u>\$ 1,107,922,740</u></u>

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

FINANCIAL REPORTING ENTITY

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

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

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

General Employees' Retirement System	Fire Pension Fund	Police Retirement System
City Hall Annex, Room 20 2600 Hollywood Boulevard Hollywood, FL 33020	Ferrell Jenne, Foster & Foster, Pension Administrator	4205 Hollywood Blvd., Suite 4 Hollywood, Florida 33021
Phone: 954-921-3333	Phone: 239- 333-4872	Phone: 954-967-4395
Fax: 954-921-3332	michelle.rodriquez@foster-foster.com	Toll Free: 866-738-4776
Email: info@hollywoodpension.com		Fax: 954-967-4387
https://hollywoodpension.com/	https://foster-foster.com/ https://www.hollywoodfl.org/164/Firefighters-Pension-Board	http://www.hollywoodpolicepensionfund.com/home.asp

In addition, the City has the following dependent districts:

- Central Residential Neighborhood Improvement District No. 1 – created on September 7, 1988 by City Ordinances O-88-52 and O-88-78 under State statutory authority Section 163.506 F.S. for the purpose of neighborhood improvement.
- City of Hollywood 441 Corridor Business NID No. 2 – created on November 7, 1988 by City Ordinances O-88-53 and O-88-79 under State statutory authority Section 163.506 F.S. for the purpose of neighborhood improvement.
- Emerald Hills Safety Enhancement District – created on August 30, 2017 by City Ordinance O-2018-13 under State statutory authority Section 189.02 F.S. for the purpose of safety enhancement.

Emerald Hills Safety Enhancement District had reportable activity in the 2023 fiscal year and is shown as a discretely presented component unit. The District is a legally separate entity in which the City appoints the board, has the ability to impose its will, and has a non-fiduciary relationship. The District collects fees for security services provided specifically to the Emerald Hills community only. An independent firm compiled the financials of the District. The District's website is <https://ehsed.org/>.

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 the non-fiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the 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, a governmental activities column, and a reconciliation is presented, which briefly explains the adjustments necessary to reconcile funds based on financial statements with the governmental activities' column of the government-wide presentation. Under this basis, revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits, pensions, claims and judgments, are recorded only when payment is due.

Property taxes, utilities service taxes, franchise taxes, licenses, intergovernmental revenues, emergency transportation and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are measurable and available only when cash is received by the government. Information on the applicable tax roll dates can be found at <https://bcpa.net/DATES.asp>.

The City reports the following major governmental funds:

- The GENERAL FUND is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The BEACH COMMUNITY REDEVELOPMENT FUND accounts for governmental revenue and grants for financing redevelopment projects within the beach redevelopment district.
- The DOWNTOWN COMMUNITY REDEVELOPMENT FUND accounts for governmental revenue and grants for financing redevelopment projects within the downtown redevelopment district. This fund is determined as major by management for public interest purpose.
- The GENERAL OBLIGATIONS CAPITAL PROJECTS SERIES 2022 FUND accounts for construction of major capital improvements financed with proceeds from the Series 2022 General Obligation Bond issuance.

The City reports the following major proprietary funds:

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, as well as fees, fines and forfeitures, (2) operating grants and contributions, and (3)

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues, rather than as program revenues. Likewise, general revenues include all taxes.

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

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

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

ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION

POOLED CASH AND INVESTMENTS: The City's cash and demand deposits are cash on hand. The City has established an investment policy in accordance with Section 218.415, State Statutes that allows the City to invest in relatively low risk securities. Investments are stated at fair value based on quoted market prices. Resources of all funds, except for the pension funds, have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and realized and unrealized gains and losses on investments. Investment revenue on pooled investments is allocated monthly based upon equity balances of the respective funds. As required by GASB Statements these notes include a presentation of deposit and investment risk disclosures.

ACCOUNTS AND PROPERTY TAX RECEIVABLES: All accounts and property tax receivables are shown net of an allowance for uncollectible accounts. Accounts receivable in excess of 90 days comprise the accounts receivable allowance for uncollectible accounts. The property tax receivable allowance is equal to 100% of outstanding property taxes at September 30, 2023.

Real and personal property values are assessed on a county-wide basis by the Broward County Property Appraiser as of January 1, each year. Taxable value of property within the City is certified by the Property Appraiser on July 1. The City levies a property tax millage rate upon that taxable value to provide revenue required for the fiscal year beginning October 1. Taxes for the fiscal year beginning October 1 are billed in the month of November and are due March 31. If taxes are paid between November and February, a 1% per month discount is applied to the tax bill. On April 1, unpaid amounts become delinquent with interest and penalties added thereafter. Beginning June 1, tax certificates representing delinquent amounts are sold by Broward County, with remittance to the City for its share of those receipts.

REINSURANCE RECEIVABLE: The City uses reinsurance to reduce its exposure to large losses on certain lines of insurance as described in Note 16. Amounts expected to be received from the re-insurers for claims due under these policies are recorded as such at fiscal year-end in the Insurance Fund.

DUE TO/DUE FROM: Activity between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balance outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

INVENTORIES AND PREPAID EXPENSES: Inventories are maintained on a perpetual system and are stated at cost (using the average cost method). Inventories and prepaid expenses in all funds are recorded as expenditures or expenses when consumed (consumption method).

ASSETS HELD FOR SALE: The assets held for sale represent lands and buildings purchased by the City and the DCRA with the expressed intent to sell. These lands and buildings are recorded at the lower of cost or net realizable value.

RESTRICTED ASSETS: Certain revenue bond proceeds in various funds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet or statement of net position because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Certain notes receivable has been pledged as collateral as required by the U.S. Department of Housing and Urban Development for Section 108 funds loaned to the City and are also reflected as restricted assets in the City's financial statements. Restricted assets in business-type activities originate due to City ordinance bond covenants and other agreements that require segregation and restriction of these assets.

CAPITAL ASSETS: Capital assets, which include property, plant, equipment, intangible, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Infrastructure assets are capitalized based on the accumulated amounts charged to specific capital projects on an annual basis. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one (1) year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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

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

Intangible right of use leased, or subscription assets are amortized over the shorter of their estimated useful life or the contract term.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

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

COMPENSATED ABSENCES: It is the City's policy to permit employees to accumulate earned but unused vacation, sick, and other leave pay benefits. A portion of accumulated sick pay benefits are paid upon separation, based on number of years of service. All vacation pay and applicable portion of sick pay balances are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements.

LONG-TERM OBLIGATIONS: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payables are reported net of the applicable bond premium or discount. Bond Issuance costs are expended as incurred except for any bond insurance costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds, are reported as debt service expenditures. Payments related to the interest rate swap are netted by each party to the other and made on a quarterly basis.

RIGHT OF USE LEASED ASSETS AND RELATED LEASE LIABILITIES: Leased right of use assets and related liabilities are recorded in accordance with GASB 87. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial assets (the underlying asset) as specified in the contract for a period in an exchange or exchange-like transaction. As a lessor, a lease receivable and related deferred inflow are measured at the present value of the lease payments expected to be received during the lease term. As a lessee, the lease liability is measured at the present value of the leased payments expected to be made during the lease term. A related right of use asset is measured as the

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

lease liability, plus any payments made to the lessor at or before the commencement of the lease term (and certain direct capital costs).

RIGHT OF USE SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) ASSETS AND RELATED SBITA LIABILITIES: SBITA right of use and liabilities are recorded in accordance with GASB 96. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period in an exchange or exchange-like transaction. This statement requires recognition of right of use subscription asset (an intangible asset) and a corresponding subscription liability. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. The subscription asset is initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. A government should recognize amortization of the subscription asset as an outflow of resources over the subscription term.

UNEARNED REVENUE: Unearned revenue is recorded for governmental fund receivables that are not both measurable and available. In addition, inflows that do not yet meet the criteria for revenue recognition, such as contract revenue collected in advance, are recorded as deferred inflow of resources in the government-wide and the fund statements.

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

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

Net position of the government-wide and proprietary funds is categorized as investment in capital assets, reduced by accumulated depreciation, any outstanding debt incurred and related deferred inflows/outflows to acquire, construct or improve those assets excluding 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 more than the related liabilities payable from restricted assets. Unrestricted net position consists of all net positions that do not meet the definition of either of the other two components.

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.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

NOTE 2 – CASH AND INVESTMENTS

CASH

The City's bank balances, including balances for its component unit, the Hollywood Community Redevelopment Agency, and the three City-sponsored employee pension plans (reported as fiduciary funds), were entirely insured either by federal depository insurance or via the banks' participation as qualified public depositories pursuant to Florida Statutes, Chapter 280, "Security for Public Deposits" as of September 30, 2023. The City's cash and demand deposits are cash on hand.

INVESTMENTS

The City's comprehensive investment policy was established in accordance with Section 218.415, Florida Statutes and has been revised periodically as required to reflect changes to those statutes. The investment policy applies to all investments held or controlled by the City except for the three City-sponsored employee pension plans and its debt issuances where there are other existing policies or indentures in effect for the investment of related funds. The City maintains an internal cash and investment pool which most funds participate in. In addition, the City separately invests cash and debt proceeds related to capital projects so that it may time the duration of investment maturities with the anticipated project cash flows. The City also separately invests any debt-related cash reserves that are required by debt covenant, in accordance with the terms of the respective debt agreements. The City's total deposits and investments, including their investment maturities, are shown in this note classified by pooled versus non-pooled investments. The capital project and debt reserve related investments are subclassified to differentiate the investments of the City (primary government unit) and the City's Community Redevelopment Agency (component unit).

The City's investment policy allows for the following investments: SBA Investment Pool, United States government securities, United States government agencies, federal instrumentalities, interest bearing time deposits or savings accounts, including certificates of deposit and demand deposits, repurchase agreements, commercial paper, mutual funds consisting of United States government obligations, registered investment companies (money market mutual funds) and intergovernmental investment pools. The City did not invest in any repurchase agreements, commercial paper, or mutual funds during fiscal year 2023.

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

(Remainder of this page was intentionally left blank)

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

At September 30, 2023, the City and its three employee pension plans (Fiduciary Funds) had the following maturities and credit ratings for cash and investments:

	Investment Maturities					
	Fair Value	Less than 1 Year	1 - 5 Years	Credit Rating	Average Maturity in Months	Percent of Portfolio
CITY CASH AND INVESTMENTS:						
Pooled Cash and Investments:						
Demand deposits	\$ 132,295,071	\$ 132,295,071	\$ -			16.27 %
Money market	152,925,718	152,925,718	-			18.80
Florida Cooperative Liquid Assets Securities Systems (FLCLASS)	1,920	1,920	-	AAAm	2.37	-
Florida Public Assets for Liquidity Management (FL PALM)	75,298,749	75,298,749	-	AAAm	4.47	9.26
Florida Star	2,100,269	2,100,269	-	AAAm	0.93	0.26
Florida Prime - SBA Local Government Surplus Trust Fund	346,963	346,963	-	AAAm	1.21	0.04
Corporate Bonds	42,808,182		42,808,182	AA+ to AA-	18.57	5.26
Municipal Bonds	10,553,197	-	10,553,197	AA/AAA	29.79	1.30
U.S. government instruments:						
US Treasury	177,271,187	-	177,271,187	AA+	35.40	21.80
Federal National Mortgage Assoc.	9,581,170	-	9,581,170	AA+	15.50	1.18
Total Pooled Cash and Investments	603,182,426	362,968,690	240,213,736			
Non-pooled Cash and Investments:						
Insurance fund:						
Cash with paying agents	559,160	559,160	-			0.07
Golf Enterprise Fund:						
Orangebrook cash	100,000	100,000	-			0.01
Community Redevelopment Agency:						
Demand deposits	400	400	-			-
Money market	64,844,336	64,844,336	-			7.97
Total Community Redevelopment Agency	65,503,896	65,503,896	-			
Capital Projects/Bond Related:						
Demand deposits	7,025,273	7,025,273	-			0.86
Money market	2,205,943	2,205,943	-			0.27
Florida Cooperative Liquid Assets Securities Systems (FLCLASS)	135,402,394	135,402,394	-	AAAm	2.37	16.65
Total Non-pooled investments	210,137,506	210,137,506	-			
Total City cash and investments	\$ 813,319,932	\$ 573,106,196	\$ 240,213,736			100.00 %

(Remainder of this page was intentionally left blank)

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

	Fair Value	Less than 1 Year	1 - 5 Years	6-10 Years	More than 10 Years	Perpetual
FIDUCIARY FIXED INCOME						
Investments:						
U.S. Government Securities:						
U.S. Treasuries:						
General Employees' Retirement Fund	\$ 2,422,145	\$ -	\$ 73,444	\$ 1,404,195	\$ 944,506	\$ -
Fire Pension Fund	13,727,643	-	13,727,643	-	-	-
Police Retirement Fund	7,884,739	-	124,084	6,109,229	1,651,426	-
Total U. S. Treasuries	24,034,527	-	13,925,171	7,513,424	2,595,932	-
U.S. Government Agencies:						
General Employees' Retirement Fund	363,251	146,503	216,748	-	-	-
Fire Pension Fund	19,827,637	19,827,637	-	-	-	-
Police Retirement Fund	7,120,423	-	-	-	7,120,423	-
Total U.S. Government Agencies	27,311,311	19,974,140	216,748	-	7,120,423	-
Total U.S. Government Securities	51,345,838	19,974,140	14,141,919	7,513,424	9,716,355	-
Corporate Bonds and Notes:						
General Employees' Retirement Fund	4,220,120	151,285	1,992,121	1,564,239	512,475	-
Fire Pension Fund	6,889,299	-	2,723,885	-	-	4,165,414
Police Retirement Fund	6,639,775	-	1,028,939	2,765,215	2,501,872	343,749
Total Corporate Bonds and Notes	17,749,194	151,285	5,744,945	4,329,454	3,014,347	4,509,163
Asset Backed Securities						
General Employees' Retirement Fund	2,670,010	-	-	-	2,670,010	-
Total Asset Backed Securities	2,670,010	-	-	-	2,670,010	-
Bond Mutual Fund:						
General Employees' Retirement Fund	40,203,146	-	-	40,203,146	-	-
Total Corporate Bonds and Notes	40,203,146	-	-	40,203,146	-	-
Fixed Income Composites and Private Debt Instruments:						
General Employees' Retirement Fund	94,256,208	-	-	-	-	94,256,208
Fire Pension Fund	4,701,500	-	-	-	-	4,701,500
Total Corporate Bonds and Notes	98,957,708	-	-	-	-	98,957,708
Total Fiduciary Fixed Income Investments	\$ 210,925,896	\$ 20,125,425	\$ 19,886,864	\$ 52,046,024	\$ 15,400,712	\$ 103,466,871

INTEREST RATE RISK

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in the market interest rates. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution. The City also attempts to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, the City's investment policy limits the maturities to five years from the date of purchase. The City's FL CLASS, FL PALM, and U.S. Treasury investments have a "weighted average maturity" of 2.37, 4.47, and 35.4 months respectively. The City's investments in U. S. Government Instrumentalities are all callable within a shorter period hence allowing the City to address any rising interest rate risk quicker than full maturity.

As a means of limiting their exposure to interest rate risk, the employee pension plans diversify their investments by security type and institution, and limit holdings by type of investment and with any one issuer. Information about the sensitivity of the fair values of the funds' debt securities to market interest rate fluctuations is provided by the above table that shows the distribution of the funds' fixed income investments by maturity at September 30, 2023.

CREDIT RISK

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits its investment to a grade of A or higher. All of the City's non-pension related investments were comprised of demand deposits, money market accounts and U.S. Government Instruments at September 30, 2023 (\$813.3 million).

Investment policies for the pension plans limit equity securities to those listed on a national securities exchange or traded in the over-the-counter market and quoted in the National Association of Securities

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Dealers Automatic Quotation Service. Investments in any issuing company are limited to not more than five percent (5%) of the fair value of the assets. Fixed income portfolios are to be invested in marketable securities rated in the highest four (4) quality grades as established by one or more of the nationally recognized bond rating services.

The following table discloses credit ratings by fixed income investment type for the City's three pension plans at September 30, 2023, as applicable:

	<u>Fair Value</u>	<u>Percent of Portfolio</u>
EMPLOYEES RETIREMENT FUND:		
Fixed Income Investments	\$ 137,244,750	95.22 %
Quality Rating of Credit Risk Debt Securities:		
AAA	2,931,650	2.03
AA+	119,476	0.08
AA-	178,863	0.12
A	308,160	0.21
A-	508,015	0.35
Baa3	185,003	0.13
Baa1	154,357	0.11
Ba2	193,907	0.13
BBB+	368,431	0.26
BBB	365,987	0.25
BBB-	726,252	0.50
BB+	150,586	0.10
BB	226,442	0.16
BB-	253,784	0.18
B+	98,425	0.07
B	120,792	0.08
Total Employees Retirement Fund	<u>6,890,130</u>	<u>4.78</u>
Total Plan Fixed Income Investment	<u>144,134,880</u>	<u>100.00</u>
FIRE PENSION FUND:		
U.S. Government Guaranteed (a)	8,866,914	20.00
Quality Rating of Credit Risk Debt Securities:		
AA+	33,555,280	74.00
A-	<u>2,723,885</u>	<u>6.00</u>
	<u>45,146,079</u>	<u>100.00</u>
POLICE RETIREMENT FUND:		
Quality Rating of Credit Risk Debt Securities:		
AAA	301,457	1.00
AA+	15,291,328	72.00
AA	287,994	1.00
A+	290,488	1.00
A	1,459,807	7.00
A-	1,361,212	6.00
BBB+	1,343,565	6.00
BBB	471,098	2.00
BBB-	494,239	2.00
BB+	189,061	1.00
BB-	<u>154,688</u>	<u>1.00</u>
	<u>21,644,937</u>	<u>100.00</u>

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

COMBINED PENSION FUNDS:		
U.S. Government Guaranteed (a)	146,111,664	69.00
Quality Rating of Credit Risk Debt Securities:		
AAA	3,233,107	2.00
AA+	48,966,084	23.00
AA	287,994	-
AA-	178,863	-
A+	290,488	-
A	1,767,967	1.00
A-	4,593,112	2.00
Baa3	185,003	-
Baa1	154,357	-
Ba2	193,907	-
BBB+	1,711,996	1.00
BBB	837,085	-
BBB-	1,220,491	1.00
BB+	339,647	-
BB	226,442	-
BB-	408,472	-
B+	98,425	-
B	120,792	-
	<u>\$ 210,925,896</u>	<u>99.00 %</u>

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

CUSTODIAL CREDIT RISK

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

The City's investment policy requires securities, 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 City be properly designated as an asset of the City. The securities are held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. As of September 30, 2023, the City's investment portfolios were held with a third-party custodian as required by the City's investment policy. Consistent with the pension plans' investment policies, pension plan investments are held by third party safekeeping custodians selected by their boards of trustees and registered in the plans' name, except for certificates of deposit and other time deposits, which are collateralized in accordance with Florida Statutes.

CONCENTRATION OF CREDIT RISK

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

The investment policies of the pension plans contain limitations on the amount that can be invested in any one issuer as well as portfolio allocation ranges and maximum percentages by types of investments. There were no individual investments that represent five percent (5%) or more of the Fire Pension Fund at September 30, 2023. At September 30, 2023, the Police Officers' Retirement System had the following investments that represented more than 5% of the Plans total investments: RhumbLine S&P Mid Cap 400 Polled Index Fund (10.1%), and U.S. Real Estate Investment Fund (8.0%). The General Employee's Retirement Fund held certain investments that exceed 5 percent or more of the Plan's net position. These investments included:

Investment	% of Plan Net Position
S&P 500 Index Fund - Non Lending	17.10 %
Wellington Trust Company - CTF International	11.40
Baird Core Plus Bond Fund	9.80
Neuberger Berman - Short Duration Emerging Market Fund	5.70
Neuberger Berman - Crossroads XXI Fund	5.40

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. Dollars and the carrying value of foreign investments. At September 30, 2023, the Police Officers' Retirement system had 2.8% of its total investments in foreign investments. No other investments were subject to this risk either due to no investments or prohibition per investment policies.

INVESTMENT VALUATION

GASB 72 establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by several factors, including the type of investment and the specific characteristics of the investment.

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

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

- Level 1 – Investments traded in an active market with available quoted prices for identical assets as of the reporting date.
- Level 2 – Investments not traded on an active market but for which observable market inputs are available for an asset, either directly or indirectly, as of the reporting date.
- Level 3 – Investments not traded in an active market and for which no significant observable market inputs are available as of the reporting date.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

Net asset value (NAV) is a common measurement of fair value for level 1, level 2 and level 3 investments. A fund's NAV is simply its assets less its liabilities and is often reported as a per share amount for fair value measurement purpose. The plans would multiply the NAV per share owned to arrive at fair value. Level 1 investments in funds such as mutual funds report at a daily NAV per share and are actively traded. NAV also comes into play for level 2 and 3 investments. As a matter of convenience (or referred to in accounting literature as a "practical expedient"), the plan can use the NAV per share for investment in a non-governmental entity that does not have a readily determined fair value, such as an alternative investment. Investments measured at NAV as a practical expedient would be excluded from the fair value hierarchy because the valuation is not based on actual market inputs but rather is quantified using the fund's reported NAV as a matter of convenience.

The following tables summarize the valuation of the City's and the three pension plans' investments in accordance with the above-mentioned fair value hierarchy levels as of September 30, 2023:

City of Hollywood Investments

Investments by Fair Value Level	September 30, 2023	Fair Value Measurements Using:
		Significant Other Observable Inputs (Level 2)
U.S. Government Instrumentalities:		
US Treasury	\$ 177,271,187	\$ 177,271,187
Federal National Mortgage Assoc.	9,581,170	9,581,170
Fixed Income Securities:		
Corporate Bonds	42,808,182	42,808,182
Municipal Bonds	10,553,197	10,553,197
Total Investments by Fair Value Level	240,213,736	\$ 240,213,736
Investments Measured at the Net Asset Value (NAV):		
Florida Cooperative Liquid Assets Securities Systems (FLCLASS)	135,404,314	
Florida Public Assets for Liquidity Management (FL PALM)	75,298,749	
Total Investments measured at the NAV	210,703,063	
Cash and Cash Equivalents:		
Demand deposits	139,320,744	
Money market	219,975,997	
Cash with paying agents	559,160	
Florida Prime - SBA Local Government Surplus Trust Fund	346,963	
Florida Star Government Fund	2,100,269	
Orangebrook cash	100,000	
Total Investments measured at fair value	\$ 813,319,932	

Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used by Public Trust Advisors to value securities based on (direct or indirect) observable inputs of similar investments.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

<u>Investments Measured at the NAV:</u>	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Florida Cooperative Liquid Assets Securities Systems (FLCLASS)	\$ 135,404,314	Daily	Same day
Florida Public Assets for Liquidity Management (FL PALM)	75,298,749	Daily	Same day
	<u>\$ 210,703,063</u>		

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an external local government investment pool created by interlocal agreement under F.S. 163.01. The pool is supervised by an appointed Board of Trustees comprised of eligible participants of the program. The Board acts as the liaison between the participants, the custodian, and the program administrator. The fund is an S&P AAAM rated money market product offering a fiscally conservative diversification option for Florida local governments. The objective of the fund is to provide investors with liquidity, a stable share price and as high a level of current income as is consistent with preservation of principal and liquidity. The weighted average maturity is 72 days as of September 30, 2023.

Florida Public Assets for Liquidity Management (FLPALM) is a common law trust organized under the F.S. 163.01. The Fund is directed by a board of trustees comprised of eligible participants of the program. The fund is an S&P AAAM rated money market product designed to meet the cash management and short term investment needs of school districts, political subdivisions of the State or instrumentalities of political subdivisions of the State. The objective of the fund is to provide investors with the highest possible investment yield, while maintaining liquidity and preserving capital. The weighted average maturity is 134 days as of September 30, 2023.

Florida PRIME is a government investment pool exclusive for governmental agencies within the State of Florida. The pool is supervised by Federated Investors. The portfolio invests primarily in bank instruments, repurchase agreements, commercial paper, and corporate fixed income securities. The objective of the fund is to provide investors with a liquid investment product with competitive yields. The weighted average maturity is 37 days as of September 30, 2023.

FLSTAR Government Fund is a government investment pool exclusive for governmental agencies within the State of Florida. The fund invests primarily in treasury and agency securities and repurchase agreements fully collateralized by government securities (no commercial paper). The objective of the fund is to provide investors with preservation and protection of principal, liquidity, and efficiency. The weighted average maturity is 28 days as of September 30, 2023.

(Remainder of this page was intentionally left blank)

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Employees Retirement Fund Investments

		Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level	September 30, 2023		
Bond Mutual Fund	\$ 40,203,146	\$ 40,203,146	\$ -
U.S. Government Agencies	363,251	-	363,251
U.S. Treasuries	2,422,145	-	2,422,145
Fixed Income Composites	55,122,017	15,538,777	39,583,240
Corporate Bonds	3,273,869	-	3,273,869
Foreign Government and Corporate Bonds	946,251	-	946,251
Asset Backed Securities	2,670,010	-	2,670,010
Total Investments by Fair Value Level	<u>105,000,689</u>	<u>\$ 55,741,923</u>	<u>\$ 49,258,766</u>
Equity			
Large Cap Equity Investment Funds	70,617,577	-	70,617,577
Small Cap Equity Investment Funds	39,275,894	-	39,275,894
International Equity Investment Funds	66,552,873	19,462,499	47,090,374
Total Equity	<u>176,446,344</u>	<u>19,462,499</u>	<u>156,983,845</u>
Total Investments by Fair Value Level	281,447,033	<u>\$ 75,204,422</u>	<u>\$ 206,242,611</u>
Investments Measured at the Net Asset Value (NAV):			
Private Equity Investment Funds	41,600,399		
Private Debt Investment Funds	39,134,191		
Infrastructure Investment Fund	11,894,786		
Real Estate Investment Fund	36,557,663		
Total Investments measured at the NAV	<u>129,187,039</u>		
Cash Equivalents:			
Money Market Mutual Funds (exempt)	1,831,145		
Total Investments	<u>\$ 412,465,217</u>		

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

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

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

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

	Reported Value September 30, 2023	Unfunded Commitments	Redemption Frequency	Notice Period
Investments Measured at the NAV:				
Privat Equity Investment:				
NB Crossroads Funds XXI - Asset Allocation, LP	\$ 22,066,751	\$ 5,400,000	Not Eligible	N/A
Apogem Heritage Fund VI, LP	13,465,421	600,095	Not Eligible	N/A
HarbourVest Dover Fund IX, LP	6,068,227	1,200,000	Not Eligible	N/A
Total Private Equity Investment	41,600,399	7,200,095		
Private Debt Investment Funds:				
AG Direct Lending Fund II, LP	5,215,352	-	Not Eligible	N/A
NB Crossroads Funds XXI - Asset Allocation, LP	14,594,676	6,107,262	Not Eligible	N/A
Brightwood Capital Fund V, LP	3,673,423	4,500,000	Not Eligible	N/A
Marathon Healthcare Finance Fund LP	5,803,680	14,874,000	Not Eligible	N/A
Entrust Blue Ocean Onshore Fund, LP	9,847,060	-	Not Eligible	N/A
Total Private Debt Funds	39,134,191	25,481,262		
Real Estate Investment Fund:				
AG Realty Value Fund X	7,093,492	2,587,000	Not Eligible	N/A
Morgan Stanley - Prime Property Fund, LLC	12,915,200	-	Quarterly	90 Days
Principal Enganced Property Fund LP	14,026,531	-	Quarterly	90 Days
Affiliated Housing Impact Fund, LP	2,522,440	3,801,194	Not Eligible	N/A
Total Real Estate Investment Fund	36,557,663	6,388,194		
Infrastructure Investment Fund				
IFM Global Infrastructure Investment Fund	11,894,786	-	Quarterly	90 Days
Total Investments Measured at the NAV	<u>\$ 129,187,039</u>	<u>\$ 39,069,551</u>		

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

Apogem Heritage Fund VI, LP was formed in April 2022 through the combination of PA Capital, Madison Capital Funding and GoldPoint Partners to create a singular and unified, world class private markets' investment firm. Apogem Capital offers investors access to the middle market's growth engine through investments in leading private companies and funds. The Firm manages a streamlined suite of capital solutions, including direct lending, junior debt, primary fund investments, secondary investments, equity co-investments, GP stakes, private real assets and long/short equity. The partners of the fund uses the best information it has reasonably available to determine or estimate fair value. Valuation methods employed are comparable public company valuation, comparable transaction valuation analysis and other methodologies, as appropriate.

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

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

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

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

portfolio companies may also be valued at cost for a period of time after acquisition as the best indicator of fair value.

Entrust Blue Ocean Onshore Fund, LP is a limited partnership organized under the laws of the State of Delaware. The partnership commenced operations on July 1, 2017. Investments in securities for which market quotations are not readily available are valued using prices provided by the unaffiliated market makers, broker-dealers, and price data vendors whose inputs include, but are not necessarily limited to, trading activity, crediting ratings of the issuers and interest rates. General Partner may also fair value investments based upon indications of pricing from dealers or counterparties or using other data or methods, including but not limited to, reviewing recent trading activity, utilizing third party appraisers, assessing the impact of trading restrictions and reviewing prices for similar instruments of the issuer or comparable companies.

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

Morgan Stanley Prime Property Fund, LLC (The Fund) is an open-end fund established for the purpose to acquire, own, hold for investment and ultimately dispose of investments in real estate and real estate related assets with the intention of achieving current income, capital appreciation or both. All properties invested in as September 30, 2023 were located throughout the United States. An independent appraiser will perform quarterly appraisals of the Funds underlying properties and is reviewed by asset managers. The Fund determines individual investment values based on such appraisals. These processes are designed to assure that valuation is prepared using reasonable inputs and assumptions which are consistent with market data or with assumptions that would be used by a third-party participant and assume highest and best use of the real estate investment. The fair value of the investment in this Fund has been determined using the NAV per unit of the ownership interest in the fund.

Principal Enhanced Property Fund, LP is an open-end fund that will seek to make investments in stabilized, income producing assets, plus value-added and development projects in accordance with the investment guidelines. All properties invested in at September 30, 2023 were located throughout the United States. Principal will use a third-party appraisal firm, with approximately 25% of the portfolio appraised each quarter. Principal will use the appraised value and updated quarterly valuations for purpose of determining the fund's gross asset value and net asset value. The fair value of the investment in this fund has been determined using the NAV per unit of the ownership interest in the partners' capital.

Affiliated Housing Impact Fund, LP is a real estate fund that seeks to, indirectly through subsidiary entities, acquire or lease potential real estate development sites, including parcels of raw land or other sites or properties, in the State of Florida, and subsequently construct, develop, operate, lease, manage, renovate, finance, and/or market thereon affordable multifamily apartments for rent (which may also include ancillary retail or mixed-use components). As of September 30, 2023, the fund wholly owned certain real estate assets in the State of Florida which were either pre-development or under construction. The fund measures the fair value of these real estate investments using methods including annual third-party appraisals of each property.

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

discounted cash flow approach by the independent valuers. Discount rates are also determined by the valuer. Valuations are cross-checked with public market information and recent transactions.

Rate of Return

For the year ended September 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.30%. The annual money-weighted rate of return expresses investment performance, net of investment manager and consultant expenses adjusted for the changing amounts invested. Inputs to the internal rate of return calculation are determined monthly.

Fire Pension Fund Investments

		Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level	September 30, 2023		
U.S. Government Securities	\$ 13,727,643	\$ -	\$ 13,727,643
U.S. Government Agencies	19,827,637	-	19,827,637
Corporate Bonds	2,723,885	-	2,723,885
Fixed Income Investment Fund	1,285,711	1,285,711	-
Domestic Stocks	86,819,315	86,819,315	-
Domestic Equity Investment Fund	83,662,560	83,662,560	-
International Equity Investment Fund	24,041,297	24,041,297	-
International Stock	27,232,836	27,232,836	-
Temporary Investments	4,701,500	4,701,500	-
Total Investments by Fair Value Level	264,022,384	\$ 227,743,219	\$ 36,279,165
Investments Measured at the Net Asset Value (NAV):			
Real Estate Investment Fund	34,004,022		
Alternative Investments	3,421,978		
Fixed Income Investment Fund	2,879,703		
Total Investments measured at the NAV	40,305,703		
Cash Equivalents:			
Cash, Pooled Investments, and/or Cash Equivalents	1,958,877		
Total Investments measured at fair value	\$ 306,286,964		

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

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

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

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

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

	Fair Value	Unfunded Commitments	Redemption Frequency
Investments Measured at the NAV:			
Real Estate Investment Fund:			
U.S. Real Estate Investment Fund, LLC	\$ 14,850,381	\$ 3,090,160	Quarterly
Affiliated Housing Impact Fund	2,522,440	3,801,195	Quarterly
Mavik Real Estate Special Opportunities Fund	1,662,680	3,744,408	N/A
JPMCB Special Situation Property Fund	14,968,521	-	Quarterly
Total Real Estate Investment Fund	34,004,022	10,635,763	
Alternative Investments:			
Entrust ETG Co-Invest Opportunities Fund, LP	160,361	4,839,844	Indefinite
EntrustPermal Special Opportunities Fund IV, Ltd.	3,261,617	1,125,001	Indefinite
	3,421,978	5,964,845	
Domestic Fixed Income Investment Fund:			
Crescent Direct Lending Levered Fund	763,647	914,665	Indefinite
LBC Credit Partners Fund	2,116,056	2,704,305	Indefinite
Total Domestic Fixed Income Investment Fund	2,879,703	3,618,970	
Total Investments Measured at the NAV	\$ 40,305,703	\$ 20,219,578	

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

Crescent Direct Lending Levered Fund is intended to:

Generate high current income while preserving capital by investing all capital contributions in the master fund and participating in its indirect investments primarily in senior secured loans (including first lien, unitranche and second lien loans) of private U.S. lower middle-market companies and in other permitted investments, including swap and hedging transactions; and

To enter into and perform any contracts and agreements and carry on any activities necessary in the fund for, or incidental to, the accomplishment of the foregoing purpose.

Investment in the fund are valued at cost or fair value on the most recent practicable date, less outstanding indebtedness incurred to acquire, or for the purpose of acquiring, the investments.

LBC Credit Partners, IV, L.P. Fund

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

LBC employs a value-oriented investment approach, seeking to maximize current return while providing downside protection. As such, LBC intends to structure most of its investments as secured debt with either a first or second lien on the company's assets which provides the potential to create a recovery floor. LBC typically seeks to obtain all of the rights and remedies of a senior secured lender and in the case of a junior secured transaction, lien subordination rather than debt subordination so as to reduce the risk of payment

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

blockage. LBC also focuses on negotiating strict inter-creditor provision that can limit debt layering and maximize their rights in the event of a bankruptcy.

LBC seeks to structure its investments with floating rate coupons linked to short-term market base rates (typically LIBOR or the Prime Rate), which helps reduce interest rate risk. The components of the investment yield will typically consist of up-front fees (1% to 3%), cash-pay interest (7% to 15%), PIK interest (up to 3%) and ancillary and recurring fees including anniversary servicing, and monitoring fees (up to 3%). Opportunistically structures may also include conversion rights, warrants, and other types of equity yield enhancements, including equity participations, which could yield on those investments by an additional 2% to 5%.

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

EnTrustPermal Special Opportunities Fund IV, LTD.

EnTrustPermal Special Opportunities Fund is a pooled investment fund dedicated exclusively to co-investments, which target high-conviction ideas that are catalyst-driven and/or designed to exploit market dislocations.

EnTrustPermal launched its co-investment program a decade ago, as it saw an opportunity to extract a premium by capitalizing on situations requiring longer-duration capital amidst the liquidity crunch of the global financial crisis. EnTrustPermal manages assets on behalf of a wide range of clients, including public pension funds, high net worth individuals, foundations, and sovereign wealth funds.

Given existing mandates and continued investor demand for co-investments in the alternative space, EnTrustPermal anticipates allocating additional capital to its co-investment strategy going forward.

EnTrust ETG Co-Invest Opportunities Fund, L.P.

EnTrust ETG Co-invest Opportunities Fund, LP provides equity capital to finance real estate developer's pipeline of workforce housing projects and investments. The fund's overall investment objective is to generate a positive social and environmental impact as well as delivering attractive risk adjusted returns for investors. The strategy is to capitalize the development of high-quality and green multifamily housing at attainable rents.

(Remainder of this page was intentionally left blank)

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Police Retirement Fund Investments

Investments by Fair Value Level	September 30, 2023	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Equity Securities:			
Common and Preferred Stocks	\$ 218,048,985	\$ 218,048,985	\$ -
Commingled Equity Funds	58,844,848	58,844,848	-
Total Equity Securities	<u>276,893,833</u>	<u>276,893,833</u>	<u>-</u>
Debt Securities:			
U.S. Agency Securities	7,120,423	-	7,120,423
U.S. Treasury Securities	7,884,739	6,086,418	1,798,321
Corporate Bonds	6,639,775	-	6,639,775
Total Debt Securities	<u>21,644,937</u>	<u>6,086,418</u>	<u>15,558,519</u>
Total Investments by Fair Value Level	<u>298,538,770</u>	<u>\$ 282,980,251</u>	<u>\$ 15,558,519</u>
Investments Measured at the Net Asset Value (NAV):			
Real Estate Funds	50,625,705		
Private Credit Fund	1,240,993		
Private Equity Funds	4,792,953		
Hedge Funds	<u>22,426,811</u>		
Total Investments measured at the NAV	<u>79,086,462</u>		
Cash Equivalents:			
Money Market Funds (exempt)	10,968,227		
Total Investments measured at fair value	<u>\$ 388,593,459</u>		

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

- Common Stocks: Valued at the closing price reported on the New York Stock Exchange.
- Commingled Equity Funds: Valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.
- Government Securities: Valued using pricing models maximizing the use of observable inputs for similar securities.
- Corporate Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.
- Real Estate Funds: Valued at the net asset value of shares held by the Plan at year end. The Plan has investments in private market real estate investments for which no liquid public market exists.
- Private Equity and Private Credit Funds: Value based on the net asset value. The most significant input into the NAC is the fair value of its investment holdings. These holdings are evaluated by the general partners on a quarterly basis, in conjunction with management and investment advisors.
- Hedge Funds: Value based on the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investment.
- Money Market Funds: Valued at the floating net asset value of shares held by the Plan at year-end.

The Fund's valuation methods for investments measured at the net asset value ("NAV") per share (or its equivalent) as of September 30, 2023 are as follows:

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

Investments Measured at the NAV:	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Real Estate (1)	\$ 31,251,740	\$ -	Quarterly	90 Days
Real Estate (2)	3,791,472	5,701,791	N/A	N/A
Real Estate (3)	15,582,493	-	N/A	N/A
Hedge Fund (4)	5,141,889	224,998	Quarterly	95 Days
Hedge Fund (5)	1,278,127	870,565	N/A	N/A
Hedge Fund (6)	2,825,462	2,173,770	N/A	N/A
Hedge Fund (7)	6,616,619	5,769,000	N/A	N/A
Hedge Fund (8)	6,564,714	314,531	N/A	N/A
Private Equity Fund (9)	1,240,993	2,800,431	N/A	N/A
Private Equity Fund (10)	2,328,969	6,480,000	N/A	N/A
Private Equity Fund (11)	1,808,649	2,239,207	N/A	N/A
Private Equity Fund (12)	655,335	7,200,000	N/A	N/A
Total Investments Measured at the NAV	<u>\$ 79,086,462</u>	<u>\$ 33,774,293</u>		

(1) Real Estate Fund: The fund is an open-end, real estate investment fund investing primarily in core institutional office, retail, industrial, and multi-family properties located throughout the United States. The investment is valued at NAV and its redemption must be received by the fund 90 days prior to quarter end.

(2) Real Estate Fund: This fund was formed in 2020 to invest through subsidiary entities in the acquisition or lease of real estate development sites located in the State of Florida to construct, develop and finance multifamily and mixed-used real estate and make available for lease upon future completion. The investment is valued at NAV and no redemptions are allowed.

(3) Real Estate Fund: The Partnership is engaged in the acquisition and resale of value-added investments in real estate and real estate-backed assets with a focus on opportunities in the Southeast, Southwest, Mid East, and Mountain regions of the United States of America. The investment is valued at NAV and no redemptions are allowed.

(4) Hedge Fund: This fund is dedicated exclusively to co-investments, which target high-conviction ideas that are catalyst -driven and/or designed to exploit market dislocations. The investment is valued at NAV and redemptions, which are only allowed for class A, must be received by the fund 95 days prior to quarter end.

(5) Hedge Fund: This fund is an open-end, diversified portfolio of private investment entities and/or separately managed accounts managed by investment managers specialized primarily in activist related alternative investment strategies. The investment is valued at NAV and is liquidating; therefore, no redemptions are allowed.

(6) Hedge Fund: This fund seeks to generate high current income while preserving capital by participating in levered investments in directly originated senior secured loans (primarily first lien and unitranche loans), to private U.S. lower middle-market companies in conjunction with private equity investments firms and, where opportunities arise, to upper-middle market companies. The fund may also invest in other debt and equity securities and in other permitted investments, including swap and hedging transactions. The investment is valued at NAV and no redemptions are currently allowed.

(7) Hedge Fund: This fund is a limited partnership that seeks to invest in highly attractive, select investment opportunities by maintaining investments through private investment entities and/or separately managed accounts with investment management professionals specializing in various alternative investment strategies. The investment is valued at NAV and no redemptions are currently allowed.

(8) Hedge Fund: This fund seeks to generate long-term, consistent investor returns, predominantly in the form of income distributions, from direct lending and similar financing opportunities to vessel owners and operators, and other maritime businesses. The investment is valued at NAV and no redemptions are allowed.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

(9) Private Credit Fund: This fund targets middle market investments, spanning senior secured first lien loans, second lien loans, mezzanine debt, and associated equity co-investments. The investment is valued at NAC and no redemptions are allowed.

(10) Private Equity Fund: This fund will focus on transactions at the small end of the private equity secondary market. The investments are valued at NAV and no redemptions are currently allowed.

(11) Private Equity Fund: This fund seeks to generate attractive risk-adjusted returns primarily through direct investments in senior secured loans to middle market companies or other issuers. The investment is valued at NAV and no redemptions are currently allowed.

(12) Private Equity Fund: This fund will focus on private equity partnerships, co-investments, and secondary investments. The fund has a target portfolio exposure of 80% levered buyout, 10% venture capital, and 10% private credit transactions at the small end of the private equity secondary market. The investments are valued at NAV and no redemptions are currently allowed.

NOTE 3 – ACCOUNTS RECEIVABLES

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

Governmental Activities						
	Taxes	Accounts	Reinsurance	Inter-governmental	Less: Allowance for Uncollectibles	Net Total Accounts Receivable
General	\$ 2,021,834	\$ 7,030,618	\$ -	\$ 3,457,113	\$ (4,052,045)	\$ 8,457,520
Beach Community Redevelopment	-	9,089	-	-	-	9,089
Downtown Community Redevelopment	-	179,249	-	-	(175,967)	3,282
Other Governmental	-	107,749	-	3,806,824	-	3,914,573
Internal Service	-	31,128	1,190,778	-	-	1,221,906
	<u>\$ 2,021,834</u>	<u>\$ 7,357,833</u>	<u>\$ 1,190,778</u>	<u>\$ 7,263,937</u>	<u>\$ (4,228,012)</u>	<u>\$ 13,606,370</u>

Business-type Activities					
	Accounts	Due from Other Govt	Assessments	Less: Allowance for Uncollectibles	Net Total Accounts Receivable
Water & Sewer Utility	\$ 11,853,859	\$ 135,303	\$ 1,063,636	\$ (2,991,213)	\$ 10,061,585
Other Enterprise	4,874,212	-	-	(865,661)	4,008,551
	<u>\$ 16,728,071</u>	<u>\$ 135,303</u>	<u>\$ 1,063,636</u>	<u>\$ (3,856,874)</u>	<u>\$ 14,070,136</u>

Per the Large User Agreements with Broward County, City of Dania Beach, City of Hallandale, City of Miramar, Town of Pembroke Park, and the City of Pembroke Pines, the estimated fiscal year bills must be adjusted to actual cost at fiscal year-end. For fiscal year 2023, the Water & Sewer owed the large users \$948,140 for this true up (actual costs < billings). The amount recorded in fiscal year 2023 (10% applied to RRI accounts and 90% applied to operating) and will be applied to the large users' accounts in fiscal year 2024.

Governmental funds report a deferred inflow of resources in connection with receivables and revenue received in advance that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenues in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Source:	Deferred Inflow	Unearned
Local Business Taxes and Other Charges (General Fund)	\$ (2,549,926)	\$ (2,132,779)
Deferred Grant and Contract Revenue (Nonmajor Funds)	(39,725,827)	(27,542,092)
Total Deferred Inflow/Unearned Revenue for Governmental Funds	<u>\$ (42,275,753)</u>	<u>\$ (29,674,871)</u>

NOTE 4 – NOTES RECEIVABLE

The notes receivable balances are comprised of the following:

	2023
GOVERNMENTAL ACTIVITIES:	
Housing Long-term Loans	\$ 36,046,755
Pinnacle at Peacefield	1,578,000
Less: Allowance for Uncollectibles	<u>(31,032,719)</u>
Notes Receivable -Net	<u>\$ 6,592,036</u>
 Downtown Community Redevelopment:	
Long-term Loans	\$ 3,500,000
Less: Allowance for Uncollectibles	<u>(3,500,000)</u>
Notes Receivable - Net	<u>\$ -</u>
 GOVERNMENTAL FUNDS:	
Long-term Loans:	
Downtown CRA District	\$ 3,500,000
Community Development	17,498,427
Interlocal Agreement-County	8,054,526
State Local Housing Assistance	11,593,438
American Rescue Plan	<u>478,364</u>
	41,124,755
Less: Allowance for Uncollectibles	<u>(4,664,577)</u>
Notes Receivable - Net	<u>36,460,178</u>
 Total Notes Receivable -Net	<u><u>\$ 36,460,178</u></u>

The notes receivable reported in the Community Development, Interlocal Agreement, and State Local Housing Assistance funds are comprised of collateralized home improvement loans and/or promissory notes to affordable housing developers (Pinnacle and Tropic). Most loans are forgivable at maturity (principal and any interest, if applicable). The deferred housing loans represent individual borrowings (limited to \$70,000) that are generally only payable if a house is sold prior to the maturity of the note. The notes receivable in the Downtown Community Redevelopment Fund consists of loans to developers and others to assist in approved projects. The American Rescue Plan note is a promissory note to the developer of the Tropic affordable housing project for the purchase of real estate to be used for affordable housing. The Tropic Funding totaled \$3.5 million and \$478,364 was funded from the American Rescue Plan funds and the remainder from the Interlocal Agreement Fund. Loans are secured by mortgages on real property and repayable over various time periods at various interest rates.

NOTE 5 – CAPITAL ASSETS

CAPITAL ASSETS – Capital asset activity for the fiscal year ended September 30, 2023 was as follows:

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land	\$ 52,769,841	\$ -	\$ 2,304,772	\$ 50,465,069
Construction in Progress	15,988,357	23,629,968	2,649,816	36,968,509
Total Capital Assets, Not Depreciated:	68,758,198	23,629,968	4,954,588	87,433,578
Capital Assets, Depreciated:				
Buildings and Improvements	208,577,564	453,748	8,764	209,022,548
Machinery and Equipment	88,632,924	9,866,898	1,809,049	96,690,774
Infrastructure	109,356,448	7,083,355	-	116,439,803
Total Capital Assets, Depreciated:	406,566,936	17,404,001	1,817,813	422,153,124
Right of Use Leased Assets, Amortized:				
Leased Buildings	762,714	-	-	762,714
Leasing Equipment	-	513,000	-	513,000
Right of Use Leased Assets, Amortized:	762,714	513,000	-	1,275,714
Right of Use Subscription Asset:				
Subscription Based Information Technology Arrangements	302,000	a 7,189,000	-	7,491,000
Total Right of Use Subscription Assets	302,000	7,189,000	-	7,491,000
Less Accumulated Depreciation For:				
Buildings and Improvements	137,416,441	7,191,611	-	144,608,052
Machinery and Equipment	57,748,504	8,669,926	1,785,567	64,632,862
Infrastructure	84,116,666	1,873,361	-	85,990,027
Total Accumulated Depreciation	279,281,611	17,734,898	1,785,567	295,230,941
Less Accumulated Amortization:				
Leased Buildings	144,406	152,543	-	296,949
Leasing Equipment	-	155,875	-	155,875
Subscription Based Information Technology Arrangements	52,596	a 1,087,500	-	1,140,096
Total Accumulated Amortization	197,002	1,395,918	-	1,592,920
Total Capital Assets, Depreciated:	128,153,037	5,975,186	32,245	134,095,977
Governmental Activities Capital Assets- Net	<u>\$ 196,911,235</u>	<u>\$ 29,605,153</u>	<u>\$ 4,986,833</u>	<u>\$ 221,529,555</u>

a - Beginning balance adjusted for implementation of GASB 96 - Subscription Based Information Technology Arrangements.

Depreciation and amortization expense was charged to functions as follows:

General Government	\$ 1,376,438
Public Safety - Police	1,292,564
Public Safety - Fire	2,264,835
Public Safety - Other	84,000
Public Works	2,142,836
Transportation	-
Economic Environment	3,633,497
Physical Environment	-
Culture and Recreation	3,039,903
Internal Service Funds	5,296,743
Total Governmental Activities Depreciation Expense	<u>\$ 19,130,816</u>

(The remainder of page has been intentionally left blank)

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital Assets, Not Depreciated:				
Land	\$ 6,285,499	\$ -	\$ -	\$ 6,285,499
Construction in Progress	79,074,209	58,702,096	51,255,252	86,521,053
Total Capital Assets, Not Depreciated:	85,359,708	58,702,096	51,255,252	92,806,552
Capital Assets, Depreciated:				
Buildings, Improvements, and Systems	780,058,895	45,522,808	-	825,581,703
Machinery and Equipment	9,370,183	1,326,474	94,531	10,602,126
Total Capital Assets, Depreciated:	789,429,078	46,849,282	94,531	836,183,829
Right of Use Leased Assets, Amortized:				
Leasing Equipment	-	388,284	-	388,284
Right of Use Leased Assets, Amortized:	-	388,284	-	388,284
Right of Use Subscription Asset:				
Subscription Based Information Technology Arrangements	302,000 a	382,536	-	684,536
Total Right of Use Subscription Assets	302,000	382,536	-	684,536
Less Accumulated Depreciation For:				
Buildings and Improvements	449,913,981	22,956,632	-	472,870,613
Machinery and Equipment	7,704,403	622,813	82,552	8,244,664
Total Accumulated Depreciation	457,618,384	23,579,445	82,552	481,115,277
Less Accumulated Amortization:				
Leasing Equipment	-	78,706	-	78,706
Subscription Based Information Technology Arrangements	52,596 a	81,333	-	133,929
Total Accumulated Amortization	52,596	160,039	-	212,635
Total Capital Assets, Depreciated-Net	332,060,098	23,880,618	11,979	355,928,737
Business-type Activities Capital Assets, Net	\$ 417,419,806	\$ 82,582,714	\$ 51,267,231	\$ 448,735,289

a - Beginning balance adjusted for implementation of GASB 96 - Subscription Based Information Technology Arrangements.

Depreciation and amortization expense was charged to functions as follows:

Water and Sewer	\$ 21,088,848
Nonmajor Enterprise Funds	2,650,636
Total Business-type Activities Depreciation Expense	<u>\$ 23,739,484</u>

NOTE 6 – CONSTRUCTION COMMITMENTS

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

General Fund	\$ 1,304,589
Beach CRA	57,947,810
Downtown CRA	22,953,972
General Obligation Capital Projects Series 2022 Fund	3,500,000
Nonmajor Governmental Funds	186,984,567
Water and Sewer Fund	266,288,721
Nonmajor Enterprise Funds	29,112,208
Central Services Internal Service Fund	7,131,006
Insurance Fund	49,421
Total Commitments	<u>\$ 575,272,294</u>

(The remainder of page has been intentionally left blank)

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of September 30, 2023, is as follows:

Due From:	Due to:		
	General Fund	Downtown Community Redevelopment Agency	Total
Special Programs Fund	\$ -	\$ 144,000	\$ 144,000
Police Grants Fund	230,140	-	230,140
Emergency and Disaster Fund	1,393,012	-	1,393,012
Golf Enterprise Fund	2,565,971	-	2,565,971
	<u>\$ 4,189,123</u>	<u>\$ 144,000</u>	<u>\$ 4,333,123</u>

The above mainly represents cash advanced by the General Fund to other Funds which are outstanding at September 30, 2023.

	Transfers In:				
	General Fund	Nonmajor Governmental Funds	Water & Sewer Utility	Internal Service Funds	Total Transfers
<u>Transfers Out:</u>					
General Fund	\$ -	48,890,646	-	4,893,689	53,784,335
Nonmajor Governmental Funds	450,000	244,970	-	-	694,970
Water & Sewer Utility	5,744,027	-	-	-	5,744,027
Nonmajor Enterprise Funds	549,801	-	350,882	-	900,683
Internal Service Funds	347,734	691,131	-	-	1,038,865
Total Transfers In	<u>\$ 7,091,562</u>	<u>\$ 49,826,747</u>	<u>\$ 350,882</u>	<u>\$ 4,893,689</u>	<u>\$ 62,162,880</u>

Bond covenants and City financial policies require interfund transfers to move financial resources from funds designated to receive them to funds required to expend them. Business-type fund payments-in-lieu of taxes are also reported as interfund transfers to the General Fund. The \$48.9 million transfer between the General Fund and the Nonmajor Governmental Funds was mainly to fund debt service and general capital projects (non-grant and non-bond funded capital projects). The \$7.1 million transfers into the General Fund were primarily to offset administrative costs for services provided to other funds. The \$4.9 million transferred into the Internal Service Funds are primarily to fund capital asset acquisitions (such as fleet vehicles).

NOTE 8 – LEASES (GASB 87)

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

City as Lessor:

On February 2011 and amended on May 2013 the City (lessor) entered into an initial development agreement and land lease with Margaritaville Hollywood Beach Resort, LLC (lessee). The purpose of the

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

lease was to provide the lessee the right to develop Margaritaville Resort (opened 2015) and related amenities (parking, commercial space, redevelopment) on city land. The minimum guaranteed rent is \$1,000,000 beginning October 2015. Minimally guaranteed rent increases 15% every fifth year until year 99 (see inflows in the below table). Rent is due monthly. "Participation Rent" and "Transaction Rent" is a variable rent due based on the lessee's prior audited financial statements or property transfers. Only the minimum guaranteed rent is included in the schedule below. For FY 2023, the City received \$1.15 million in minimally guaranteed rent and \$1.7 million in variable rent. The lease was valued in accordance with GASB 87 beginning October 2021. At this time, the lease assets were valued at \$58.8 million. The interest implicit in the lease is approximately 4.13%. The lease is recorded in the General Fund as a "Lease Receivable - GASB 87" and deferred inflow for "Leases - GASB 87". At the end of FY 2023, the lease receivable was \$58.7 million, and the related deferred inflow was \$57.5 million. The lease may be terminated by the City if the developer is in prolonged default of payment or bankruptcy.

The schedule of inflows as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Inflows	Outstanding
2024	\$ 59,297	\$ 1,090,703	\$ 1,150,000	\$ 58,629,202
2025	61,794	1,088,206	1,150,000	58,567,408
2026	64,396	1,258,104	1,322,500	58,503,012
2027	67,108	1,255,392	1,322,500	58,435,904
2028	69,934	1,252,566	1,322,500	58,365,970
2029 - 2033	396,407	6,811,218	7,207,625	57,969,563
2034 - 2038	487,208	7,801,561	8,288,769	57,482,355
2039 - 2043	598,808	8,933,276	9,532,084	56,883,547
2044 - 2048	735,971	10,225,926	10,961,897	56,147,576
2049 - 2053	904,553	11,701,628	12,606,181	55,243,023
2054 - 2058	1,111,750	13,385,359	14,497,109	54,131,273
2059 - 2063	1,366,407	15,305,267	16,671,674	52,764,866
2064 - 2068	1,679,396	17,493,029	19,172,425	51,085,470
2069 - 2073	2,064,079	19,984,211	22,048,290	49,021,391
2074 - 2078	2,536,877	22,818,656	25,355,533	46,484,514
2079 - 2083	3,117,974	26,040,889	29,158,863	43,366,540
2084 - 2088	3,832,178	29,700,515	33,532,693	39,534,362
2089 - 2093	4,709,977	33,852,620	38,562,597	34,824,385
2094 - 2098	5,788,844	38,558,141	44,346,985	29,035,541
2099 - 2103	7,114,838	43,884,196	50,999,034	21,920,703
2104 - 2108	8,744,563	49,904,326	58,648,889	13,176,140
2109 - 2113	10,747,593	56,698,629	67,446,222	2,428,547
2114 - 2118	2,428,547	11,803,226	14,231,773	-
	<u>\$ 58,688,499</u>	<u>\$ 430,847,644</u>	<u>\$ 489,536,143</u>	

City as Lessee:

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

I. McNicol Middle School - Building - November 2021

In November 2021, the City's Parks and Recreation Department (General Fund) leased office space at McNicol Middle School from the Broward County School Board. The purpose of the lease is to provide office space for parks and recreation services to the community. Payments are due monthly, and the lease term is 60 months (5 years). Payments are \$9,485, \$9,769, \$10,062, \$10,364, and \$10,675

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

per month in years 1 - 5 of the lease. The lease's interest rate is about 9%. The office space's cost was \$488,189 and currently has \$187,139 in accumulated depreciation.

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 102,898	\$ 27,324	\$ 130,222
2025	107,786	16,280	124,066
2026	121,206	6,582	127,788
2027	10,601	75	10,676
	<u>\$ 342,491</u>	<u>\$ 50,261</u>	<u>\$ 392,752</u>

II. CRA Building Lease - May 2016

In May 2016, the CRA leased office space at 1948 Harrison Street from 1948 Harrison Street LLC. The purpose of the lease is to provide office space for the Community Redevelopment Agency to provide community 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 cost was \$274,525 and currently has \$109,810 in accumulated depreciation.

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Outflows
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>

III. Orangebrook Golf Course – Golf Carts - Wells Fargo Financial Leasing – February 2023

In February 2023, the Golf Enterprise Fund leased golf carts from Wells Fargo Financial Leasing. The purpose of the lease is to provide 120 2023 EZ-GO RXV Elite Golf Carts to the Orangebrook Golf Course. Payments are due monthly, and the lease term is 36 months (3 years). Payments are \$11,269 per month. The lease's interest rate is about 4.52%. The golf carts cost \$388,284. The carts currently have \$78,706 in accumulated depreciation.

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 123,708	\$ 11,521	\$ 135,229
2025	129,468	5,760	135,228
2026	55,709	637	56,346
	<u>\$ 308,885</u>	<u>\$ 17,918</u>	<u>\$ 326,803</u>

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

IV: Police Command Staff Vehicles – Enterprise FM Trust – January 2023

In February 2023, the Police Department (General Fund) leased 13 vehicles from Enterprise FM Trust. The purpose of the lease is to provide 13 vehicles for police operations. Payments are due monthly, and the lease term is 36 months (3 years). Payments are approximately \$10,064 per month. The lease's interest rate is about 3.94%. The vehicles cost \$345,000. The vehicles currently have \$71,875 in accumulated depreciation.

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 117,069	\$ 8,947	\$ 126,016
2025	116,296	4,466	120,762
2026	44,841	485	45,326
	<u>\$ 278,206</u>	<u>\$ 13,898</u>	<u>\$ 292,104</u>

V: Code Vehicles – Enterprise FM Trust – March 2023

In March 2023, the Code Department (General Fund) leased 20 trucks from Enterprise FM Trust. The purpose of the lease is to provide 20 trucks to be used for code services within the City limits. Payments are due monthly, and the lease term is 14 months. Payments are approximately \$12,009 per month. The lease's interest rate is about 7.80%. The vehicles cost \$168,000. The vehicles currently have \$84,000 in accumulated depreciation.

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 83,888	\$ 8,947	\$ 92,835
	<u>\$ 83,888</u>	<u>\$ 8,947</u>	<u>\$ 92,835</u>

NOTE 9 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

I: Axon Body Camera Software

In late September 2022, the Police Department (Police Grant Fund) purchased body cameras and related subscriptions from Axon. The purpose is to provide body camera technologies and transparency to the police department and overall citizenry of Hollywood. The term is 5 years. The arrangement calls for annual payments of \$457,191. The interest rate is about 3.45%. During the year, the City paid \$457,192 in principal and interest payments. The asset was measured at \$2,281,757 and current accumulated amortization is \$413,400.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 399,281	\$ 57,911	\$ 457,192
2025	413,036	44,156	457,192
2026	427,265	29,927	457,192
2027	441,435	15,207	456,642
	<u>\$ 1,681,017</u>	<u>\$ 147,201</u>	<u>\$ 1,828,218</u>

II. Open Government Procurement Software

In late September 2022, the Procurement Department (General Fund) purchased software to facilitate procurement services within the City and to external stakeholders. The term is 5 years. The arrangement calls for annual payments of \$35,000. The interest rate is about 3.45%. During the year, the City paid \$16,500 in principal and interest payments. The asset was measured at \$158,500 and current accumulated amortization is \$31,700.

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 30,579	\$ 4,421	\$ 35,000
2025	31,633	3,367	35,000
2026	32,722	2,278	35,000
2027	33,389	1,150	34,539
	<u>\$ 128,323</u>	<u>\$ 11,216</u>	<u>\$ 139,539</u>

III. Oracle Enterprise Resource Planning (ERP) Software

In December 2022, the Information Technology Department (Central Services Internal Service Fund) purchased Oracle ERP subscriptions via Mythics, Inc. The term is 5 years. The arrangement calls for annual payments of \$456,344, \$761,493, \$482,567, \$506,695, and \$532,030. The interest rate is about 3.48%. During the year, the City paid \$456,344 in principal and interest payments. The asset was measured at \$2,478,000 and current accumulated amortization is \$413,000.

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 688,073	\$ 73,420	\$ 761,493
2025	433,112	49,455	482,567
2026	472,325	34,370	506,695
2027	514,455	17,918	532,373
	<u>\$ 2,107,965</u>	<u>\$ 175,163</u>	<u>\$ 2,283,128</u>

IV. Microsoft Enterprise Software

In August 2023, the Information Technology Department (Central Services Internal Service Fund) purchased Microsoft Enterprise Software via CDW Government. The software's purpose is to provide consolidated Microsoft technology packages for e-mail, security, meetings, etc. The term is 3 years. The arrangement calls for annual payments of \$790,633. The interest rate is about 3.04%. During the year,

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

the City paid \$790,633 in principal and interest payments. The asset was measured at \$2,235,000 and current accumulated amortization is \$124,167.

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 744,643	\$ 45,990	\$ 790,633
2025	748,791	23,346	772,137
	<u>\$ 1,493,434</u>	<u>\$ 69,336</u>	<u>\$ 1,582,770</u>

V. Motorola CAD

In October 2022, the Information Technology Department (Central Services Internal Service Fund) purchased Microsoft Computer Aided Software via Motorola Solutions. The software's purpose is to provide dispatch and other related 911 system messaging from Broward County to the Hollywood Police Department. The term is 6 years. The arrangement calls for annual payments from \$41,134 to \$55,795. The interest rate is about 3.45%. During the year, the City paid \$41,134 in principal and interest payments. The asset was measured at \$269,000 and current accumulated amortization is \$44,833.

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 41,404	\$ 8,169	\$ 49,573
2025	44,317	6,743	51,060
2026	47,376	5,216	52,592
2027	50,586	3,584	54,170
2028	53,450	1,841	55,291
	<u>\$ 237,133</u>	<u>\$ 25,553</u>	<u>\$ 262,686</u>

VI. Aclara Meter Software

In June 2023, the Water and Sewer Enterprise fund purchased Aclara Water and Sewer Meter Software. The software's purpose is to provide utility advanced metering infrastructure technologies to the Water and Sewer Fund. The term is 5 years. The arrangement calls for annual payments from \$41,173 to \$82,346. The interest rate is about 2.45%. During the year, the City paid \$0 in principal and interest payments but obtained delivery of the system. The asset was measured at \$382,536 and current accumulated amortization is \$20,933.

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 88,366	\$ 14,566	\$ 102,932
2025	66,525	5,528	72,053
2026	78,448	3,898	82,346
2027	80,659	1,976	82,635
	<u>\$ 313,998</u>	<u>\$ 25,968</u>	<u>\$ 339,966</u>

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

VII. Azteca Software

In June 2023, the City (various Funds) purchased Cityworks asset management software from Azteca Systems LLC. The software's purpose is to consolidate the asset management services provided by public works, public utilities, and central services departments. The term is 5 years. The arrangement calls for annual payments from \$126,000 to \$141,814. The interest rate is about 3.45%. During the year, the City paid \$126,000 in principal and interest payments but obtained delivery of the system. The asset was measured at \$604,000 and current accumulated amortization is \$225,992.

The payment schedule as of September 30, 2023 is below:

	<u>General Fund/Governmental Activities</u>		
Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 13,810	\$ 1,527	\$ 15,337
2025	14,746	1,051	15,797
2026	15,752	542	16,294
	<u>\$ 44,308</u>	<u>\$ 3,120</u>	<u>\$ 47,428</u>

	<u>Water and Sewer Enterprise Fund</u>		
Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 47,546	\$ 5,255	\$ 52,801
2025	50,768	3,617	54,385
2026	54,241	1,869	56,110
	<u>\$ 152,555</u>	<u>\$ 10,741</u>	<u>\$ 163,296</u>

	<u>Stormwater Enterprise Fund</u>		
Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 12,639	\$ 1,397	\$ 14,036
2025	13,495	962	14,457
2026	14,419	497	14,916
	<u>\$ 40,553</u>	<u>\$ 2,856</u>	<u>\$ 43,409</u>

	<u>Central Services Internal Services Fund/Governmental Activities</u>		
Fiscal Year Ending September 30,	Principal	Interest	Outflows
2024	\$ 46,374	\$ 5,126	\$ 51,500
2025	49,517	3,528	53,045
2026	52,904	1,823	54,727
	<u>\$ 148,795</u>	<u>\$ 10,477</u>	<u>\$ 159,272</u>

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 10 – LONG-TERM DEBT

Summarized below are the City's debt issued to finance the acquisition and construction of major capital facilities that were outstanding as of September 30, 2023:

I. GOVERNMENTAL ACTIVITIES DEBT:

Bonds, Loans, and Notes:

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

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

<u>Fiscal Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,977,000	\$ 664,709	\$ 3,641,709
2025	3,062,000	577,780	3,639,780
2026	3,152,000	488,370	3,640,370
2027	3,247,000	396,332	3,643,332
2028	3,343,000	301,519	3,644,519
2029 - 2033	6,983,000	307,359	7,290,359
	<u>\$ 22,764,000</u>	<u>\$ 2,736,069</u>	<u>\$ 25,500,069</u>

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

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

<u>Fiscal Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 800,000	\$ 18,960	\$ 818,960
	<u>\$ 800,000</u>	<u>\$ 18,960</u>	<u>\$ 818,960</u>

\$36,890,000 Capital Improvement Revenue and Refunding Bonds, Series 2016A – On March 3, 2016 the City issued Series 2016A bonds for the purpose of advance refunding various City outstanding debts, construction of various capital projects citywide, acquisition of vehicles and equipment, and to pay for issuance costs related to the bonds. Of the \$44,469,136 of proceeds and premiums plus \$1,635,339 of other available resources, \$24,808,874 was used for advance refunding (of which \$4,914,208 in principal plus \$133,866 in interest and costs related to refunding business-type activity FFGFC series notes), \$21,000,000 for capital items and the remaining balance for costs related to the debt. The Series 2016A bonds are secured by the City's half-cent sales tax revenue and the City's simplified communications tax revenue. The coupon interest rate on these bonds is 5.0% for the first payment, decreasing to 3.0% on the

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

last payment on July 1, 2031. In the event of default of payments, covenants, or bankruptcy existing for more than 30 days, the City must pay to the Paying Agent, Registrar, or Holders of the Bonds not less than 25.00% of the outstanding principal.

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 2,723,739	\$ 1,241,773	\$ 3,965,512
2025	3,591,201	1,105,586	4,696,787
2026	3,770,985	926,026	4,697,011
2027	2,925,997	737,477	3,663,474
2028	3,074,319	591,177	3,665,496
2029 - 2033	10,171,323	820,223	10,991,546
	26,257,564	5,422,262	31,679,826
Premium/(Discount)	2,102,045	-	2,102,045
	<u>\$ 28,359,609</u>	<u>\$ 5,422,262</u>	<u>\$ 33,781,871</u>

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

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 6,985,000	\$ 1,241,773	\$ 8,226,773
	6,985,000	1,241,773	8,226,773
Premium/(Discount)	72,647	-	72,647
	<u>\$ 7,057,647</u>	<u>\$ 1,241,773</u>	<u>\$ 8,299,420</u>

\$33,500,000 Community Redevelopment Agency Loans committed to fund certain redevelopment projects and/or redevelopment incentives of the Downtown Community Redevelopment Agency as approved by its governing board. The DCRA has pledged its tax increment revenues for repayment of these loans. The interest rates on \$2,500,000, \$4,000,000, and \$2,000,000 of these loans are fixed at 5.44%, 5.61% and 2.84%. The loans will mature in November 2022 and August 2024. The interest rates on the remaining outstanding borrowings are variable and equal to the one-month London Interbank Offered Rate (LIBOR) as published periodically in the Wall Street Journal plus 1.75%. Interest rate on these borrowings was 1.83% at September 30, 2023. In the event of default on payment, covenant, bankruptcy, or compliance with notice requirements, the outstanding principal and accrued interest is immediately due. For the \$2,000,000, upon default, the loan's interest rate will increase to the maximum allowed per law. In addition,

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 355,000	\$ 7,597	\$ 362,597
	<u>\$ 355,000</u>	<u>\$ 7,597</u>	<u>\$ 362,597</u>

On September 22, 2006, the Downtown District of the Hollywood Community Redevelopment Agency issued its Promissory Note, Series 2006A (2006A Note) in the principal amount of \$20,500,000 for the purpose of refunding its Promissory Notes Series, 2004B, 2005A and 2005B (Previous Notes) also totaling \$20,500,000. The 2006A Note and the Previous Notes carry the same interest rate, 175 basis points over the 1-month LIBOR, and all were issued as bank loans/lines of credit by the same financial institution. The only cost of issuance for both the 2006A Note and the Previous Notes was limited to minimal counsel fees which were fully expended the year transactions were entered. 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 variable related debt and the interest rate swap were fully satisfied. The Series 2015 loan is the only remaining loan outstanding (debt service schedule above).

\$60,045,000 General Obligation Bonds, Series 2019 – On September 10, 2019, the City issued the Series 2019, General Obligations bonds. The bond was issued at a premium of \$10,692,757. The bond is payable semiannually commencing on January 1, 2022 and on each January 1 and July 1 thereafter. The bonds mature on July 1, 2044. The bonds are secured by the City's ad valorem taxes. Interest on the bonds varies from 4.00% to 5.00%. In the event of default of payments, covenants, or bankruptcy existing for more than 30 days, the majority bond holders may declare all outstanding principal and interest immediately due.

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

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 1,570,000	\$ 2,328,600	\$ 3,898,600
2025	1,655,000	2,250,100	3,905,100
2026	1,730,000	2,167,350	3,897,350
2027	1,820,000	2,080,850	3,900,850
2028	1,910,000	1,989,850	3,899,850
2029 - 2033	11,065,000	8,418,500	19,483,500
2034 - 2038	13,710,000	5,773,000	19,483,000
2039 - 2043	16,675,000	2,802,800	19,477,800
2044 - 2048	3,750,000	150,000	3,900,000
	53,885,000	27,961,050	81,846,050
Premium/(Discount)	8,053,613	-	8,053,613
	<u>\$ 61,938,613</u>	<u>\$ 27,961,050</u>	<u>\$ 89,899,663</u>

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

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 1,250,909	\$ 170,881	\$ 1,421,790
2025	1,280,183	141,607	1,421,790
2026	1,310,141	111,648	1,421,789
2027	1,239,179	81,016	1,320,195
2028	979,264	55,247	1,034,511
2029 - 2033	1,747,140	40,729	1,787,869
	<u>\$ 7,806,816</u>	<u>\$ 601,128</u>	<u>\$ 8,407,944</u>

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

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 2,268,564	\$ 71,879	\$ 2,340,443
2025	1,810,014	28,240	1,838,254
2026	310,000	8,146	318,146
2027	235,000	2,233	237,233
	<u>\$ 4,623,578</u>	<u>\$ 110,498</u>	<u>\$ 4,734,076</u>

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

On October 19, 2022, the City Issued General Obligation Bonds, Series 2022 for a par amount of \$89,660,000 and premium of \$4,584,677. The issue is an indirect issue through financial services firms. The bond's interest rate is 5.0%. Interest on the Series 2022 Bonds will accrue from the issue date and payable commencing on January 1, 2023. Interest is then payable semiannually each January 1 and July 1. The bonds are secured by the City's ad valorem taxes. The bond does not contain debt service coverage or similar covenants. Upon default, all principal and interest become immediately due (incorporates the City's Bond resolution remedies). The purpose of the bonds is to provide funds to finance:

- Public Safety Projects (\$64,167,793),
- Neighborhoods, Infrastructure, and Resiliency Projects (\$7,335,577),
- Parks, Open Space, Golf, Recreation and Cultural Arts Facilities Projects (\$21,524,189),
- Cost of Issuance (\$933,568), and
- To the extent permissible, reimbursement to the City of any money previously advanced by the City to pay any portion of the costs of the above projects.

Annual debt service requirements to maturity for the Series 2022 General Obligation Bonds:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 1,945,000	\$ 4,330,000	\$ 6,275,000
2025	2,040,000	4,232,750	6,272,750
2026	2,145,000	4,130,750	6,275,750
2027	2,255,000	4,023,500	6,278,500
2028	2,360,000	3,910,750	6,270,750
2029 - 2033	13,735,000	17,657,500	31,392,500
2034 - 2038	17,520,000	13,863,500	31,383,500
2039 - 2043	22,350,000	9,023,750	31,373,750
2044 - 2048	22,250,000	2,849,000	25,099,000
	86,600,000	64,021,500	150,621,500
Premium/(Discount)	4,447,265	-	4,447,265
	<u>\$ 91,047,265</u>	<u>\$ 64,021,500</u>	<u>\$ 155,068,765</u>

Financed Purchases – (Direct Financing):

Johnson Controls Equipment Loan - In May 2008, the City's Central Services Internal Service Fund, Water and Sewer Fund, and Parking Fund obtained a loan from Johnson Controls (JCI) to purchase capital equipment. The equipment included the technology licenses for automated Wi-Fi water and parking meters. Payments are due quarterly on November, February, May, and August of each year. The lease's interest rate is about 3.79%. The equipment's original cost was \$16,226,230. Currently, Water and Sewer fund's asset cost was \$6.87 million with \$5.49 million in accumulated depreciation. The assets in the Parking Fund and Central services fund have been retired. The debt service schedule as of September 30, 2023 is below:

Governmental Activities			
Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 226,581	\$ 5,669	\$ 232,250
	<u>\$ 226,581</u>	<u>\$ 5,669</u>	<u>\$ 232,250</u>
Business Type Activities			
Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 729,457	\$ 18,249	\$ 771,624
	<u>\$ 729,457</u>	<u>\$ 18,249</u>	<u>\$ 771,624</u>

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Motorola Equipment Loan - On December 23, 2013, the City's Central Services Internal Service Fund obtained a loan from Motorola Solutions to purchase capital equipment. The equipment included the public safety radio equipment. Ownership passed to the City upon acceptance of the goods. Payments are due annually in January of each year. The lease's interest rate is about 3.12%. The original loan balance was for \$4.3 million. The debt service schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 492,486	\$ 15,361	\$ 507,847
	\$ 492,486	\$ 15,361	\$ 507,847

Key Government License Loans - In November 2015 and August 2018, the City's Central Services Internal Service Fund obtained a loan from Key Government Finance, Inc. to purchase telecommunications software. Payments are due annually in October of each year. The lease's interest rate is about 5.12%. The equipment's original cost was \$1.67 million. This obligation was fully repaid as of September 30, 2023.

Dell - Police Laptops - March 2021 - In March 2021, The City's Central Services Internal Service Fund (Information Technology) leased 300 Panasonic Toughbook computers from Dell Financial Services. The purpose of the lease is to fund the replacement of existing and aging police vehicle laptops. Payments of \$301,873.60 are due annually from March 2021 through March 2023 (three year lease term). The lease's interest rate is about 9%. The computer's cost was \$764,891 and currently has \$764,891 in accumulated depreciation. This obligation was fully repaid as of September 30, 2023.

Enterprise - Police Vehicles - September 2021 - In September 2021, the City's Central Services Internal Service Fund (Fleet) leased 45 Chevrolet Tahoe Police SUVs from Enterprise Fleet Management. The purpose of the lease is to fund the replacement of aging police vehicles. The vehicles were placed in service in batches based on delivery date; 21 vehicles were placed in service in FY 2021 and the remainder were placed in service in FY 2022. Payments of \$54,347 are due monthly. The lease term is 36 months from delivery date (three-year lease term). The lease's interest rate is about 5.4%. During the year, a significant modification in lease payments resulted in a reduction of the lease liability of \$159,840. The SUV's cost was \$2,449,554 and currently has \$1,551,921 in accumulated depreciation. The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 893,095	\$ 21,146	\$ 914,241
	\$ 893,095	\$ 21,146	\$ 914,241

Dell - Laptop Lease - August 2022 - In August 2022, the City's Central Services Internal Service Fund leased 300 Dell Latitude 5520 computers from Dell Financial Services. The purpose of the lease is to fund the replacement of existing and aging city laptops. Payments of \$78,738.40 are due annually from August 2021 through August 2025 (four-year lease term). The lease's interest rate is about 5%. The computer's cost was \$280,000 and currently has \$58,300 in accumulated depreciation.

The payment schedule as of September 30, 2023 is below:

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 71,585	\$ 7,153	\$ 78,738
2025	80,068	3,662	83,730
	\$ 151,653	\$ 10,815	\$ 162,468

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

II. BUSINESS-TYPE ACTIVITIES DEBT:

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

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

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 1,295,000	\$ 1,375,200	\$ 2,670,200
2025	1,360,000	1,310,450	2,670,450
2026	1,430,000	1,242,450	2,672,450
2027	1,500,000	1,170,950	2,670,950
2028	1,575,000	1,095,950	2,670,950
2029 - 2033	9,145,000	4,215,750	13,360,750
2034 - 2038	11,525,000	1,831,550	13,356,550
2039 - 2043	2,595,000	77,850	2,672,850
	<u>30,425,000</u>	<u>12,320,150</u>	<u>42,745,150</u>
Premium/(Discount)	5,821,593	-	5,821,593
	<u>\$ 36,246,593</u>	<u>\$ 12,320,150</u>	<u>\$ 48,566,743</u>

\$115,006,738 State of Florida Revolving Fund Loans – Funds borrowed and outstanding to finance the construction of a reuse wastewater system and drinking water systems. Currently, the State has committed to loan the City a total of approximately \$115.0 million for qualifying projects under this loan program (drawn down). The loans are collateralized by a pledge of the reuse system and utility system revenues. The final loan matures on February 15, 2043. Interest accrues at rates ranging from 0.00% and 0.13% annually. In the event of default of payment, covenant, bankruptcy, or compliance with notice requirements, the loans may be accelerated at a rate of 1.667 times the financing rate.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 9,055,668	\$ 1,296,113	\$ 10,351,781
2025	8,324,997	1,147,181	9,472,178
2026	8,437,750	1,010,956	9,448,706
2027	6,281,024	888,379	7,169,403
2028	6,356,684	812,718	7,169,402
2029 - 2033	31,361,486	2,937,633	34,299,119
2034 - 2038	27,121,354	1,295,790	28,417,144
2039 - 2043	18,067,775	278,503	18,346,278
	<u>\$ 115,006,738</u>	<u>\$ 9,667,273</u>	<u>\$ 124,674,011</u>

\$36,890,000 Capital Improvement Revenue and Refunding Bonds, Series 2016A – On March 3, 2016, the City issued Series 2016A bonds for the purpose of advance refunding FFGFC Series 2006 loans and to pay for issuance costs related to the bonds. Only \$3,728,700 of the \$36,890,000 face value of the borrowing relates to business-type activities. The bonds mature on July 1, 2031. In the event of default of payments, covenants, or bankruptcy existing for more than 30 days, the City must pay to the Paying Agent, Registrar, or Holders of the Bonds not less than 25.00% of the outstanding principal.

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 306,260	\$ 139,627	\$ 445,887
2025	403,799	124,314	528,113
2026	424,015	104,124	528,139
2027	329,003	82,923	411,926
2028	345,681	66,473	412,154
2029 - 2033	1,143,677	92,227	1,235,904
	2,952,435	609,688	3,562,123
Premium/(Discount)	301,815	-	301,815
	<u>\$ 3,254,250</u>	<u>\$ 609,688</u>	<u>\$ 3,863,938</u>

\$8,400,000 Series 2022A Bank Note – On April 21, 2022, the City issued the Series 2022A Bank Note. The note is payable quarterly commencing on August 1, 2022. The note mature on May 1, 2027. The note is secured by the City's electric franchise fees. Interest on the notes equals 2.03% for Series 2022A . The purpose of the note is to fund the repayment of the general employees' pension settlement agreement debt(contributions owed).

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2024	\$ 834,741	\$ 83,341	\$ 918,042
2025	641,460	40,432	681,892
	<u>\$ 1,476,201</u>	<u>\$ 123,773</u>	<u>\$ 1,599,934</u>

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

III. BOND RESOLUTION AND GENERAL DEFAULT TERMS

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

IV. LINES OF CREDIT

The City has an emergency line of credit with City National Bank in the amount of \$10 million. The line of credit was unused as of and during the fiscal year ended September 30, 2023.

V. CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Government Activities:					
Bonds and Loans Payable:					
Indirect Borrowing:					
General Obligation Notes, Series 2015	\$ 25,656,000	\$ -	\$ 2,892,000	\$ 22,764,000	\$ 2,977,000
Capital Improvement Bonds, Series 2016A	28,850,960	-	2,593,396	26,257,564	2,723,739
General Obligation Notes, Series 2019	55,380,000	-	1,495,000	53,885,000	1,570,000
General Obligation Notes, Series 2022	-	89,660,000	3,060,000	86,600,000	1,945,000
Redevelopment Revenue Bonds	13,640,000	-	6,655,000	6,985,000	6,985,000
Bond Premium	11,693,269	4,584,677	1,602,376	14,675,570	1,467,586
Total Indirect Borrowing	135,220,229	94,244,677	18,297,772	211,167,134	17,668,325
Direct Borrowing:					
Redevelopment Loans	1,041,667	-	686,667	355,000	355,000
Pinnacle Refunding Note, Series 2017	1,580,000	-	780,000	800,000	800,000
Bank Loan Series 2020	9,029,121	-	1,222,305	7,806,816	1,250,909
Bank Loan Series 2022	6,848,493	-	2,224,915	4,623,578	2,268,564
Total Direct Borrowing:	18,499,281	-	4,913,887	13,585,394	4,674,473
Total Bonds, Notes and Loans Payable	153,719,510	94,244,677	23,211,659	224,752,528	22,342,798
Other Liabilities:					
Compensated Absences	17,843,884	11,332,867	8,383,663	20,793,088	8,360,229
Claims and Judgments	15,920,145	52,476,516	49,868,866	18,527,795	7,193,659
Lease Obligations (Right of Use)	648,410	513,000	286,802	874,608	363,149
Financed Purchases	3,682,690	-	1,918,875	1,763,815	1,683,747
SBITA (Right of Use)	-	7,438,404	1,597,429	5,840,975	1,964,164
Other Postemployment Benefits Obligation	279,717,981	-	3,980,938	275,737,043	12,972,477
Net Pension Liability:					
General	110,776,797	58,813,355	534,436	169,055,716	-
Police	194,087,136	72,068,123	-	266,155,259	-
Fire	141,415,914	76,262,172	-	217,678,086	-
FRS	848,741	129,071	-	977,812	-
Total Other Liabilities	764,941,698	279,033,508	66,571,009	977,404,197	32,537,425
Total Governmental Activities Long-term Liabilities	\$ 918,661,208	\$ 373,278,185	\$ 89,782,668	\$ 1,202,156,725	\$ 54,880,223

Payments on the bonds and loans payable that pertain to the City's governmental activities are made by the Debt Service Fund except for the lease and SBITA obligations, which are repaid directly from the applicable fund. The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund. The General Fund comprises 90.81% of the governmental activities compensated absences.

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

Currently, the General Fund and Water and Sewer Utility bear approximately 73.58% and 16.86% respectively of all insurance costs; no other individual fund is charged more than 5% of the total amount.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

The General Fund has been used to liquidate on average approximately 61% of the City's General Employees' net pension liability and 100% of the Police and Fire Pensions. Required contributions for the City's other postemployment benefit obligations are based on a pay-as-you-go basis of which approximately 74% is assigned to the General Fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Bonds and Loans Payable:					
Indirect Borrowings:					
Water and Sewer Revenue Bonds, Series 2014	\$ 5,580,000	\$ -	\$ 5,580,000	\$ -	\$ -
Water and Sewer Revenue Bonds, Series 2020	30,425,000	-	-	30,425,000	1,295,000
Capital Improvement Bonds, Series 2016A	3,244,040	-	291,605	2,952,435	306,260
Bond Premium/Discount	7,024,240	-	900,832	6,123,408	722,193
Total Bonds and Loans Payable	<u>46,273,280</u>	<u>-</u>	<u>6,772,437</u>	<u>39,500,843</u>	<u>2,323,453</u>
Direct Borrowing					
Bank Loan Series 2022	2,296,506	-	820,305	1,476,201	834,741
State Revolving Loans	122,171,006	1,619,405	8,783,673	115,006,738	9,055,668
Total Direct Borrowing	<u>124,467,512</u>	<u>1,619,405</u>	<u>9,603,978</u>	<u>116,482,939</u>	<u>9,890,409</u>
Total Bonds, Notes and Loans Payable	<u>170,740,792</u>	<u>1,619,405</u>	<u>16,376,415</u>	<u>155,983,782</u>	<u>12,213,862</u>
Other Liabilities:					
Compensated Absences	2,045,819	1,398,749	730,115	2,714,453	730,113
Financed Purchases	1,409,319	-	679,862	729,457	729,457
Lease Obligations (Right of Use)	-	388,284	79,399	308,885	123,708
SBITA (Right of Use)	-	563,404	56,298	507,106	148,551
Other Postemployment Benefits Obligation	54,485,156	2,497,235	3,025,401	53,956,990	2,538,499
Net Pension Liability - General	48,041,275	19,921,718	-	67,962,993	-
Total Other Liabilities	<u>105,981,569</u>	<u>24,769,390</u>	<u>4,571,075</u>	<u>126,179,884</u>	<u>4,270,328</u>
Total Business-Type Activities Long-Term Liabilities	<u>\$ 276,722,361</u>	<u>\$ 26,388,795</u>	<u>\$ 20,947,490</u>	<u>\$ 282,163,666</u>	<u>\$ 16,484,190</u>

VI. UNAMORTIZED PREMIUMS AND DISCOUNTS

Original issue discounts and premiums on long-term debt are amortized over the life of the respective liability in the enterprise funds. Such amounts are amortized using the effective interest method.

VII. PLEDGED REVENUE

General long-term debt bonds/notes are collateralized by multiple sources. For example, the general obligation note is secured by ad valorem taxes on all taxable property within the City and the full faith and credit and taxing power of the City. The City has pledged certain revenue to repay certain bonds and loans outstanding as of September 30, 2023.

The following table reports the revenue pledged for each debt issue, the amounts of such revenue received in the current year, the current year principal and interest paid on the debt, the date through which the revenue is pledged under the debt agreement, and the total pledged future revenue for each debt, which is the amount of the remaining principal and interest on the bonds and loans at September 30, 2023:

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

<u>Bond/Loan Description</u>	<u>Pledged Revenue</u>	<u>Revenue Received</u>	<u>Principal and Interest Paid</u>	<u>Outstanding Principal</u>	<u>Pledged Through</u>
Governmental Activities:					
General Obligation Notes, Series 2015	Ad Valorem Revenues	\$ 140,934,952	\$ 3,641,156	\$ 22,764,000	2030
Capital Improvement Bonds, Series 2016	Half Cent Sales Tax & Simplified Communications Tax Revenues	17,927,935	3,964,839	26,257,564	2031
BCRA Redevelopment Revenue Bonds, Series 2015	Increment Tax Revenues/Designated Non-Ad Valorem Revenues *	30,707,689	7,170,625	6,985,000	2024
DCRA Redevelopment Revenue Loans	Increment Tax Revenues	12,645,981	710,321	355,000	2024
Pinnacle Refunding Note, Series 2017	Non-Ad Valorem Revenues	131,049,313	817,446	800,000	2024
General Obligation Notes, Series 2019	Ad Valorem Revenues	140,934,952	3,898,350	53,885,000	2044
Series 2020 Capital Improvement Bank Loan	Local Business Tax	2,450,337	1,421,790	7,806,817	2030
Series 2022 Bank Loan	Electric Franchise Fees	11,725,750	2,345,215	4,623,578	2027
General Obligation Notes, Series 2022	Ad Valorem Revenues	140,934,952	6,198,100	86,600,000	2047
Business-Type Activities:					
Water and Sewer Revenue Bonds, Series 2014	Utility Revenues	109,246,070	5,859,000	-	2023
Water and Sewer Revenue Refunding Bonds, Series 2020	Utility Revenues	109,246,070	1,375,200	30,425,000	2039
State Revolving Loans	Reuse System and Utility Revenues	118,493,261	10,126,154	115,006,738	2043
Capital Improvement Bonds, Series 2016	Half Cent Sales Tax & Simplified Communications Tax Revenues	17,927,935	445,811	2,952,436	2031
Series 2022 Bank Loan	Electric Franchise Fees	11,725,750	860,620	1,476,431	2027

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

NOTE 11 – NONEXCHANGE FINANCIAL GUARANTEES

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

On October 2, 2020, the above notes were advance refunded with the issuance of the Series 2020 Revenue Refunding Bonds (Public Parking Facilities Project) in the principal amount of \$35,625,000. The purpose of the bonds is to advance refund the District's outstanding Series 2014 Bonds. The Series 2020 bonds mature on October 1, 2045. The bond's interest rate ranges from 2.13% to 5.00%. In the event that the District does not have sufficient funds to service the Bonds, the City will fund any deficiency in the debt service reserve fund from legally available non ad valorem revenues.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 12 – 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.

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

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

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

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

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

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

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

MINIMUM FUND BALANCE POLICY – The General Fund has adopted a target minimum unassigned fund balance policy of seventeen percent (17%) of General Fund expenditures which is equivalent to two months of operations as recommended by the Governmental Finance Officers Association. This target is inclusive of any committed or assigned amounts. The City met all of its fund balance targets at September 30, 2023.

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

	<u>General</u>	<u>Beach Community Redevelopment</u>	<u>Downtown Community Redevelopment</u>	<u>General Obligation Capital Projects Series 2022 Fund</u>	<u>Other Governmental Funds</u>
Nonspendable:					
Inventory	\$ 119,857	\$ -	\$ -	\$ -	\$ -
Prepaid Items	5,972	24,211	-	-	-
Total Nonspendable Fund Balance	<u>125,829</u>	<u>24,211</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted for:					
Assets held for Sale	-	-	-	-	201,926
Debt Covenants	-	7,044,868	-	-	956,631
Grants & Special Programs	-	-	-	-	9,212,830
Public Safety Projects	-	-	-	64,167,792.56	5,451,551
Street and Sidewalk Projects	-	12,796,645	-	-	7,230,051
Redevelopment Projects	-	24,984,653	16,271,871	-	-
Park Improvements & Revocations	-	-	-	21,524,189.21	20,664,298
Building Operations	-	-	-	-	25,230,990
Neighborhood and Infrastructure	-	-	-	7,335,577.38	12,679,596
Impact Fees - Parks and Recreation	-	-	-	-	4,499,717
Impact Fees - PD	-	-	-	-	3,532
Impact Fees - Fire	-	-	-	-	3,941
Impact Fees - General Gov	-	-	-	-	2,689
Impact Fees - MultiModal	-	-	-	-	4,664
Other Capital Projects	-	-	-	4,340,694.85	2,841,501
Total Restricted Fund Balance	<u>-</u>	<u>44,826,166</u>	<u>16,271,871</u>	<u>97,368,254</u>	<u>88,983,918</u>
Committed to:					
Economic Stabilization	11,548,550	-	-	-	-
General Capital Projects	-	-	-	-	17,876,178
Public Safety Projects	-	-	-	-	20,968,519
Street & Sidewalk Projects	-	-	-	-	5,558,990
Economic Environment	-	-	-	-	183,299
Park Improvements & Revocations	-	-	-	-	8,903,237
Other Capital Projects	-	-	-	-	5,799,777
Total Committed Fund Balance	<u>11,548,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,290,000</u>
Assigned to:					
Subsequent Year's Budget	2,314,478	-	-	-	-
Encumbrances	181,000	-	-	-	-
Assets held for resale	-	-	-	-	318,700
General Government	-	-	-	-	168,291
Public Safety Projects	-	-	-	-	174,235
Culture and Recreation Projects	-	-	-	-	10,790
Transportation Projects	-	-	-	-	2,490
Future Debt Service	-	-	-	-	1,856,144
Total Assigned Fund Balance	<u>2,495,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,530,649</u>
Unassigned:	<u>69,165,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,597,542)</u>
Total Fund Balances	<u>\$83,334,915</u>	<u>\$ 44,850,377</u>	<u>\$ 16,271,871</u>	<u>\$ 97,368,254</u>	<u>\$ 149,207,025</u>

NOTE 13 – DEFICIT NET POSITION/FUND BALANCE OF INDIVIDUAL FUNDS

The net position deficit in the Golf Fund is primarily related to year over year sustained operating losses related to providing public golf service. Currently, there are plans to renovate the City's golf courses to make Hollywood key destination for Golf in South Florida. In addition, the fund sustained personnel service costs related to its share of pension and other postemployment benefits. Management will continue to evaluate the operations in the Golf Fund in the future and take necessary steps to improve the net position of the fund.

The fund balance deficit in the Police Grants Fund, totaling \$140,012, is expected to be eliminated by revenue collectible in future years. The revenue is related to reimbursement-based grants which do not meet the availability criteria at year end for revenue recognition and is reported as deferred inflows of resources. The Emergency and Disaster Fund has a fund balance deficit of \$1.43 million as a result of expenditures incurred in the preparation and recovery from the April 2023 major flooding event (FEMA DR-

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

4709-FL). This deficit is expected to be eliminated by revenue collectible in future years. The funding source for this deficit is expected to be FEMA.

No other funds had significant fund balance deficits.

NOTE 14 – RESTRICTED ASSETS

The amounts shown below are those assets restricted by sources external to the City.

Ordinances pertaining to long-term debt and other agreements require segregation and restriction of certain assets represented by the following amounts within the enterprise funds at September 30, 2023:

Water and Sewer:	
Construction and Retainage	\$ 4,774,220
Deposits	7,702,820
Rate Stabilization	10,000,000
State Revolving Loan Reserve	4,142,924
Interest Payable	471,932
Renewal and Replacement	93,526,469
Impact Fee Reserve - Water	5,653,233
Impact Fee Reserve - Sewer	7,612,761
	<u>133,884,359</u>
Sanitation	
Customer Deposits	<u>1,124,225</u>
Total Restricted Cash and Investments - Business Type Activities	<u>\$ 135,008,584</u>

Borrowing agreements for other funds require restriction of certain assets. Amounts required to be restricted totaled \$16.99 million at September 30, 2023 for Governmental Funds. The composition of this amount is shown by fund below:

Beach Community Redevelopment Fund:	
Series 2015 Beach CRA Bond	\$ 7,044,868
General Capital Projects Fund:	
Bond - Series 2016A	2,205,943
Bank Loan - Series 2020	7,025,273
General Obligation Capital Projects Fund - Series 2019	
GO Bond - Series 2019	42,754,578
General Obligation Capital Projects Fund - Series 2022	
GO Bond - Series 2022	97,376,804
Central Services Internal Service Fund:	
Bank Loan - Series 2022	5,870
Total Restricted Cash and Investments - Governmental Activities	<u>\$ 156,413,336</u>

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 15 – ASSETS HELD FOR SALE

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

<u>Location</u>	<u>Folio #</u>	<u>Size: Land/Bldg</u>	<u>Recorded Value</u>
550 N. 66th Terrace	514114082690	0.16 acres/ 1,584 sf	180,000
2323 Cleveland Street	514209054240	0.15 acres/922 sf	125,000
Timeshare - Hollywood Sands		1 week	10,200
Timeshare - Hollywood Beach Residence		1 week	3,500
		Total Value	<u>\$ 318,700</u>

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

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

The total assets held for sale at September 30, 2023 was \$520,626.

The below properties were sold during the fiscal year:

<u>Location</u>	<u>Folio #</u>	<u>Size: Land/Bldg</u>	<u>Recorded Value</u>	<u>Sales Price</u>	<u>Gain/(Loss)</u>
1203 N. Federal Highway	514210050030	0.45 acres	\$ 411,890	\$ 1,786,028	\$ 1,374,138
			<u>\$ 411,890</u>	<u>\$ 1,786,028</u>	<u>\$ 1,374,138</u>

NOTE 16 – CLAIMS PAYABLE – SELF INSURANCE FUND

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

All funds of the City participate in the program and make payments to the Insurance Fund based on actuarial estimates of the amounts to pay prior and current-year claims. The claims liability of \$18,527,595 reported in the Insurance Fund at September 30, 2023, is based on GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" which requires that a liability for

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

claims be reported if information prior to the issuance of the financial statements indicates that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims payable liability is based on actuarial evaluations performed by independent actuaries as of September 30, 2023. This liability consists of claims reported and payable, as well as an estimate for claims incurred and not reported as of that date. At September 30, 2023, claims payable for auto and general liability totaled \$9,714,731 and \$5,321,411 for workers' compensation claims. These amounts reflect a discounted rate factor of 3%. The remaining balance of claims payable consists of amounts for health and dental claims which are not discounted. The liability for unpaid amounts of liability, workers' compensation and employee health claims is reported in the Insurance Fund with a summary of changes in those amounts as follows:

Fiscal Year	Claims Payable October 1	Claims and Changes in Estimates	Adjustment Expenses Paid	Claims Payable September 30
2022	15,034,672	50,650,945	(49,765,472)	15,920,145
2023	15,920,145	52,476,516	(49,868,866)	18,527,795

NOTE 17 – CONTINGENT LIABILITIES

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

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

During fiscal year 2023, the Water and Sewer Enterprise Fund recorded a \$3.4 million special item (expense) relating to court order. On August 17, 2023, the Broward County Courts ruled that City of Hollywood breach its large user agreement with the City of Pembroke Pines. The breach includes improper rates and charges, improper debt service surcharges, and improper large user allocation methodology. The settlement has not been paid to date.

NOTE 18 – TAX ABATEMENTS AND OTHER INCENTIVES

ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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 southwest 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:

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

- 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 Hollywood 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 Hollywood 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 BUSINESS INCENTIVE PROGRAMS:

LOCAL ALTERNATIVE ECONOMIC DEVELOPMENT INCENTIVE PROGRAM

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

COMMERCIAL PROPERTY IMPROVEMENT PROGRAM

The Commercial Property Improvement Program (CPIP) is designed to improve the facades of privately owned commercial or industrial buildings in Hollywood's commercial areas. CPIP grant funds are available to property owners, outside of the CRA boundaries, who restore, renovate or improve the exterior of their building and property enhancing the visual quality and attractiveness of the corridor. The program consists of a reimbursement grant for a percentage of the construction costs up to a maximum amount of \$25,000.00 per property/property owner on a post-completion basis.

In FY 2023, a total of \$73,362 was expended for the CPIP program.

COMMUNITY REDEVELOPMENT AGENCY BUSINESS INCENTIVE PROGRAMS:

HOTEL IMPROVEMENT PROGRAM

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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. There were no funds expended for the HIP or POP.

FUTURE COMMERCIAL PROGRAMS:

The County's annual \$3 million payments to the CRA Downtown District will begin on December 31, 2025 and end on December 21, 2029. The Hollywood City Commission/CRA Board has 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.

- Agreement between the City, Downtown District and Van Jackson LLC and/or Tropic Hollywood, Inc., affiliates of Affiliated Development, LLC for the development 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 CRA 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 CRA 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.
- 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 CRA 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 CRA 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 CRA, 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 are currently two other development projects for which the City/CRA are negotiating a proposed development agreement for the City Commission/CRA Board to consider that would need to transition fully to the City based on the current expected construction timeline:
 - 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.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

- 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 19 – OTHER POSTEMPLOYMENT BENEFITS

The City accounts for postemployment health care benefits provided in accordance with GASB 75.

PLAN DESCRIPTION

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

BENEFITS PROVIDED

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

Eligible retirees may chose the same medical plan available to active employees of the City. Dependents of retirees may be covered at the retiree's option the same as dependents of active employees. Prescription drug coverage is automatically extended to retirees and their dependents who continue coverage under the Medical Plan. Covered retirees and their dependents are subject to all the same medical and prescription benefits and rules for coverage are as active employees. Retirees and their dependents age 65 and over are required to enroll in Medicare Part B in order to remain covered under the program. The plan pays as secondary for claims otherwise covered under Medicare. Deferred retirement does not allow coverage to be elected at the time of retirement.

Employees covered by benefit terms: At September 30, 2023, a total of 2,548 participants were covered by the benefit terms:

Active employees or beneficiaries currently receiving benefit payments	1,338
Employees entitled to but not yet receiving benefit payments	105
Inactive employees	<u>1,105</u>
	<u><u>2,548</u></u>

TOTAL OPEB LIABILITY

The City's total OPEB liability of \$329,694,033 was determined by a roll-forward actuarial valuation at October 1, 2022 for the measurement date of September 30, 2023.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

ACTUARIAL ASSUMPTIONS AND OTHER INPUTS

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

Inflation	2.5 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. The Mortality Improvement Scale assumption was updated to the latest MP21 table.

The actuarial assumptions used on the September 30, 2022 measurement were based on pre and post-Medicare claims for the fiscal years 2020 through 2023.

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability (a)
Balance at 9/30/22	\$ 334,203,137
Changes for the Year:	
Service cost	6,129,268
Interest	14,376,632
Changes of assumptions or other inputs	(10,092,004)
Trust Contributions - Employer	(14,923,000)
Net Changes	(4,509,104)
Balance at 9/30/23	\$ 329,694,033

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

<u>Fiscal Year Ending:</u>	<u>Discount Rate:</u>
09/30/2017	3.50 %
09/30/2018	3.83 %
09/30/2019	2.75 %
09/30/2020	2.41 %
09/30/2021	2.19 %
09/30/2022	4.40 %
09/30/2023	4.63 %

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

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

	1% Decrease 3.63%	Discount Rate 4.63%	1% Increase 5.63%
Total OPEB Liability	\$ 377,341,627	\$ 329,694,033	\$ 290,889,184

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	\$ 285,925,721	\$ 329,694,033	\$ 384,141,870

OPEB Expense and Deferred Inflows of Resources Related to OPEB

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 115,921,253
Changes of assumptions	32,832,078	124,612,326
Changes in each Fund's proportionate share	13,026,932	13,026,932
	<u>\$ 45,859,010</u>	<u>\$ 253,560,511</u>

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

For the Year Ended September 30:	Amount
2024	\$ (39,686,631)
2025	(61,764,172)
2026	(32,546,432)
2027	(36,131,277)
2028	(36,131,275)
Thereafter	<u>(1,441,714)</u>
Total	<u>\$ (207,701,501)</u>

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

NOTE 20 – DEFINED BENEFIT PENSION PLAN INFORMATION

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

PLAN DESCRIPTIONS

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

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

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

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

PLAN MEMBERSHIP

Membership of each plan consisted of the following October 1, 2021, the date of the most recent actuarial valuation:

	Employees Retirement System	Fire Pension Fund	Police Retirement System
Inactive employees or beneficiaries currently receiving benefit payments	1,131	200	421
Inactive employees entitled to but not yet receiving benefit payments	54	18	9
Transfer members	9	-	-
Active Members	603	290	254
	<u>1,797</u>	<u>508</u>	<u>684</u>

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

BENEFITS AND CONTRIBUTIONS

GENERAL EMPLOYEES' RETIREMENT SYSTEM/PLAN

NORMAL RETIREMENT

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

Employees Hired Prior to July 15, 2009:

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

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

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

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

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

For members hired on or after July 15, 2009, normal retirement date and average final compensation varies based on date of hire and date of separation. Normal retirement date is based on a combination of age and years of credited service. Upon reaching normal retirement date, a member is entitled to a normal retirement benefit of two and one-half to three percent (2.5%-3%) of average final compensation for each year of credited service, up to a maximum benefit of 81 percent of average final compensation. Average final compensation is based on the member's highest 104 or 130 consecutive bi-weekly pay periods of credited service. Vesting period will be seven (7) years of credited service.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

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

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

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

Members are not eligible to participate in the DROP.

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

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

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

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

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

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

Vesting period is seven (7) years of credited service

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

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

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

Members are not eligible to participate in the DROP.

Members are not eligible for a COLA.

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

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

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

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

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

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

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

Members are not eligible to participate in the DROP.

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

DISABILITY RETIREMENT

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

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

PRERETIREMENT DEATH BENEFITS

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

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

benefit. If the vested member did not designate a beneficiary, the member's contribution to the Plan, plus simple interest at the rate of four percent (4%) per year will be paid to the member's estate.

DEFERRED RETIREMENT OPTION PLAN (DROP)

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

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

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

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

DROP participation does not affect any other death or disability benefits provided to members under federal law, State law, City ordinance or any rights or benefits under any applicable collective bargaining agreement. As of September 30, 2023, there were 73 members in the DROP and the estimated fair value of DROP investment was approximately \$8,239,000, which is included in the Plan's net position.

COST-OF-LIVING ADJUSTMENT (COLA)

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

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

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

Rate of return on Investments	7.00%
Annual Salary Increased	3.00% to 8.00% depending on service, including inflation
Inflation Rate	2.50%
Cost of Living Adjustments	None
Mortality	The PUB-2010 Headcount Weighted General Below Median Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted General Below Median Employee Female Table (pre-retirement), the PUB-2010 Headcount Weighted General Below Median Healthy Retiree Male Table (post-retirement), and the PUB-2010 General Below Median Healthy Retiree Female Table (post-retirement). These tables use ages set back one year for males and mortality improvements to all future years after 2010 using scale MP-2018. These are the same rates used for Regular (non-Teacher) Class members in the July 1, 2019 Actuarial Valuation of the Florida Retirement System (FRS), as required under Florida Statutes, Chapter 112.63.

The long-term expected rate of return on pension plan investments are developed for each major asset class by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocations as of September 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Target Allocation	Real Rate of Return
Domestic Equity	20-35 %	26.6 %	6.59 %
Fixed Income	20-35	35.0	7.54
International Equity	10-25	16.1	15.17
Real Estate	0-12.5	8.9	3.44
Private Equity	0-15	10.1	9.49
Global Infrastructure	0-5	2.9	5.44
Cash	0-5	0.4	4.50
	<u>100 %</u>	<u>100 %</u>	

DISCOUNT RATE

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes plan members will contribute at the current contribution rate and the City will continue to make future contributions at rates equal to the difference between the total actuarially determined contribution rate and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

CHANGES IN NET PENSION LIABILITY – GENERAL EMPLOYEES RETIREMENT SYSTEM:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	<u>\$ 601,504,574</u>	<u>\$ 442,686,502</u>	<u>\$ 158,818,072</u>
Changes for the year:			
Service Cost	6,631,353	-	6,631,353
Interest	42,664,590	-	42,664,590
Differences between expected and actual experience	243,733	-	243,733
Change of assumptions	19,015,461	-	19,015,461
Contributions-employer	-	28,387,441	(28,387,441)
Contributions-employee	-	3,507,528	(3,507,528)
Contributions-non-employer	-	37,128	(37,128)
Net Investment Income	-	(40,656,005)	40,656,005
Benefit Payments	(46,457,088)	(46,457,088)	-
Refunds of Contributions	(921,883)	(921,883)	-
Administrative expense	-	(921,592)	921,592
Net changes	<u>21,176,166</u>	<u>(57,024,471)</u>	<u>78,200,637</u>
Balance, end of year	<u>\$ 622,680,740</u>	<u>\$ 385,662,031</u>	<u>\$ 237,018,709</u>

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability of the City, calculated using the discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	308,394,305	237,018,709	177,310,054

PENSION PLAN FIDUCIARY POSITION

Detailed information about the pension plan's fiduciary net position is available in a separately issued Employees Retirement Fund financial report.

PENSION EXPENSES AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$13,216,810. The City allocated pension liabilities, deferred outflows, deferred inflows, and pension expense based on each fund's proportionate share of the collective pensionable wages. Pension expense is comprised of the below:

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Service Cost	\$ 6,631,353
Interest	42,664,590
Contributions-employee	(3,507,528)
Non-Employer Contributing Entity Contributions	
(made negative for addition here)	(37,128)
Projected Earnings on Plan Investments	(31,718,665)
Administrative expense	921,596
Net Amortization of Deferred Outflows/Inflows	14,118,281
Total Pension Expense	<u>\$ 29,072,499</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 165,109	\$ 112,066
Change of assumptions	13,087,271	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	30,201,029	-
Changes in proportionate share - Funds	9,453,005	9,453,005
Contributions subsequent to the measurement date	25,492,473	-
	<u>\$ 78,398,887</u>	<u>\$ 9,565,071</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement but prior to the City's fiscal year-end date totaling \$25,492,473 will be recognized as a reduction of net pension liability in the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30,	Net Deferred Outflows/ (Inflows)
2024	\$ 12,977,571
2025	10,699,974
2026	5,188,864
2027	14,474,934
	<u>\$ 43,341,343</u>

FIRE PENSION FUND

PENSION BENEFITS

The pension plan provides retirement, death, and disability benefits for its participants.

ELIGIBILITY

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

CREDITED SERVICE

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

TIER 1 MEMBER

Hired prior to July 16, 2009.

TIER 2 MEMBER

Hired on or after July 16, 2009.

COMPENSATION

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

For Tier 2 Members: Same as for Tier 1 Members except that overtime is limited to 200 hours per calendar year.

AVERAGE FINAL COMPENSATION (AFC)

Tier 1 Members: Average compensation of the three highest years of credited service.

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

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

MEMBER CONTRIBUTIONS

Tier 1 Members: 8% of compensation.

Tier 2 Members: 9.5% of compensation.

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

NORMAL RETIREMENT

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

BENEFIT AMOUNT:

Tier 1 Members: 3.30% of average final compensation times credited service. Maximum benefit of 86% of average final compensation.

Tier 2 Members: 3.20% of average final compensation times credited service. Maximum benefit of 80% of Average Final Compensation.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

Minimum Benefit: 2.75% of average final compensation times credited service:

Form of Benefit: For unmarried members, ten year Certain and life annuity. For married members, 50% joint and survivor annuity with ten years certain.

COST OF LIVING INCREASES

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

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

DISABILITY RETIREMENT

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

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

DEATH BENEFITS

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

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

DEFERRED RETIREMENT OPTION PLAN (DROP)

Eligibility: Only those Members that were eligible to retire as of September 30, 2011. There is no DROP for other Members. Participation: Not to exceed 96 months, but pre-DROP service plus DROP service cannot exceed 33 years. Rate of Return: 8.0% for those who entered DROP prior to July 16, 2009 and 6.0% for all others.

VESTING

100% after 10 years of Credited Service. The benefit amount for Tier 1 members is payable at age 50; for Tier 2 members is payable at age 55.

SUPPLEMENTAL PENSION CHECK (13th CHECK)

If the actual asset return of the trust exceeds the assumed actuarial return for any fiscal year, the excess return (up to 2%) will be allocated equally to eligible participants. For members who retire or who were eligible to retire on or after July 16, 2009 and before October 1, 2011, the Supplemental pension check

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

cannot exceed \$12,000 per year and shall only be paid if there are no aggregate actuarial experience losses beginning with the actuarial experience on or after October 1, 2008.

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

PLANNED RETIREMENT (LUMP SUM) BENEFIT

In order to participate in the Planned Retirement Benefit a member must submit in writing declaring their intent to participate in the Planned Retirement Benefit at any time on or after reaching the member's normal retirement date.

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

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

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

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

SHARE PLAN

Effective July 16, 2009, the City of Hollywood Firefighters' Pension System created The City of Hollywood Chapter 175 Share Plan ("Share Plan") in accordance with Chapter 175 Florida Statutes. The Share Plan is managed and administered by the Board of Trustees of the City of Hollywood Firefighters' Pension System. The Share Plan is funded exclusively through excess, un-dedicated Chapter 175 insurance premium rebate taxes. The membership of the Share Plan consists of all firefighters in active service as of July 16, 2009, excluding retired members and persons who have entered the DROP prior to July 16, 2009. The Share Plan assets are invested by the Board in government insured certificates of deposit or bonds or mutual funds or money market funds or commingled funds thereof, as determined by the Board. The Share Plan is at no actuarial or other cost to the City of Hollywood. All administrative expenses of the Share Plan are deducted from each year's available premium tax money before it is credited to the share accounts to pay for plan administration by the Board.

REFUND OF PARTICIPANT CONTRIBUTIONS

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

A participant who terminates employment and is ineligible for pension benefits is refunded his or her contribution without interest.

COST OF LIVING ADJUSTMENT

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

CONTRIBUTIONS

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

Members hired on or after July 16, 2009 make contributions to the Fund of 7.5% of compensation until member has accrued the maximum benefit of 80.0% of average final compensation.

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

PLAN CHANGES:

There were no amendments or changes to the actuarial methods for fiscal year September 30, 2023. For the October 1, 2021 actuarial valuation used to determine contributions for the year ended September 30, 2023, the payroll growth assumption decreased from 2.00% to 1.50%.

NET PENSION LIABILITY

For Fiscal year 2023, The City's net pension liability measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2021.

ACTUARIAL ASSUMPTIONS

The total pension liability was determined by an actuarial valuation as of October 1, 2021 using the following actuarial assumptions applied to all prior periods included in the measurement:

Inflation Rate	2.50%
Annual Salary Increased	Service Based
Discount Rate	7.50%
Investment Rate of Return	7.50%
Mortality	Mortality Rate Healthy Active Lives: Female: PubS.H-2010 for Employees, set forward one year. Male: PubS.H-2010 for Employees, set forward one year. Mortality Rate Healthy Retiree Lives: Female: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. Male: PubS.H-2010 (Above Median) for Healthy Retirees, set forward one year. Mortality Rate Beneficiary Lives: Female: PubG.H-2010 (Above Median) for Healthy Retirees. Male: PubG.H-2010 (Above Median) for Healthy Retirees, set back one year. Mortality Rate Disabled Lives: 80% PubG.H-2010 for Disabled Retirees / 20% PubS.H-2010 for Disabled Retirees.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return are developed for

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of real rates of return for each major asset class included are summarized in the following table:

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

DISCOUNT RATE

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

CHANGES IN NET PENSION LIABILITY – FIRE PENSION FUND

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance, beginning of year	\$ 478,874,372	\$ 337,458,458	\$ 141,415,914
Changes for the year:			
Service Cost	6,603,517	-	6,603,517
Interest	35,059,894	-	35,059,894
Differences between expected and actual experience	4,137,607	-	4,137,607
Contributions-employer	-	21,874,289	(21,874,289)
Contributions-State	-	1,746,432	(1,746,432)
Contributions-employee	-	2,025,369	(2,025,369)
Net Investment Income	-	(55,104,169)	55,104,169
Benefit Payments	(36,003,194)	(36,003,194)	-
Contributions - buy-back	226,407	226,407	-
Administrative expense	-	(818,823)	818,823
DROP Default Loan Payment	20,358	20,358	-
Other changes	184,252	-	184,252
Net changes	<u>10,228,841</u>	<u>(66,033,331)</u>	<u>76,262,172</u>
Balance -end of year	\$ 489,103,213	\$ 271,425,127	\$ 217,678,086

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability of the City, calculated using the discount rate of 7.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	FIRE PENSION FUND		
	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
Net Pension Liability	<u>262,158,667</u>	<u>217,678,086</u>	<u>180,833,094</u>

PENSION PLAN FIDUCIARY POSITION

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

PENSION EXPENSES AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$31,184,445:

Service Cost	\$ 6,603,517
Interest	35,059,894
Contributions-employee	(2,025,369)
Share Plan Allocation	184,252
Projected Earnings on Plan Investments	(24,899,541)
Administrative expense	818,823
Net Amortization of Deferred Outflows/Inflows	<u>15,442,869</u>
Total Pension Expense	<u>\$ 31,184,445 *</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 16,974,075	\$ -
Change of assumptions	3,006,016	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	37,832,394	-
Contributions subsequent to the measurement date	<u>22,360,782</u>	<u>-</u>
	<u>\$ 80,173,267</u>	<u>\$ -</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date but prior to the City's fiscal year-end totaling \$22,360,782 will be recognized as a reduction of net pension liability in the fiscal year ending September 30, 2024. Other amounts reported

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended September 30,</u>	<u>Net Deferred Outflows/(Inflows)</u>
2024	\$ 14,170,926
2025	11,055,694
2026	11,778,600
2027	19,403,299
2028	812,879
Thereafter	591,087
	<u>\$ 57,812,485</u>

POLICE OFFICERS' RETIREMENT SYSTEM

ELIGIBILITY:

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

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

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

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

AVERAGE FINAL COMPENSATION:

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

BENEFITS:

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

Group One Normal Retirement Benefits:

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

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

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

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

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

Group Two Normal Retirement Benefits:

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

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

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

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

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

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

Group Three Normal Retirement Benefits:

Effective October 1, 2022, the following pension benefit changes will be made for Group Three participants:

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

Group Three restored members employed who do not participate in the DROP plan shall receive a 2.5% annual increase in benefits commencing three years after the date retirement benefits begin and continuing every other year thereafter. Group Three members who participate in the DROP plan shall receive a 2.5%

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

annual increase in benefits commencing upon the later of separation of employment and three years after the members entered the DROP plan and continuing every year thereafter.

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

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

Eligibility to participate in the DROP plan, with the Group Three restored member to select an entry date on or after the day the participant attained age 55 with 10 years of service or completes 22 years of continuous service, subject to the existing limitation of 30 years of service with the City. Upon reaching a normal retirement date, a Group Three restored members may elect (irrevocable) to participate in the reformed planned retirement benefit as an alternative to choosing DROP plan participation but cannot participate in both.

DISABILITY

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

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

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

DEATH BENEFITS

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

COST-OF-LIVING ADJUSTMENT

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

SUPPLEMENTAL DISTRIBUTION

There shall be payable to eligible persons a supplemental pension distribution for each fiscal year in which the actual rate of investment return earned on Plan assets exceeds the assumed rate of investment return on Plan assets. The total amount of the supplemental pension distribution for a particular fiscal year shall

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

DEFERRED RETIREMENT OPTION PLAN

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

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

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

A summary of the changes in the DROP balance as of September 30, 2023 is as follows:

Beginning Balance	\$ 124,010,461
Additions	3,829,395
Distributions	(6,329,916)
Net Earnings	9,352,504
Ending Balance	<u>\$ 130,862,444</u>

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

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

A summary of the changes in the DROP loans receivable balance as of September 30, 2023 is as follows:

Beginning Balance	\$ 553,530
Additional Loans	1,188,000
Loan Repayments	(764,009)
Ending Balance	<u>\$ 977,521</u>

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

PLANNED RETIREMENT BENEFIT

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

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

- During the period of participation in the RPRB, contribution at the participant's contribution rate as established in the ordinance until termination of employment, and upon termination, election of one of the 3 options regarding how the participant wishes to receive the RPRB earned (identical to the 3 options that are provided for the PRB as follows); or
- During the period of participation in the RPRB, contribution equal to 0.5% of the participant's earnings until termination of employment, and upon termination, taking of a lump sum that would be valued based on the number of years the participant worked after electing to participate in the PRB, RPRB, or combination of both (or the number of years for which the participant elects to receive benefits as follows).

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

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

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

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

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

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

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

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

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

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

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

There were no PRB or RPRB balances as of September 30, 2023.

SHARE PLAN

Effective June 30, 2002, the Hollywood Police Officers Share Plan (the Share Plan), a defined contribution plan was created to implement the provisions of Chapter 185, Florida Statutes and to provide means whereby police officers of the City may receive benefits from the funds provided for that purpose by the Statutes. The Share Plan is allocated to each participant based on the total months of credit for each Share Plan Year.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Commencing on July 17, 2013, the State funds received by the City pursuant to the Florida Statutes Chapter 185 shall be used to offset City contribution requirements and not divided into individual share accounts.

A summary of the Share Plan as of September 30, 2023 was:

Beginning Balance	\$ 2,304,171
Distributions	(361,958)
Net Income	244,210
Ending Balance	<u>\$ 2,186,423</u>

CONTRIBUTIONS

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

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

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

NET PENSION LIABILITY

The City's net pension liability as measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2021.

ACTUARIAL ASSUMPTIONS

The total pension liability was determined by an actuarial valuation as of October 1, 2021 and rolled forward to the measurement date of September 30, 2022 using the following actuarial assumptions applied to all prior periods included in the measurement:

Remainder of page intentionally left blank

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

Pre-Retirement Mortality:

Female: PubG.H-2010 Headcount Weighted Safety Employee

Set Forward 1 year; projected generationally using projection scale MP-2018

Male: PubG.H-2010 Headcount Weighted Safety Below Median

Employee Set Forward 1 year; projected generationally using projection scale MP-2018

Post Retirement Healthy Mortality:

Female: PubG.H-2010 Headcount Weighted Safety Healthy

Retiree Set Forward 1 year; projected generationally using projection scale MP-2018

Male: PubG.H-2010 Headcount Weighted Safety Below Median

Healthy Retiree Set Forward 1 year; projected generationally using projection scale MP-2018

Post Retirement Disabled Mortality:

Pub-2010 80% Headcount Weighted General Disabled

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	60.00%	7.50%
Domestic Bonds	22.00%	2.50%
Real Estate	10.00%	4.50%
Alternative Assets	8.00%	5.97%
	<u>100.00%</u>	

DISCOUNT RATE

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

CHANGES IN NET PENSION LIABILITY – POLICE RETIREMENT SYSTEM

		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, beginning of year	\$ 602,421,733	\$ 408,334,597	\$ 194,087,136
Changes for the year:			
Service Cost	6,773,196		6,773,196
Interest	49,908,358		49,908,358
Differences between expected and actual experience	(2,257,347)		(2,257,347)
Change of assumptions	-		-
Change of benefit terms	-		-
Contributions-employer	-	24,221,136	(24,221,136)
Contributions-State	-	1,817,654	(1,817,654)
Contributions-employee	-	2,707,958	(2,707,958)
Net Investment Income	-	(45,701,701)	45,701,701
Benefit Payments	(38,068,887)	(38,068,887)	-
Refunds of Contributions	(182,289)	(182,289)	-
Administrative expense		(705,694)	705,694
DROP Default Loan Payment	-	-	-
Other changes		16,731	(16,731)
Net changes	16,173,031	(55,895,092)	72,068,123
Balance -end of year	\$ 618,594,764	\$ 352,439,505	\$ 266,155,259

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the net pension liability of the City, calculated using the discount rate of 8.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	POLICE OFFICERS' RETIREMENT SYSTEM		
	1% Decrease (7.00%)	Current Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability	320,628,115	266,155,259	220,892,258

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's fiduciary net position is available in a separately issued Police Retirement Fund financial report.

PENSION EXPENSES AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$31,817,892:

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

Service Cost	\$ 6,773,196
Interest	49,908,358
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(605,187)
Contributions-employee	(2,707,958)
Other	(16,731)
Projected Earnings on Plan Investments	(32,259,032)
Expensed portion of current-period differences between actual and projected earnings on plan investments	15,592,147
Administrative expense	705,694
Net Amortization of Deferred Outflows/Inflows	<u>(5,572,595)</u>
Total Pension Expense	<u><u>\$ 31,817,892 *</u></u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Experience	\$ 2,152,124	\$ 2,987,493
Change of assumptions	696,262	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	38,199,276	-
Contributions subsequent to the measurement date	25,189,146	-
	<u>\$ 66,236,808</u>	<u>\$ 2,987,493</u>

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

Fiscal Year Ended September 30,	Amortization
2024	\$ 10,640,817
2025	5,673,370
2026	6,153,837
2027	15,592,145
	<u><u>\$ 38,060,169</u></u>

FLORIDA RETIREMENT SYSTEM

FRS RETIREMENT BENEFITS

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

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

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

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

The City's pension expense for FRS and HIS totaled \$186,065 for the fiscal year ended September 30, 2023.

BENEFITS AND CONTRIBUTIONS:

PLAN DESCRIPTION

The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

Regular Class – Members of the FRS who do not qualify for membership in the other classes.

Elected County Officers Class – Members who hold specified elective offices in local government.

Senior Management Service Class (SMSC) – Members in senior management level positions.

Special Risk Class – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

BENEFITS PROVIDED

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value	
Regular Class Members Initially Enrolled Before July 1, 2011:		
Retirement at age 62 or with 30 years of service	1.60	%
Retirement at age 63 or with 31 years of service	1.63	
Retirement at age 64 or with 32 years of service	1.65	
Retirement at age 65 or with 33 years of service	1.68	
Regular Class Members Initially Enrolled on or After July 1, 2011:		
Retirement up to age 65 or up to 33 years of service	1.60	
Retirement at age 66 or with 34 years of service	1.63	
Retirement at age 67 or with 35 years of service	1.65	
Retirement at age 68 or with 36 years of service	1.68	
Elected County Officers	3.00	
Senior Management Service Class	2.00	
Special Risk Regular:		
Service from December 1, 1970 through September 30, 1974	2.00	
Service on and after October 1, 1974	3.00	

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

(The remainder of the page was intentionally left blank)

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

CONTRIBUTIONS

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates effective July 1, 2023, are as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00 %	13.57 %
FRS, Elected Local Officers	3.00	58.68
FRS, Senior Management Service	3.00	34.52
FRS, Special Risk Regular	3.00	32.67
FRS, Special Risk Administrative	3.00	39.82
DROP - Applicable to Members for		
All of the Above Classes	0.00	21.13
FRS, Reemployed Retiree	(2)	(2)

(1) Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include .06% for administrative costs of the Investment Plan.

(2) Contribution rates are dependent upon retirement class in which reemployed.

The City's contributions, for FRS and HIS totaled \$118,043 and employee contributions totaled \$6,170 for the fiscal year ended September 30, 2023.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At September 30, 2023, the City reported a liability of \$893,032 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The City's proportionate share of the net pension liability was based on the City's FY 2023 fiscal year contributions relative to the FY 2021 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was 0.002241162%.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$155,571 related to the Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 83,848	\$ -
Change of assumptions	58,215	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	37,295	-
Changes in Employer Proportion	32,568	116,359
Contributions subsequent to the measurement date	23,675	-
	<u>\$ 235,601</u>	<u>\$ 116,359</u>

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

The deferred outflows of resources related to pensions, totaling \$23,675, resulting from City contributions to the Plan subsequent to the measurement date but prior to the City's fiscal year-end will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30,	Net Deferred Outflows/(Inflows)
2023	\$ 13,025
2024	(5,160)
2025	78,153
2026	7,424
2027	2,125
	<u>\$ 95,567</u>

ACTUARIAL ASSUMPTIONS – The total pension liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Return on Investments	6.70% net of pension investment expense, including inflation
Annual Salary Increases	3.25% average, including inflation
Inflation Rate	2.40%
Mortality	PUB-2010, projected generationally with Scale MP-2018

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2023.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual/Geometric Return	Standard Deviation
Cash	1.00 %	2.90 %	2.90 %	1.10 %
Fixed Income	19.80	4.50	4.40	3.40
Global Equity	54.00	8.70	7.10	18.10
Real Estate	10.30	7.60	6.60	14.80
Priate Equity	11.10	11.90	8.80	26.30
Strategic Investments	3.80	6.30	6.10	7.70
Assumed Inflation Mean			2.4 %	1.4 %

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

DISCOUNT RATE

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

SENSITIVITY OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Discount Rate	1% Increase
	5.70%	6.70%	7.70%
City's proportionate share of the Net Pension Liability	1,525,480	893,032	363,913

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

THE RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS):

PLAN DESCRIPTION

The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services, Division of Retirement.

BENEFITS PROVIDED

For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

CONTRIBUTIONS

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

At September 30, 2023, the City reported a net pension liability of \$84,780 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023. The City's proportionate share of the net pension liability was based on the City's FY 2017 fiscal year contributions relative to the total FY 2021 fiscal year contributions of all participating members. At June 30, 2023, the City's proportionate share was 0.000533837%.

For the fiscal year ended September 30, 2023, the City recognized pension expense of \$30,494 related to the HIS Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 1,241	\$ 199
Change of assumptions	2,229	7,347
Net difference between projected and actual earnings on pension plan investments	44	-
Changes in proportion and differences between City HIS contributions and proportionate share of HIS contributions	460	7,205
Contributions subsequent to the measurement date	907	-
	<u>\$ 4,881</u>	<u>\$ 14,751</u>

The deferred outflows of resources related to pensions, totaling \$907, resulting from City contributions to the HIS Plan after the measurement date but prior to the City's fiscal year-end will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ended September 30,	Net Deferred Outflow /(Inflow)
2023	\$ (1,883)
2024	(1,142)
2025	(1,900)
2026	(3,726)
2027	(1,974)
Thereafter	(152)
	<u>\$ (10,777)</u>

ACTUARIAL ASSUMPTIONS

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Municipal Bond Rate	3.65%
Annual Salary Increases	3.25% average, including inflation
Inflation Rate	2.40%
Mortality	PUB-2010 base table, projected generationally with Scale MP-2018

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

DISCOUNT RATE

The discount rate used to measure the total pension liability was 3.65%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

SENSITIVITY OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 2.65%	Discount Rate 3.65%	1% Increase 4.65%
City's proportionate share of the Net Pension Liability	\$ 96,721	\$ 84,780	\$ 74,882

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State Administered Systems Annual Comprehensive Financial Report.

SUMMARY OF PENSION EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES RELATED TO ALL PENSIONS OF THE CITY

For the fiscal year ended September 30, 2023 the City recognized the below as a result of GASB No. 68.

	General Employees' Pension	Police Pension	Fire Pension	FRS/HIS Pension	Total
Deferred Outflows	\$ 78,398,887	\$ 66,236,808	\$ 80,173,267	\$ 240,482	\$ 225,049,444
Deferred Inflows	9,565,071	2,987,493	-	131,110	12,683,674
Net Pension Liability	237,018,709	266,155,259	217,678,086	977,812	721,829,866
Pension Expense	29,072,499	31,817,892	31,184,445	186,065	92,260,901

NOTE 21 – DEFINED CONTRIBUTION PENSION PLAN INFORMATION

The City has a contract with Mission Square (formerly ICMA-RC) and Nationwide Retirement Solutions for a defined contribution plan covering certain employees with an employment agreement with the City. The plan is established under the provisions of Section 401(a) of the Internal Revenue Code as Money Purchase Plans and Trusts. In addition, there is a second 401(a) plan between the Hollywood Community Redevelopment Agency and ICMA-RC covering the executive director and employees of the agency. The assets of the plans are self-directed, and investment results are reported to employees quarterly. In a

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2023

defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment return. The plans do not require nor permit employee contributions. During fiscal year 2023, the City and CRAs contributed approximately \$586,413 to these defined contribution plans. Of this amount, approximately \$333,966 was contributed on behalf of CRA employees who are not covered under any other City retirement plan. Plan participants become fully vested in the plans upon entry. The plans were established by City Commission resolutions. The City does not have control over the assets of the defined contribution plans and, accordingly, the plans are not reported in the accompanying financial statements.

DEFERRED COMPENSATION PLANS

The City offers certain employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, managed by independent plan administrators, permit employees to defer a portion of their salary until future years. At the employee's election, such amounts may be invested in mutual funds which represent varying levels of risk and return. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust, for the exclusive benefit of the plans' participants and their beneficiaries. Since the City has no control over these assets, they are not reflected in the City's statements.

NOTE 22 – IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS

The City implemented the following GASB Statements during the fiscal year ended September 30, 2023:

GASB Statement No. 91, "Conduit Debt Obligations." This Statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement also addresses arrangements often characterized as leases that are associated with conduit debt obligations. Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. This statement did not have a material impact to the City.

GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This Statement defines public-private and public-public partnership arrangements and availability payment arrangements. The Statement also prescribes the accounting for such arrangements. The provisions of this statement will be effective for the City beginning with its year ending September 30, 2023. This statement did not have a current and/or material impact on the City.

GASB Statement No. 96, "Subscription-Based Information Technology Arrangements". This Statement defines what a subscription-based information technology arrangement (SBITA) is and establishes that a SBITA results in a right-to-use-subscription asset, an intangible asset, and a corresponding subscription liability. The provisions of this statement will be effective for the City beginning with its year ending September 30, 2023. During the year, the City recognized various SBITAs. Please refer to the SBITA footnote for detailed information on such arrangements.

NOTE 23 – PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to clarifications relating to: GASB 53 - Accounting and Financial Reporting for Derivative Instruments, GASB 87 - Leases, GASB 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and GASB 96 - Subscription Based Information Technology Arrangements. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of non-monetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Management has not yet determined the effect this statement will have on the City's financial statements.

GASB Statement No. 100, "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*". This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The provisions of this statement will be effective for the City beginning with its year ending September 30, 2024. Management has not yet determined the effect this statement will have on the City's financial statements.

GASB Statement No. 101, "Compensated Absences". This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non-cash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. The provisions of this statement will be effective for the City beginning with its year ending September 30, 2025. Management has not yet determined the effect this statement will have on the City's financial statements.

GASB Statement No. 102, "Certain Risk Disclosures". This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The provisions of this statement will be effective for the City beginning with its year ending September 30, 2025. Management has not yet determined the effect this statement will have on the City's financial statements.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

NOTE 24 – COMMUNITY REDEVELOPMENT

Hollywood Beach Community Redevelopment Agency – Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds (CRA) for the fiscal year ended September 30, 2023.

	Beach CRA	
	Deposits	Withdrawals
Source of Deposits		
Tax Increment - City of Hollywood	\$ 17,057,501	\$ -
Tax Increment - Broward County	12,620,709	-
Tax Increment - Children's Services Council	1,029,479	-
Investment Revenue	2,443,909	-
Other Revenue	156,545	-
Source of Withdrawals		
Debt Service - Principal	-	6,698,574
Debt Service - Interest	-	530,265
Salaries, Wages, and Benefits	-	2,634,245
Consultants, Legal, and Other Contractual Services	-	1,600,356
Training	-	5,668
Utilities	-	142,716
Rentals and Leases	-	117,164
Insurance	-	43,177
Maintenace, Repairs, and Other Operating	-	168,863
Consumables and Supplies	-	219,534
Central Services	-	7,877,701
Promotional, Special Events, and Advertising	-	389,988
Trolley Service	-	409,508
Capital	-	7,637,952
	<u>\$ 33,308,143</u>	<u>\$ 28,475,711</u>

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

	Downtown CRA	
	Deposits	Withdrawals
Source of Deposits		
Tax Increment - City of Hollywood	\$ 6,975,297	\$ -
Tax Increment - Broward County	5,155,083	-
Tax Increment - Children's Services Council	421,090	-
Tax Increment - South Broward	94,511	-
Investment Revenue	796,080	-
Other Revenue	1,531,956	-
Source of Withdrawals		
Debt Service - Principal	-	697,560
Debt Service - Interest	-	27,050
Salaries, Wages, and Benefits	-	849,844
Consultants, Legal, and Other Contractual Services	-	483,316
Training	-	5,038
Utilities	-	20,577
Rentals and Leases	-	39,840
Insurance	-	13,092
Maintenance, Repairs, and Other Operating	-	29,666
Consumables and Supplies	-	537,145
Central Services	-	2,056,147
Promotional, Special Events, and Advertising	-	1,760,446
Trolley Service	-	110,767
Capital	-	5,218,168
	<u>\$ 14,974,017</u>	<u>\$ 11,848,656</u>

NOTE 25 – CONTINUING AND SUBSEQUENT EVENTS

On November 15, 2023, the property held for sale at 550 N. 66th Terrace was sold to an individual for \$378,605. The asset's cost was \$180,000 resulting in a gain of \$198,605.

On October 1, 2023, the City leased 300 computers from Dell Financial Services. The term of the lease is for 4 years with annual payments of \$87,137.60. The value of the lease liability and right of use leased assets is \$310,000. The interest rate in the lease is about 4.86%.

On July 5, 2023, the City Commission approved an equipment/lease loan in the amount of \$2.6 million with Bank of America (Reso 2023-227). The purpose of the loan is to fund the Noresco energy saving project and initiatives that are underway (total value of \$4.57 million). In December 2023, the City drew down \$691,170.60 on the loan.

On December 6, 2023 (Reso. 2023-380), the City Commission approved obtaining a \$6.60 million loan to finance the acquisition of municipal vehicles. At this time, the loan has not been issued and no solicitation or bid has been issued to procure a loan from applicable financial institutions.

CITY OF HOLLYWOOD, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
(Unaudited - See accompanying independent auditors' report)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property Taxes	\$ 125,086,191	\$ 124,885,003	\$ 127,005,879	\$ 2,120,876
Utilities Service Taxes	20,967,000	20,967,000	25,099,898	4,132,898
Franchise Taxes	14,550,000	14,550,000	17,825,381	3,275,381
Licenses and Permits	2,570,000	2,570,000	2,450,337	(119,663)
Intergovernmental	19,644,000	19,644,000	22,348,969	2,704,969
Charges for Services	63,609,712	63,652,587	67,647,300	3,994,713
Investment Revenue	105,000	88,312	4,622,122	4,533,810
Miscellaneous	2,705,000	2,712,500	4,984,379	2,271,879
Total Revenues	249,236,903	249,069,402	271,984,265	22,914,863
EXPENDITURES:				
Current:				
General Government:				
City Commission	1,505,375	1,607,537	1,581,882	25,655
City Manager	2,816,244	3,130,872	3,084,915	45,957
City Clerk	844,759	848,269	775,368	72,901
City Attorney	3,359,868	3,507,725	3,506,730	995
Financial Services	22,033,909	18,153,295	9,048,653	9,104,642 a
Human Resources	2,161,349	2,193,692	2,096,135	97,557
Planning & Development Services	1,774,492	1,697,289	1,442,057	255,232
Design & Construction Mgmt.	3,293,531	3,408,332	2,842,444	565,888
Code Enforcement	4,709,072	4,672,676	4,512,409	160,267
Total General Government	42,498,599	39,219,687	28,890,593	10,329,094
Public Safety:				
Police	98,767,947	99,431,512	97,070,047	2,361,465
Fire	71,068,378	71,823,812	69,139,595	2,684,217
Total Public Safety	169,836,325	171,255,324	166,209,642	5,045,682
Public Works:				
Facilities, Maintenance, and Grounds	15,219,262	15,876,516	15,484,302	392,214
Transportation:				
Engineering	2,675,705	2,644,135	2,441,358	202,777
Economic Environment:				
Community Development	3,025,575	3,259,162	2,866,487	392,675
Total Economic Environment	3,025,575	3,259,162	2,866,487	392,675
Culture and Recreation:				
Recreation and Parks	12,183,490	12,404,687	11,524,255	880,432
Marina	1,053,939	1,120,499	876,932	243,567
Total Culture and Recreation	13,237,429	13,525,186	12,401,187	1,123,999

(Continued)

(Continued)

CITY OF HOLLYWOOD, FLORIDA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
(Unaudited - See accompanying independent auditors' report)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Capital Outlay:				
General Government	126,107	120,347	460,530	(340,183) b
Public Safety	206,920	201,100	351,334	(150,234) b
Total Capital Outlay	<u>333,027</u>	<u>321,447</u>	<u>811,864</u>	<u>(490,417)</u>
Principal	1,495,916	1,748,512	1,738,600	9,912
Interest on Long-term Debt	73,699	126,482	126,253	229
Total Expenditures	<u>248,395,537</u>	<u>247,976,451</u>	<u>230,970,286</u>	<u>17,006,165</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>841,366</u>	<u>1,092,951</u>	<u>41,013,979</u>	<u>39,921,028</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	7,101,562	7,101,562	7,091,562	(10,000)
Transfers Out:	(8,518,901)	(53,784,335)	(53,784,335)	-
Sale of Assets	87,000	87,000	24,827	(62,173)
Lease Acquisition	-	-	513,000	513,000 b
SBITA	<u>-</u>	<u>-</u>	<u>197,230</u>	<u>197,230 b</u>
Total Other Financing Sources (Uses)	<u>(1,330,339)</u>	<u>(46,595,773)</u>	<u>(45,957,716)</u>	<u>638,057</u>
Change in Fund Balance	<u>(488,973)</u>	<u>(45,502,822)</u>	<u>(4,943,737)</u>	<u>40,559,085</u>
Fund Balance - Beginning	88,278,652	88,278,652	88,278,652	-
Fund Balance - Ending	<u>\$ 87,789,679</u>	<u>\$ 42,775,830</u>	<u>\$ 83,334,915</u>	<u>\$ 40,559,085</u>

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

a - Includes unused contingencies of \$8.7 million.

b - Noncash transaction for GASB 96 and 86. This offsets with a capital outlay for the applicable functional expense.

CITY OF HOLLYWOOD, FLORIDA
BUDGETARY COMPARISON SCHEDULE
BEACH COMMUNITY REDEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
(Unaudited - See accompanying independent auditors' report)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property Taxes	\$ 16,909,566	\$ 17,057,501	\$ 17,057,501	\$ -
Intergovernmental	13,577,777	13,650,188	13,650,188	-
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:				
Current:				
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
Total Current	15,981,882	14,993,046	13,608,920	1,384,126
Capital Outlay:				
General Government	1,376,000	2,200,453	774,832	1,425,621
Public Safety	2,000	2,000	-	2,000
Transportation	17,183,369	16,966,523	4,499,439	12,467,084
Economic Environment	3,177,157	3,721,532	206,122	3,515,410
Physical Environment	26,441,731	24,804,228	829,058	23,975,170
Culture and Recreation	1,925,355	2,598,121	1,328,501	1,269,620
Total Capital Outlay	50,105,612	50,292,857	7,637,952	42,654,905
Debt Service:				
Principal	6,655,000	6,698,574	6,698,574	-
Interest and Fiscal Charges	518,292	531,918	530,265	1,653
Total Debt Service	7,173,292	7,230,492	7,228,839	1,653
Total Expenditures	73,260,786	72,516,395	28,475,711	44,040,684
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,613,443)	(41,648,706)	4,832,432	46,481,138
Change in Fund Balance	(42,613,443)	(41,648,706)	4,832,432	46,481,138
Fund Balance - Beginning	40,017,945	40,017,945	40,017,945	-
Fund Balance - Ending	\$ (2,595,498)	\$ (1,630,761)	\$ 44,850,377	\$ 46,481,138

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

CITY OF HOLLYWOOD, FLORIDA
BUDGETARY COMPARISON SCHEDULE
DOWNTOWN COMMUNITY REDEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023
(Unaudited - See accompanying independent auditors' report)

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
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:				
Current:				
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
Total Current	8,016,846	8,033,521	5,905,878	2,127,643
Capital Outlay:				
General Government	-	-	-	-
Transportation	1,065,965	1,625,986	520	1,625,466
Economic Environment	16,112,192	16,063,179	5,217,648	10,845,531
Physical Environment	-	-	-	-
Culture and Recreation	-	-	-	-
Total Capital Outlay	17,178,157	17,689,165	5,218,168	12,470,997
Debt Service:				
Principal	686,668	697,562	697,560	2
Interest and Fiscal Charges	23,644	27,050	27,050	-
Total Debt Service	710,312	724,612	724,610	2
Total Expenditures	25,905,315	26,447,298	11,848,656	14,598,642
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,166,296)	(13,726,317)	1,635,861	15,362,178
OTHER FINANCING SOURCES (USES):				
Sale of Assets	-	-	1,489,500	1,489,500
Total Other Financing Sources (Uses)	-	-	1,489,500	1,489,500
Change in Fund Balance	(13,166,296)	(13,726,317)	3,125,361	16,851,678
Fund Balance - Beginning	13,146,510	13,146,510	13,146,510	-
Fund Balance - Ending	\$ (19,786)	\$ (579,807)	\$ 16,271,871	\$ 16,851,678

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

CITY OF HOLLYWOOD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
(Unaudited - See accompanying independent auditors' report)

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 6,129,268	\$ 15,106,671	\$ 13,628,905	\$ 18,177,238	\$ 17,891,399	\$ 18,898,738
Interest	14,376,632	12,199,116	12,619,714	19,947,989	22,332,441	20,845,587
Changes of benefit terms	-	-	-	(48,929,076)	(13,663,167)	-
Differences between expected and actual experience	-	(99,668,422)	-	(134,188,575)	-	-
Changes of assumptions or other inputs	(10,092,004)	(143,158,510)	21,509,060	(41,117,883)	132,465,277	(36,399,562)
Trust Contributions - Employer	<u>(14,923,000)</u>	<u>(14,626,000)</u>	<u>(14,094,000)</u>	<u>(17,169,000)</u>	<u>(16,305,000)</u>	<u>(15,376,000)</u>
Net Change in Total OPEB Liability	(4,509,104)	(230,147,145)	33,663,679	(203,279,307)	142,720,950	(12,031,237)
Total OPEB Liability - Beginning	<u>334,203,137</u>	<u>564,350,282</u>	<u>530,686,603</u>	<u>733,965,910</u>	<u>591,244,960</u>	<u>603,276,197</u>
Total OPEB Liability - Ending	<u>\$ 329,694,033</u>	<u>\$ 334,203,137</u>	<u>\$ 564,350,282</u>	<u>\$ 530,686,603</u>	<u>\$ 733,965,910</u>	<u>\$ 591,244,960</u>
Covered Payroll	139,271,896	120,148,699	115,344,128	109,236,487	104,238,991	102,544,514
Total OPEB Liability as a Percentage of Covered-Employee Payroll	236.73%	278.16%	489.28%	485.81%	704.12%	576.57%

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

Notes to Schedule:

Changes of assumptions:

Discount Rate	4.63%	4.40%	2.19%	2.41%	2.75%	3.83%
---------------	-------	-------	-------	-------	-------	-------

Benefit Changes:

None.

Trust:

There are no assets accumulated in a trust that meet the criteria, per GASB codification P22.101 or P52.101, to pay related benefits for the OPEB plan.

CITY OF HOLLYWOOD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS - GENERAL EMPLOYEES
RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

(Unaudited - See accompanying independent auditors' report)

Measurement Date	9/30/2022	9/30/2021	9/30/2020
Fiscal Year	9/30/2023	9/30/2022	9/30/2021
Total Pension Liability:			
Service cost	\$ 6,631,353	\$ 6,445,297	\$ 6,616,301
Interest	42,664,590	43,225,655	42,124,159
Change in benefit terms	-	-	-
Difference between expected and actual experience	243,733	(336,198)	1,791,933
Change of assumptions	19,015,461	617,488	-
Contributions - Buy-Back	(921,883)	(480,993)	(425,409)
Benefit Payments, including Refunds of Employee Contributions	(46,457,088)	(36,207,880)	(34,235,265)
Net Change in Total OPEB Liability	21,176,166	13,263,369	15,871,719
Total OPEB Liability - Beginning	601,504,574	588,241,205	572,369,486
Total Pension Liability - Ending	622,680,740	601,504,574	588,241,205
Plan Fiduciary Net Position:			
Contributions - Employer	28,387,441	29,914,898	42,284,055
Contributions - Employee	3,507,528	3,455,693	3,635,402
Contributions - Buy-Back	37,128	29,913	29,738
Net Investment Income	(40,656,005)	77,108,378	25,798,439
Benefit Payments, including Refunds of Employee Contributions	(46,457,088)	(36,207,880)	(34,235,265)
Administrative Expense	(921,592)	(800,993)	(806,018)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	(57,024,471)	73,019,016	36,280,942
Total OPEB Liability - Beginning	442,686,502	369,667,486	333,386,544
Plan Fiduciary Net Position - Ending	385,662,031	442,686,502	369,667,486
Net Pension Liability	<u>\$ 237,018,709</u>	<u>\$ 158,818,072</u>	<u>\$ 218,573,719</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liabil	61.94%	73.60%	62.84%
Covered Payroll	\$ 41,931,489	\$ 40,789,456	\$ 40,869,983
Net Pension Liability as a percentage of covered payroll	565.25%	389.36%	534.80%

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

(Continued on next page)

CITY OF HOLLYWOOD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

(Unaudited - See accompanying independent auditors' report)

9/30/2019 9/30/2020	9/30/2018 9/30/2019	9/30/2017 9/30/2018	9/30/2016 9/30/2017	9/30/2015 9/30/2016	9/30/2014 9/30/2015
\$ 5,887,828	\$ 5,738,426	\$ 5,017,634	\$ 4,493,709	\$ 4,587,285	\$ 4,152,898
38,173,241	35,698,698	33,809,853	33,373,524	33,065,052	32,492,291
51,225,519	-	-	665,893	-	-
(3,670,131)	2,221,979	(2,204,530)	1,986,958	1,839,725	333,165
5,212,188	31,374,925	23,474,009	4,147,745	4,976,256	-
(539,713)	(448,377)	(166,465)	(271,849)	(434,468)	(231,708)
(41,161,931)	(30,896,779)	(29,804,293)	(38,120,911)	(31,649,219)	(28,191,052)
55,127,001	43,688,872	30,126,208	6,275,069	12,384,631	8,555,594
517,242,485	473,553,613	443,427,405	437,152,336	424,767,705	416,212,111
572,369,486	517,242,485	473,553,613	443,427,405	437,152,336	424,767,705
26,904,543	22,101,019	20,562,868	9,767,849	23,216,393	23,160,583
3,561,448	3,277,081	3,185,801	3,088,620	2,604,831	2,671,277
26,734	(448,377)	(166,465)	(271,849)	(434,468)	(231,708)
13,819,381	21,635,666	33,218,838	29,224,225	5,108,678	28,051,900
(41,161,931)	(30,896,779)	(29,804,293)	(38,120,911)	(31,649,219)	(28,191,052)
(671,545)	(497,898)	(486,528)	(298,730)	(287,053)	(282,797)
271,143	(271,142)	-	-	-	-
2,210,060	14,912,264	26,521,944	3,399,637	(1,432,369)	25,178,203
331,176,484	316,264,220	289,742,276	286,342,639	287,775,008	262,596,805
333,386,544	331,176,484	316,264,220	289,742,276	286,342,639	287,775,008
\$ 238,982,942	\$ 186,066,001	\$ 157,289,393	\$ 153,685,129	\$ 150,809,697	\$ 136,992,697
58.25%	64.03%	66.79%	65.34%	65.50%	67.75%
\$ 41,243,666	\$ 40,963,513	\$ 39,822,513	\$ 38,607,750	\$ 32,560,388	\$ 33,390,963
579.44%	454.22%	394.98%	398.07%	463.17%	410.27%

CITY OF HOLLYWOOD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS - FIRE PENSION FUND
LAST NINE FISCAL YEARS
(Unaudited - See accompanying independent auditors' report)

Measurement Date Fiscal Year	9/30/2022 9/30/2023	9/30/2021 9/30/2022	9/30/2020 9/30/2021
Total Pension Liability:			
Service cost	\$ 6,603,517	\$ 6,434,345	\$ 6,023,556
Interest	35,059,894	34,159,894	31,893,232
Change in excess state mone	-	-	-
Change in benefit terms	-	-	-
Difference between expected and actual experience	4,137,607	1,552,543	12,898,819
Change of assumptions	-	-	5,260,528
DROP Default loan payment	20,358	25,704	45,235
Contributions - Buy-Back	226,407	27,628	18,481
Benefit Payments, including Refunds of Employee Contribut	(36,003,194)	(24,915,215)	(27,741,742)
Share Plan Allocation	184,252	89,922	-
Net Change in Total OPEB Liability	10,228,841	17,374,821	28,398,109
Total OPEB Liability - Beginning	478,874,372	461,499,551	433,101,442
Total Pension Liability - Ending	489,103,213	478,874,372	461,499,551
Plan Fiduciary Net Position:			
Contributions - Employer	21,874,289	20,370,947	20,460,578
Contributions - State	1,746,432	1,652,102	1,483,741
Contributions - Employee	2,025,369	1,906,677	1,825,589
Contributions - Buy-Back	226,407	25,704	18,481
DROP Default Loan Payment	20,358	27,628	45,235
Net Investment Income	(55,104,169)	63,350,314	26,117,570
Benefit Payments, including Refunds of Employee Contribut	(36,003,194)	(24,915,215)	(27,741,742)
Administrative Expense	(818,823)	(492,252)	(691,806)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	(66,033,331)	61,925,905	21,517,646
Total OPEB Liability - Beginning	337,458,458	275,532,553	254,014,907
Plan Fiduciary Net Position - Ending	271,425,127	337,458,458	275,532,553
Net Pension Liability	\$ 217,678,086	\$ 141,415,914	\$ 185,966,998
Plan Fiduciary Net Position as a percentage of the Total Pensi	55.49%	70.47%	59.70%
Covered Payroll	\$ 26,237,342	\$ 24,863,920	\$ 23,731,474
Net Pension Liability as a percentage of covered payroll	829.65%	568.76%	783.63%

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

CITY OF HOLLYWOOD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS - FIRE PENSION FUND
LAST NINE FISCAL YEARS
(Unaudited - See accompanying independent auditors' report)

9/30/2019 9/30/2020	9/30/2018 9/30/2019	9/30/2017 9/30/2018	9/30/2016 9/30/2017	9/30/2015 9/30/2016	9/30/2014 9/30/2015
\$ 7,338,471	\$ 5,467,335	\$ 4,750,396	\$ 4,453,321	\$ 3,767,328	\$ 3,392,835
30,625,834	27,748,028	26,389,549	24,500,448	23,842,805	23,251,404
-	-	-	-	-	62,926
21,759,327	2,830,293	-	1,979,452	485,214	-
6,461,410	5,074,190	5,102,275	5,256,660	1,276,360	-
-	-	-	11,571,857	2,607,740	-
83,010	40,967	-	-	-	-
149,358	-	-	102,854	-	-
(25,147,318)	(22,033,151)	(21,319,658)	(22,187,054)	(20,229,258)	(19,215,460)
-	-	-	-	-	-
41,270,092	19,127,662	14,922,562	25,677,538	11,750,189	7,491,705
391,831,350	372,703,688	357,781,126	332,103,588	320,353,399	312,861,694
433,101,442	391,831,350	372,703,688	357,781,126	332,103,588	320,353,399
21,482,941	16,373,064	14,349,564	14,398,112	14,310,591	10,721,832
1,467,281	-	-	-	-	1,625,106
1,381,810	1,458,572	1,360,393	1,304,661	1,170,620	1,078,161
149,358	-	-	102,854	-	-
83,010	40,967	-	-	-	-
6,807,053	22,909,517	26,873,377	17,432,805	3,909,497	19,962,042
(25,147,318)	(22,033,151)	(21,319,658)	(22,187,054)	(20,229,258)	(19,215,460)
(691,571)	(654,714)	(559,938)	(625,368)	(489,016)	(635,223)
(2,004,645)	-	-	-	-	-
3,527,919	18,094,255	20,703,738	10,426,010	(1,327,566)	13,536,458
250,486,988	232,392,733	211,688,995	201,262,985	202,590,551	189,054,093
254,014,907	250,486,988	232,392,733	211,688,995	201,262,985	202,590,551
\$ 179,086,535	\$ 141,344,362	\$ 140,310,955	\$ 146,092,131	\$ 130,840,603	\$ 117,762,848
58.65%	63.93%	62.35%	59.17%	60.60%	63.24%
\$ 20,902,962	\$ 18,938,690	\$ 17,401,469	\$ 16,642,582	\$ 16,753,713	\$ 13,712,168
856.75%	746.33%	806.32%	877.82%	780.96%	858.82%

CITY OF HOLLYWOOD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS - POLICE OFFICERS' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS
(Unaudited - See accompanying independent auditors' report)

Measurement Date	9/30/2022	9/30/2021	9/30/2020
Fiscal Year	9/30/2023	9/30/2022	9/30/2021
Total Pension Liability:			
Service cost	\$ 6,773,196	\$ 6,587,743	\$ 6,546,335
Interest	49,908,358	49,441,297	46,783,055
Change in benefit terms	-	-	3,634,391
Difference between expected and actual experience	(2,257,347)	(2,915,609)	2,081,615
Change of assumptions	-	-	-
Contributions - Buy-Back	(182,289)	(51,757)	(314,396)
Benefit Payments, including Refunds of Employee Contributor	(38,068,887)	(31,334,455)	(30,379,009)
Net Change in Total OPEB Liability	16,173,031	21,727,219	28,351,991
Total OPEB Liability - Beginning	602,421,733	580,694,514	552,342,523
Total Pension Liability - Ending	618,594,764	602,421,733	580,694,514
Plan Fiduciary Net Position:			
Contributions - Employer	24,221,136	24,215,984	19,856,774
Contributions - State	1,817,654	1,632,350	1,797,433
Contributions - Employee	2,707,958	2,684,133	2,922,863
Contributions - Buy-Back	(182,289)	(51,757)	(314,396)
DROP Default Loan Payment	-	-	-
Net Investment Income	(45,701,701)	72,028,082	25,141,119
Benefit Payments, including Refunds of Employee Contributor	(38,068,887)	(31,334,455)	(30,379,009)
Administrative Expense	(705,694)	(709,255)	(722,989)
Other	16,731	39,373	44,860
Net Change in Plan Fiduciary Net Position	(55,895,092)	68,504,455	18,346,655
Total OPEB Liability - Beginning	408,334,597	339,830,142	321,483,487
Plan Fiduciary Net Position - Ending	352,439,505	408,334,597	339,830,142
Net Pension Liability	\$ 266,155,259	\$ 194,087,136	\$ 240,864,372
Plan Fiduciary Net Position as a percentage of the Total Pension	56.97%	67.78%	58.52%
Covered Payroll	\$ 23,809,516	\$ 22,966,730	\$ 22,824,881
Net Pension Liability as a percentage of covered payroll	1117.85%	845.08%	1055.27%

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

(Continued on next page)

CITY OF HOLLYWOOD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS - POLICE OFFICERS' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS
(Unaudited - See accompanying independent auditors' report)

9/30/2019 9/30/2020	9/30/2018 9/30/2019	9/30/2017 9/30/2018	9/30/2016 9/30/2017	9/30/2015 9/30/2016	9/30/2014 9/30/2015
\$ 5,379,012	\$ 5,062,784	\$ 4,926,424	\$ 4,093,052	\$ 3,518,988	\$ 3,148,678
42,872,487	29,915,966	27,871,029	25,130,908	24,415,878	29,080,971
61,009,969	-	-	-	2,093,658	-
4,813,881	7,322,883	8,126,704	9,005,099	5,887,738	1,770,772
(14,264,607)	-	16,168,696	25,704,000	-	-
(112,090)	(53,956)	(20,298)	(35,258)	(73,428)	(126,781)
(30,099,345)	(28,190,020)	(27,582,433)	(23,179,330)	(23,318,201)	(22,993,671)
69,599,307	14,057,657	29,490,122	40,718,471	12,524,633	10,879,969
482,743,216	468,685,559	439,195,437	398,476,966	385,952,333	375,072,364
552,342,523	482,743,216	468,685,559	439,195,437	398,476,966	385,952,333
24,446,359	19,492,251	17,005,579	13,960,747	13,425,807	12,479,297
7,379,064	-	-	-	-	-
3,329,431	1,714,922	1,625,263	1,714,832	1,454,477	1,341,148
(112,090)	(53,956)	(20,298)	(35,258)	(73,428)	(126,781)
-	-	-	-	-	-
11,164,200	33,082,120	30,856,527	22,123,392	3,175,147	22,976,304
(30,099,345)	(28,190,020)	(27,582,433)	(23,179,330)	(23,318,201)	(22,993,671)
(714,919)	(592,690)	(726,806)	(671,069)	(656,738)	(684,234)
61,795	91,696	164,029	(160,748)	210,285	27,952
15,454,495	25,544,323	21,321,861	13,752,566	(5,782,651)	13,020,015
306,028,992	280,484,669	259,162,808	245,410,242	251,192,893	238,172,878
321,483,487	306,028,992	280,484,669	259,162,808	245,410,242	251,192,893
\$ 230,859,036	\$ 176,714,224	\$ 188,200,890	\$ 180,032,629	\$ 153,066,724	\$ 134,759,440
58.20%	63.39%	59.84%	59.01%	61.59%	65.08%
\$ 21,786,392	\$ 23,585,094	\$ 23,676,707	\$ 18,649,015	\$ 16,504,396	\$ 15,092,088
1059.65%	749.26%	794.88%	965.37%	927.43%	892.91%

CITY OF HOLLYWOOD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS

(Unaudited - See accompanying independent auditors' report)

FLORIDA RETIREMENT SYSTEM				
June 30,	2023	2022	2021	2020
City's Proportion of the Net Pension Liability	0.002241162 %	0.000021262 %	0.002321716 %	0.002825208 %
City's Proportionate Share of the Net Pension Liability	\$ 893,032	\$ 791,130	\$ 175,379	\$ 1,224,487
City's Covered Payroll	\$ 207,181	\$ 198,222	\$ 199,976	\$ 221,667
City's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	431.04 %	399.11 %	87.70 %	552.40 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.38 %	82.89 %	96.4 %	78.85 %
HEALTH INSURANCE SUBSIDY				
June 30,	2023	2022	2021	2020
City's Proportion of the Net Pension Liability	0.000533837 %	0.000543934 %	0.000564855 %	0.00063528265 %
City's Proportionate Share of the Net Pension Liability	\$ 84,780	\$ 57,611	\$ 69,288	\$ 77,567
City's Covered Payroll	\$ 207,181	\$ 198,222	\$ 192,890	\$ 221,667
City's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	40.92 %	29.06 %	35.92 %	34.99 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	4.81 %	4.12 %	3.56 %	3.00 %

(Continued on next page)

CITY OF HOLLYWOOD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS
(Unaudited - See accompanying independent auditors' report)

FLORIDA RETIREMENT SYSTEM					
2019	2018	2017	2016	2015	2014
0.002918758 %	0.002802949 %	0.00271489 %	0.002740042	0.002844445 %	0.002229762
\$ 1,005,180	\$ 844,263	\$ 803,047	\$ 691,863	\$ 367,398	136,048
\$ 210,951	\$ 209,565	\$ 198,905	\$ 185,400	\$ 185,400	185,400
476.50 %	402.86 %	394.87 %	359.35	198.17 %	73.38 %
82.61 %	84.26 %	83.89 %	84.88	92.00 %	96.09 %
HEALTH INSURANCE SUBSIDY					
2019	2018	2017	2016	2015	2014
0.00000644734 %	0.000641633 %	0.00062404 %	0.00060059 %	0.000611052 %	0.000623967
\$ 72,139	\$ 67,911	\$ 66,724	\$ 69,997	\$ 62,318	\$ 58,342
\$ 210,951	\$ 209,565	\$ 198,905	\$ 185,400	\$ 185,400	\$ 185,400
34.20 %	32.41 %	32.81 %	36.36 %	33.61 %	31.47 %
2.63 %	2.15 %	1.64 %	0.97 %	0.50 %	0.99 %

CITY OF HOLLYWOOD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
(Unaudited - See accompanying independent auditors' report)

GENERAL EMPLOYEES RETIREMENT SYSTEM

September 30,	2023	2022	2021	2020
Actuarially Determined Contribution	\$ 25,492,473	\$ 28,082,806	\$ 29,106,927	\$ 28,553,978
Contribution Made	(25,492,473)	(28,082,806)	(29,106,927)	(26,711,564)
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,842,414</u>
Covered Payroll	\$ 40,906,705	\$ 41,931,489	\$ 40,789,456	\$ 40,869,983
Contribution as a Percentage of Covered Payroll	62.32%	66.97%	71.36%	65.36%

FIRE PENSION FUND

September 30,	2023	2022	2021	2020
Actuarially Determined Contribution*	\$ 22,360,782	\$ 21,874,289	\$ 20,387,395	\$ 20,032,719
Contribution Made	(22,360,782)	(21,874,289)	(20,387,395)	(20,032,719)
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 26,703,575	\$ 26,237,342	\$ 24,863,920	\$ 23,731,474
Contribution as a Percentage of Covered Payroll	83.74%	83.37%	82.00%	84.41%

POLICE OFFICERS' RETIREMENT SYSTEM

September 30,	2023	2022	2021	2020
Actuarially Determined Contribution*	\$ 25,189,146	\$ 24,221,136	\$ 24,215,984	\$ 24,142,894
Contribution Made	(25,189,146)	(24,221,136)	(24,215,984)	(25,500,000)
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,357,106)</u>
Covered Payroll	\$ 26,681,757	\$ 23,809,516	\$ 22,966,730	\$ 22,824,881
Contribution as a Percentage of Covered Payroll	94.41%	101.73%	105.44%	111.72%

FLORIDA RETIREMENT SYSTEM

September 30,	2023	2022	2021	2020
	-	-	-	-
Contractually Required Contribution	\$ 114,604	\$ 102,155	\$ 92,776	\$ 104,746
Contribution Made	(114,604)	(102,155)	(92,776)	(104,746)
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 207,181	\$ 198,222	\$ 199,976	\$ 221,667
Contribution as a Percentage of Covered Payroll	55.32%	51.54%	46.39%	47.25%

HEALTH INSURANCE SUBSIDY

	2023	2022	2021	2020
Contractually Required Contribution	\$ 3,439	\$ 3,308	\$ 3,266	\$ 3,687
Contribution Made	(3,439)	(3,308)	(3,266)	(3,687)
Contribution Deficiency/(Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 207,181	\$ 198,222	\$ 192,890	\$ 221,667
Contribution as a Percentage of Covered Payroll	1.66%	1.67%	1.69%	1.66%

*City contributions only.

CITY OF HOLLYWOOD, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited – See accompanying independent auditors' report)

CITY OF HOLLYWOOD, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
(Unaudited - See accompanying independent auditors' report)

GENERAL EMPLOYEES RETIREMENT SYSTEM

2019	2018	2017	2016	2015	2014
\$ 25,225,862	\$ 24,702,602	\$ 20,513,012	\$ 20,167,849	\$ 20,230,240	\$ 19,834,090
(26,904,513)	(22,113,713)	(20,574,591)	(9,778,282)	(23,224,862)	(23,160,583)
\$ (1,678,651)	\$ 2,588,889	\$ (61,579)	\$ 10,389,567	\$ (2,994,622)	\$ (3,326,493)
\$ 41,243,666	\$ 40,963,513	\$ 39,822,513	\$ 38,607,750	\$ 32,560,388	\$ 33,390,963
65.23%	53.98%	51.67%	25.33%	71.33%	69.36%

FIRE PENSION FUND

2019	2018	2017	2016	2015	2014
\$ 17,029,397	\$ 16,373,064	\$ 14,349,564	\$ 14,398,112	\$ 14,310,591	\$ 12,284,012
(21,482,940)	(16,373,064)	(14,349,564)	(14,398,112)	(14,310,591)	(12,284,012)
\$ (4,453,543)	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 20,902,962	\$ 18,938,690	\$ 17,401,469	\$ 16,642,582	\$ 16,753,713	\$ 13,712,168
102.77%	86.45%	82.46%	86.51%	85.42%	89.58%

POLICE OFFICERS' RETIREMENT SYSTEM

2019	2018	2017	2016	2015	2014
\$ 29,182,499	\$ 19,492,251	\$ 17,005,579	\$ 13,960,747	\$ 12,479,297	\$ 11,072,716
(29,182,499)	(19,492,251)	(17,005,579)	(13,960,747)	(12,479,297)	(11,072,716)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 21,786,392	\$ 23,585,094	\$ 23,676,707	\$ 18,649,015	\$ 16,504,396	\$ 15,092,088
133.95%	82.65%	71.82%	74.86%	75.61%	73.37%

FLORIDA RETIREMENT SYSTEM

2019	2018	2017	2016	2015	2014
-	-	-	-	-	-
\$ 102,298	\$ 79,882	\$ 70,675	\$ 78,909	\$ 77,916	\$ 63,460
(102,298)	(79,882)	(70,675)	(78,909)	(77,916)	(63,460)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 210,951	\$ 209,565	\$ 198,905	\$ 185,400	\$ 185,400	\$ 185,400
48.49%	38.12%	35.53%	42.56%	42.03%	34.23%

HEALTH INSURANCE SUBSIDY

2019	2018	2017	2016	2015	2014
\$ 3,608	\$ 3,480	\$ 3,303	\$ 3,078	\$ 2,336	\$ 2,138
(3,608)	(3,480)	(3,303)	(3,078)	(2,336)	(2,138)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 210,951	\$ 209,565	\$ 198,905	\$ 185,400	\$ 185,400	\$ 185,400
1.71%	1.66%	1.66%	1.66%	1.26%	1.15%

CITY OF HOLLYWOOD, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited – See accompanying independent auditors' report)

NOTE I – Actuarial Methods and Assumptions

The following actuarial methods and assumptions were used to determine the contribution rates reported for the fiscal year ending September 30, 2023:

	General Employees Retirement System	Fire Pension Fund	Police Officers' Retirement System
	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Cost Method			
Amortization Method	Level Percent Closed	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	28 Years	30 Years	20 Years
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	5 Year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return	7.00%	7.50%	8.00%
Assumed Annual Salary Increase	3.00 to 8.00%	Service Based	5.03 to 10.67%
Inflation	2.50%	2.50%	2.50%
Cost of Living (COLA)	N/A	(a)	2.00 %(b)
Retirement Age	Experienced-based tables of rates that are specific to the type of eligibility condition.	N/A	Experienced-based tables of rates that are specific to the type of eligibility condition.
Mortality Rates	PubG.H-2010 Scale MP-2018	PubG.H-2010 Scale MP-2018	PubG.H-2010 Scale MP-2018
Mortality Rate - Disabled	Pub-2010 Disability Table	80% PubG.H-2010 20% PubS.H-2010	Pub-2010 Disability Table
Valuation Date	10/1/2021	10/1/2021	10/1/2021

(a) Benefit amount for benefits accrued prior to October 1, 2011 (frozen piece): Retirees receive a 2.0% per year cost-of living adjustment (COLA) commencing three years after retiree's benefit payments have begun. Members hired after July 16, 2009 will not receive a COLA on the "prior service" piece. Benefit amount for benefits accrued on and after October 1, 2011 will receive no COLA.

(b) All benefits accrued after October 1, 2011 will not be subject to any cost of living adjustments.

Each retirement fund issues a publicly available financial report that includes financial statements and required supplementary information for the plan.

CITY OF HOLLYWOOD, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited – See accompanying independent auditors' report)

NOTE II – Stewardship and Accountability

The City is required to prepare, approve, adopt, and execute an annual budget for such funds as may be required by law or by sound financial practices and Generally Accepted Accounting Principles (GAAP). After reviewing these required, the City legally adopted budgets for the General Fund, Beach CRA Special Revenue Fund, and Downtown CRA Special Revenue Fund. Budgets are adopted on a basis consistent with generally accepted accounting principles. The level of budgetary control is the fund and department. The City Manager is authorized to transfer budgeted amounts within departments. Revisions increasing or decreasing the total budget for a department or fund require City Commission approval. The City has supplemental appropriations in the General Fund and in both CRA Funds. Appropriations in annually budgeted funds, except for amounts corresponding to outstanding encumbrances, lapse at year-end.

Multi-year project budgets are adopted for grants reported in the Special Revenue Funds and for authorized capital improvements reported in the Capital Projects Fund. Accordingly, the Special Revenue and Capital Projects Funds have been excluded from budget versus actual presentation except for the Beach Community Redevelopment Agency and the Downtown Community Redevelopment Agency that have legally adopted annual operating budgets.

Lease and SBITA acquisitions and related capital outlays are considered non-cash and will be reevaluated in future year budgets. The current year's rental payments are budgeted annually.

NOTE III – OPEB

The City's OPEB plan is on a pay-go basis. As such, there are no assets in a qualifying trust.

NONMAJOR GOVERNMENTAL FUNDS

The City's nonmajor governmental funds are comprised of the following fund types and funds:

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted to expenditure for purposes.

SPECIAL PROGRAMS FUND - This fund accounts for federal, state, local grants, and other contributions.

LAW ENFORCEMENT FORFEITURE FUND - This fund accounts for confiscated monies and property awarded to the City for law enforcement related expenditures as stipulated by State Statutes.

POLICE GRANTS FUND - This fund accounts for various grants awarded to the City for police related activities.

BUILDING FUND - This fund accounts for revenues received from building permits and inspections fees for the purposes of funding the costs of administering building inspection, permitting municipal services, and the enforcement of the Florida Building Code.

COMMUNITY DEVELOPMENT FUND - This fund accounts for federal HUD grant programs.

ILA FUND - This fund accounts for Broward County grant funds restricted for local community development expenditures. The Fund is restricted via interlocal agreement.

THE AMERICAN RESCUE PLAN - This fund accounts for the federal grant funds provided to eligible expenses. Eligible expenses include governmental services/revenue replacement, infrastructure, public health, negative economic impact, premium pay, and services to disproportionately impacted communities.

THE OPIOID SETTLEMENT FUND - This fund accounts for the legal settlement proceeds from the State of Florida (Attorney General's Office) that are restricted for specific expenditures.

EMERGENCY AND DISASTER FUND – This fund accounts for resources accumulated for emergency use in the event of a hurricane, fire, flood or other major disaster.

LOCAL HOUSING ASSISTANCE FUND - This fund accounts for loan programs financed by State Housing Initiatives Partnership (S.H.I.P.) program grants.

DEBT SERVICE FUNDS

Debt service funds are used to set aside resources to meet current and future debt service requirements on long-term debt of governmental funds.

DEBT SERVICE FUND – This fund accounts for accumulation of transfers from other funds and other revenues and payment of principal and interest on various Governmental Financing Commission loans.

GENERAL OBLIGATION BONDS SERIES 2005 – This fund accounts for revenues from ad valorem taxes and other revenues and payment of principal and interest on the City's 2005 general obligation bond issue.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

GENERAL CAPITAL PROJECTS FUND - This fund accounts for the construction of major capital improvements financed with proceeds from local city funds via the capital budgeting process.

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

BROWARD MPO COUNTY SURTAX FUND - This fund accounts for the construction of major capital improvements financed with proceeds from a county surtax and governed by interlocal agreements for each capital project.

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

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

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

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

GENERAL OBLIGATION CAPITAL PROJECTS SERIES 2019 FUND - This fund accounts for the construction of major capital improvements financed with proceeds the Series 2019 General Obligation Bond issuance.

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

GAS TAX CAPITAL PROJECTS FUND - This fund accounts for the construction of major capital improvements financed with proceeds from an excise tax imposed on sales of gasoline.

CITY OF HOLLYWOOD, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

	Special Revenue Funds									
	Special Programs	Law Enforcement Forfeiture	Police Grants	Building	Community Development Grant	ILA	American Rescue Plan	Opioid Settlement	Emergency and Disaster	Local Housing Assistance (S.H.I.P.)
ASSETS:										
Cash	\$ -	\$ 20,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	1,466,939	2,614,716	-	25,919,692	3,422,677	14,757,546	12,505,934	111,392	-	4,250,262
Accounts Receivable - Net of Allowances	36,000	-	-	35,309	2,309	-	-	-	-	-
Notes Receivable - Net of Allowances	-	-	-	-	16,687,252	8,054,526	478,364	-	-	11,240,036
Due from Other Governments	2,564,683	9,000	280,959	-	-	-	-	-	97,496	-
Assets Held for Sale	201,926	-	-	-	-	-	-	-	-	-
Restricted Assets:										
Investments	-	-	-	-	-	-	-	-	-	-
Total Assets	\$4,269,548	\$ 2,643,916	\$280,959	\$25,955,001	\$ 20,112,238	\$22,812,072	\$ 12,984,298	\$ 111,392	\$ 97,496	\$15,490,298
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:										
LIABILITIES:										
Vouchers Payable	\$ 256,137	\$ 7,551	\$ 31,495	\$ 504,488	\$ 234,412	\$ 598,459	\$ 1,100,726	\$ -	\$ 40,397	\$ 78,560
Accrued Wages and Leave	-	-	-	192,011	22,457	-	328,358	-	-	-
Construction Contracts Payable	-	-	-	-	3,178	157,533	90,784	-	-	11,588
Due to Other Funds	144,000	-	230,140	-	-	-	-	-	1,393,012	-
Due to Other Governments	-	-	-	27,512	-	-	-	-	-	-
Unearned Revenue	7,564	-	-	-	1,713,375	10,371,863	10,986,070	111,014	-	3,385,321
Deposits Payable	104,695	15,695	-	-	-	-	-	-	-	-
Total Liabilities	512,396	23,246	261,635	724,011	1,973,422	11,127,855	12,505,938	111,014	1,433,409	3,475,469
DEFERRED INFLOWS OF RESOURCES:										
Unavailable or Advanced Revenue	1,915,629	-	159,336	-	17,491,362	8,054,526	478,364	-	97,496	11,240,036
FUND BALANCES:										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	1,741,770	2,620,670	-	25,230,990	647,454	3,629,691	-	378	-	774,793
Committed	62,223	-	-	-	-	-	-	-	-	-
Assigned	37,530	-	-	-	-	-	-	-	-	-
Unassigned	-	-	(140,012)	-	-	-	(4)	-	(1,433,409)	-
Total Fund Balances	1,841,523	2,620,670	(140,012)	25,230,990	647,454	3,629,691	(4)	378	(1,433,409)	774,793
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$4,269,548	\$ 2,643,916	\$280,959	\$25,955,001	\$ 20,112,238	\$22,812,072	\$ 12,984,298	\$ 111,392	\$ 97,496	\$15,490,298

CITY OF HOLLYWOOD, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2023

	Debt Service Funds		Capital Project Funds										Total
	Debt Service Fund	General Obligation Bonds Series 2005	General Capital Project	Park Impact Fee	County Surtax	Fire Impact Fee	Law Enforcement Impact Fee	Government Building Impact Fee	Multi-Modal Impact Fee	General Obligation Capital Projects Series 2019	Pay-Go Capital Replacement	Gas Tax Capital Projects	
ASSETS:													
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,200
Investments	1,856,144	956,631	52,926,902	4,596,544	1,106,848	3,941	3,532	2,689	4,664	-	445,944	7,102,225	134,055,222
Accounts Receivable - Net of Allowances	-	-	34,131	-	-	-	-	-	-	-	-	-	107,749
Notes Receivable - Net of Allowances	-	-	-	-	-	-	-	-	-	-	-	-	36,460,178
Due from Other Governments	-	-	393,976	-	-	-	-	-	-	-	-	460,710	3,806,824
Assets Held for Sale	-	-	318,700	-	-	-	-	-	-	-	-	-	520,626
Restricted Assets:													
Investments	-	-	9,231,216	-	-	-	-	-	-	42,754,578	-	-	51,985,794
Total Assets	\$ 1,856,144	\$ 956,631	\$ 62,904,925	\$ 4,596,544	\$ 1,106,848	\$ 3,941	\$ 3,532	\$ 2,689	\$ 4,664	\$ 42,754,578	\$ 445,944	\$ 7,562,935	\$ 226,956,593
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:													
LIABILITIES:													
Vouchers Payable	\$ -	\$ -	\$ 974,374	\$ 89,462	\$ 42,097	\$ -	\$ -	\$ -	\$ -	\$ 2,415,056	\$ 104,984	\$ 818,630	\$ 7,296,828
Accrued Wages and Leave	-	-	-	-	-	-	-	-	-	-	-	-	542,826
Construction Contracts Payable	-	-	98,683	7,365	121,983	-	-	-	-	119,169	13,800	102,858	726,941
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	-	-	1,767,152
Due to Other Governments	-	-	-	-	-	-	-	-	-	-	-	-	27,512
Unearned Revenue	-	-	-	-	966,885	-	-	-	-	-	-	-	27,542,092
Deposits Payable	-	-	-	-	-	-	-	-	-	-	-	-	120,390
Total Liabilities	-	-	1,073,057	96,827	1,130,965	-	-	-	-	2,534,225	118,784	921,488	38,023,741
DEFERRED INFLOWS OF RESOURCES:													
Unavailable or Advanced Revenue	-	-	289,078	-	-	-	-	-	-	-	-	-	39,725,827
FUND BALANCES:													
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	956,631	2,005,198	4,499,717	-	3,941	3,532	2,689	4,664	40,220,353	-	6,641,447	88,983,918
Committed	-	-	58,900,617	-	-	-	-	-	-	-	327,160	-	59,290,000
Assigned	1,856,144	-	636,975	-	-	-	-	-	-	-	-	-	2,530,649
Unassigned	-	-	-	-	(24,117)	-	-	-	-	-	-	-	(1,597,542)
Total Fund Balances	1,856,144	956,631	61,542,790	4,499,717	(24,117)	3,941	3,532	2,689	4,664	40,220,353	327,160	6,641,447	149,207,025
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,856,144	\$ 956,631	\$ 62,904,925	\$ 4,596,544	\$ 1,106,848	\$ 3,941	\$ 3,532	\$ 2,689	\$ 4,664	\$ 42,754,578	\$ 445,944	\$ 7,562,935	\$ 226,956,593

CITY OF HOLLYWOOD, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds									
	Special Programs	Law Enforcement Forfeiture	Police Grants	Building	Community Development Grant	ILA	American Rescue Plan	Opioid Settlement	Emergency and Disaster	Local Housing Assistance (S.H.I.P.)
REVENUES:										
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,751,967	-	1,579,524	-	1,479,370	4,519,315	8,333,651	-	1,034,434	214,675
Impact Fees	-	-	-	-	-	-	-	-	-	-
Charges for Services	928,745	-	-	2,896,114	-	-	-	-	-	-
Fines and Forfeitures	-	395,520	-	337	-	-	-	-	-	-
Licenses and Permits	-	-	-	11,807,040	-	-	-	-	-	-
Investment Revenue	187,658	107,839	-	735,450	-	-	-	378	-	216,181
Miscellaneous	171,368	75	460,256	-	-	-	-	-	-	-
Total Revenues	<u>5,039,738</u>	<u>503,434</u>	<u>2,039,780</u>	<u>15,438,941</u>	<u>1,479,370</u>	<u>4,519,315</u>	<u>8,333,651</u>	<u>378</u>	<u>1,034,434</u>	<u>430,856</u>
EXPENDITURES:										
Current:										
General Government	-	-	-	-	-	-	1,535,161	-	-	-
Public Safety	3,046,405	507,852	440,339	9,642,703	-	-	1,544,375	-	-	-
Transportation	28,201	-	-	-	-	-	548,298	-	-	-
Economic Environment	-	-	-	-	1,423,125	2,060,353	316,747	-	-	430,856
Physical Environment	100,000	-	-	-	-	-	-	-	-	-
Culture and Recreation	1,066,606	-	-	-	-	-	708,039	-	-	-
Emergency and Disaster Relief	-	-	-	-	-	-	-	-	1,737,548	-
Capital Outlay:										
General Government	-	-	-	-	-	-	399,557	-	-	-
Public Safety	519,411	83,195	2,143,315	-	-	-	2,325,476	-	-	-
Transportation	917,329	-	(22,503)	-	-	-	749,194	-	-	-
Economic Environment	-	-	-	-	-	2,458,961	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	206,808	-	-	-
Debt Service:										
Principal	-	-	385,983	121,332	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	71,208	5,999	-	-	-	-	-	-
Total Expenditures	<u>5,677,952</u>	<u>591,047</u>	<u>3,018,342</u>	<u>9,770,034</u>	<u>1,423,125</u>	<u>4,519,314</u>	<u>8,333,655</u>	<u>-</u>	<u>1,737,548</u>	<u>430,856</u>
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	<u>(638,214)</u>	<u>(87,613)</u>	<u>(978,562)</u>	<u>5,668,907</u>	<u>56,245</u>	<u>1</u>	<u>(4)</u>	<u>378</u>	<u>(703,114)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):										
Transfers In	-	-	-	-	16,000	-	-	-	-	-
Transfers Out	(16,000)	-	-	(28,970)	-	-	-	-	-	-
Sale of Asstes	-	-	-	-	-	-	-	-	-	-
SBITA	-	-	2,067,000	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(16,000)</u>	<u>-</u>	<u>2,067,000</u>	<u>(28,970)</u>	<u>16,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balances	<u>(654,214)</u>	<u>(87,613)</u>	<u>1,088,438</u>	<u>5,639,937</u>	<u>72,245</u>	<u>1</u>	<u>(4)</u>	<u>378</u>	<u>(703,114)</u>	<u>-</u>
Fund Balances - Beginning	<u>2,495,737</u>	<u>2,708,283</u>	<u>(1,228,450)</u>	<u>19,591,053</u>	<u>575,209</u>	<u>3,629,690</u>	<u>-</u>	<u>-</u>	<u>(730,295)</u>	<u>774,793</u>
Fund Balances - Ending	<u>\$ 1,841,523</u>	<u>\$ 2,620,670</u>	<u>\$ (140,012)</u>	<u>\$ 25,230,990</u>	<u>\$ 647,454</u>	<u>\$ 3,629,691</u>	<u>\$ (4)</u>	<u>\$ 378</u>	<u>\$ (1,433,409)</u>	<u>\$ 774,793</u>

CITY OF HOLLYWOOD, FLORIDA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Debt Service Funds		Capital Project Funds										
	Debt Service Fund	General Obligation Bonds Series 2005	General Capital Project	Park Impact Fee	County Surtax	Fire Impact Fee	Law Enforcement Impact Fee	Building Impact Fee	Multi-Modal Impact Fee	Obligation Capital Projects Series 2019	Pay-Go Capital Replacement	Gas Tax Capital Projects	Total
REVENUES:													
Property Taxes	\$ -	\$ 13,929,073	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,929,073
Intergovernmental	-	-	1,081,893	-	3,121,273	-	-	-	-	-	-	2,727,975	27,844,077
Impact Fees	-	-	-	2,158,894	-	3,928	3,520	2,680	4,648	-	-	-	2,173,670
Charges for Services	-	-	295,827	-	-	-	-	-	-	-	-	-	4,120,686
Fines and Forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	395,857
Licenses and Permits	-	-	-	-	-	-	-	-	-	-	-	-	11,807,040
Investment Revenue	89,045	195,832	375	109,292	53,376	13	12	9	16	1,885,898	11,989	242,839	3,836,202
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	631,699
Total Revenues	89,045	14,124,905	1,378,095	2,268,186	3,174,649	3,941	3,532	2,689	4,664	1,885,898	11,989	2,970,814	64,738,304
EXPENDITURES:													
Current:													
General Government	-	-	417,568	-	-	-	-	-	-	-	-	-	1,952,729
Public Safety	-	-	375,651	-	-	-	-	-	-	-	486,024	-	16,043,349
Transportation	-	-	601,650	-	1,018,460	-	-	-	-	381,952	69,001	1,190,335	3,837,897
Economic Environment	-	-	-	-	-	-	-	-	-	-	-	-	4,231,081
Physical Environment	-	-	76,590	-	-	-	-	-	-	-	-	-	176,590
Culture and Recreation	-	-	1,115,664	200,171	-	-	-	-	-	359,768	-	-	3,450,248
Emergency and Disaster Relief	-	-	-	-	-	-	-	-	-	-	-	-	1,737,548
Capital Outlay:													
General Government	-	-	858,133	-	-	-	-	-	-	-	1,058,503	-	2,316,193
Public Safety	-	-	1,733,798	-	-	-	-	-	-	3,107,322	379,270	-	10,291,787
Transportation	-	-	1,892,078	-	2,180,306	-	-	-	-	266,633	-	1,153,353	7,136,390
Economic Environment	-	-	-	-	-	-	-	-	-	-	-	-	2,458,961
Physical Environment	-	-	-	-	-	-	-	-	-	681,789	-	-	681,789
Culture and Recreation	-	-	487,584	575,008	-	-	-	-	-	3,330,975	-	-	4,600,375
Debt Service:													
Principal	4,311,500	7,447,000	-	-	-	-	-	-	-	-	-	-	12,265,815
Interest and Fiscal Charges	1,458,083	6,291,589	-	-	-	-	-	-	-	-	-	-	7,826,879
Total Expenditures	5,769,583	13,738,589	7,558,716	775,179	3,198,766	-	-	-	-	8,128,439	1,992,798	2,343,688	79,007,631
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,680,538)	386,316	(6,180,621)	1,493,007	(24,117)	3,941	3,532	2,689	4,664	(6,242,541)	(1,980,809)	627,126	(14,269,327)
OTHER FINANCING SOURCES (USES):													
Transfers In	5,684,313	-	42,615,934	-	-	-	-	-	-	-	1,510,500	-	49,826,747
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	(650,000)	(694,970)
Sale of Asstes	-	-	1,374,139	-	-	-	-	-	-	-	-	-	1,374,139
SBITA	-	-	-	-	-	-	-	-	-	-	-	-	2,067,000
Total Other Financing Sources (Uses)	5,684,313	-	43,990,073	-	-	-	-	-	-	-	1,510,500	(650,000)	52,572,916
Change in Fund Balances	3,775	386,316	37,809,452	1,493,007	(24,117)	3,941	3,532	2,689	4,664	(6,242,541)	(470,309)	(22,874)	38,303,589
Fund Balances - Beginning	1,852,369	570,315	23,733,338	3,006,710	-	-	-	-	-	46,462,894	797,469	6,664,321	110,903,436
Fund Balances - Ending	\$ 1,856,144	\$ 956,631	\$ 61,542,790	\$ 4,499,717	\$ (24,117)	\$ 3,941	\$ 3,532	\$ 2,689	\$ 4,664	\$ 40,220,353	\$ 327,160	\$ 6,641,447	\$ 149,207,025

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner like private business enterprises - where the intent of the City Commission is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the periodic determination of net income is appropriate for accountability purposes.

SANITATION ENTERPRISE FUND - This fund accounts for solid waste fees, franchise, and recycling revenues, as well as related collection and disposal costs.

PARKING ENTERPRISE FUND - This fund accounts for on-street and parking garage operations.

STORMWATER UTILITY FUND - This fund accounts for fees and charges related to the operation and maintenance of a stormwater management system.

GOLF ENTERPRISE FUND - This fund accounts for the operations and rental payments of City owned golf courses.

RECORDS PRESERVATION FUND – This fund accounts for resources accumulated to defray the cost of maintaining city-wide records management and preservation activities.

CITY OF HOLLYWOOD, FLORIDA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Sanitation Enterprise	Parking Enterprise	Stormwater Utility	Golf Enterprise	Records Preservation	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:						
ASSETS:						
CURRENT ASSETS:						
Cash	\$ -	\$ 2,300	\$ -	\$ 100,000	\$ 130	\$ 102,430
Investments	14,652,693	27,295,933	16,042,087	-	213,410	58,204,123
Accounts Receivable - Net of Allowances	2,695,103	27,768	1,210,568	75,112	-	4,008,551
Prepays	-	-	-	1,250	-	1,250
Restricted Assets:						
Investments	1,124,225	-	-	-	-	1,124,225
Total Current Assets	18,472,021	27,326,001	17,252,655	176,362	213,540	63,440,579
Capital Assets:						
Land	63,890	1,561,650	-	962,122	-	2,587,662
Buildings	1,165,148	47,274,001	-	2,935,048	-	51,374,197
Improvements	92,240	1,913,878	16,538,410	3,826,887	-	22,371,415
Machinery and Equipment	98,432	2,494,838	394,744	1,056,238	-	4,044,252
Accumulated Depreciation	(1,286,061)	(23,642,754)	(4,938,838)	(7,576,533)	-	(37,444,186)
Construction In Progress	-	5,000,000	1,428,030	-	-	6,428,030
Right to Use - Subscription Asset	-	-	63,420	-	-	63,420
Accumulated Amortization - Subscription Asset	-	-	(23,729)	-	-	(23,729)
Right to Use - Leased Equipment	-	-	-	388,284	-	388,284
Accumulated Amortization - Right to Use - Leased Equipment	-	-	-	(78,706)	-	(78,706)
Total Capital Assets	133,649	34,601,613	13,462,037	1,513,340	-	49,710,639
Total Noncurrent Assets	133,649	34,601,613	13,462,037	1,513,340	-	49,710,639
Total Assets	18,605,670	61,927,614	30,714,692	1,689,702	213,540	113,151,218
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred Outflow - General Employees Pension	1,126,783	2,068,786	4,940,042	97,736	-	8,233,347
Deferred Outflow for OPEB	928,678	2,845,083	3,061,997	47,520	-	6,883,278
Total Deferred Outflows of Resources	2,055,461	4,913,869	8,002,039	145,256	-	15,116,625
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	20,661,131	66,841,483	38,716,731	1,834,958	213,540	128,267,843

(Continued)

CITY OF HOLLYWOOD, FLORIDA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

(Continued)

	Sanitation Enterprise	Parking Enterprise	Stormwater Utility	Golf Enterprise	Records Preservation	Total
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:						
LIABILITIES:						
CURRENT LIABILITIES:						
Vouchers Payable	1,068,022	151,771	1,406,622	193,689	1,900	2,822,004
Accrued Wages and Leave	48,916	99,492	28,484	-	-	176,892
Compensated Absences	83,744	164,185	3,154	-	-	251,083
Construction Contracts	-	-	476,822	-	-	476,822
Due to Other Funds	-	-	-	2,565,971	-	2,565,971
Due to Other Governments	-	1,963	-	-	-	1,963
Interest Payable	-	3,851	5,358	-	-	9,209
Unearned Revenue	-	1,675,755	-	-	-	1,675,755
Deposits Payable	-	6,225	-	26,756	-	32,981
Payable from Restricted Assets:						
Deposits Payable	1,124,225	-	-	-	-	1,124,225
Bond Payable	-	16,573	-	-	-	16,573
Finances Purchases	-	283,943	-	-	-	283,943
Loans Payable	48,751	71,925	127,311	1,943	-	249,930
Short Term - Total Other Postemployment Benefits Obligation	182,625	346,998	170,450	6,087	-	706,160
Short Term - Subscription Liability	-	-	12,639	-	-	12,639
Short Term - Lease Liability	-	-	-	123,708	-	123,708
Total Current Liabilities	2,556,283	2,822,681	2,230,840	2,918,154	1,900	10,529,858
NONCURRENT LIABILITIES:						
Accrued Wages and Leave	18,616	108,863	114,471	-	-	241,950
Bond Payable-Net	-	126,057	-	-	-	126,057
Loans Payable	37,300	55,032	502,047	1,486	-	595,865
Other Postemployment Benefits Obligation	3,699,173	7,028,418	3,452,561	123,306	-	14,303,458
Net Pension Liability - General Employees Pension	3,645,223	7,111,968	7,479,768	331,589	-	18,568,548
Long Term Subscription Liability	-	-	27,914	-	-	27,914
Long Term Lease Liability	-	-	-	185,177	-	185,177
Total Noncurrent Liabilities	7,400,312	14,430,338	11,576,761	641,558	-	34,048,969
Total Liabilities	9,956,595	17,253,019	13,807,601	3,559,712	1,900	44,578,827
DEFERRED INFLOWS OF RESOURCES:						
Deferred Inflow - General Employees Pension	71,429	258,618	46,697	4,311	-	381,055
Deferred Inflow for OPEB Liability	4,181,252	5,874,449	3,184,880	111,387	-	13,351,968
Total Deferred Inflows of Resources	4,252,681	6,133,067	3,231,577	115,698	-	13,733,023
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	14,209,276	23,386,086	17,039,178	3,675,410	1,900	58,311,850
NET POSITION:						
Net Investment in Capital Assets	133,649	34,175,040	12,378,514	1,204,455	-	47,891,658
Unrestricted (Deficit)	6,318,206	9,280,357	9,299,039	(3,044,907)	211,640	22,064,335
TOTAL NET POSITION	\$ 6,451,855	\$ 43,455,397	\$ 21,677,553	\$ (1,840,452)	\$ 211,640	\$ 69,955,993

CITY OF HOLLYWOOD, FLORIDA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Sanitation Enterprise	Parking Enterprise	Stormwater Utility	Golf Enterprise	Records Preservation	Total
OPERATING REVENUES:						
Charges for Sales and Services	\$ 20,369,565	\$ 11,314,310	\$ 9,247,191	\$ 2,311,975	\$ 33,171	\$ 43,276,212
Fines and Forfeits	-	2,034,363	-	-	-	2,034,363
Miscellaneous	52,329	277,701	-	211,699	-	541,729
Total Operating Revenues	<u>20,421,894</u>	<u>13,626,374</u>	<u>9,247,191</u>	<u>2,523,674</u>	<u>33,171</u>	<u>45,852,304</u>
OPERATING EXPENSES:						
Personal Services and Benefits	379,340	3,384,237	2,670,460	3,996	-	6,438,033
Supplies, Services and Claims	15,598,459	3,384,304	2,546,731	2,643,298	43,520	24,216,312
Depreciation	6,606	1,960,532	456,796	226,702	-	2,650,636
Total Operating Expenses	<u>15,984,405</u>	<u>8,729,073</u>	<u>5,673,987</u>	<u>2,873,996</u>	<u>43,520</u>	<u>8,591,503</u>
Operating Income (Loss)	<u>4,437,489</u>	<u>4,897,301</u>	<u>3,573,204</u>	<u>(350,322)</u>	<u>(10,349)</u>	<u>37,260,801</u>
NONOPERATING REVENUES						
(EXPENSES):						
Investment Revenue	494,613	928,247	569,422	(24,052)	8,019	1,976,249
Interest Expense	(2,363)	(22,749)	(22,497)	(10,848)	-	(58,457)
Gain/Loss on Capex Disposal	-	2,865	-	-	-	2,865
Total Nonoperating Revenues (Expenses)	<u>492,250</u>	<u>908,363</u>	<u>546,925</u>	<u>(34,900)</u>	<u>8,019</u>	<u>1,920,657</u>
Income (Loss) Before Transfers	<u>4,929,739</u>	<u>5,805,664</u>	<u>4,120,129</u>	<u>(385,222)</u>	<u>(2,330)</u>	<u>39,181,458</u>
TRANSFERS IN (OUT):						
Transfers Out:	(10,033)	(394,604)	(432,006)	(64,040)	-	(900,683)
Total Transfers In (Out)	<u>(10,033)</u>	<u>(394,604)</u>	<u>(432,006)</u>	<u>(64,040)</u>	<u>-</u>	<u>(900,683)</u>
Change in Net Position	4,919,706	5,411,060	3,688,123	(449,262)	(2,330)	13,567,297
Net Position - Beginning	1,532,149	38,044,337	17,989,430	(1,391,190)	213,970	56,388,696
Net Position - Ending	<u>\$ 6,451,855</u>	<u>\$ 43,455,397</u>	<u>\$ 21,677,553</u>	<u>\$ (1,840,452)</u>	<u>\$ 211,640</u>	<u>\$ 69,955,993</u>

CITY OF HOLLYWOOD, FLORIDA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Sanitation Enterprise	Parking Enterprise	Stormwater Utility	Golf Enterprise	Records Preservation	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received from Customers, Employees and Other Governments	\$ 20,138,798	\$ 15,317,907	\$ 8,961,942	\$ 2,452,544	\$ 33,171	\$ 46,904,362
Payments to Suppliers for Goods and Services	(15,663,615)	(3,388,663)	(3,496,926)	(2,535,568)	(41,620)	(25,126,392)
Payments to Employees for Services	(1,724,782)	(3,497,771)	(1,283,453)	-	-	(6,506,006)
Payments for interfund services	-	-	-	277,861	-	277,861
Net Cash Provided (Used) by Operating Activities	2,750,401	8,431,473	4,181,563	194,837	(8,449)	15,549,825
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers Out	(10,033)	(394,604)	(432,006)	(64,040)	-	(900,683)
Net Cash Provided (Used) by Noncapital Financing Activities	(10,033)	(394,604)	(432,006)	(64,040)	-	(900,683)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Principal Paid on Bonds, Notes and Equipment Contracts	(47,796)	(347,820)	(135,624)	(81,303)	-	(612,543)
Interest Paid on Bonds, Notes and Equipment Contracts	(2,363)	(28,479)	(23,440)	(10,848)	-	(65,130)
Proceeds from Sale of Equipment		2,865				2,865
Acquisition and Construction of Capital Assets	(75,924)	(5,297,205)	(3,404,399)	(19,387)	-	(8,796,915)
Net Cash Provided (Used) for Capital and Related Financing Activities	(126,083)	(5,670,639)	(3,563,463)	(111,538)	-	(9,471,723)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment Revenue	494,613	928,247	569,422	(24,052)	8,019	1,976,249
Net Cash Provided (Used) in Investing Activities	494,613	928,247	569,422	(24,052)	8,019	1,976,249
Net Increase (Decrease) in Cash	3,108,898	3,294,477	755,516	(4,793)	(430)	7,153,668
Cash - October 1	12,668,020	24,003,756	15,286,571	104,793	213,970	52,277,110
Cash - September 30	\$ 15,776,918	\$ 27,298,233	\$ 16,042,087	\$ 100,000	\$ 213,540	\$ 59,430,778

(Continued)

CITY OF HOLLYWOOD, FLORIDA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

(Continued)

RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH PROVIDED (USED)
BY OPERATING ACTIVITIES:

Operating Income (Loss)	\$ 4,437,489	\$ 4,897,301	\$ 3,573,204	\$ (350,322)	\$ (10,349)	\$ 12,547,323
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:						
Depreciation	6,606	1,960,532	456,796	226,702	-	2,650,636
Pension and OPEB	(1,358,311)	(168,659)	1,324,489	3,996		(198,485)
Change in Assets, Liabilities and Deferred Inflows/Outflows:						
(Increase) Decrease in Accounts Receivable	(342,852)	15,778	(285,249)	(71,615)	-	(683,938)
(Increase) Decrease in Due from Other Governments	-	(2,427)	-	-	-	(2,427)
Increase (Decrease) in Vouchers Payable	(65,156)	(1,933)	794,982	107,205	1,900	836,998
Increase (Decrease) in Accrued Expenses, Wages, and Leave	12,869	55,126	(1,682,659)	525	-	(1,614,139)
Increase (Decrease) in Due to Other Funds	-	-		277,861		277,861
Increase (Decrease) in Unearned Revenue	-	1,675,755	-	-	-	1,675,755
Increase (Decrease) in Deposits Payable	59,756	-	-	485	-	60,241
Total Adjustments	<u>(1,687,088)</u>	<u>3,534,172</u>	<u>608,359</u>	<u>545,159</u>	<u>1,900</u>	<u>3,002,502</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,750,401</u>	<u>\$ 8,431,473</u>	<u>\$ 4,181,563</u>	<u>\$ 194,837</u>	<u>\$ (8,449)</u>	<u>\$ 15,549,825</u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

CENTRAL SERVICES FUND - This fund accounts for the operation of the central garage, archiving services, public relations services, and information technology services.

INSURANCE FUND - This fund accounts for self-insurance activities, including reserves, and employee health benefits as well as purchased insurance coverages for general, auto and property liability.

CITY OF HOLLYWOOD, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Central Services	Insurance	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
ASSETS:			
CURRENT ASSETS:			
Cash	\$ 500	\$ 559,160	\$ 559,660
Investments	31,516,321	34,234,262	65,750,583
Accounts Receivable - Net of Allowances	16,852	14,276	31,128
Reinsurance Receivable	-	1,190,778	1,190,778
Inventories of Supplies	199,205	-	199,205
Prepaid Items	-	885,697	885,697
Restricted Assets:			
Investments	5,870	-	5,870
Total Current Assets	<u>31,738,748</u>	<u>36,884,173</u>	<u>68,622,921</u>
NONCURRENT ASSETS:			
Capital Assets:			
Buildings	1,141,350	-	1,141,350
Machinery and Equipment	45,753,060	-	45,753,060
Accumulated Depreciation	(37,294,120)	-	(37,294,120)
Right to Use - Subscription Asset	5,214,701	-	5,214,701
Accumulated Amortization - Subscription Asset	(669,067)	-	(669,067)
Total Capital Assets	<u>14,145,924</u>	<u>-</u>	<u>14,145,924</u>
Total Noncurrent Assets	<u>14,145,924</u>	<u>-</u>	<u>14,145,924</u>
Total Assets	<u>45,884,672</u>	<u>36,884,173</u>	<u>82,768,845</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflow - General Employees Pension	5,495,783	671,188	6,166,971
Deferred Outflow for OPEB	1,471,147	541,745	2,012,892
Total Deferred Outflows of Resources	<u>6,966,930</u>	<u>1,212,933</u>	<u>8,179,863</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>52,851,602</u>	<u>38,097,106</u>	<u>90,948,708</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

(Continued)

	Central Services	Insurance	Total
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
LIABILITIES:			
CURRENT LIABILITIES:			
Vouchers Payable	775,300	71,082	846,382
Accrued Wages and Leave	163,899	18,006	181,905
Compensated Absences	560,453	26,508	586,961
Interest Payable	52,356	-	52,356
Claims Payable	-	7,193,659	7,193,659
Bonds Payable - Net	347,972	-	347,972
Financed Purchases	1,683,747	-	1,683,747
Loans Payable	608,407	20,723	629,130
Short Term - Total Other Postemployment Benefits Obligation	420,038	42,613	462,651
Short Term - Subscription Liability	1,520,494		1,520,494
Total Current Liabilities	6,132,666	7,372,591	13,505,257
NONCURRENT LIABILITIES:			
Accrued Wages and Leave	226,437	42,318	268,755
Claims Payable	-	11,334,136	11,334,136
Bonds Payable - Net	2,733,210	-	2,733,210
Financed Purchases	75,077	-	75,077
Loans Payable	1,084,796	15,855	1,100,651
Total Other Postemployment Benefits Liability	8,508,097	863,140	9,371,237
Net Pension Liability	16,289,510	1,590,672	17,880,182
Long Term - Subscription Liability	2,485,732	-	2,485,732
Total Noncurrent Liabilities	31,402,859	13,846,121	45,248,980
Total Liabilities	37,535,525	21,218,712	58,754,237
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflow for OPEB Liability	10,345,317	1,184,808	11,530,125
Deferred Inflow - General Employees Pension	4,098,063	752	4,098,815
Total Deferred Inflows of Resources	14,443,380	1,185,560	15,628,940
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	51,978,905	22,404,272	74,383,177
NET POSITION:			
Net Investment in Capital Assets	3,684,744	-	3,684,744
Unrestricted (Deficit)	(2,812,047)	15,692,834	12,880,787
TOTAL NET POSITION	\$ 872,697	\$ 15,692,834	\$ 16,565,531

CITY OF HOLLYWOOD, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Central Services	Insurance	Total
OPERATING REVENUES:			
Charges for Sales and Services	\$ 22,946,345	\$ 42,507,571	\$ 65,453,916
Miscellaneous	-	4,698,111	4,698,111
Total Operating Revenues	<u>22,946,345</u>	<u>47,205,682</u>	<u>70,152,027</u>
OPERATING EXPENSES:			
Personal Services and Benefits	3,110,762	514,142	3,624,904
Supplies, Services and Claims	10,204,229	55,924,474	66,128,703
Depreciation	5,296,743	-	5,296,743
Total Operating Expenses	<u>18,611,734</u>	<u>56,438,616</u>	<u>75,050,350</u>
Operating Income (Loss)	<u>4,334,611</u>	<u>(9,232,934)</u>	<u>(4,898,323)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Revenue	977,748	1,557,126	2,534,874
Interest Expense	(400,599)	(1,005)	(401,604)
Gain/Loss on Capex Disposal	71,049	-	71,049
Other Income (Expense)	339,198	-	339,198
Total Nonoperating Revenues	<u>987,396</u>	<u>1,556,121</u>	<u>2,543,517</u>
Income (Loss) Before Capital Contributions and Transfers	<u>5,322,007</u>	<u>(7,676,813)</u>	<u>(2,354,806)</u>
TRANSFERS IN (OUT):			
Transfers In:	4,893,689	-	4,893,689
Transfers Out:	(1,038,865)	-	(1,038,865)
Total Transfers In (Out)	<u>3,854,824</u>	<u>-</u>	<u>3,854,824</u>
Change in Net Position	9,176,831	(7,676,813)	1,500,018
Net Position - Beginning	<u>(8,304,134)</u>	<u>23,369,647</u>	<u>15,065,513</u>
Net Position - Ending	<u>\$ 872,697</u>	<u>\$ 15,692,834</u>	<u>\$ 16,565,531</u>

CITY OF HOLLYWOOD, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Central Services	Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers and Employees	\$ 22,983,084	\$ 46,509,674	\$ 69,492,758
Cash Received from Other Funds	(9,946,713)	(21,031,037)	(30,977,750)
Payments to Suppliers for Goods and Services	(7,487,696)	(612,427)	(8,100,123)
Payments for Claims and Judgments		(33,004,572)	(33,004,572)
Net Cash Provided (Used) by Operating Activities	<u>5,548,675</u>	<u>(8,138,362)</u>	<u>(2,589,687)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers In	4,893,689	-	4,893,689
Transfers Out	(1,038,865)	-	(1,038,865)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>3,854,824</u>	<u>-</u>	<u>3,854,824</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Paid on Other Borrowings	(3,638,422)	(20,317)	(3,658,739)
Interest Paid on Other Borrowings	(492,220)	(1,005)	(493,225)
Proceeds from Sale of Equipment	226,637	-	226,637
Acquisition and Construction of Capital Assets	(1,456,214)	-	(1,456,214)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(5,360,219)</u>	<u>(21,322)</u>	<u>(5,381,541)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from Sale and Maturities of Investment Securities			-
Purchase of Investment Securities			-
Investment Revenue	977,747	1,557,126	2,534,873
Net Cash Provided (Used) in Investing Activities	<u>977,747</u>	<u>1,557,126</u>	<u>2,534,873</u>
Net Increase (Decrease) in Cash	5,021,027	(6,602,558)	(1,581,531)
Cash - October 1	26,501,664	41,395,980	67,897,644
Cash - September 30	<u>\$ 31,522,691</u>	<u>\$ 34,793,422</u>	<u>\$ 66,316,113</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	(Continued)		
	Central Services	Insurance	Total
ECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 4,334,611	\$ (9,232,934)	\$ (4,898,323)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	5,296,743	-	5,296,743
Pension and OPEB	(3,976,331)	(116,459)	(4,092,790)
Change in Assets, Liabilities and Deferred Inflows/Outflows:			
(Increase) Decrease in Accounts Receivable	36,739	(696,008)	(659,269)
(Increase) Decrease in Inventory	10,291	-	10,291
(Increase) Decrease in Prepaid Items	-	(724,410)	(724,410)
Increase (Decrease) in Vouchers Payable	247,225	5,625	252,850
Increase (Decrease) in Accrued Expenses, Wages, and Leave	(400,603)	18,174	(382,429)
Increase (Decrease) in Claims Payable	-	2,607,650	2,607,650
Total Adjustments	1,214,064	1,094,572	2,308,636
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,548,675</u>	<u>\$ (8,138,362)</u>	<u>\$ (2,589,687)</u>

FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the City.

GENERAL EMPLOYEES' RETIREMENT SYSTEM - To account for the accumulation of resources and benefit payments for the pension plan for general employees.

FIRE PENSION FUND - To account for the accumulation of resources and benefit payments for the pension plan for fire personnel.

POLICE RETIREMENT SYSTEM - To account for the accumulation of resources and benefit payments for the pension plan for police personnel.

CITY OF HOLLYWOOD, FLORIDA
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	Employees Retirement	Fire Pension	Police Retirement	Total Pension Plans
ASSETS:				
Investments				
U. S. Government Securities	\$ 2,785,396	\$ 33,555,280	\$ 15,005,162	\$ 51,345,838
Money Market Funds	1,831,145	4,701,500	10,968,227	17,500,872
Corporate Equities	-	221,756,008	276,893,833	498,649,841
Corporate Bonds and Other	4,220,120	6,889,299	6,639,775	17,749,194
Real Estate Funds	36,557,663	34,004,022	50,625,705	121,187,390
Asset Backed Securities	2,670,010	-	-	2,670,010
Private Credit Funds	39,134,191	-	1,240,993	40,375,184
Private Equity Funds	41,600,399	-	4,792,953	46,393,352
Hedge Funds	-	-	22,426,811	22,426,811
Alternative Investments	-	3,421,978	-	3,421,978
Mutual Funds	188,341,130	-	-	188,341,130
Pooled Investment Funds	95,325,163	1,958,877	-	97,284,040
Total Investments	412,465,217	306,286,964	388,593,459	1,107,345,640
DROP Loan Receivable	-	-	977,521	977,521
Interest Receivable	104,092	221,074	359,581	684,747
Employee and Participant Loan Receivable	-	-	33,918	33,918
Accounts Receivable	-	651,307	595,130	1,246,437
Prepaid Items	39,211	-	-	39,211
Non Depreciable	1,398,000	-	-	1,398,000
TOTAL ASSETS	414,006,520	307,159,345	390,559,609	1,111,725,474
LIABILITIES:				
Vouchers Payable	1,815,133	1,604,613	382,988	3,802,734
TOTAL LIABILITIES	1,815,133	1,604,613	382,988	3,802,734
NET POSITION:				
Restricted for Pension Benefits	\$ 412,191,387	\$ 305,554,732	\$ 390,176,621	\$ 1,107,922,740

CITY OF HOLLYWOOD, FLORIDA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SEPTEMBER 30, 2023

	Employees Retirement	Fire Pension	Police Retirement	Total Pension Plans
ADDITIONS:				
Contributions:				
City	\$ 25,492,473	\$ 22,370,124	\$ 25,189,146	\$ 73,051,743
State	-	2,386,458	2,119,082	4,505,540
Local	49,833	-	-	49,833
Members	3,674,797	2,138,248	3,337,832	9,150,877
Total Contributions	29,217,103	26,894,830	30,646,060	86,757,993
Investment Income:				
Net Increase in Fair				
Value of Plan Investments	14,492,311	30,927,934	36,858,434	82,278,679
Interest and Dividends	23,876,232	5,115,548	7,242,160	36,233,940
	38,368,543	36,043,482	44,100,594	118,512,619
Less: Investment Expense	(570,350)	(1,377,211)	(1,962,718)	(3,910,279)
Net Investment Income	37,798,193	34,666,271	42,137,876	114,602,340
Other Income	-	16,999	89,243	106,242
Total Additions	67,015,296	61,578,100	72,873,179	201,466,575
DEDUCTIONS:				
Pension Benefits	38,513,438	26,761,833	34,306,431	99,581,702
Refunds of Contributions	940,866	-	116,192	1,057,058
Administrative Expenses	976,452	686,662	713,440	2,376,554
Depreciation and Amortization	55,184	-	-	55,184
Total Deductions	40,485,940	27,448,495	35,136,063	103,070,498
Change in Net Position	26,529,356	34,129,605	37,737,116	98,396,077
Net Position Restricted for Pension				
Benefits - Beginning of Year	385,662,031	271,425,127	352,439,505	1,009,526,663
Net Position Restricted for Pension				
Benefits - End of Year	\$ 412,191,387	\$ 305,554,732	\$ 390,176,621	\$ 1,107,922,740

CITY OF HOLLYWOOD, FLORIDA
INDEX TO STATISTICAL SECTION
(Unaudited – See Accompanying Independent Auditors' Report)

This part of the City of Hollywood's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the City's overall financial health.

FINANCIAL TRENDS	<u>Page No.</u>
These schedules contain trend information to help the reader understand how the City's financial performance and well-being changed over time.	174-185
REVENUE CAPACITY	186-192
These schedules contain information to help the reader assess the government's most significant tax revenue sources and in particular, property taxes.	
DEBT CAPACITY	193-197
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	198-200
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
OPERATING INFORMATION	201-206
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Source:

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF HOLLYWOOD, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
 (Accrual Basis of Accounting)
 (\$ in thousands)

	2023	2022	2021	2020
GOVERNMENTAL ACTIVITIES:				
Net Investment in Capital Assets	\$ 147,120	\$ 75,703	\$ 83,103	\$ 70,938
Restricted	99,216	142,408	144,635	139,737
Unrestricted	<u>(746,001)</u>	<u>(817,883)</u>	<u>(918,790)</u>	<u>(926,843)</u>
Total Governmental Activities Net Position	<u>\$ (499,665)</u>	<u>\$ (599,772)</u>	<u>\$ (691,052)</u>	<u>\$ (716,168)</u>
BUSINESS-TYPE ACTIVITIES:				
Net Investment in Capital Assets	\$ 287,790	\$ 239,324	\$ 230,012	\$ 222,928
Restricted	120,934	94,404	79,760	63,242
Unrestricted	<u>42,865</u>	<u>57,511</u>	<u>53,319</u>	<u>29,856</u>
Total Business-type Activities Net Position	<u>\$ 451,589</u>	<u>\$ 391,239</u>	<u>\$ 363,091</u>	<u>\$ 316,026</u>
PRIMARY GOVERNMENT:				
Net Investment in Capital Assets	\$ 434,909	\$ 315,027	\$ 313,115	\$ 293,866
Restricted	220,150	236,812	224,395	202,979
Unrestricted	<u>(703,136)</u>	<u>(760,372)</u>	<u>(865,471)</u>	<u>(896,987)</u>
Total Primary Government Net Position	<u>\$ (48,076)</u>	<u>\$ (208,533)</u>	<u>\$ (327,961)</u>	<u>\$ (400,142)</u>

CITY OF HOLLYWOOD, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(\$ in thousands)

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 69,416	\$ 71,886	\$ 65,894	\$ 65,085	\$ 68,150	\$ 58,658
119,212	34,865	33,995	49,191	36,472	37,383
<u>(830,648)</u>	<u>(779,606)</u>	<u>(451,440)</u>	<u>(457,116)</u>	<u>(440,035)</u>	<u>(79,505)</u>
<u>\$ (642,020)</u>	<u>\$ (672,855)</u>	<u>\$ (351,551)</u>	<u>\$ (342,840)</u>	<u>\$ (335,413)</u>	<u>\$ 16,536</u>
\$ 219,044	\$ 186,154	\$ 164,263	\$ 145,990	\$ 131,447	\$ 121,880
62,248	64,916	64,238	62,157	63,304	61,237
20,480	9,765	68,179	59,580	48,867	63,610
<u>\$ 301,772</u>	<u>\$ 260,835</u>	<u>\$ 296,680</u>	<u>\$ 267,727</u>	<u>\$ 243,617</u>	<u>\$ 246,727</u>
\$ 288,460	\$ 258,040	\$ 230,157	\$ 211,075	\$ 199,597	\$ 180,538
181,460	99,781	98,233	111,348	99,776	98,620
<u>(810,168)</u>	<u>(769,841)</u>	<u>(383,261)</u>	<u>(397,536)</u>	<u>(391,168)</u>	<u>(15,895)</u>
<u>\$ (340,247)</u>	<u>\$ (412,020)</u>	<u>\$ (54,871)</u>	<u>\$ (75,113)</u>	<u>\$ (91,795)</u>	<u>\$ 263,263</u>

CITY OF HOLLYWOOD, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

Accrual Basis of Accounting

(\$ in thousands)

	2023	2022	2021	2020
Primary Government:				
Expenses:				
Governmental Activities :				
General Government	\$ 49,739	\$ 38,930	\$ 39,072	\$ 54,781
Public Safety	183,934	147,855	188,005	252,285
Public Works	16,093	11,957	14,696	17,001
Transportation	6,306	2,955	3,229	2,610
Economic Environment	12,767	12,404	11,067	8,092
Physical Environment	380	158	892	989
Culture and Recreation	18,172	14,426	15,108	17,165
Emergency and Disaster Relief & Other	1,739	(94)	2,930	3,994
Interest and Fiscal Charges	9,805	4,887	5,250	5,753
Total Governmental Activities	<u>298,936</u>	<u>233,478</u>	<u>280,249</u>	<u>362,670</u>
Business - Type Activities:				
Water	31,763	30,973	27,205	36,700
Sewer	47,058	38,571	39,287	54,588
Sanitation	16,152	15,786	15,369	15,408
Stormwater	5,755	3,367	3,180	2,730
Golf	2,914	2,439	2,290	2,125
Parking	8,842	8,059	8,762	10,278
Other	44	39	35	16
Total Business-Type Activities Net Position	<u>112,528</u>	<u>99,234</u>	<u>96,128</u>	<u>121,845</u>
Total Primary Government Expenditures	<u>411,464</u>	<u>332,712</u>	<u>376,377</u>	<u>484,515</u>
Revenues:				
Governmental Activities :				
Charges for Services:				
General Government	19,831	17,730	16,889	14,135
Public Safety	61,688	51,966	48,321	49,619
Public Works	-	267	277	13
Transportation	-	-	-	-
Economic Environment	303	847	483	837
Physical Environment	707	352	160	291
Culture and Recreation	1,930	1,931	1,528	1,006
Operating Grants and Contributions	17,080	13,036	12,846	7,275
Capital Grants and Contributions	12,218	7041	962	625
Total Governmental Activities	<u>113,757</u>	<u>93,170</u>	<u>81,465</u>	<u>73,801</u>
Business - Type Activities:				
Water	48,411	43,140	42,346	41,100
Sewer	60,835	54,602	67,548	62,018
Sanitation	20,422	19,282	17,465	15,491
Stormwater	9,247	7,664	5,995	5,781
Golf	2,524	2,650	1,871	1,655
Parking	13,626	11,839	11,359	8,403
Other	33	30	32	33
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	15,564	1,235	1,681	4,540
Total Business-Type Activities	<u>170,663</u>	<u>140,442</u>	<u>148,296</u>	<u>139,021</u>
Total Primary Government Revenues	<u>284,420</u>	<u>233,612</u>	<u>229,761</u>	<u>212,822</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
Accrual Basis of Accounting
(\$ in thousands)

2019	2018	2017	2016	2015	2014
\$ 64,445	\$ 34,331	\$ 36,963	\$ 37,369	\$ 26,828	\$ 26,525
152,776	155,948	160,110	145,365	135,739	132,446
16,012	13,047	15,400	15,565	13,647	14,238
3,437	3,375	5,041	3,698	2,604	1,830
6,602	6,767	6,641	6,144	22,407	10,025
633	7,100	1,551	787	5,680	2,114
15,386	14,851	14,815	14,970	14,460	14,966
239	7,002	3,293	-	-	-
4,872	4,509	4,973	5,565	7,034	7,689
264,402	246,930	248,787	229,463	228,399	209,833
29,721	27,276	29,604	27,398	24,353	26,367
43,645	42,248	41,754	41,179	41,869	42,032
13,547	12,804	12,539	12,421	11,501	11,393
2,605	2,471	2,238	2,230	2,155	2,000
2,081	2,088	2,411	2,374	2,474	2,910
8,768	7,280	7,080	7,320	6,588	6,880
27	34	28	6	4	-
100,394	94,201	95,654	92,928	88,944	91,582
364,796	341,131	344,441	322,391	317,343	301,415
13,909	12,718	12,279	10,881	8,750	8,847
49,655	42,433	38,318	36,503	38,024	39,196
259	251	244	206	206	200
-	76	104	333	312	1,500
2,629	2,904	1,581	1,949	1,770	1,882
962	733	1,109	1,496	335	1,174
1,436	1,447	1,470	1,558	1,462	1,362
21,457	3,929	3,895	2,692	2,013	7,078
474	82	658	863	1,258	1,413
90,781	64,573	59,658	56,481	54,130	62,652
38,887	40,425	41,050	39,757	40,551	38,394
56,876	57,900	56,718	54,473	58,975	55,481
13,049	13,335	13,590	13,651	16,085	13,274
3,177	3,215	3,275	3,201	3,245	3,333
2,009	1,922	2,069	1,829	2,285	2,470
9,566	9,136	7,489	6,625	6,604	6,588
41	34	40	30	19	19
-	47	-	-	29	29
2,968	2,802	2,731	4,808	2,933	2,151
126,573	128,816	126,962	124,374	130,726	121,739
217,354	193,389	186,620	180,855	184,856	184,391

(Continued)

(Continued)

CITY OF HOLLYWOOD, FLORIDA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

Accrual Basis of Accounting

(\$ in thousands)

	2023	2022	2021	2020
Net (Expenses) Revenues:				
Governmental Activities	(185,178)	(140,308)	(198,784)	(288,869)
Business - Type Activities	58,135	41,208	52,168	17,176
Total Primary Government Net (Expenses) Revenues	<u>(127,044)</u>	<u>(99,100)</u>	<u>(146,616)</u>	<u>(271,693)</u>
General Revenues and Other Changes In Net Position:				
Governmental Activities :				
Property Taxes Levied for General Purpose	127,152	115,100	110,043	103,745
Property Taxes Levied for Debt Service	13,929	7,594	7,591	7,609
Property Taxes Incremental	43,354	37,835	38,442	37,479
Utility Service Taxes	25,100	22,151	20,961	20,886
Franchise Taxes	17,825	16,400	13,824	12,057
Sales Tax	12,899	12,608	10,911	9,081
Gas Tax	2,728	2,736	2,569	2,469
Local Business Tax	2,423	2,510	2,418	2,411
Contributions not Restricted to Specific Programs	9,142	7,815	6,590	7,084
Investment Revenue	18,573	(4,469)	174	3,032
Gain (loss) on sale of Capital Assets	0	1,298	(174)	14
Miscellaneous	5,865	4,319	4,887	3,331
Transfers	6,294	5,689	5,663	5,522
Total Governmental Activities	<u>285,285</u>	<u>231,586</u>	<u>223,899</u>	<u>214,720</u>
Business - Type Activities:				
Investment Revenue	11,895	(7,288)	(52)	2,041
Gain (loss) on sale of Capital Assets	3	(82)	118	74
Noncapital other contributions	-	-	-	-
Miscellaneous	0	1	495	485
Large User Lawsuit Settlement	(3,388)	-	-	-
Transfers	(6,294)	(5,689)	(5,663)	(5,522)
Total Business-Type Activities	<u>2,216</u>	<u>(13,058)</u>	<u>(5,102)</u>	<u>(2,922)</u>
Total Primary Government General Revenues and Other Changes in Net Position	<u>287,501</u>	<u>218,528</u>	<u>218,797</u>	<u>211,798</u>
Change in Net Position:				
Governmental Activities	100,106	91,278	25,115	(74,149)
Business - Type Activities	60,351	28,150	47,066	14,254
Total Primary Government General Change in Net Position	<u>160,457</u>	<u>119,428</u>	<u>72,181</u>	<u>(59,895)</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
Accrual Basis of Accounting
(\$ in thousands)

2019	2018	2017	2016	2015	2014
(173,621)	(182,357)	(189,129)	(172,982)	(174,269)	(147,181)
26,179	34,615	31,308	31,446	41,782	30,157
<u>(147,442)</u>	<u>(147,742)</u>	<u>(157,821)</u>	<u>(141,536)</u>	<u>(132,487)</u>	<u>(117,024)</u>
100,692	89,282	77,073	70,740	64,459	61,107
3,680	3,673	3,682	3,742	3,781	3,983
31,082	35,366	32,512	29,790	27,988	25,191
20,673	21,004	20,629	20,324	20,595	20,625
13,007	12,911	12,726	11,540	11,955	11,748
10,080	10,137	9,563	10,254	9,252	8,769
2,773	2,760	2,766	2,913	2,652	2,562
2,299	2,332	2,030	1,871	1,773	2,075
8,025	7,843	7,025	6,984	6,883	6,390
4,435	2,881	1,268	932	759	526
732	-	-	-	-	-
14,751	3,139	2,411	6,790	1,727	2,793
<u>(7,772)</u>	<u>6,980</u>	<u>6,059</u>	<u>4,175</u>	<u>6,763</u>	<u>5,191</u>
204,457	198,308	177,744	170,055	158,587	150,960
4,543	2,420	2,546	2,150	1,409	501
-	-	-	-	-	-
-	-	-	-	-	-
2,443	826	686	728	1,052	950
-	-	-	-	-	-
<u>7,772</u>	<u>(6,981)</u>	<u>(6,059)</u>	<u>(4,175)</u>	<u>(6,763)</u>	<u>(5,191)</u>
14,758	(3,735)	(2,827)	(1,297)	(4,302)	(3,740)
<u>219,215</u>	<u>194,572</u>	<u>174,917</u>	<u>168,758</u>	<u>154,285</u>	<u>147,220</u>
30,836	15,951	(11,385)	(2,927)	(15,682)	3,779
<u>40,937</u>	<u>30,880</u>	<u>28,481</u>	<u>30,149</u>	<u>37,480</u>	<u>26,417</u>
<u>71,773</u>	<u>46,831</u>	<u>17,096</u>	<u>27,222</u>	<u>21,798</u>	<u>30,196</u>

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

Fiscal Year	Property Taxes	Utilities Service Taxes	Franchise Taxes	Sales Tax	Gas Tax	Local Business Tax (1)	Total
2023	\$ 184,435	\$ 25,100	\$ 17,825	\$ 12,899	\$ 2,728	\$ 2,423	\$ 245,410
2022	160,529	22,151	16,400	12,608	2,736	2,510	216,934
2021	156,077	20,961	13,824	10,911	2,569	2,418	206,760
2020	148,833	20,886	12,057	9,081	2,469	2,411	195,737
2019	135,454	20,673	13,007	10,080	2,773	2,299	184,286
2018	128,321	21,004	12,911	10,137	2,760	2,332	177,465
2017	113,267	20,629	12,726	9,563	2,766	2,030	160,981
2016	104,272	20,324	11,539	10,254	2,913	1,871	151,173
2015	96,227	20,595	11,955	9,252	2,651	1,773	142,453
2014	90,280	20,625	11,748	8,769	2,562	2,075	136,059

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

Fiscal Year	General Fund						Total Governmental Funds
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total	
2023	126	-	11,549	2,495	69,165	83,335	
2022	62	-	11,121	1,380	75,716	88,279	
2021	50	-	10,466	9,268	54,842	74,626	
2020	58	12,774	10,955	6,458	49,198	79,443	
2019	40	6,300	11,086	8,023	60,176	85,625	
2018	37	-	18,966	4,984	48,109	72,096	
2017	47	-	17,987	4,195	33,496	55,725	
2016	34	-	15,983	2,806	30,854	49,677	
2015	42	-	16,641	3,136	14,967	34,786	
2014	7,506	-	15,875	7,446	14,311	45,138	

Fiscal Year	Other Governmental Funds						Total Governmental Funds
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total	
2023	24	247,450	59,290	2,531	(1,598)	307,697	391,032
2022	680	141,677	20,607	3,064	(1,959)	164,069	252,348
2021	1,954	143,905	11,798	4,629	(971)	161,315	235,941
2020	3,024	126,232	12,395	4,786	(5,163)	141,274	220,717
2019	1,132	112,182	329	6,702	(9,827)	110,518	196,143
2018	-	51,187	5,205	2,076	(9,948)	48,520	120,616
2017	1,586	74,757	7,334	1,348	(2,990)	82,035	137,760
2016	2,042	75,779	5,909	3,298	-	87,028	136,705
2015	2,501	44,225	218	1,387	(191)	48,140	82,926
2014	915	60,399	5,659	2,241	-	69,214	114,352

See accompanying independent auditor's report.

CITY OF HOLLYWOOD, FLORIDA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(\$ in thousands)

	2023	2022	2021	2020
Revenues:				
Property Taxes	\$ 164,968	\$ 143,588	\$ 138,800	\$ 132,135
Utilities Service Taxes	25,100	22,151	20,961	20,886
Franchise Taxes	17,825	16,400	13,824	12,057
Licenses and Permits	14,257	9,280	9,140	9,618
Intergovernmental	69,514	59,868	52,043	49,886
Charges for Services	71,768	65,194	60,015	57,614
Fines and Forfeits	396	457	437	508
Impact Fees	2,174	395	824	-
Investment Revenue	16,038	(2,811)	192	2,440
Miscellaneous	5,814	4,906	5,289	3,331
Total Revenues	387,854	319,428	301,525	288,475
Expenditures:				
Current:				
General Government	48,939	45,875	39,223	39,873
Public Safety	182,253	176,147	164,830	165,753
Public Works	15,484	13,076	13,197	13,159
Transportation	6,279	3,427	3,419	3,085
Economic Environment	8,200	10,634	8,737	6,808
Physical Environment	380	156	890	988
Culture and Recreation	15,894	13,679	12,451	11,959
Emergency and Disaster Relief & Other	1,738	(94)	2,929	3,994
Other	-	43	43	113
Capital Outlay:				
General Government	3,621	2,003		1,755
Public Safety	10,643	9,285	859	4,248
Public Works	-	-	2,970	11
Transportation	11,636	8,020	1,722	1,087
Economic Environment	7,883	3,088	178	50
Physical Environment	1,511	1,286	2,732	2,132
Culture and Recreation	5,929	4,813	12,950	2,117
Debt Service				
Principal	21,401	17,188	16,280	16,091
Interest and Fiscal Charges	9,728	5,958	6,560	6,484
Total Expenditures	351,519	314,584	289,971	279,707
Excess (Deficiency) of Revenues Over (Under) Expenditures	36,335	4,844	11,555	8,768

(Continued)

CITY OF HOLLYWOOD, FLORIDA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(\$ in thousands)

2019	2018	2017	2016	2015	2014
\$ 121,538	\$ 112,390	\$98,520	\$ 90,697	\$ 84,028	\$ 78,931
20,673	21,004	20,629	20,324	20,595	20,625
13,007	12,878	12,726	11,540	11,955	11,749
10,878	10,305	7,973	8,864	8,054	6,688
42,807	41,235	38,261	37,116	34,467	37,515
59,582	50,182	48,187	44,915	44,010	45,188
159	1,284	61	424	1,659	774
-	-	-	-	-	-
3,238	2,062	1,006	628	486	284
14,663	3,261	3,023	5,860	1,651	3,110
<u>286,545</u>	<u>254,601</u>	<u>230,386</u>	<u>220,368</u>	<u>206,905</u>	<u>204,864</u>
55,236	33,057	31,292	26,847	26,240	22,104
152,847	141,936	133,224	120,134	123,346	118,827
12,921	12,229	12,144	10,977	12,114	11,975
2,840	2,297	2,211	1,589	2,246	2,028
5,992	3,826	3,455	2,990	19,427	8,981
432	20	335	258	572	1,565
11,698	11,411	10,538	9,835	11,093	10,479
239	7,002	3,293	-	-	-
250	2,252	2,333	2,718	3,775	2,447
16,290	4,691	1,840	3,097	1,599	2,065
2,810	2,721	3,046	2,582	1,340	1,341
			-	-	-
1,573	1,719	5,358	3,402	3,624	881
6	-	5	-	5	3
4,524	7,607	4,080	718	7,625	671
55	305	468	313	571	444
13,853	13,982	13,628	13,773	12,702	20,097
5,696	5,576	6,213	8,974	7,864	7,591
<u>287,262</u>	<u>250,631</u>	<u>233,463</u>	<u>208,207</u>	<u>234,143</u>	<u>211,551</u>
<u>(717)</u>	<u>3,970</u>	<u>(3,077)</u>	<u>12,161</u>	<u>(27,238)</u>	<u>(6,687)</u>

(Continued)

(Continued)

CITY OF HOLLYWOOD, FLORIDA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 (\$ in thousands)

	2023	2022	2021	2020
Other Financing Sources(Uses)				
Issuance of debt	-	4,901	-	11,700
Retirement of debt	-	-	-	-
Transfers In	56,918	20,114	21,910	21,377
Transfers Out	(54,479)	(15,600)	(18,346)	(18,390)
Sale of Assets	2,888	1,385	103	56
Lease (right-of-use asset) Acquired	513	763	-	-
Impact Fees	-	-	-	1,064
SBITA	2,264	-	-	-
Debt Proceeds	89,660	-	-	-
Premium Proceeds	4,585	-	-	-
Total Other Financing Sources (Uses)	<u>102,349</u>	<u>11,563</u>	<u>3,667</u>	<u>15,807</u>
Changes in Fund Balances	<u>\$ 138,685</u>	<u>\$ 16,407</u>	<u>\$ 15,222</u>	<u>\$ 24,575</u>
Debt Service as a percentage of Noncapital Expenditures	10.0%	8.1%	8.5%	8.4%

(Continued)

CITY OF HOLLYWOOD, FLORIDA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
 (Modified Accrual Basis of Accounting)
 (\$ in thousands)

2019	2018	2017	2016	2015	2014
70,738	-	14,831	92,127	45,922	7,965
-	-	(14,831)	(53,924)	(43,732)	-
14,593	13,246	12,143	15,352	16,783	14,182
(11,220)	(7,600)	(8,011)	(11,937)	(12,817)	(9,452)
2,133	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>76,244</u>	<u>5,646</u>	<u>4,132</u>	<u>41,618</u>	<u>6,156</u>	<u>12,695</u>
<u>\$ 75,527</u>	<u>\$ 9,616</u>	<u>\$ 1,055</u>	<u>\$ 53,779</u>	<u>(21,082)</u>	<u>6,008</u>
7.5%	8.4%	9.1%	11.5%	9.4%	13.4%

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

Fiscal Year	Property Taxes	Utilities Service Taxes	Franchise Taxes	Sales Tax	Gasoline Tax	Local Business Tax	Total
2023	\$ 164,968	\$ 25,100	\$ 17,825	\$ 12,899	\$ 2,728	\$ 2,423	\$ 225,943
2022	143,588	22,151	16,400	12,608	2,736	2,467	199,950
2021	138,800	20,961	13,824	10,911	2,569	2,418	189,483
2020	132,135	20,886	12,057	9,081	2,469	2,411	179,039
2019	121,538	20,673	13,007	10,080	2,773	2,299	170,370
2018	115,782	21,004	12,877	10,137	2,670	2,130	164,600
2017	98,520	20,629	12,726	9,563	2,677	1,931	146,046
2016	90,697	20,324	11,540	10,254	2,825	1,826	137,466
2015	84,028	20,595	11,955	9,252	2,569	1,723	130,122
2014	78,931	20,625	11,748	8,769	2,486	2,002	124,561

CITY OF HOLLYWOOD, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(\$ in thousands)

Fiscal Year	Real Property			Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value
	Residential Property	Commercial Property	Other Property			
2023	\$ 22,017,930	\$ 7,788,769	\$ 10,028	\$ 1,602,418	\$ 10,387,658	\$ 21,031,487
2022	18,164,519	7,235,649	9,381	1,500,854	8,007,188	18,903,215
2021	17,363,909	7,268,998	9,265	1,610,129	7,750,225	18,502,076
2020	16,789,008	6,868,114	6,374	1,473,059	7,723,651	17,412,904
2019	16,191,585	6,431,406	4,764	1,547,857	7,702,624	16,472,988
2018	15,187,241	6,052,243	4,623	1,512,574	7,519,034	15,237,647
2017	13,978,049	5,650,080	4,469	627,053	7,075,271	13,184,380
2016	12,764,725	5,163,513	4,117	604,697	6,453,560	12,083,492
2015	11,607,318	4,829,226	4,137	595,229	5,880,337	11,155,573
2014	9,710,175	4,826,893	3,551	587,328	4,669,012	10,458,935

Source: Broward County Revenue Collector.

(1) Includes tax exempt property.

CITY OF HOLLYWOOD, FLORIDA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(\$ in thousands)

Total Direct Tax Rate (mills)		Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
8.1548	\$	31,419,146	66.94 %
7.8966		26,910,403	70.25
7.8966		26,252,301	70.48
7.9226		25,136,556	69.27
7.6992		24,175,612	68.14
7.6992		22,756,682	66.96
7.7363		20,259,651	65.08
7.7677		18,537,052	65.19
7.8007		17,035,909	65.48
7.8436		15,127,947	69.14

CITY OF HOLLYWOOD, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year	City of Hollywood			Overlapping Rates (1)					
				Broward County			Broward County School District		
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage
2023	7.4665	0.6883	8.1548	5.5306	0.1384	5.6690	5.9510	0.1873	6.1383
2022	7.4810	0.4156	7.8966	5.5134	0.1556	5.6690	6.3180	0.1441	6.4621
2021	7.4665	0.4301	7.8966	5.4999	0.1691	5.6690	6.4140	0.0912	6.5052
2020	7.4665	0.4561	7.9226	5.4878	0.1812	5.6690	6.6350	0.1043	6.7393
2019	7.4665	0.2327	7.6992	5.4792	0.1898	5.6690	6.2750	0.1279	6.4029
2018	7.4479	0.2513	7.6992	5.4623	0.2067	5.6690	6.4740	0.0654	6.5394
2017	7.4479	0.2884	7.7363	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063
2016	7.4479	0.3198	7.7677	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740
2015	7.4479	0.3528	7.8007	5.4584	0.2646	5.7230	7.4380	0.0000	7.4380
2014	7.4479	0.3957	7.8436	5.4400	0.2830	5.7230	7.4800	0.0000	7.4800

Property Tax Rates: Expressed as mills per \$1,000 of taxable value.

Source: Broward County Property Appraiser.

- (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Hollywood. Not all overlapping rates apply to all City of Hollywood property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).
- (2) Hollywood tax district code 0543 and 0553 - excluding North Broward Hospital District.
- (3) Hollywood tax district code 0534 - excluding South Broward Hospital District.

CITY OF HOLLYWOOD, FLORIDA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Special Districts	South	North	Total Direct and Overlapping Rates	
	Broward	Broward		
	Hospital District	Hospital District	(2)	(3)
0.7121	0.1010	1.6029	20.7752	22.2771
0.7591	0.1144	1.2770	20.9012	22.0638
0.7877	0.1199	1.1469	20.9784	22.0054
0.7997	0.1260	1.0324	21.2566	22.1630
0.8138	0.1414	1.0855	20.7263	21.6704
0.8302	0.1496	1.2483	20.8874	21.9861
0.8509	0.1615	1.3462	21.3240	22.5087
0.8753	0.1737	1.4425	21.8137	23.0825
0.9069	0.1863	1.5939	22.0549	23.4625
0.9337	0.4000	1.7554	22.3803	23.7357

City of Hollywood, Florida
Principal Taxpayers
Current Year and Nine Years Ago
(\$ in thousands)

<u>Taxpayer</u>	Fiscal Year 2023	
	Taxable Assessed Value (1)	Percentage of Total City Taxable Assessed Value
Florida Power & Light Company	\$ 1,170,305	5.6% %
Diplomat Hotel Owner LLC	428,901	2.0%
Oakwood Plaza LP	212,635	1.0%
MVHF LLC (BLDG) City of Hollywood	171,322	0.8%
HC Real Property LLC	123,500	0.6%
Equity One (Sheridan Plaza) LLC	101,061	0.5%
North 29TH FL Partners LLC	83,902	0.4%
CDR Presidential LLC	75,557	0.4%
Hollywood Beach LLC	65,608	0.3%
MHI/Carlyle Sian Owner LLC	61,590	0.3%
Total Taxpayer	<u>\$ 2,494,380</u>	<u>11.86%</u>
Total Taxable Assessed Value	<u>\$ 21,031,487</u>	

<u>Taxpayer</u>	Fiscal Year 2014	
	Taxable Assessed Value (2)	Percentage of Total City Taxable Assessed Value
Diplomat Properties LTD Partnership	265,186	2.93 %
Florida Power & Light Company	\$187,653	2.07
Smith Property Holdings	\$111,530	1.23
Michael Swerdlow Properties	91,195	1.01
Southern Bell Telephone Company	73,083	0.81
Equity One LLC	64,919	0.72
Bainbridge Presidential Towers	46,507	0.51
SGC-ACPI Limited Partnership	42,083	0.46
Distribution Funding, Inc.	41,388	0.46
CDR Presidential LLC	34,112	0.38
Total Taxpayer	<u>\$957,656</u>	<u>10.57%</u>
Total Taxable Assessed Value	<u>\$ 9,059,102</u>	

Source: Broward County Revenue Collector

(1) Value of nonexempt real and personal property subject to taxation at January 1, 2022

(2) Value of nonexempt real and personal property subject to taxation at January 1, 2014

CITY OF HOLLYWOOD, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(\$ in thousands)

Fiscal Year	Total Tax Levy (1)	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy Collected		Amount	Percent of Levy Collected
2023	\$ 165,115	\$ 164,993	99.93 %	\$ -	\$ 164,993	99.93 %
2022	143,618	143,551	99.90	7	143,558	99.96
2021	139,538	138,828	99.49	615	139,443	99.93
2020	132,493	132,026	99.65	467	132,493	100.00
2019	121,653	121,561	99.92	89	121,650	100.00
2018	112,628	112,407	99.80	221	112,628	100.00
2017	98,636	98,539	99.90	98	98,637	100.00
2016	90,797	90,711	99.91	85	90,796	100.00
2015	84,181	84,045	99.84	98	84,143	99.95
2014	78,834	78,739	99.88	95	78,834	100.00

(1) Source: Broward County Revenue Collector.

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

	Governmental Activities					
Fiscal Year	General Obligation Bonds/Note	Capital Imp Bonds and Loans	Leases, and SBITA, and Other	Revenue Bonds and Loans (CRA's)	Bond Premium (Discount)	
2023	\$ 163,249	\$ 38,688	\$ 9,280	\$ 7,340	\$ 14,676	
2022	81,036	44,729	4,331	14,682	11,693	
2021	85,274	40,414	4,361	22,723	13,353	
2020	89,363	42,858	3,946	30,455	15,200	
2019	93,900	32,550	5,943	37,887	17,073	
2018	36,435	33,161	7,794	45,661	7,871	
2017	38,940	34,231	6,937	53,043	9,527	
2016	41,372	51,803	7,926	60,231	11,354	
2015	43,922	42,715	6,541	52,436	-	
2014	46,050	48,192	7,465	55,864	-	

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

Business-type Activities						
Water & Sewer Revenue Bonds	Loans Payable	Leases, and SBITA, and Other	Bond Premium (Discount)	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 33,377	\$ 116,483	\$ 1,545	\$ 6,123	\$ 390,761	6.88% %	\$ 2,523
39,249	124,468	1,409	7,024	328,621	5.69%	2,121
45,390	108,793	2,045	8,111	330,463	6.76%	2,148
61,623	77,511	2,633	1,681	325,270	6.98%	2,143
68,515	69,318	3,179	2,500	330,865	7.10%	2,193
75,054	61,499	5,246	3,477	276,198	6.17%	1,853
81,229	66,111	6,173	4,599	300,790	7.25%	2,043
87,119	71,320	7,115	5,853	344,093	8.61%	2,354
89,020	78,585	7,990	6,242	327,451	8.57%	2,259
103,070	73,323	8,802	1,959	344,725	9.15%	2,389

CITY OF HOLLYWOOD, FLORIDA
RATIOS OF GENERAL OBLIGATION BONDS/NOTE DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(\$ in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds/Note	Less: Amounts Available in Debt Service Fund	Total	Percentage of Total Taxable Assessed Value of Property	Per Capita
2023	\$ 175,750	\$ (957)	\$ 174,793	0.83 %	\$ 1,129
2022	89,770	(570)	89,200	0.48	589
2021	98,627	(570)	98,057	0.52	629
2020	99,500	(463)	99,037	0.53	579
2019	104,593	(354)	104,239	0.61	612
2018	36,435	(282)	36,153	0.27	243
2017	38,940	(233)	38,707	0.32	263
2016	41,372	(182)	41,190	0.34	282
2015	43,922	(129)	43,793	0.39	302
2014	46,050	(735)	45,315	0.43	314

CITY OF HOLLYWOOD, FLORIDA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
SEPTEMBER 30, 2023

Governmental Unit	Bonded Debt Outstanding	Applicable to City of Hollywood	
		Percent (1)	Amount
DIRECT DEBT:			
City of Hollywood:			
General Obligation	\$ 175,749,878	100.00 %	\$ 175,749,878
Revenue Bonds and Loans			
Non-Self-Supporting Revenue Debt	<u>57,482,048</u>	100.00	<u>57,482,048</u>
Total Direct Debt	<u>233,231,926</u>	100.00	<u>233,231,926</u>
OVERLAPPING DEBT:			
Broward County	68,790,000 (a)	6.00	4,127,400
Broward School District	<u>2,380,817,000</u>	6.00	142,849,020
Total Overlapping Debt	<u>2,449,607,000</u>		<u>146,976,420</u>
Total Direct and Overlapping Debt	\$ <u>2,682,838,926</u>		\$ <u>380,208,346</u>

Source: Taxing authority indicated.

(1) Percent of taxable value of property in Hollywood to taxable value of property in overlapping unit.

COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2023

The City has no legal debt margin requirement.

CITY OF HOLLYWOOD, FLORIDA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS
(\$ in thousands)

Fiscal Year	Water & Sewer Revenue Debt						Coverage
	Revenues (1)	Less:	Net	Debt Service			
		Operating	Available				
		Expenses (2)	Revenue (3)	Principal	Interest		
2023	\$ 109,246	\$ 57,484	\$ 51,762	\$ 15,634	\$ 3,260	2.74	
2022	92,574	47,034	45,540	14,359	3,189	2.60	
2021	109,894	44,633	65,261	12,241	3,521	4.14	
2020	102,412	68,548	33,864	13,766	5,504	1.76	
2019	99,616	52,652	46,964	12,726	4,971	2.65	
2018	100,416	48,857	51,559	12,079	5,895	2.87	
2017	100,108	47,581	52,527	11,260	6,676	2.93	
2016	96,241	43,130	53,111	11,835	6,184	2.95	
2015	100,875	42,327	58,548	12,255	7,341	2.99	
2014	94,347	43,477	50,870	12,520	8,377	2.43	
2013	90,477	42,632	47,845	11,957	8,347	2.35	

- (1) Total operating and investment revenue.
(2) Total expense exclusive of depreciation plus special item in 2023.

CITY OF HOLLYWOOD, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (\$ in thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2023	154,875	\$ 5,679,421	\$ 36,671	40.5	19,273	2.7 %
2022	154,909	5,776,712	37,291	44.9	19,494	3.2
2021	153,854	4,889,634	31,781	40.6	20,410	4.6
2020	151,818	4,657,017	30,675	42.7	19,263	8.2
2019	150,878	4,661,828	30,898	41.4	19,251	3.2
2018	149,028	4,479,782	30,060	41.7	19,441	3.5
2017	147,212	4,148,729	28,182	42.1	19,360	4.3
2016	146,155	3,995,001	27,334	42.6	19,623	4.6
2015	144,926	3,819,815	26,357	41.9	20,238	5.3
2014	144,310	3,769,089	26,118	41.7	20,368	5.5
2013	143,935	3,752,242	26,069	41.7	20,172	6.3

- (1) Source: University of Florida, Bureau of Economic and Business Research.
(2) Source: U.S. Census Bureau (as of the most recent DP 03 Report)
(3) Source: Broward School District - for Hollywood.
(4) Source: U.S. Department of Labor, Bureau of Labor Statistics.

CITY OF HOLLYWOOD, FLORIDA
PRINCIPAL EMPLOYERS
SEPTEMBER 30, 2023

<u>Employer</u>	<u>Employees</u>	<u>Product/ Business</u>	<u>Percentage of Employment</u>
Memorial Healthcare System	6,545	Hospital	5.0 %
Diplomat Resort & Spa	1,500	Hotel	1.1
Joe DiMaggio Children's Hospital	1,790	Hospital	1.4
City of Hollywood	1,396	Government	1.1
Publix Supermarkets	911	Supermarket Chain	0.7
Memorial Regional Hospital South	851	Hospital	0.7
Margaritaville Hollywood Beach Resort	486	Hotel	0.7
NVS, Inc	360	Architecture & Engineering	0.2
Broward County School Board/ Sheridan Technical	334	Education	0.3
Great Healthworks	320	Health & Wellness	0.3

SEPTEMBER 30, 2014

<u>Employer</u>	<u>Employees</u>	<u>Product/ Business</u>	<u>Percentage of Employment</u>
Memorial Healthcare System	12,000	Hospital	15.4 %
City of Hollywood	1,184	Government	1.5
Publix Supermarkets	1,151	Supermarket Chain	1.5
Westin Diplomat Resort & Spa	1,024	Hotel	1.3
Memorial Regional Hospital South	600	Hospital	0.8
Brandsmart U.S.A.	400	Retail Consumer Electronics	0.5
Great Health Works, Inc.	348	Health Care Products	0.5
First Services Residential	300	Property Management	0.4
Sheridan Technical Center	282	Educational Facility	0.4
HEICO Corporation	269	Aircraft Parts	0.3

Source: Broward County Revenue Collector

(1) Value of nonexempt real and personal property subject to taxation at January 1, 2022

(2) Value of nonexempt real and personal property subject to taxation at January 1, 2013

CITY OF HOLLYWOOD, FLORIDA
BUDGETED FULL- TIME POSITIONS FOR CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FUNCTION:										
General Government:										
City Commission										
Elected Officials	7	7	7	7	7	7	7	7	7	7
Administrative Staff	6	6	6	6	6	6	6	6	6	6
City Manager	8	8	7	7	7	7	7	7	7	7
City Clerk	6	6	6	6	6	6	8	8	8	8
City Attorney	14	14	14	14	14	14	14	14	12	10
Budget & Performance Management	7	7	7	8	8	8	0	0	0	0
Communications, Marketing & Economic Development	10	10	10	11	10	10	5	5	6	6
Financial Seives	32	39	41	33	42	42	50	50	49	48
Procurement and Contract Compliance	10									
Human Resources	10	13	13	12	9	10	11	11	12	15
Labor Relations & Risk Management	4	4	4	5	4	3	4	4	3	0
Development Services:										
Administration	4	5	4	4	4	3	3	0	0	0
Architecture	0	0	0	9	9	8	9	0	0	0
Engineering	0	0	0	5	5	6	6	0	0	0
Engineering & Mobiliity	14	14	14	0	5	6	6	0	0	0
Parking Services	0	0	0	0	18	18	16	16	16	16
Planning & Development Services	0	0	0	0	0	0	0	0	0	41
Planning & Urban Design	8	9	9	9	7	7	7	11	11	0
Building	43	37	32	32	33	31	31	31	30	0
Code Compliance	30	28	28	28	0	0	0	0	0	0
Community Development - ILA	1	1	1	0	0	0	0	0	0	0
Public Safety:										
Police:										
Officers	334	327	321	321	323	321	321	322	323	335
Civilians	133	132	129	127	103	109	109	133	168	168
Fire:										
Certified	240	242	235	233	233	226	225	213	213	230
Beach Safety	27	27	27	27	26	26	26	26	26	26
Civilians	12	12	12	14	12	12	12	12	12	12
Public Works:										
Administration	6	7	6	6	6	6	6	6	6	7
Code Compliance	0	0	0	0	25	25	25	0	0	0
Streets & Highways	28	28	28	28	28	27	24	24	24	24
Building & Grounds	27	29	29	29	27	33	36	48	51	52
Fleet Maintenance	15	15	15	15	15	15	15	15	15	14
Community & Econonic Development	0	0	0	0	0	0	4	4	4	4
Housing & Community Redevelopment	0	0	0	0	0	0	0	0	0	0
Culture & Recreation	43	43	42	42	42	42	42	42	44	44
Public Utilities										
Administration	48	45	44	44	44	44	44	44	44	39
Engineering Services	19	19	19	19	19	19	19	18	18	18
Water & Wasterwater	137	134	134	130	130	130	130	131	132	132
Stormwater	10	12	11	11	11	11	11	11	11	11
Sanitation	15	15	15	18	18	15	15	11	10	10
Information Technology	22	23	23	22	22	23	23	23	23	23
Design & Construction Management	14	12	19	16	0	0	0	4	8	8
Total	<u>1,344</u>	<u>1,330</u>	<u>1,312</u>	<u>1,298</u>	<u>1,278</u>	<u>1,276</u>	<u>1,277</u>	<u>1,257</u>	<u>1,299</u>	<u>1,321</u>

Source: City of Hollywood adopted fiscal year budget

CITY OF HOLLYWOOD, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
FUNCTION:				
Police:				
Physical Arrests	3,970	2,713	4,073	3,578
Traffic Summons	20,308	14,823	15,027	10,481
Fire:				
Emergency Unit Responses	51,764	48,042	47,960	44,755
Ambulance Transports	12,511	12,374	14,386	12,221
Inspections Conducted	7,524	6,038	7,079	5,222
Building Activity:				
Permits Issued:				
Electrical	2,383	2,094	2,171	2,503
Mechanical	988	763	1,316	1,348
Plumbing	1,442	1,334	1,616	1,904
Structural	5,632	5,386	7,480	7,057
Zoning	133	191	146	137
Reviewer Valuation:				
Electrical	77,601,235	47,322,063	28,675,899	38,459,641
Mechanical	41,284,059	17,946,532	32,907,612	31,126,705
Plumbing	37,896,577	23,152,054	15,801,199	24,398,214
Structural	645,761,527	288,998,097	287,192,145	372,062,082
Zoning	1,050,316	730,388	511,667	4,042,988
Public Works:				
Compressed Natural Gas (CGN) Used in Place of Gasoline (Gallons)				
E85 Gas	231,415	363,100	465,355	442,243
Reuse Water Used for Irrigation Purposes (Cubic Feet)	4,478,696	4,478,696	4,478,696	4,482,969
Culture and Recreation:				
Special Events/Programs Held	68	67	44	64
Special Events/Program Participants	130,465	90,960	97,105	45,416
Sports Fields Prepared for Games	1,795	1,788	1,350	1,755
Rounds of Golf Played at Orangebrook Golf Course	58,520	67,173	50,231	52,892
Water System:				
Average Daily Consumption (Million GPD)	23.8	23.3	22.1	21.7
Wastewater System:				
Average Daily Treatment (Million GPD)	40.68	38.4	40.7	38.9
Sanitation:				
Solid Waste Collection (Tons)	41,495	40,997	50,721	51,835
Material Recycled (Tons)	6,471	9,425	9,654	9,714
Parking Services:				
Parking Violations Issued	77,124	59,436	53,913	43,641

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

CITY OF HOLLYWOOD, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

2019	2018	2017	2016	2015	2014
5,368	6,172	7,059	7,502	5,584	2,536
13,883	16,184	22,583	23,809	22,150	22,915
45,192	48,260	65,483	65,221	63,443	55,773
13,765	13,063	13,810	14,740	14,825	14,719
6,889	3,742	3,750	5,097	7,612	7,670
2,789	3,289	2,667	2,598	2,047	1,993
1,595	1,567	1,520	1,411	1,393	1,447
1,908	2,672	2,582	2,427	4,169	2,116
7,881	8,647	6,361	6,422	5,596	5,441
55	-	-	-	-	-
34,409,093	50,594,374	33,592,099	48,951,927	28,147,130	26,130,994
18,050,008	24,154,831	19,751,604	25,482,660	30,026,421	21,556,183
17,441,998	23,497,454	18,259,839	26,030,291	22,863,089	21,908,622
604,218,963	424,251,620	293,230,831	411,440,568	345,464,780	222,708,457
184,627	-	-	-	-	-
11,837	5,389	8,118	98,855	86,859	41,548
410,133	391,873	165,926	-	-	-
4,922,167	4,922,167	3,620,000	2,352,286	3,534,628	2,530,166
177	174	102	118	113	265
126,365	130,984	254,694	209,869	238,948	228,332
3,840	10,188	3,810	5,200	8,100	11,110
73,931	71,508	75,133	64,497	76,181	78,745
21.2	21.9	20.9	22.6	22.3	21.4
38.3	34.7	38.5	36.0	36.5	38.0
45,622	45,622	44,809	41,640	41,307	43,191
11,320	11,320	9,989	9,753	9,216	9,030
43,670	39,967	35,896	37,886	38,934	41,756

CITY OF HOLLYWOOD, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
FUNCTION:				
Police:				
Stations	1	1	1	1
Neighborhood Network Centers	2	2	2	2
Patrol Units & Other Vehicles	467	492	461	439
Fire:				
Stations	6	6	6	6
Training Centers	1	1	1	1
Beach Safety Center	1	1	1	1
Fire Apparatus	15	15	15	15
Emergency Rescue/Transport Units	12	12	12	12
Highways and Streets:				
Miles of Streets	879	879	879	879
Miles of Alleys	88	88	88	88
Number of Street Lights	9,026	9,026	9,026	9,026
Culture and Recreation:				
Art and Culture Centers	3	3	2	2
Baseball/Softball Diamonds	12	13	14	14
Basketball Courts-Indoor	3	3	3	3
Basketball Courts-Outdoor	24	24	24	24
Beach:				
Total Miles	6	6	6	6
Miles Maintained for Public Use	5	5	5	5
Miles of Patrolled Area	5	5	5	5
Bocci Ball Courts	2	2	2	2
Football/Soccer Fields	17	17	17	17
Golf Courses (36, 18 and 9 Holes)	3	3	3	3
Paddleball Courts	18	18	18	18
Parks and Playgrounds	90	90	90	79
Performing Arts Center-Indoor (508 Seats)	1	1	1	1
Recreation Centers	12	12	12	11
Roller Hockey Rinks (Converted for pickleball us	1	1	1	1
Shuffleboard Courts	0	0	26	26
Skate Parks	2	2	2	2
Swimming Pools	1	1	1	1
Tennis Centers (12 Lighted Courts)	1	1	1	1
Tennis Courts	9	9	9	9
Theaters-Outdoor	3	3	3	3
Water System:				
Miles of Water Mains	552	550	550	547
Number of Supply Wells	22	22	22	22
Maximum Treatment Capacity (Million GPD)	41	46	46	46
Maximum Treatment Capacity Rating (Million GI	60	60	60	60
Storage Capacity (Millions of Gallons)	18	18	18	18
Number of Service Connections	41,635	41,600	41,918	41,377
Number of Fire Hydrants	3,022	3,038	3,037	2,913

CITY OF HOLLYWOOD, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

2019	2018	2017	2016	2015	2014
1	1	1	1	1	1
2	2	2	2	3	3
480	510	510	521	550	518
6	6 (1)	5 (1)	6	6	6
1	1	1	1	1	1
1	1	1	1	1	1
15	15	15	15	15	15
12	12	12	12	12	12
879	879	879	879	879	879
88	85	85	85	85	85
8,819	8,822	9,438	9,262	9,262	9,246
2	2	2	2	2	2
15	15	15	15	15	15
3	2	2	2	2	2
24	24	24	24	24	24
6	6.00	6.00	6.00	6.00	6.00
5	4.50	5.00	5.00	4.50	4.50
5	4.50	5.00	5.00	4.50	4.50
2	2	2	2	2	2
23	18	18	18	18	18
3	3	3	3	3	3
18	18	18	18	18	18
80	81	80	80	81	81
1	1	1	1	1	1
11	11	11	11	11	11
1	1	1	1	1	1
36	36	36	36	36	36
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
9	9	9	9	9	9
3	3	3	3	3	3
547	550	550	550	557	555
22	22	22	22	22	22
46	46.0	46.0	46.0	46.0	46.0
60	60.0	60.0	60.0	59.5	60.0
18	18.0	18.0	18.0	18.0	18.0
40,565	41,372	40,565	41,128	40,247	40,299
2,869	2,832	2,832	2,685	2,687	2,592

CITY OF HOLLYWOOD, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
Stormwater:				
Miles of Storm Drains	77.0	77.0	77.0	123.0
Number of Catch Basins	4,286	4,240	4,260	4,398
Number of Pump Stations	10	10	10	10
Number of Drainage Wells	12	12	12	12
Number of Out-falls	346	350	350	367
Wastewater System:				
Miles of Sanitary Sewers	216	215	212	207
Number of Lift Stations	86	86	85	80
Maximum Treatment Capacity (Million GPD)	55.5	55.5	55.5	55.5
Number of Service Connections	22,663	25,342	22,342	21,870
Number of Sanitary Sewer Manholes	4,562	4,587	4,589	4,399

Source: Information herein is provided by various City departments annually.

(1) Fire Station 45 was demolished and is in the process of being rebuilt.

CITY OF HOLLYWOOD, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
124.0	130.0	152.0	159.0	156.0	156.0
4,439	4,480	4,581	4,624	4,842	4,786
10	10	10	10	10	10
12	9	9	9	12	10
350	379	383	389	462	463
205	270	270	279	324	324
80	80	80	80	80	80
55.5	56.0	56.0	56.0	55.5	55.5
21,870	21,726	20,688	21,303	21,178	20,947
4,335	4,344	4,330	4,354	4,569	4,544