



Hollywood
CITY OF
FLORIDA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended September 30, 2020

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

For the Fiscal Year Ended September 30, 2020



**Prepared by
Financial Services Department**

**CITY OF HOLLYWOOD, FLORIDA
COMMISSION - MANAGER FORM OF GOVERNMENT
SEPTEMBER 30, 2020**

CITY COMMISSION

JOSH LEVY, Mayor

CARYL SHUHAM, Commissioner - District 1

LINDA HILL ANDERSON, Commissioner - District 2

TRACI CALLARI, Vice Mayor - District 3

ADAM GRUBER, Commissioner - District 4

KEVIN BIEDERMAN, Commissioner - District 5

LINDA SHERWOOD, Commissioner - District 6

CITY MANAGER

WAZIR A. ISHMAEL, Ph.D.

CITY ATTORNEY

DOUGLAS GONZALES

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

Cover Photo: The Arts Park

City of Hollywood, Florida

MISSION STATEMENT

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

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

DIVERSITY STATEMENT

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

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Hollywood
Florida**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

The City of Hollywood has received a certificate of Achievement for the last 45 consecutive years, fiscal year ended 1975 through 2019. 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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2020**

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CITY OF HOLLYWOOD, FLORIDA

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May 31, 2021

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

Dear Honorable Mayor, Vice Mayor, City Commissioners, and residents of the City of Hollywood:

We are pleased to submit the Comprehensive Annual Financial Report ("Annual Report") of the City of Hollywood, Florida, ("the City") for the fiscal year ended September 30, 2020. 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 2020 permanent population of the City of Hollywood is estimated to be 152,112 (**Source:** U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2020 and 2025. Esri converted Census 2000 data into 2010 geography).

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

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

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

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

The City has three defined-benefit pension plans: 1) the General Employees Retirement Fund, 2) the Police Officer's Retirement System and 3) the Firefighter's Pension Plan. Boards of trustees administer 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, 2020, the plans had total combined assets of \$985.0 million.

FACTORS AFFECTING ECONOMIC CONDITION

The City benefits from its strategic geographical location, relative affordability in the South Florida market, and its growing fiscal stabilization. The City's Total property taxable value for fiscal year 2020 was \$17.4 billion, an increase of 5.7% from prior year. The City's operating tax millage remained at 7.4465 mills for fiscal year 2020. The fiscal year 2020 total debt service millage rate increased from 0.2327 mills to 0.4561 mills. The total City Millage for fiscal year 2020 increased from 7.6992 mills to 7.9226 mills. The increase in taxable assessed property values will also generate an increase in property tax collections. For fiscal year 2021, the approved total operating millage is 7.4665 mills and the debt service millage is 0.4301 mills for a total City millage of 7.8966 mills.

As noted in the MD&A, the City continues to achieve credit ratings associated with lower credit risk. Moody's has rated the City's most recent borrowing (Series 2019, General Obligation Bonds) at "Aa2". The City's other debt obligations are rated A1, A2, or higher. These ratings are of at least upper medium grades and low credit risk.

The COVID-19 pandemic is ongoing since March 2020. Among other challenges, the Pandemic has resulted in beach closures, travel restrictions, residential economic impact, local business impacts, and health impacts for all residents and workers within the City of Hollywood. With these challenges, the City has remained steadfast to directives from the medical community. The City has led programs to help the community such as Food Distributions, Residential Finance Assistance, Local Business Financial Assistance, Personal Protective Equipment deliveries to Assisted Living Facilities and Schools, and enhanced disinfecting practices throughout the City. It is anticipated that the local and national economic picture will improve once the current challenges relating to the COVID-19 pandemic are addressed and daily routines return. As normalcy restores, we anticipate the City will continue to be and become one of the best places in the country to raise a family, start or expand a business, invest in real estate, seek high quality, cutting edge health care and enjoy the natural environment. Currently, Hollywood is committed to dealing with growing personnel and health care costs, the COVID-19 pandemic, and significant maintenance and infrastructure needs. The City is firmly committed to its ongoing reinvestment in our employees, our neighborhoods, our public infrastructure and facilities, and our City as a whole.

Relevant Financial Policies

One of the most important measures of the City's financial health is its fund balance. The restoration of the General Fund's fund balance reflects the positive financial results achieved after many difficult budget decisions made in prior

years. The City's fund balance in the General Fund ended fiscal year 2020 with an audited fund balance of \$79.4 million up from a low of \$4.3 million to start fiscal year 2012. Having a healthy fund balance gives the City financial flexibility, makes it better able to meet its cash flow needs, mitigates current and future financial risks and ensures predictability of future services. The City is committed to continuing this progress and the City must continue to budget carefully for the years ahead in order to ensure the City's continued fiscal health.

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

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

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

MAJOR INITIATIVES

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

Significant redevelopment activity in recent years includes the following initiatives:

- Shiji Group - a leading global hospitality technology company, established its new Latin American Headquarter location in Hollywood. The City assisted Shiji by providing local financial support under the Qualified Target Industry Tax Refund. Shiji will create 70 new high-value tech jobs in Hollywood as a result of the City's recruitment efforts.
- The Preserve at Emerald Hills – this completed development on the former site of Lake Eden is a master planned community consisting of approximately 30 luxury townhomes and 77 luxury single family homes. The private community features open recreational space for residents. This \$60 million project was developed by MG3 Developers.
- Toyota of Hollywood – this redevelopment consists of a brand new \$25 million dealership that includes a showroom, office, service area and a five-story parking garage at an estimated 408,000 square feet.
- Chewy.com – Chewy.com, a national online supplier of pet friendly merchandise, built out a new customer service center in Hollywood in October 2017. Located within the Hollywood Hills Shopping Center, Chewy.com leased and renovated an approximately 80,000 square foot facility for a customer care center and offices for the expanding company. The relocation brought more than 1,000 new jobs to the City, making Chewy.com one of the City's largest employers.
- Nevada Street Garage – a 304-space public garage on Hollywood Beach situated between Nebraska and Nevada Streets along the A1A and North Surf Road. The eight level garage features Real-Time Parking Space Availability, ParkMobile and Pay-By-Plate options, eight handicap accessible spots and four electric vehicle charging stations
- Hollywood East – a recently completed 15-story, mixed-use development featuring over 247 residential units to Downtown Hollywood. The project includes nearly 4,800 square feet of commercial space.
- Pinnacle at Peacefield - is a multi-family development comprised of 120 units qualified as affordable rental housing for seniors. The three-story garden style apartment buildings are located in Hollywood's Regional Activity Center District featuring associated parking, landscaping, and common recreational area and activity elements.
- Fire Station #45 – The demolition and replacement of Fire Station 45 was completed during fiscal year 2020. The Station provides the department enhanced operational capabilities to service the community in an efficient and effective manner.

- Various Public Utility Projects – The City completed various improvements to inflow/infiltration, and infrastructure improvements to the Water, Sewer, and Sanitation Systems. Completed project locations include US1 & Hollywood Blvd., Johnson Street, Taft Street, and Sheridan and 64th Ave.

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

- State Road 7 Improvement Project – the US 441/State Road 7 in Hollywood now features six traffic lanes, landscaped safety medians, new lighting and sidewalks, bicycle lanes and bus bays. Additionally, sewer lines were installed to service the corridor. The \$200 million project was funded by the Florida Department of Transportation (FDOT), Broward Metropolitan Planning Organization and the City of Hollywood. The City worked with FDOT to develop required dry retention areas along the corridor into linear parks that will make State Road 7 visually appealing and safer for pedestrians, residents, businesses and motorists. Landscaping and mobility amenities are now being added.
- Hollywood Boulevard Complete Streets Project - Phase I, of this project which includes demolition, new elevations, installation of an underground drainage system, street lights, pavement, pedestrian walks, new parking configuration, mid-block crossings, street light mast arms and new center medians. Phase II started in 2020 and includes the installation of new landscaping and irrigation.
- The Bread Building – is an approved mixed-use development located on the southeast corner of Hollywood Boulevard and Young Circle at the site of the Hollywood Bread Building. The development includes 361 multifamily units and 17,000 square feet of retail space.
- Monroe Residences - is an approved five story, 40-unit condominium development. The proposed project by Gusmell, LLC will feature four three-bedroom units, 16 two-bedroom units and 20 one bedroom units. Amenities will include rooftop green space, access-controlled parking, a pool, gym and barbecue picnic area.
- Hudson Village - is a residential development by Housing Trust Group, LLC (HTG) that is slated to be completed before the end of the year. The Village, located on South Federal Highway between Dewey and Washington Streets is a 100-unit development that reflects the recent zoning changes made to the City's downtown Regional Activity Center to attract mixed-use development.
- Soleste Hollywood Blvd - is a planned residential-retail project at 2001 Hollywood Boulevard in the downtown area. Miami-based Estate Investment Group is planning the development, which would include 350 apartments, 30,000 square feet of retail space and 497 parking spaces.
- Atrium - is a planned 28,500 square-foot mixed-use development located at 115 S. 21st Ave in downtown Hollywood. The mixed-use building includes ground floor retail space, second floor office space and nine two-bedroom residential units on the third and fourth floors.
- Icon Office Building - is a 72,000 SF 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.
- 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 well underway and will include 166 upscale residential units and 103 hotel rooms with approximately 30,000 SF of commercial space.
- University Station - is a planned transit-oriented mixed-use project, located at 421 N. 21st Avenue, which will feature retail and institutional space, 216 multi-family residential units, and a parking garage for both public and residential parking.
- Quint (fka Sunset Harbor) - This 10-unit residential luxury waterfront development with a private marina is nearing completion. It occupies 0.47 acres within the 293-acre CRA Beach District and is located at 2800 N. Ocean Drive in Central Beach. These four-story townhomes have individual garages on the first floor of each unit. The development was previously owned by Sunset Harbor Residences, LLC and is now owned and operated by JQ Group of Companies
- ROC 441 – the estimated \$48 million mixed-use project will be located at the northeast corner of US 441 and Griffin Road in close proximity to the Seminole Hard Rock Hotel and Casino. The plan calls for an 8-story apartment building with 180 units, a Wawa with 16 fueling stations, a Wendy's restaurant, and a self-storage facility. This development will add to continued growth of new development along the US 441/State Road 7 corridor in Hollywood.
- Memorial Joe DiMaggio expansion – Memorial Healthcare System's Joe DiMaggio Children's Hospital is undergoing an approximately \$97 million expansion to add over 156,000 square feet to its existing facilities vertically by adding four floors. It will consolidate pediatric healthcare services (i.e. ICU, Operating Rooms, and Cardiac Surgery) on the same floor and expand private and semi-private rooms.

- Fire Engine and Replacement Vehicles – The City has utilized bond funds to purchase new ambulance and fire engines. These ambulances and engine(s) will help reduce the burden of an aging Fire fleet and improve rescue capabilities.
- New Police Headquarters – The City is in process of finalizing the design and planning for the construction of a new Police Headquarters. This will allow the department to provide enhanced and more efficient services to all City Residents.
- Traffic and Transportation Controls – The City is in process of finalizing locations for new Neighborhood Sound Walls, Traffic Calming and Control structures and landscaping enhancements.
- Various Park Improvements – The City completed improvements to the following parks: Arts-Park, Joe DiMaggio Park, Sunset Park, David Park, Boggs Field, and Charnow Park. The following park improvements are in process: Bicentennial Park, Montella Park, Washington Park, and Filmore St. Playground.
- Deep Injection Wells and Pump Station – To meet the requirements to eliminate the ocean outfall disposal at the Southern Regional Wastewater Treatment Plant (SRWWTP) per Ocean Outfall Legislation, the City began design, construction/drilling, and administration two deep injection wells at SRWWTP. Both wells and pump station projects are continuing per schedule. Upon completion, an additional 39.84 million gallons per day (MGD) capacity will be achieved for disposal of secondary effluent from SRWWTP to Boulder Zone approximately 3,000 feet below grade elevation.

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

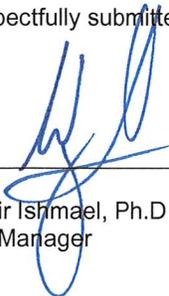
During the fiscal year, the City's Downtown Community Redevelopment Agency provided \$785,640 in tax abatements for the Block 55 Redevelopment project. The project has reduced blight and brought new development to the Young Circle ArtsPark area.

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 Comprehensive Annual Financial Report for the year ended September 30, 2019. This was the forty-fifth consecutive year the City has received this prestigious national award. The City received this recognition by publishing a report that was well organized and readable and satisfied both generally accepted accounting principles and applicable legal requirements.

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

Respectfully submitted,



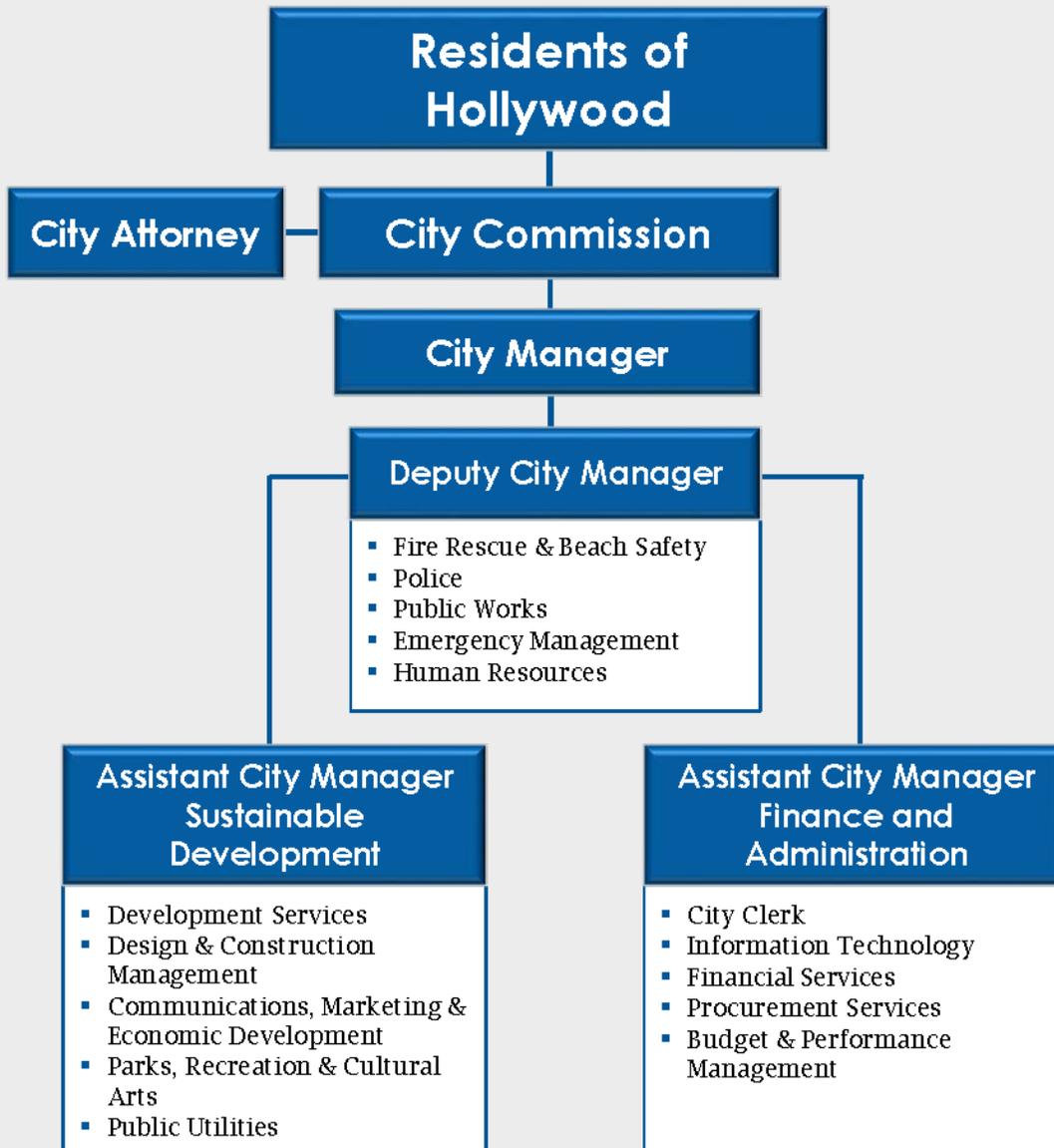
Wazir Ishmael, Ph.D.
City Manager



Melissa Cruz
Director, Financial Services Department

City of Hollywood, Florida

ORGANIZATIONAL CHART
AS OF SEPTEMBER 30, 2020



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hollywood, Florida (the City), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Hollywood Firefighters' Pension Fund and City of Hollywood Police Officers' Retirement System (collectively, the Plans), which represent 55%, 60% and 36%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Plans is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 23, the budgetary comparison schedules, the schedule of changes in the City's total OPEB liability and related ratios, the schedules of changes in the City's net pension liability and related ratios, the schedules of City's proportionate share of the net pension liability, the schedules of City contributions – pensions, and notes to the required supplementary information on pages 140 through 159 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statement, the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2021 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
May 31, 2021

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

The City offers readers of its financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. 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 2020 by \$400.1 million, net result of \$1,799.3 million in liabilities and deferred inflows of resources and \$1,399.1 million in assets and deferred outflows of resources.
- The City's total net position decreased by approximately \$(59.9) million in fiscal year 2020; governmental activities decreased by \$(74.1) million and business-type activities increased by \$14.3 million.
- The deficit in unrestricted net position for governmental activities was at \$(926.8) million, an increase of the deficit of \$96.2 million when compared to the prior year. The City's unrestricted net position was negatively impacted by the issuance of restricted bank loans, pension costs, and the ongoing pandemic.
- The City's total long-term liabilities for its governmental activities decreased by \$(54.1) million during the current fiscal year primarily due to the decrease in the City's Other Post-Employment Benefits Liability (OPEB) and the current debt service payments on outstanding debt.

Under the Fund Statements Section:

- As of the end of fiscal year 2020, the City's governmental funds reported combined ending fund balances of \$220.7 million, an increase of \$24.6 million which was a result of the following:
 - Decrease of \$(6.2) million in the General Fund due decreases in revenues affected by the ongoing pandemic (for instance, sales taxes). Changes include a \$3.2 million increase in property tax revenues, a decrease in charges for services of \$1.3 million, decrease in licenses and permits of \$1.3 million, decrease in intergovernment of \$1.9 million, a decrease in expenditures of \$2.6 million, and a \$6.7 million increase in transfers out.
 - Increase of \$16.2 million in General Capital Outlay Fund due to Other Financing Sources exceeding current year capital expenditures (issuance of the Series 2020 debt obligations).
 - Decrease of \$(1.7) million in Series 2019 General Obligations Bond Fund due to ongoing capital projects.
 - Increase of \$7.1 million in the Beach Community Redevelopment Fund primarily due to increase in property tax increments and a decrease in capital expenditures. No new borrowing was done for the Beach Community Redevelopment Fund.
 - Increase of \$2.9 million in the Downtown Community Redevelopment Fund was due to a increase in property tax increments.
 - Increase of \$0.3 in the Special Programs Fund due to intergovernmental revenue recognition.
 - Increase of \$6.0 million in other governmental funds was due to increase in intergovernmental revenue.
- During the fiscal year, the City's governmental expenditures and other financing uses totaled \$279.7 million compared to \$304.3 million generated in revenues and other financing sources.
- At the end of fiscal year 2020, fund balance for the General Fund was \$79.4 million or 36.2% of General Fund expenditures. Of this balance, \$12.8 million was restricted for building operations, \$11.0 million was committed for economic stabilization reserves, \$6.5 million was assigned for the subsequent year's budget and \$49.2 million was unassigned (of this amount, \$37.2 million is reserved as a rainy day fund).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City’s operations in more detail than the government-wide statements.
 - The governmental fund statements tell how general government services like public safety were financed in the short-term, as well as what remains for future spending.
 - Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the water and sewer utility.
 - Fiduciary fund statements provide information about the financial relationships – such as the retirement plans for the City’s employees, in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

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

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

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

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

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

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

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

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

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

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

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

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

The City maintains thirteen (13) individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, General Capital Projects Fund, 2019 GOB Capital

Projects, Beach Community Redevelopment Fund (BCRA), Downtown Community Redevelopment Fund (DCRA), and Special Programs Fund all of which are considered to be major funds. Data from the other seven (7) 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, Downtown Community Redevelopment Fund, and the Special Programs Fund reflecting annual appropriations adopted by the CRA Board.

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

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

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

Table 1
Summary of Net Position
As of September 30, 2020 and 2019
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 318,332	\$ 284,385	\$ 280,412	\$ 255,909	\$ 598,744	\$ 540,294
Capital Assets	173,944	174,842	377,303	361,774	551,247	536,616
Total Assets	<u>492,276</u>	<u>459,227</u>	<u>657,715</u>	<u>617,683</u>	<u>1,149,991</u>	<u>1,076,910</u>
Deferred Outflows of Resources	<u>215,269</u>	<u>249,931</u>	<u>33,849</u>	<u>41,306</u>	<u>249,118</u>	<u>291,237</u>
Long-term Liabilities Outstanding	623,172	806,660	218,772	248,901	841,944	1,055,561
Other Liabilities	641,754	490,290	121,781	97,864	763,535	588,154
Total Liabilities	<u>1,264,926</u>	<u>1,296,950</u>	<u>340,553</u>	<u>346,765</u>	<u>1,605,479</u>	<u>1,643,715</u>
Deferred Inflows of Resources	<u>158,788</u>	<u>54,227</u>	<u>34,985</u>	<u>10,452</u>	<u>193,773</u>	<u>64,679</u>
Net Position:						
Net Investment in Capital Assets	70,938	69,416	222,928	219,044	293,866	288,460
Restricted	139,737	119,212	63,242	62,248	202,979	181,460
Unrestricted (Deficit)	<u>(926,843)</u>	<u>(830,648)</u>	<u>29,856</u>	<u>20,480</u>	<u>(896,987)</u>	<u>(810,168)</u>
Total Net Position	<u>\$ (716,168)</u>	<u>\$ (642,020)</u>	<u>\$ 316,026</u>	<u>\$ 301,772</u>	<u>\$ (400,142)</u>	<u>\$ (340,248)</u>

By far the largest portion of the City's assets (35.3%) reflects its investment in 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, \$203.0 million represents resources that are subject to external restrictions on how they may be used.

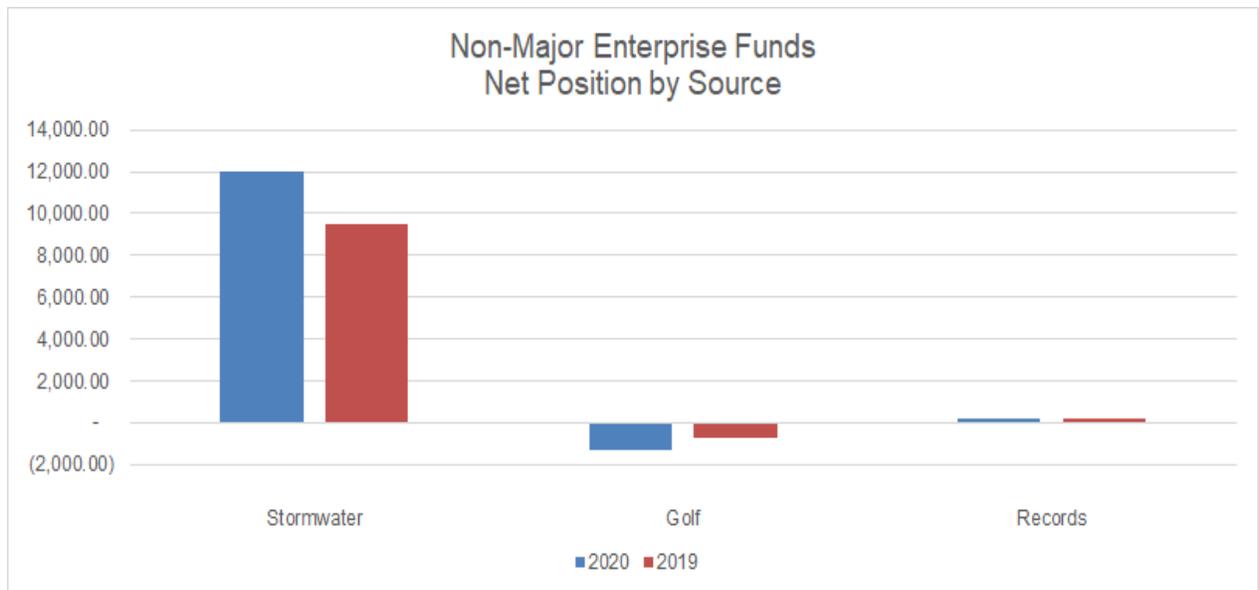
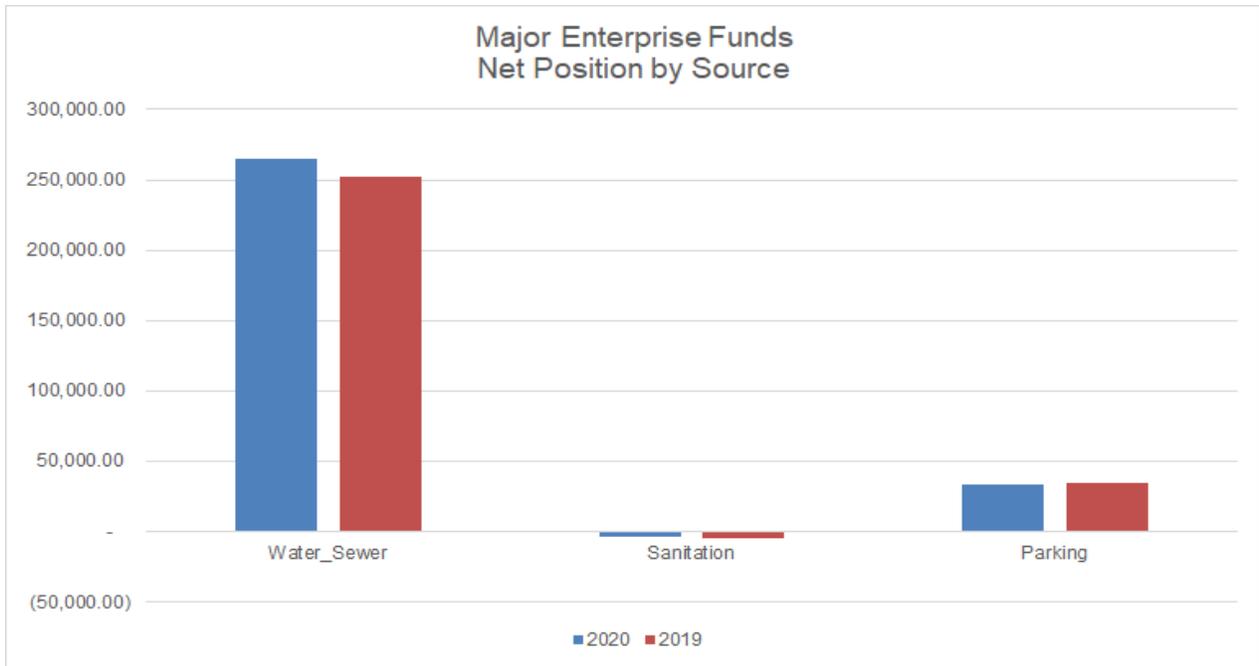
During the fiscal year, the City's governmental activities experienced an increase in total assets of \$33.0 million primarily as a result of an increase in investments. Long-term liabilities outstanding also experienced decrease of \$182.6 million primarily due to decreases in the other post employment benefit liability, and current year debt service payments.

Business-type activities had an increase in its net position by \$14.3 million due to steady operating income.

In summary, the combined net position of the City decreased by \$59.9 million, substantially as a result of increased pension expenses.

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



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Table 2 presents a summary of the City's operations for fiscal year 2020 with comparative information for fiscal year 2019.

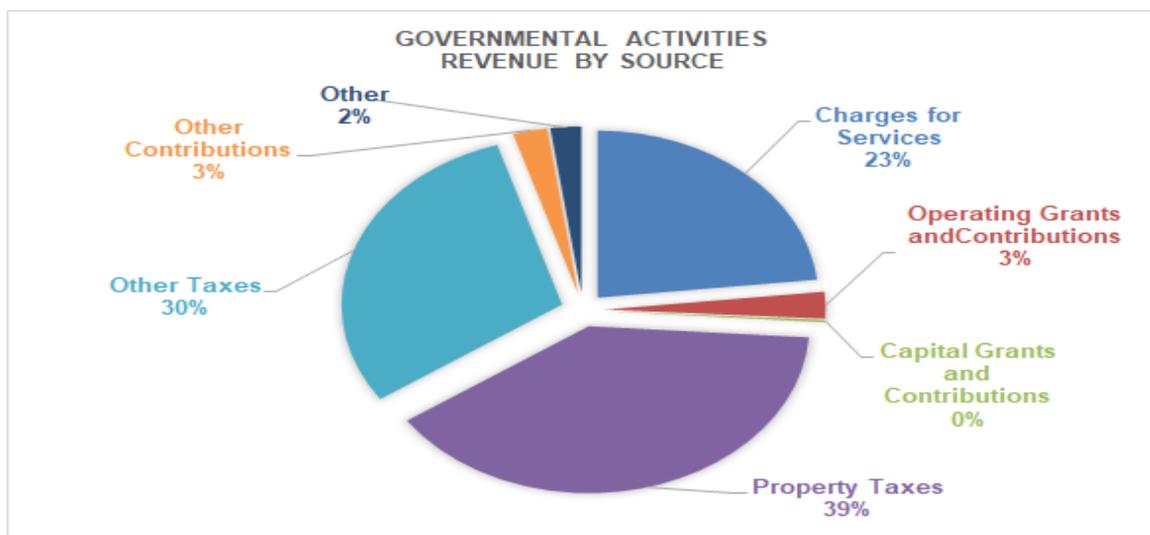
Table 2
Summary Changes in Net Position
As of September 30, 2020 and 2019
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for Services	\$ 65,902	\$ 68,851	\$ 134,480	\$ 123,605	\$ 200,382	\$ 192,456
Operating Grants and Contributions	7,275	21,457	-	-	7,275	21,457
Capital Grants and Contributions	625	474	4,540	2,968	5,166	3,442
General Revenues:						
Property Taxes	111,354	104,372	-	-	111,354	104,372
Other Taxes	84,383	79,915	-	-	84,383	79,915
Grants and Contributions not Restricted to Specific Programs						
	7,084	8,025	-	-	7,084	8,025
Other	6,377	19,916	2,602	6,986	8,979	26,902
Total Revenues	<u>283,000</u>	<u>303,010</u>	<u>141,621</u>	<u>133,559</u>	<u>424,622</u>	<u>436,569</u>
Expenses:						
General Government	54,782	64,445	-	-	54,782	64,445
Public Safety	252,283	152,776	-	-	252,283	152,776
Public Works	17,001	16,012	-	-	17,001	16,012
Transportation	2,610	3,438	-	-	2,610	3,438
Economic Environment	8,092	6,602	-	-	8,092	6,602
Physical Environment	990	633	-	-	990	633
Culture and Recreation	17,165	15,386	-	-	17,165	15,386
Emergency and Disaster Relief	3,994	239	-	-	3,994	239
Interest and Fiscal Charges	5,753	4,872	-	-	5,753	4,872
Water	-	-	36,700	29,721	36,700	29,721
Sewer	-	-	54,588	43,645	54,588	43,645
Sanitation	-	-	15,408	13,547	15,408	13,547
Stormwater	-	-	2,731	2,605	2,731	2,605
Golf	-	-	2,125	2,081	2,125	2,081
Parking	-	-	10,278	8,768	10,278	8,768
Other	-	-	16	27	16	27
Total Expenses	<u>362,672</u>	<u>264,403</u>	<u>121,846</u>	<u>100,394</u>	<u>484,517</u>	<u>364,797</u>
Increase (Decrease) in Net Position Before Transfers	(79,671)	38,607	19,776	33,165	(65,417)	71,772
Transfers In (Out)	5,522	(7,772)	(5,522)	7,772	-	-
Increase (Decrease) in Net Position	(74,149)	30,835	14,254	40,937	(59,895)	71,772
Net Position - October 1	(642,020)	(672,855)	301,772	260,835	(340,248)	(412,020)
Net Position - September 30	<u>\$ (716,169)</u>	<u>\$ (642,020)</u>	<u>\$ 316,026</u>	<u>\$ 301,772</u>	<u>\$ (400,143)</u>	<u>\$ (340,248)</u>

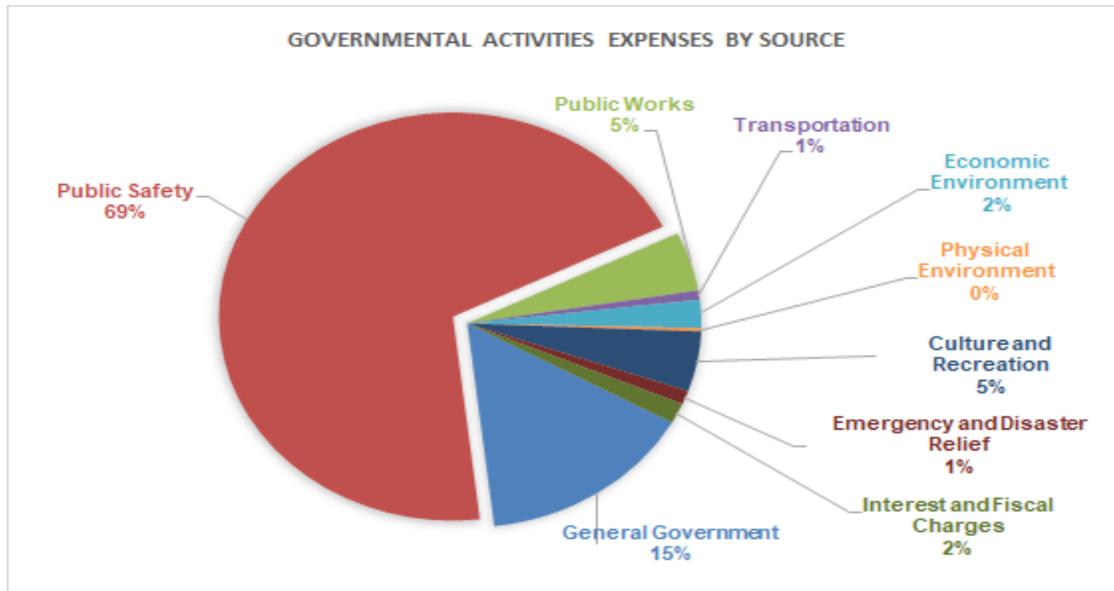
GOVERNMENTAL ACTIVITIES – Governmental activities net position was \$(716.2) million. Net position decreased by \$74.1 million. The following describes the changes in revenues and expenses:

- Total revenues of \$283.0 million for governmental activities showed an overall decrease of \$20.0 million primarily due to the ongoing pandemic. The pandemic has affected revenues that are correlated to sales tax, business, and tourism:
- Increase in property taxes of \$7.0 million during the fiscal year, as a result of a 5.7% tax increase in the taxable assessed values (please refer to statistical section).
- Increase of \$4.5 million of other taxes mainly due to increased tax increments.
- Decrease of \$2.9 million in charges for services is due to closures and effects relating to the pandemic.
- Decrease in other revenues and grants of \$14.5 million.
- Total expenses of \$362.7 million for governmental activities showed an overall increase of \$98.3 million due to:
 - Increase in Pension expense:
 - Florida Retirement System - \$0.2 million
 - General Employees Pension - \$37.3 million
 - Police Pension - \$54.1 million
 - Fire Pension - \$37.7 million
 - The public safety accounted for the largest increase in expense - \$99.5 million. This is primarily due to the Police and Fire Pension increases during the fiscal year.
 - Decrease of \$9.7 million in General Government expenses during fiscal year 2020 was due to the General Government's allocation of OPEB.
 - Increase of \$3.8 million in Emergency Disaster Relief due to the continued impact of the COVID-19 pandemic.
 - Increase of \$0.9 million in interest and fiscal charges due to repayment of various loans.

The following chart compares program revenues for governmental activities for fiscal year 2020:



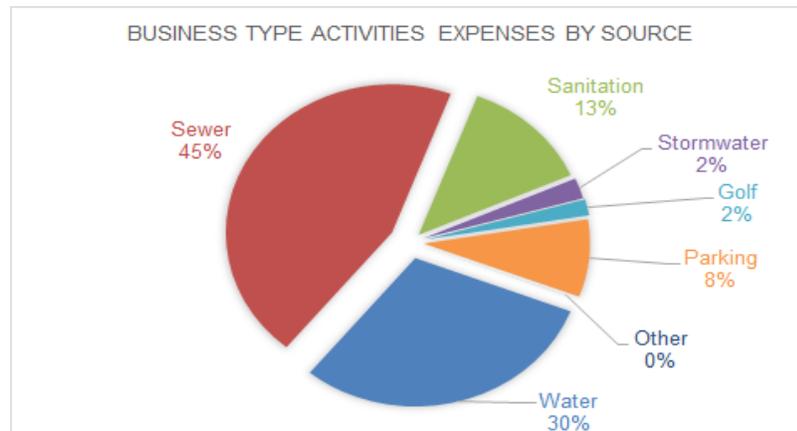
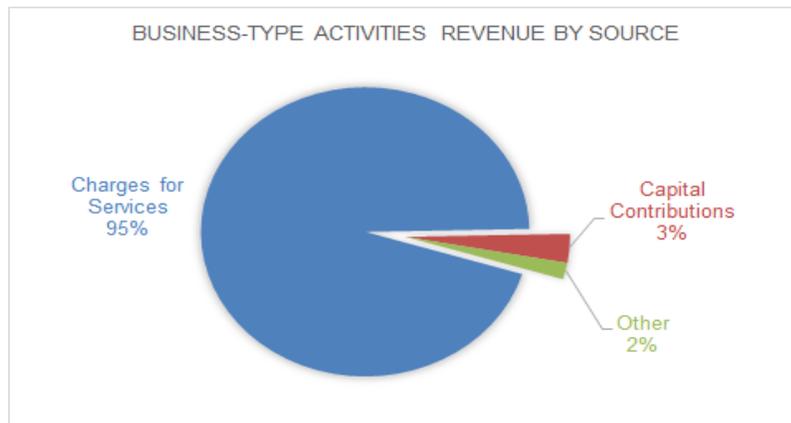
The following chart illustrates expenses by source for governmental activities for fiscal year 2020.



BUSINESS-TYPE ACTIVITIES – Business-type activities net position increased by approximately \$14.3 million due to charges for services exceeding the related operating expenses. Depreciation charges of \$20.6 million were \$1.7 million higher than the prior fiscal year. Operating expenses increased by \$21.3 million from 2019 to 2020.

During fiscal year 2020, business-type activities recorded capital contributions of approximately \$4.5 million.

The following charts show revenues and expenses for business-type activities for fiscal year 2020.



FINANCIAL ANALYSIS OF CITY FUNDS

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

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

The General Fund is the chief operating fund of the City. At the end of fiscal year 2020, total fund balance of the General Fund was \$79.4 million and was classified as \$12.8 million restricted, \$11.0 million committed, \$6.5 million assigned and \$49.2 million unassigned. The City's minimum unrestricted fund balance is 27.2 percent of General Fund operating expenditures. Non-spendable, Restricted, Committed, and Assigned Fund balances comprised 13.8 percent of General Fund operating expenditures.

The General Capital Projects fund balance of \$21.5 million represents unavailable assets held for sale and, committed and assigned funds for future capital projects.

The BCRA records overlapping governmental revenue and grants for financing redevelopment activity in the beach redevelopment district. Due to the multi-year nature of redevelopment activities, funds may be accumulated for the purpose of providing funding for ongoing or planned construction projects. Fund balance for this fund totaled approximately \$29.7 million at September 30, 2020 and is restricted for specified activities of the fund. Fund balance increased by \$7.1 million during the current fiscal year primarily due to increases in tax increments.

The DCRA records overlapping governmental revenue and grants for financing redevelopment activity in the downtown redevelopment district. Due to the multi-year nature of redevelopment activities, funds may be accumulated for the purpose of providing funding for ongoing or planned construction projects. Fund balance for this fund totaled approximately \$8.9 million at September 30, 2020 and is restricted for specified activities of the fund. Fund balance increased by \$2.9 million during the current fiscal year due to an increase in tax increments.

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

Unrestricted net position of the Water and Sewer Utility Fund and Sanitation Enterprise Fund at the end of the fiscal year amounted to \$19.3 million and \$(4.1) million, respectively. The City's Regional Wastewater Treatment Facility provides services to residents of the City and those of six (6) other jurisdictions in southern Broward County. The terms and conditions of these services are set in Large User Wastewater Agreements entered into with those local governments. The Parking Enterprise Fund had unrestricted net position at fiscal year-end of \$(0.6) million.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Revenue budgets were increased by approximately \$4.3 million in total due to expected fiscal year 2020 collections exceeding original budget estimates for charges for services.
- Budget appropriations not including operating transfers in/out increased by \$8.0 million. This affected multiple divisions mainly, Police \$5.4 million, and Fire \$2.7 million.

Total revenues for the fiscal year were lower than the amended revenues by approximately \$1.0 million. The most significant variances were attributed to actual revenues below budget by \$1.6 million for charges for services.

Overall, General Fund expenditures were less than final budgeted expenditures by \$19.8 million. This positive variance was due primarily to actual costs being less than expected; public safety for \$13.8 million, general government for \$2.9 million, public works for \$869.9 thousand, transportation for \$510.9 thousand, economic environment for \$429.7 thousand, culture and recreation for \$622.3 thousand.

The General Fund fund balance at fiscal year end was \$79.4 million or \$(6.2) million higher than beginning fund balance.

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, 2020, amounts to \$551.2 million (net of accumulated depreciation) as presented in Table 3. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, streets, roads, and bridges. The total increase in the City’s investment in capital assets for fiscal year 2020 was 2.7% or \$14.6 million (a 0.5% decrease for governmental activities and a 4.3% increase for business-type activities).

The most notable capital asset event occurring during the year was a net increase of \$8.8 million in buildings and improvements. The most significant improvements of the Water and Sewer System were improvements to the Hollywood Blvd and US1 mains

Table 3
Capital Assets
As of September 30, 2020 and 2019
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 40,650	\$ 40,650	\$ 6,285	\$ 6,285	\$ 46,935	\$ 46,935
Buildings and Improvements - net	70,410	72,130	325,352	314,823	395,762	386,953
Machinery and Equipment - net	26,115	21,587	1,686	1,926	27,801	23,513
Infrastructure - net	23,700	24,304	-	-	23,700	24,304
Construction in Progress	13,068	16,171	43,980	38,739	57,048	54,910
Total	\$ 173,943	\$ 174,842	\$ 377,303	\$ 361,773	\$ 551,246	\$ 536,615

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

LONG-TERM DEBT – At the end of fiscal year 2020, the City had total bonded debt outstanding of \$332.0 million. Of this amount, \$201.1 million is special obligation bonds and loans, \$6.6 million in capital leases and \$89.4 million in a general obligation note. The remainder of the City’s debt represents bonds and loans secured solely by specified revenue sources (i.e., revenue bonds).

Table 4
Outstanding Debt
As of September 30, 2020 and 2019
(\$ in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General Obligation Bonds and Loans	\$ 89,363	\$ 93,900	\$ -	\$ -	\$ 89,363	\$ 93,900
Other Loans and Notes	17,211	7,920	482	933	17,693	8,853
Revenue Bonds and Loans	61,922	70,437	138,652	130,041	200,574	200,478
Capital Leases	3,945	5,943	2,633	3,179	6,578	9,122
Total Bonds, Notes, Loans, and Capital Leases	172,441	178,200	141,767	134,153	314,208	312,353
Bond Premium	15,200	17,073	1,681	2,500	16,881	19,573
Total	\$ 187,641	\$ 195,273	\$ 143,448	\$ 136,653	\$ 331,089	\$ 331,926

During fiscal year 2020, the City's total debt increased by \$96 thousand. Governmental activities total debt decreased by \$7.6 million. The decrease in governmental activities debt is mainly due to current debt service payments. Business-type activities had a net increase in total debt of \$7.7 million. The increase is due to increases in state revolving loans.

The City achieved an "Aa3" rating from Moody's for its most recent borrowing, the \$60,045,000 General Obligation Bonds, Series 2019. The \$36,890,000 Capital Improvement Revenue and Refunding Bonds, Series 2016A maintained a rating of A1 from Moody's. The \$49,075,000 Community Redevelopment Agency Redevelopment Revenue and Refunding Bonds, Series 2015 maintained a rating of A2 from Moody's.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At September 30, 2020, the world continues to deal with the COVID-19 pandemic. The economic outlook of the City remains optimistic as COVID-19 vaccines and consumer confidence increases. Property taxes and Utility revenue collections have remained strong. Furthermore, the impact of the pandemic and related orders on the City's resident's is also being actively managed. The City has provided residents and businesses assistance via food programs and financial programs.

All of these factors were considered in preparing the City's budget for fiscal year 2021. The budget was also developed using conservative assumptions of revenues and moderate growth for expenditures. The City adopted a budget that is 4.2% higher than the previous year. The City adopted an operating millage rate of 7.4665 which is the same as 2020. As a result of a 7.1% increase in the City's taxable property values, property tax revenues are expected to \$131.5 million from \$125.1 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.

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CITY OF HOLLYWOOD, FLORIDA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business-type Activities	Total	Component Unit Emerald Hills Safety District
ASSETS:				
Cash	\$ 33,900	\$ 103,130	\$ 137,030	\$ 87,624
Investments	285,011,951	165,345,055	450,357,006	-
Accounts Receivable - Net of Allowances	4,712,400	17,874,452	22,586,852	2,787
Notes Receivable - Net of Allowances	7,120,482	-	7,120,482	-
Reinsurance Receivable	510,954	-	510,954	-
Due from Other Governments	6,588,296	-	6,588,296	-
Internal Balances	(9,049,069)	9,049,069	-	-
Inventories of Supplies	267,196	1,324,455	1,591,651	-
Prepaid Items	3,082,958	-	3,082,958	-
Assets Held for Sale	932,516	-	932,516	-
Restricted Assets:				
Investments	19,120,370	85,781,963	104,902,333	-
Assessments - Net of Allowances	-	934,198	934,198	-
Capital Assets:				
Non Depreciable	53,718,579	50,265,067	103,983,646	-
Depreciable - Net	120,225,218	327,038,104	447,263,322	-
TOTAL ASSETS	492,275,751	657,715,493	1,149,991,244	90,411
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflow General Employees	35,921,591	15,902,314	51,823,905	-
Deferred Outflow Police	55,745,646	-	55,745,646	-
Deferred Outflow Fire	41,570,608	-	41,570,608	-
Deferred Outflow FRS	411,092	-	411,092	-
Deferred Outflow for OPEB	79,870,186	17,809,681	97,679,867	-
SWAP	201,682	-	201,682	-
Deferred Charge on Refunding	1,548,134	137,015	1,685,149	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	215,268,939	33,849,010	249,117,949	-
LIABILITIES:				
Vouchers Payable	5,747,354	3,411,694	9,159,048	4,625
Accrued Wages	2,923,218	692,402	3,615,620	-
Construction Contracts	1,587,017	423,688	2,010,705	-
Due to Other Governments	-	145,943	145,943	-
Interest Payable	1,624,627	42,437	1,667,064	-
Unearned Revenue	5,326,142	-	5,326,142	-
Deposits Payable	1,056,994	32,193	1,089,187	-
Payable from Restricted Assets:				
Construction Contracts	-	10,639,830	10,639,830	-
Interest Payable	-	539,037	539,037	-
Deposits	-	11,361,352	11,361,352	-

(Continued)

CITY OF HOLLYWOOD, FLORIDA

(Continued)

STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Governmental Activities	Business-type Activities	Total	Component Unit Emerald Hills Safety District
LIABILITIES (Continued):				
Noncurrent Liabilities:				
Due Within One Year:				
Compensated Absences	\$ 9,551,738	\$ 1,408,339	\$ 10,960,077	\$ -
Claims Payable	14,282,588	-	14,282,588	-
Bonds, Loans and Leases Payable	19,213,066	14,962,686	34,175,752	-
Other Liabilities and Pension Settlement	3,666,208	1,568,639	5,234,847	-
Due in More Than One Year:				
Compensated Absences	5,862,688	739,145	6,601,833	-
Bonds, Loans and Leases Payable	168,629,946	128,486,092	297,116,038	-
Pension Settlement	7,539,392	3,097,476	10,636,868	-
Total Other Postemployment Benefits Liability (OPEB)	441,139,886	89,546,717	530,686,603	-
Net Pension Liability:				
Net Pension Liability General Employees	165,527,189	73,455,753	238,982,942	-
Net Pension Liability Police	230,859,036	-	230,859,036	-
Net Pension Liability Fire	179,086,535	-	179,086,535	-
Net Pension Liability FRS	1,302,054	-	1,302,054	-
TOTAL LIABILITIES	1,264,925,678	340,553,423	1,605,479,101	4,625
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflow General Employees	4,803,574	1,639,584	6,443,158	-
Deferred Inflow Police	11,043,024	-	11,043,024	-
Deferred Inflow FRS	30,440	-	30,440	-
Deferred Inflow for OPEB	140,312,621	33,345,555	173,658,176	-
Other Unearned or Advanced Revenue	2,597,988	-	2,597,988	-
TOTAL DEFERRED INFLOWS OF RESOURCES	158,787,647	34,985,139	193,772,786	-
NET POSITION				
Net Investment in Capital Assets	70,937,973	222,927,890	293,865,863	-
Restricted for:				
Future Capital Projects	71,097,170	49,709,440	120,806,610	-
Future Debt Service	7,190,977	3,532,304	10,723,281	-
Future Grants and Special Programs	15,431,986	-	15,431,986	-
Future Community Redevelopment	23,206,411	-	23,206,411	-
Building Operations	12,774,006	-	12,774,006	-
Water and Sewer Rate Stabilization Reserve	-	10,000,000	10,000,000	-
Future Police Programs	9,103,668	-	9,103,668	-
Future Other Purposes	932,516	-	932,516	-
Unrestricted (Deficit)	(926,843,342)	29,856,307	(896,987,035)	85,786
TOTAL NET POSITION	\$ (716,168,635)	\$ 316,025,941	\$ (400,142,694)	\$ 85,786

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, 2020

FUNCTIONS / PROGRAMS	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			Component Unit Emerald Hills Safety District
		Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
PRIMARY GOVERNMENT:								
GOVERNMENTAL ACTIVITIES:								
General Government	\$ 54,781,340	\$ 14,134,774	\$ -	\$ -	\$ (40,646,566)	\$ -	\$ (40,646,566)	\$ -
Public Safety:								
Police	154,536,541	1,728,335	349,775	-	(152,458,431)	-	(152,458,431)	-
Fire	88,509,017	36,307,596	108,328	-	(52,093,093)	-	(52,093,093)	-
Other Public Safety	9,237,188	11,584,256	-	-	2,347,068	-	2,347,068	-
Public Works	17,001,191	12,678	-	-	(16,988,513)	-	(16,988,513)	-
Transportation	2,610,399	-	720,765	625,327	(1,264,307)	-	(1,264,307)	-
Economic Environment	8,092,460	837,252	4,934,975	-	(2,320,233)	-	(2,320,233)	-
Physical Environment	989,714	290,946	-	-	(698,768)	-	(698,768)	-
Culture and Recreation	17,165,247	1,006,412	821,012	-	(15,337,823)	-	(15,337,823)	-
Emergency and Disaster Relief	3,994,094	-	339,838	-	(3,654,256)	-	(3,654,256)	-
Interest and Fiscal Charges	5,753,373	-	-	-	(5,753,373)	-	(5,753,373)	-
Total Governmental Activities	362,670,564	65,902,249	7,274,693	625,327	(288,868,295)	-	(288,868,295)	-
Business-type Activities:								
Water	36,700,232	41,099,727	-	780,689	-	5,180,184	5,180,184	-
Sewer	54,587,853	62,017,748	-	3,759,713	-	11,189,608	11,189,608	-
Sanitation	15,407,925	15,490,742	-	-	-	82,817	82,817	-
Stormwater	2,730,524	5,780,996	-	-	-	3,050,472	3,050,472	-
Golf	2,125,089	1,655,200	-	-	-	(469,889)	(469,889)	-
Parking	10,278,047	8,402,921	-	-	-	(1,875,126)	(1,875,126)	-
Other	16,032	33,172	-	-	-	17,140	17,140	-
Total Business-type Activities	121,845,702	134,480,506	-	4,540,402	-	17,175,206	17,175,206	-
Total Primary Government	\$ 484,516,266	\$ 200,382,755	\$ 7,274,693	\$ 5,165,729	(288,868,295)	17,175,206	(271,693,089)	-
Component Unit Emerald Hills Safey District	\$ 158,266	\$ -	\$ -	\$ -	-	-	-	(158,266)
General Revenues:								
Taxes:								
Property Taxes Levied for General Purpose					103,744,866	-	103,744,866	-
Property Taxes Levied for Debt Service					7,608,953	-	7,608,953	-
Property Taxes Incremental					37,479,023	-	37,479,023	-
Utility Service Taxes					20,885,954	-	20,885,954	-
Franchise Taxes					12,057,204	-	12,057,204	-
Sales Tax					9,081,328	-	9,081,328	-
Gas Tax					2,468,888	-	2,468,888	-
Local Business Tax					2,410,992	-	2,410,992	127,826
Contributions not Restricted to Specific Programs					7,083,658	-	7,083,658	-
Investment Revenue					3,031,667	2,040,546	5,072,213	-
Miscellaneous					3,330,526	486,152	3,816,678	-
Gain on Sale of Capital Assets					13,955	73,816	87,771	-
Transfers					5,521,963	(5,521,963)	-	-
Total General Revenues and Transfers					214,718,977	(2,921,449)	211,797,528	127,826
Change in Net Position					(74,149,318)	14,253,757	(59,895,561)	(30,440)
Net Position - Beginning					(642,019,317)	301,772,184	(340,247,133)	116,226
Net Position - Ending					\$ (716,168,635)	\$ 316,025,941	\$ (400,142,694)	\$ 85,786

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

CITY OF HOLLYWOOD, FLORIDA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General	General Capital Projects	2019 GOB Capital Projects
ASSETS:			
Cash	\$ 12,800	\$ -	\$ -
Investments	74,720,213	9,035,489	65,353,928
Accounts Receivable - Net of Allowances	4,637,204	50,067	-
Notes Receivable - Net of Allowances	-	-	-
Due from Other Funds	7,777,631	-	-
Due from Other Governments	4,085,373	15,917	-
Inventories of Supplies	58,304	-	-
Assets Held for Sale	-	730,590	-
Prepays	-	-	3,024,357
Restricted Assets:			
Investments	-	12,392,564	-
	<u>\$ 91,291,525</u>	<u>\$ 22,224,627</u>	<u>\$ 68,378,285</u>
TOTAL ASSETS			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:			
LIABILITIES:			
Vouchers Payable	\$ 3,622,375	\$ 270,860	\$ 111,926
Accrued Wages and Leave	2,619,338	-	-
Pension Settlement	2,738,569	-	-
Construction Contracts Payable	-	371,907	-
Due to Other Funds	-	-	-
Unearned Revenue	-	32,635	-
Deposits Payable	655,441	50,000	-
Construction Contracts Payable	-	-	-
Total Liabilities	<u>9,635,723</u>	<u>725,402</u>	<u>111,926</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable or Advanced Revenue	<u>2,211,950</u>	<u>15,917</u>	<u>-</u>
FUND BALANCES:			
Nonspendable	58,304	-	3,024,357
Restricted	12,774,006	5,940,708	65,242,002
Committed	10,955,201	12,262,402	-
Assigned	6,457,965	3,280,198	-
Unassigned	49,198,376	-	-
Total Fund Balances	<u>79,443,852</u>	<u>21,483,308</u>	<u>68,266,359</u>
	<u>\$ 91,291,525</u>	<u>\$ 22,224,627</u>	<u>\$ 68,378,285</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			

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

Beach Community Redevelopment	Downtown Community Redevelopment	Special Programs	Other Governmental Funds	Total Governmental Funds
\$ 200	\$ 200	\$ -	\$ 20,200	\$ 33,400
23,705,894	8,914,364	13,827,214	11,306,265	206,863,367
-	-	-	-	4,687,271
-	-	20,500,035	11,924,769	32,424,804
-	144,000	-	-	7,921,631
-	-	130,473	2,356,533	6,588,296
-	-	-	-	58,304
-	-	201,926	-	932,516
-	-	-	-	3,024,357
<u>6,727,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,120,370</u>
<u>\$ 30,433,900</u>	<u>\$ 9,058,564</u>	<u>\$ 34,659,648</u>	<u>\$ 25,607,767</u>	<u>\$ 281,654,316</u>
\$ 571,193	\$ 164,599	\$ 195,194	\$ 126,001	\$ 5,062,148
63,614	15,718	18,350	-	2,717,020
-	-	-	-	2,738,569
124,579	-	8,932	16,032	521,450
-	-	144,000	5,691,313	5,835,313
-	-	5,996,044	373,614	6,402,293
-	3,577	332,281	15,695	1,056,994
-	8,955	-	-	8,955
<u>759,386</u>	<u>192,849</u>	<u>6,694,801</u>	<u>6,222,655</u>	<u>24,342,742</u>
-	-	21,395,160	12,970,130	36,593,157
-	-	-	-	3,082,661
29,674,514	8,865,715	6,407,803	10,101,394	139,006,142
-	-	132,826	-	23,350,429
-	-	29,058	1,476,912	11,244,133
-	-	-	(5,163,324)	44,035,052
<u>29,674,514</u>	<u>8,865,715</u>	<u>6,569,687</u>	<u>6,414,982</u>	<u>220,718,417</u>
<u>\$ 30,433,900</u>	<u>\$ 9,058,564</u>	<u>\$ 34,659,648</u>	<u>\$ 25,607,767</u>	<u>\$ 281,654,316</u>

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CITY OF HOLLYWOOD, FLORIDA

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

Total fund balances - governmental funds		\$ 220,718,417
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</p>		
Capital assets, net of accumulated depreciation, are not financial resources, and therefore are not reported in the funds.		165,107,470
<p>Some liabilities are not due and payable in the current period therefore, are not reported in the funds. Those liabilities consist of</p>		
Bonds payable	(186,498,406)	
Compensated absences	(14,449,263)	
Accrued interest payable	(1,496,778)	
Total OPEB liability	(421,996,883)	
Net pension liability - General Employees	(138,649,912)	
Net pension liability - Police	(230,859,036)	
Net pension liability -Fire	(179,086,535)	
Net pension liability - FRS	<u>(1,302,054)</u>	
Total long-term liabilities		(1,174,338,867)
Unavailable revenue that meet the criteria for recognition in the Statement of Activities.		9,766,991
<p>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.</p>		
Deferred refunding costs	1,548,134	
Deferred outflows of resources relating to the General Employees Pension	27,812,068	
Deferred outflows of resources relating to the Police Pension	55,745,646	
Deferred outflows of resources relating to the Fire Pension	41,570,608	
Deferred outflows of resources relating to the FRS Pension	411,092	
Deferred outflows of resources relating to OPEB	75,216,526	
Deferred inflows of resources relating to the General Employees Pension	(3,625,803)	
Deferred inflows of resources relating to the Police Pension	(11,043,024)	
Deferred inflows of resources relating to the FRS Pension	(30,440)	
Deferred inflows of resources relating to OPEB	<u>(130,674,662)</u>	
Total net deffered outflows and inflows		56,930,145
<p>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, liabilities, and Deferred Inflows and Outflows of Resources of the Internal Service funds are included in governmental activities in the statement of net position.</p>		
		16,782,596
Adjustment to Enterprise Funds for Internal Service Funds look-back.		<u>(11,135,387)</u>
Net Position of Governmental Activities		\$ <u>(716,168,635)</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, 2020

	General	General Capital Projects	2019 GOB Capital Projects
	<u>General</u>	<u>Capital Projects</u>	<u>Capital Projects</u>
REVENUES:			
Property Taxes	\$ 103,744,866	\$ -	\$ -
Utilities Service Taxes	20,885,954	-	-
Franchise Taxes	12,057,204	-	-
Licenses and Permits	9,618,490	-	-
Intergovernmental	16,580,809	1,044,815	-
Charges for Services	57,079,597	1,289,281	-
Fines and Forfeitures	-	-	-
Investment Revenue	984,162	57,167	733,895
Miscellaneous	3,115,348	88,000	-
Total Revenues	<u>224,066,430</u>	<u>2,479,263</u>	<u>733,895</u>
EXPENDITURES:			
Current:			
General Government	25,641,833	596,362	-
Public Safety	164,485,799	501,254	24,464
Public Works	13,158,981	-	-
Transportation	2,266,781	544,538	32,766
Economic Environment	2,637,519	111,835	-
Physical Environment	-	-	5,145
Culture and Recreation	10,873,323	-	208,638
Emergency and Disaster Relief	-	-	-
Other	113,325	-	-
Capital Outlay:			
General Government	9,417	1,416,735	-
Public Safety	98,624	1,768,552	1,331,411
Public Works	10,992	-	-
Transportation	-	880,013	-
Economic Environment	-	-	-
Physical Environment	-	18,813	14,481
Culture and Recreation	32,000	1,213,088	847,007
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>219,328,594</u>	<u>7,051,190</u>	<u>2,463,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,737,836</u>	<u>(4,571,927)</u>	<u>(1,730,017)</u>

Beach Community Redevelopment	Downtown Community Redevelopment	Special Programs	Other Governmental Funds	Total Governmental Funds
\$ 15,377,971	\$ 5,402,874	\$ -	\$ 7,608,953	\$ 132,134,664
-	-	-	-	20,885,954
-	-	-	-	12,057,204
-	-	-	-	9,618,490
12,296,840	4,401,338	3,515,834	12,046,390	49,886,026
-	-	309,075	-	58,677,953
-	-	-	507,827	507,827
357,780	139,076	122,662	45,357	2,440,099
24,694	29,444	73,040	675	3,331,201
<u>28,057,285</u>	<u>9,972,732</u>	<u>4,020,611</u>	<u>20,209,202</u>	<u>289,539,418</u>
9,043,518	4,590,833	-	-	39,872,546
-	-	150,633	590,775	165,752,925
-	-	-	-	13,158,981
-	4,950	-	235,938	3,084,973
463,166	137,272	2,620,220	838,159	6,808,171
753,686	228,961	-	-	987,792
368,338	-	508,816	-	11,959,115
-	-	-	3,994,092	3,994,092
-	-	-	-	113,325
325,021	3,770	-	-	1,754,943
711,209	-	92,164	245,727	4,247,687
-	-	-	-	10,992
-	114,267	-	92,399	1,086,679
-	-	-	50,152	50,152
2,098,745	-	-	-	2,132,039
24,612	-	-	-	2,116,707
5,745,000	1,686,667	92,318	8,567,344	16,091,329
1,445,050	329,845	9,827	4,699,690	6,484,412
<u>20,978,345</u>	<u>7,096,565</u>	<u>3,473,978</u>	<u>19,314,276</u>	<u>279,706,860</u>
<u>7,078,940</u>	<u>2,876,167</u>	<u>546,633</u>	<u>894,926</u>	<u>9,832,558</u>

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CITY OF HOLLYWOOD, FLORIDA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>General</u>	<u>General Capital Projects</u>	<u>2019 GOB Capital Projects</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	\$ 6,028,046	\$ 9,679,550	\$ -
Transfers Out	(17,001,315)	(611,097)	-
Sale of Assets	54,677	-	-
Debt Issued	-	11,700,000	-
Total Other Financing Sources (Uses)	<u>(10,918,592)</u>	<u>20,768,453</u>	<u>-</u>
Change in Fund Balances	(6,180,756)	16,196,526	(1,730,017)
Fund Balances - Beginning	<u>85,624,608</u>	<u>5,286,782</u>	<u>69,996,376</u>
Fund Balances - Ending	<u>\$ 79,443,852</u>	<u>\$ 21,483,308</u>	<u>\$ 68,266,359</u>

<u>Beach Community Redevelopment</u>	<u>Downtown Community Redevelopment</u>	<u>Special Programs</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 5,679,730	\$ 21,387,326
-	-	(221,162)	(566,875)	(18,400,449)
-	-	1,031	-	55,708
-	-	-	-	11,700,000
-	-	(220,131)	5,112,855	14,742,585
7,078,940	2,876,167	326,502	6,007,781	24,575,143
<u>22,595,574</u>	<u>5,989,548</u>	<u>6,243,185</u>	<u>407,201</u>	<u>196,143,274</u>
<u>\$ 29,674,514</u>	<u>\$ 8,865,715</u>	<u>\$ 6,569,687</u>	<u>\$ 6,414,982</u>	<u>\$ 220,718,417</u>

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

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CITY OF HOLLYWOOD, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Net Change in Fund Balances - Governmental Funds \$ 24,575,143

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	11,399,200	
Contributions of capital assets to proprietary funds, net	(774,966)	
Deletions	(244,992)	
Depreciation expense	<u>(10,596,884)</u>	
Excess of capital outlay over depreciation expense		(217,642)

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

In the current year, these amounts consist of:

Bond principal retirement	16,091,329	
Bond principal proceeds	(11,700,000)	
Accrual of deferred long-term legal settlement	(6,406,961)	
Amortization of unamortized refunding costs	(276,396)	
Amortization of net bond premium(s)	1,813,070	
OPEB	<u>31,504,182</u>	
Total long term-debt retirements, issuances, and related transactions		31,025,224

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	(602,943)	
Increase in accrued interest expense	<u>(537,133)</u>	
Total additional expense		(1,140,076)

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

General Employees pension	(34,486,314)	
Police pension	(65,041,767)	
Fire pension	(26,881,189)	
FRS pension	<u>(191,753)</u>	
		(126,601,023)

CITY OF HOLLYWOOD, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Unearned revenue that meet the revenue recognition criteria in the Statement of Activities, but not the fund statements, i.e. property taxes.		(7,147,252)
Internal Service funds are used by management to charge the costs of fleet management, property management, central services, self insurance, and communications to individual funds:		
Internal Service Funds Change in Net Position	5,831,605	
Look-Back adjustment to internal services funds incorporated into the governmental activities	<u>(475,297)</u>	
Total internal service funds activity		<u>5,356,308</u>
Changes in Net Position of Governmental Activities		<u>\$ (74,149,318)</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, 2020

	Business Activities - Enterprise Funds		
	Water and Sewer Utility	Sanitation Enterprise	Parking Enterprise
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
ASSETS:			
CURRENT ASSETS:			
Cash	\$ 700	\$ -	\$ 2,300
Investments	126,489,346	9,140,219	16,587,327
Accounts Receivable - Net of Allowances	14,195,999	2,615,177	73,053
Reinsurance Receivable	-	-	-
Inventories of Supplies	1,324,455	-	-
Prepaid Items	-	-	-
Restricted Assets:			
Investments	21,586,996	953,223	-
Total Current Assets	163,597,496	12,708,619	16,662,680
NONCURRENT ASSETS:			
Restricted Assets:			
Investments	63,241,744	-	-
Total Restricted Assets	63,241,744	-	-
Capital Assets:			
Land	3,697,837	63,890	1,561,650
Buildings	51,197,766	1,165,148	47,274,001
Improvements	617,712,726	92,240	1,857,747
Machinery and Equipment	5,276,781	22,508	2,193,425
Accumulated Depreciation	(386,097,020)	(1,278,899)	(17,767,355)
Construction in Progress	42,720,843	-	169,231
Total Capital Assets	334,508,933	64,887	35,288,699
Other Assets:			
Assessments - Net of Allowances	934,198	-	-
Total Noncurrent Assets	398,684,875	64,887	35,288,699
Total Assets	562,282,371	12,773,506	51,951,379
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflow - General Employee Pension	12,646,603	1,110,588	1,745,347
Deferred Outflow for OPEB	11,666,522	1,061,846	4,401,068
Deferred Charge on Refunding	137,015	-	-
Total Deferred Outflows of Resources	24,450,140	2,172,434	6,146,415
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	586,732,511	14,945,940	58,097,794

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

Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 100,130	\$ 103,130	\$ 500
13,128,163	165,345,055	78,148,582
990,223	17,874,452	25,129
-	-	510,954
-	1,324,455	208,892
-	-	58,601
-	22,540,219	-
<u>14,218,516</u>	<u>207,187,311</u>	<u>78,952,658</u>
-	63,241,744	-
<u>-</u>	<u>63,241,744</u>	<u>-</u>
962,122	6,285,499	-
2,935,048	102,571,963	1,141,350
12,565,055	632,227,768	-
1,538,837	9,031,551	44,715,628
(11,649,904)	(416,793,178)	(37,020,651)
1,089,494	43,979,568	-
<u>7,440,652</u>	<u>377,303,171</u>	<u>8,836,327</u>
-	934,198	-
<u>7,440,652</u>	<u>441,479,113</u>	<u>8,836,327</u>
<u>21,659,168</u>	<u>648,666,424</u>	<u>87,788,985</u>
399,776	15,902,314	8,109,522
680,245	17,809,681	4,653,660
-	137,015	-
<u>1,080,021</u>	<u>33,849,010</u>	<u>12,763,182</u>
<u>22,739,189</u>	<u>682,515,434</u>	<u>100,552,167</u>

(CONTINUED)

CITY OF HOLLYWOOD, FLORIDA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS (CONTINUED)
 SEPTEMBER 30, 2020

	Business Activities - Enterprise Funds		
	Water and Sewer Utility	Sanitation Enterprise	Parking Enterprise
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
LIABILITIES:			
CURRENT LIABILITIES:			
Vouchers Payable	\$ 753,804	\$ 1,989,136	\$ 316,962
Accrued Wages and Leave	563,640	29,042	72,281
Pension Settlement	1,271,528	91,425	134,886
Compensated Absences	1,107,054	49,279	183,530
Construction Contracts	-	-	-
Due to Other Funds	-	-	-
Due to Other Governments	-	-	141,700
Interest Payable	-	-	34,726
Deposits Payable	-	-	5,525
Payable from Restricted Assets:			
Matured Bonds and Interest	539,037	-	-
Construction Contracts	10,639,830	-	-
Deposits	10,408,128	953,223	-
Bonds Payable - Net	7,882,297	-	9,987
Capital Lease Obligations	359,166	-	228,911
Loans Payable	5,917,869	-	481,026
Total Current Liabilities	39,442,353	3,112,105	1,609,534
NONCURRENT LIABILITIES:			
Compensated Absences	596,829	26,247	85,160
Claims Payable	-	-	-
Bonds Payable - Net	55,242,578	-	169,064
Capital Lease Obligations	1,249,159	-	796,137
Loans Payable	70,288,444	-	-
Total Other Postemployment Benefits Liability (OPEB)	68,276,713	6,381,001	11,273,102
Net Pension Liability - General Employee	60,435,687	3,690,333	7,357,005
Pension Settlement	2,510,792	180,530	266,349
Total Noncurrent Liabilities	258,600,202	10,278,111	19,946,817
Total Liabilities	298,042,555	13,390,216	21,556,351
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflow - General Employee Pension	734,111	39,490	78,727
Deferred Inflow for OPEB	22,908,524	5,584,326	3,489,896
	23,642,635	5,623,816	3,568,623
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	321,685,190	19,014,032	25,124,974
NET POSITION:			
Net Investment in Capital Assets	183,066,605	64,887	33,603,574
Restricted for:			
Future Capital Projects	49,709,440	-	-
Future Debt Service	3,532,304	-	-
Rate Stabilization	10,000,000	-	-
Unrestricted (Deficit)	18,738,972	(4,132,979)	(630,754)
TOTAL NET POSITION	\$ 265,047,321	\$ (4,068,092)	\$ 32,972,820

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

Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 351,793	\$ 3,411,695	\$ 685,193
27,439	692,402	206,197
70,800	1,568,639	591,694
68,476	1,408,339	440,164
423,688	423,688	1,056,612
2,086,318	2,086,318	-
4,243	145,943	-
7,711	42,437	127,849
26,668	32,193	-
-	539,037	-
-	10,639,830	-
-	11,361,351	-
-	7,892,284	198,486
-	588,077	906,243
83,330	6,482,225	40,629
<u>3,150,466</u>	<u>47,314,458</u>	<u>4,253,067</u>
30,909	739,145	524,999
-	-	14,282,588
-	55,411,642	3,623,553
-	2,045,296	3,039,371
740,810	71,029,254	41,605
3,615,901	89,546,717	19,143,003
1,972,728	73,455,753	26,877,277
139,805	3,097,476	1,168,376
<u>6,500,153</u>	<u>295,325,283</u>	<u>68,700,772</u>
<u>9,650,619</u>	<u>342,639,741</u>	<u>72,953,839</u>
787,256	1,639,584	1,177,771
1,362,809	33,345,555	9,637,959
<u>2,150,065</u>	<u>34,985,139</u>	<u>10,815,730</u>
<u>11,800,684</u>	<u>377,624,880</u>	<u>83,769,569</u>
6,192,824	222,927,890	-
-	49,709,440	-
-	3,532,304	-
-	10,000,000	-
<u>4,745,681</u>	<u>18,720,920</u>	<u>16,782,598</u>
<u>\$ 10,938,505</u>	<u>\$ 304,890,554</u>	<u>\$ 16,782,598</u>

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CITY OF HOLLYWOOD, FLORIDA

RECONCILIATION OF THE STATEMENT OF NET POSITION OF PROPRIETARY FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

Net Position - Proprietary Funds	\$	304,890,554
Adjustment to Enterprise Funds for Internal Service Funds look-back		<u>11,135,387</u>
Net Position of Business-type Activities	\$	<u><u>316,025,941</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, 2020

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Sanitation Enterprise	Parking Enterprise
OPERATING REVENUES:			
Intergovernmental	\$ 705,785	\$ -	\$ -
Charges for Sales and Services	104,657,125	15,460,576	7,505,573
Fines and Forfeitures	-	29,253	700,083
Miscellaneous	337,807	913	197,265
Total Operating Revenues	105,700,717	15,490,742	8,402,921
OPERATING EXPENSES:			
Personal Services and Benefits	37,498,040	1,786,375	5,465,060
Supplies, Services and Claims	31,050,420	13,655,311	2,632,307
Depreciation	18,096,311	605	2,136,387
Total Operating Expenses	86,644,771	15,442,291	10,233,754
Operating Income (Loss)	19,055,946	48,451	(1,830,833)
NONOPERATING REVENUES (EXPENSES):			
Investment Revenue	1,741,970	79,044	136,753
Interest Expense	(5,022,317)	-	(84,802)
Contributions to Governmental Funds	-	-	-
Gain/Loss on Disposals	67,267	-	700
Other Income (Expense)	486,150	-	-
Total Nonoperating Revenues (Expenses)	(2,726,930)	79,044	52,651
Income (Loss) Before Contributions and Transfers	16,329,016	127,495	(1,778,182)
CONTRIBUTIONS:			
Capital Contributions	(89,888)	-	323,602
Contributions - Large Users	1,960,883	-	-
TRANSFERS IN (OUT):			
Transfers In	350,882	604,107	-
Transfers Out	(5,637,563)	(65,325)	(367,061)
Total Transfers In (Out)	(5,286,681)	538,782	(367,061)
Change in Net Position	12,913,330	666,277	(1,821,641)
Net Position - Beginning	252,133,991	(4,734,369)	34,794,461
Net Position - Ending	\$ 265,047,321	\$ (4,068,092)	\$ 32,972,820

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

Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ -	\$ 705,785	\$ -
7,276,157	134,899,431	71,046,071
-	729,336	-
193,211	729,196	3,156,997
<u>7,469,368</u>	<u>137,063,748</u>	<u>74,203,068</u>
1,341,804	46,091,279	17,885,525
3,125,576	50,463,614	50,963,289
398,618	20,631,921	3,358,994
<u>4,865,998</u>	<u>117,186,814</u>	<u>72,207,808</u>
<u>2,603,370</u>	<u>19,876,934</u>	<u>1,995,260</u>
82,779	2,040,546	591,568
(27,064)	(5,134,183)	(268,510)
-	-	(522,626)
5,850	73,817	203,239
-	486,150	-
<u>61,565</u>	<u>(2,533,670)</u>	<u>3,671</u>
<u>2,664,935</u>	<u>17,343,264</u>	<u>1,998,931</u>
(165,165)	68,549	1,225,317
-	1,960,883	-
3,990	958,979	2,984,381
(483,266)	(6,553,215)	(377,022)
<u>(479,276)</u>	<u>(5,594,236)</u>	<u>2,607,359</u>
<u>2,020,494</u>	<u>13,778,460</u>	<u>5,831,607</u>
<u>8,918,011</u>	<u>291,112,094</u>	<u>10,950,991</u>
<u>\$ 10,938,505</u>	<u>\$ 304,890,554</u>	<u>\$ 16,782,598</u>

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CITY OF HOLLYWOOD, FLORIDA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION OF PROPRIETARY FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,2020**

Net Change in Net Position - Proprietary Funds	\$ 13,778,460
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>475,297</u>
Changes in Net Position of Business-type Activities	<u>\$ 14,253,757</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, 2020

	Business-type Activities - Enterprise Funds		
	Water and Sewer Utility	Sanitation Enterprise	Parking Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers, Employees and Other Governments	\$ 101,015,280	\$ 15,163,297	\$ 8,329,568
Payments to Suppliers for Goods and Services	(18,737,022)	(13,995,823)	(2,797,195)
Payments to Employees for Services	(23,061,812)	(1,710,417)	(3,266,431)
Payments for claims and judgements	-	-	-
Payments for Interfund Services	-	-	-
Other Operating Receipts	705,785	-	-
Net Cash Provided (Used) by Operating Activities	59,922,231	(542,943)	2,265,942
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers In	350,882	604,107	-
Transfers Out	(5,637,563)	(65,325)	(367,061)
Net Cash Provided (Used) by Noncapital Financing Activities	(5,286,681)	538,782	(367,061)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from Bonds and Other Borrowings	21,932,393	-	-
Principal Paid on Bonds, Notes and Equipment Contracts	(13,766,228)	-	(669,642)
Interest Paid on Bonds, Notes and Equipment Contracts	(5,569,214)	-	(114,353)
Proceeds from Sale of Equipment	164,855	-	700
Acquisition and Construction of Capital Assets	(45,026,066)	(1,114)	(183,106)
Impact Fees, Special Assessments, Other Capital Receipts	5,030,275	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(37,233,985)	(1,114)	(966,401)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment Revenue	1,741,970	79,044	136,753
Net Cash Provided (Used) by Investing Activities	1,741,970	79,044	136,753
Net Increase (Decrease) in Cash	19,143,535	73,769	1,069,233
Cash and Investments - beginning of year	192,175,251	10,019,673	15,520,394
Cash and Investments - end of year	\$ 211,318,786	\$ 10,093,442	\$ 16,589,627
Classified as:			
Current assets	\$ 126,490,046	\$ 9,140,219	\$ 16,589,627
Restricted assets	84,828,740	953,223	-
	\$ 211,318,786	\$ 10,093,442	\$ 16,589,627

Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 7,013,298	\$ 131,521,443	\$ 74,025,379
(2,315,335)	(37,845,375)	(15,933,765)
(1,351,405)	(29,390,065)	(10,434,319)
-	-	(35,733,459)
347,213	347,213	-
-	705,785	-
<u>3,693,771</u>	<u>65,339,001</u>	<u>11,923,836</u>
3,990	958,979	2,984,381
(483,266)	(6,553,215)	(377,022)
<u>(479,276)</u>	<u>(5,594,236)</u>	<u>2,607,359</u>
-	21,932,393	-
(80,772)	(14,516,642)	(1,367,081)
(27,820)	(5,711,387)	(354,502)
5,850	171,405	203,755
(1,566,660)	(46,776,946)	(1,975,805)
-	5,030,275	-
<u>(1,669,402)</u>	<u>(39,870,902)</u>	<u>(3,493,633)</u>
<u>82,779</u>	<u>2,040,546</u>	<u>591,568</u>
<u>82,779</u>	<u>2,040,546</u>	<u>591,568</u>
1,627,872	21,914,409	11,629,130
<u>11,600,421</u>	<u>229,315,739</u>	<u>66,519,952</u>
<u>\$ 13,228,293</u>	<u>\$ 251,230,148</u>	<u>\$ 78,149,082</u>
\$ 13,228,293	\$ 165,448,185	\$ 78,149,082
-	85,781,963	-
<u>\$ 13,228,293</u>	<u>\$ 251,230,148</u>	<u>\$ 78,149,082</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water and Sewer Utility</u>	<u>Sanitation Enterprise</u>	<u>Parking Enterprise</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ 16,472,704	\$ 48,451	\$ (1,830,833)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation	18,096,311	605	2,136,387
Provision for Uncollectible Accounts	459,446	144,072	-
Pension Expense Adjustment	15,874,341	1,167,203	2,056,903
OPEB Expense Adjustment	(5,576,192)	(1,396,199)	(284,831)
Change in Assets, Liabilities and Deferred Inflows/Outflows:			
(Increase) Decrease in Accounts Receivable	(2,483,001)	(528,855)	(73,053)
(Increase) Decrease in Inventory	475,612	-	-
(Increase) Decrease in Prepaid Items	-	-	-
Increase (Decrease) in Vouchers Payable	-	(340,512)	(51,724)
Increase (Decrease) in Accrued Expenses	15,864,986	283,702	314,169
Increase (Decrease) in Accrued Wages and Leave	110,879	21,253	(296)
Increase (Decrease) in Claims Payable	-	-	-
Increase (Decrease) in Due To Other Governments	-	-	(480)
Increase (Decrease) in Due To Other Funds	-	-	-
Increase (Decrease) in Deposits Payable	627,145	57,337	(300)
Total Adjustments	<u>43,449,527</u>	<u>(591,394)</u>	<u>4,096,775</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 59,922,231</u>	<u>\$ (542,943)</u>	<u>\$ 2,265,942</u>
NONCASH CAPITAL FINANCING AND INVESTING ACTIVITIES:			
Changes in Bond discount/premium	\$ 815,834	\$ -	\$ 3,750
Change in Deferred Refunding costs	(88,921)	-	-
Change in construction related liabilities	(5,029,700)	-	112,683
Capital Contributions	1,960,883	-	-
Total Noncash Capital Financing and Investing Activities	<u>\$ (2,341,904)</u>	<u>\$ -</u>	<u>\$ 116,433</u>

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

Other Enterprise Funds	Total	Governmental Activities - Internal Service Funds
\$ 2,603,370	\$ 17,293,692	\$ 1,995,260
398,618	20,631,921	3,358,994
59,006	662,524	-
84,557	19,183,004	7,542,013
(310,277)	(7,567,499)	(2,107,962)
(514,472)	(3,599,381)	(177,689)
-	475,612	(8,517)
-	-	(2,445)
157,594	(234,642)	(571,737)
871,686	17,334,543	1,829,176
(2,924)	128,912	187,980
-	-	(121,237)
4	(476)	-
347,213	347,213	-
(604)	683,578	-
<u>1,090,401</u>	<u>48,045,309</u>	<u>9,928,576</u>
<u>\$ 3,693,771</u>	<u>\$ 65,339,001</u>	<u>\$ 11,923,836</u>
\$ -	\$ 819,584	\$ 59,824
-	(88,921)	-
(401,446)	(5,318,463)	-
-	1,960,883	-
<u>\$ (401,446)</u>	<u>\$ (2,626,917)</u>	<u>\$ 59,824</u>

CITY OF HOLLYWOOD, FLORIDA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 SEPTEMBER 30, 2020

	<u>Total Pension Plans</u>
ASSETS:	
Investments	
U.S. Government Securities	\$ 57,375,065
Money Market Funds	14,915,268
Corporate Equities	400,404,442
Corporate Bonds and Other	72,912,185
Mutual Funds	331,726,552
Pooled Investment Funds	<u>86,409,426</u>
Total Investments	963,742,938
Contributions Receivable	2,157,530
Interest Receivable	903,963
Accounts Receivable	17,121,392
Accounts Receivable - Sale of Investments	307,983
Intergovernmental Revenue: State excise tax rebate	1,483,741
Prepaid Items	<u>2,753,079</u>
 TOTAL ASSETS	 <u>988,470,626</u>
 LIABILITIES:	
Vouchers Payable	1,646,036
Due to Brokers	<u>1,794,409</u>
 TOTAL LIABILITIES	 <u>3,440,445</u>
 NET POSITION:	
Restricted for Pension Benefits	<u><u>\$ 985,030,181</u></u>

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

CITY OF HOLLYWOOD, FLORIDA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Total Pension Plans</u>
ADDITIONS:	
Contributions:	
City	\$ 82,601,407
Local or State Excise Tax	3,310,912
Members	8,447,570
Total Contributions	<u>94,359,889</u>
Investment Income:	
Net Increase in Fair	
Value of Plan Investments	64,470,349
Interest and Dividends	16,091,834
	<u>80,562,183</u>
Less: Investment Expense	<u>(3,505,054)</u>
Net Investment Income	77,057,129
Other Income	44,860
Total Additions	<u>171,461,878</u>
DEDUCTIONS:	
Pension Benefits	92,354,916
Refund of Contributions	740,905
Administrative Expenses	2,220,815
Total Deductions	<u>95,316,636</u>
Change in Net Position	76,145,242
Net Position Restricted for Pension	
Benefits - Beginning of Year	<u>908,884,939</u>
Net Position Restricted for Pension	
Benefits - End of Year	<u>\$ 985,030,181</u>

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

CITY OF HOLLYWOOD, FLORIDA

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

The Downtown Community Redevelopment Agency (DCRA) and Beach Community Redevelopment Agency (BCRA) are districts of the Hollywood Community Redevelopment Agency (CRA), which is legally separate from the City. The CRA was established in accordance with Florida Statutes Chapter 163 PART III COMMUNITY REDEVELOPMENT to finance and redevelop the City's designated redevelopment areas. The CRA, whose board members are the same as the members of the City Commission, provides services that exclusively benefit the City's downtown and beach areas. The City has financial and operational responsibility of the CRA. The DCRA and BCRA are blended as other governmental fund component units into the primary government. Beginning with fiscal year 2020, the CRA issues standalone financial statements. The standalone CRA statements may be obtained online at <https://www.hollywoodfl.org/538/Annual-Financial-Pension-Fund-Reports>.

The Hollywood Employees' Retirement Fund, Hollywood Firefighters' Pension System and City of Hollywood Police Officers' Retirement System account for separate pension plans for general employees, fire and police personnel, respectively. Each plan is administered by a board of

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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.

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 2020 fiscal year and is presented as a discretely presented component unit.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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

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

The City reports the following major governmental funds:

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

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

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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

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

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

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

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

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

1. **POOLED CASH AND INVESTMENTS** – The City's cash and demand deposits are considered to be cash on hand. The City has established an investment policy in accordance with Section 218.415, State Statutes that allows the City to invest in relatively low risk securities. Investments are stated at fair value based on quoted market prices. Resources of all funds, with the exception of the pension funds, have been combined into investment pools for the purpose of maximizing investment yields. Investment revenue is comprised of interest and realized and unrealized gains and losses on investments. Investment revenue on pooled investments is allocated monthly based upon equity balances of the respective funds. As required by GASB Statements these notes include a presentation of deposit and investment risk disclosures.
2. **ACCOUNTS AND PROPERTY TAX RECEIVABLES** – All accounts and property tax receivables are shown net of an allowance for uncollectibles. Accounts receivable in excess of 90 days comprise the accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 100% of outstanding property taxes at September 30, 2020.

Real and personal property values are assessed on a county-wide basis by the Broward County Property Appraiser as of January 1, each year. Taxable value of property within the City is certified by the Property Appraiser on July 1. The City levies a property tax millage rate upon that taxable value to provide revenue required for the fiscal year beginning October 1. Taxes for the fiscal year beginning October 1 are billed in the month of November, subject to a 1% per month discount for the period November through February, and are due not later

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

than March 31. On April 1, unpaid amounts become delinquent with interest and penalties added thereafter. Beginning June 1, tax certificates representing delinquent amounts are sold by Broward County, with remittance to the City for its share of those receipts.

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

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

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

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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 early implementation of GASB 89.

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

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

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

9. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES – In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports the following deferred outflows of resources: interest rate swap, deferred charge on refunding, deferred pension outflows, and deferred OPEB outflows. The interest rate swap represents the fair value balance of the outstanding derivative instrument. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt. The City also reports deferred outflows for pensions due to pension contributions made subsequent to the pension plan's actuarial measurement date and will be expended in the following fiscal year, changes in actuarial assumptions, and the difference between expected and actual experience. The deferred outflows relating to changes in assumptions and the difference between expected and actual experience are amortized over the average, expected remaining service lives of all employees that are provided with pension benefits. Deferred outflows relating to OPEB represent changes in actuarial assumptions and are amortized over a closed period equal to the average of the remaining services lives of all active and inactive employees that are provided with OPEB.

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

10. **COMPENSATED ABSENCES** – It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A portion of accumulated sick pay benefits are paid upon separation, based on number of years of service. All vacation pay and applicable portion of sick pay balances are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.
11. **LONG-TERM OBLIGATIONS** – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond Issuance costs are expended as incurred except for any bond insurance costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures. Payments related to the interest rate swap are netted by each party to the other and made on a quarterly basis.

12. **UNEARNED REVENUE** – Unearned revenue is recorded for governmental fund receivables that are not both measurable and available. In addition, inflows that do not yet meet the criteria for revenue recognition, such as contract revenue collected in advance, are recorded as deferred inflow of resources in the government-wide and the fund statements.
13. **FUND EQUITY** – The Governmental Accounting Standards Board Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” (GASB 54) established consistency in the fund balance information reported by many governments and enables financial statement users to readily interpret reported fund balance information. This pronouncement requires governmental fund balances be classified as nonspendable, restricted, committed, assigned or unassigned. The City has disclosed information about governmental fund balance reporting as required in the Notes to the Financial Statements.

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

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

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

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CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

NOTE II – DETAILED NOTES ON ALL FUNDS

- A. CASH – The City’s bank balances, including balances for its component unit, the Hollywood Community Redevelopment Agency, and the three City-sponsored employee pension plans (reported as fiduciary funds), were entirely insured either by federal depository insurance or via the banks’ participation as qualified public depositories pursuant to Florida Statutes, Chapter 280, “Security for Public Deposits” as of September 30, 2020. The City’s cash and demand deposits are considered to be cash on hand.

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

The City’s investment policy allows for the following investments: SBA Investment Pool, United States government securities, United States government agencies, federal instrumentalities, interest bearing time deposits or savings accounts, including certificates of deposit and demand deposits, repurchase agreements, commercial paper, mutual funds consisting of United States government obligations, registered investment companies (money market mutual funds) and intergovernmental investment pools. The City did not invest in any repurchase agreements, commercial paper or mutual funds during fiscal year 2020.

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
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At September 30, 2020, the City and its three employee pension plans (Fiduciary Funds) had the following maturities and credit ratings for cash and investments:

	Investment Maturities					
	Reported Value	Less Than 1 Year	1 - 5 Years	Credit Rating	Average Maturity in Months	Percent Distribution
CITY CASH & INVESTMENTS:						
Pooled Cash:						
Demand Deposits	\$ 22,602,663	\$ 22,602,663	\$ -			4.07 %
Money Market	160,341,831	160,341,831	-			28.87
Sweep account	3,496,261	3,496,261	-			0.63
Capital Projects/Bond Related Reserves:						
Money Market						
Golf Enterprise Funds						
Orangebrook cash	100,000	100,000	-			0.02
Total City Cash	<u>186,540,755</u> *	<u>186,540,755</u>	<u>-</u>			
Pooled Investments:						
Demand Deposits	421,301	421,301	-			0.08
Certificates of Deposit	46,276,078	46,276,078	-		6.13	8.33
Florida Corporative Liquid Assets Securities Systems (FLCLASS)	18,941,985	18,941,985	-	AAAm	2.70	3.41
Florida Public Assets for Liquidity Liquidity Management (FLPALM)	25,200,591	25,200,591	-	AAAm	2.47	4.54
Local Government Investment Pool	106,140,397	106,140,397	-			19.11
Master Concentration Sweep Account	35,033,403	35,033,403	-			6.31
Total Pooled Investments	<u>232,013,755</u>	<u>232,013,755</u>	<u>-</u>			
Non-Pooled Investments:						
Community Redevelopment Agency:						
Demand Deposits	30,906,097	30,906,097	-			5.57
Money Market	9,850,555	9,850,555	-			1.77
Total Community Redevelopment Agency	<u>40,756,652</u>	<u>40,756,652</u>	<u>-</u>			
Capital Projects/Bond Related Reserves:						
Demand Deposits	19,040,046	19,040,046	-			3.43
Florida Corporative Liquid Assets Securities Systems (FLCLASS)	67,008,134	67,008,134	-	AAAm	2.70	12.07
Money Market	10,000,000	10,000,000	-			1.80
Total Non-Pooled Investments	<u>136,804,832</u>	<u>136,804,832</u>	<u>-</u>			<u>100.00</u> %
Total City Investments	<u>368,818,587</u>	<u>368,818,587</u>	<u>-</u>			
Total City Cash & Investments	<u>\$ 555,359,342</u>	<u>\$ 555,359,342</u>	<u>\$ -</u>			

* Variance with Financial Statement is due to petty cash amounts held by various City departments totaling \$37,027

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

	Fair Value	Less Than 1 Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
FIDUCIARY FIXED INCOME INVESTMENTS:					
U. S. Government Securities:					
U. S. Treasuries:					
Fire Pension Fund	\$ 2,905,320	\$ -	\$ -	\$ 2,905,320	\$ -
Police Retirement Fund	17,867,097	-	-	17,867,097	-
Total U. S. Treasuries	<u>20,772,417</u>	<u>-</u>	<u>-</u>	<u>20,772,417</u>	<u>-</u>
U. S. Government Agencies:					
Fire Pension Fund	19,638,284	-	-	19,638,284	-
Police Retirement Fund	16,919,364	6,689,440	9,158,157	101,645	970,122
Total U. S. Government Agencies	<u>36,557,648</u>	<u>6,689,440</u>	<u>9,158,157</u>	<u>19,739,929</u>	<u>970,122</u>
Total U. S. Government Securities	<u>57,330,065</u>	<u>6,689,440</u>	<u>9,158,157</u>	<u>40,512,346</u>	<u>970,122</u>
Corporate Bonds and Notes:					
Fire Pension Fund	32,048,381	-	-	32,048,381	-
Police Retirement Fund	40,863,804	-	13,569,247	24,575,333	2,719,224
Total Corporate Bonds and Notes	<u>72,912,185</u>	<u>-</u>	<u>13,569,247</u>	<u>56,623,714</u>	<u>2,719,224</u>
Bond Mutual Funds					
General Employees Retirement Fund	32,939,371	-	-	32,939,371	-
Total Bond Mutual Funds	<u>32,939,371</u>	<u>-</u>	<u>-</u>	<u>32,939,371</u>	<u>-</u>
Total Fiduciary Fixed Income Investments	<u>\$ 163,181,621</u>	<u>\$ 6,689,440</u>	<u>\$ 22,727,404</u>	<u>\$ 130,075,431</u>	<u>\$ 3,689,346</u>

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CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

1. **INTEREST RATE RISK** – Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to change in the market interest rates. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution. The City also attempts to match investment maturities with known cash needs and anticipated cash flow requirements. In addition, the City’s investment policy limits the maturities to three years from the date of purchase. The City’s Certificates of Deposit have a “weighted average maturity” of 6.13 months for the non-pension portion and FL CLASS and FL PALM have a “weighted average maturity” of 2.70 and 2.47 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, 2020.

2. **CREDIT RISK** – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City’s investment policy limits its investment to a grade of A or higher. All of the City’s non-pension related investments were comprised of demand deposits, money market accounts and certificates of deposit at September 30, 2020 (555.4 million).

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

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

The following table discloses credit ratings by fixed income investment type for the City's three pension plans at September 30, 2020, as applicable:

	Fair Value	Percentage of Portfolio
EMPLOYEES RETIREMENT FUND:		
Fixed Income Securities	\$ 98,520,143	100.00 %
Total Employees Retirement Fund Fixed Income Securities	<u>98,520,143</u>	<u>100.00</u>
FIRE PENSION FUND:		
U. S. Government Guaranteed (a)	22,588,604	41.00
Quality Rating of Credit Risk Debt Securities:		
A	<u>32,048,381</u>	<u>59.00</u>
Total Fire Pension Fund Fixed Income Securities	<u>54,636,985</u>	<u>100.00</u>
POLICE RETIREMENT FUND:		
U. S. Government Guaranteed (a)	<u>34,786,461</u>	<u>30.00</u>
Quality Rating of Credit Risk Debt Securities:		
AAA	3,915,861	6.00
AA+	645,679	4.00
AA	663,321	2.00
AA-	3,383,237	7.00
A+	569,395	22.00
A	5,948,785	23.00
A-	13,733,649	
BBB+	10,314,519	4.00
BBB-	<u>1,689,358</u>	<u>2.00</u>
Total Credit Risk Debt Securities	<u>40,863,804</u>	<u>70.00</u>
Total Police Retirement Fund Fixed Income Securities	<u>75,650,265</u>	<u>100</u>
 Total Combined Pension Funds Fixed Income Securities	 <u><u>\$ 228,807,393</u></u>	
COMBINED PENSION FUNDS:		
U. S. Government Guaranteed (a)	<u>155,895,208</u>	<u>61.00</u>
Quality Rating of Credit Risk Debt Securities:		
AAA	3,915,861	2.00
AA	4,692,237	2.00
A	52,300,210	33.00
BBB	<u>12,003,877</u>	<u>2.00</u>
Total Credit Risk Debt Securities	<u>72,912,185</u>	<u>39.00</u>
Total Combined Pension Funds Fixed Income Securities	<u><u>\$ 228,807,393</u></u>	<u>100 %</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.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

The City's investment policy requires securities, with the exception of certificates of deposit and overnight repurchase agreements (one business day), to be held with a third party custodian; and that all securities purchased by, and all collateral obtained by or on behalf of the City be properly designated as an asset of the City. The securities are held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the federal government, the State of Florida, or any other state or territory of the United States which has a branch or principal place of business in the State of Florida, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. As of September 30, 2020, the City's investment portfolios were held with a third party custodian as required by the City's investment policy.

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

4. **CONCENTRATION OF CREDIT RISK** – The City's investment policy has established asset allocation limits on the following investments designed to reduce concentration of credit risk of the investment portfolio. A maximum of 100% of available funds may be invested in the SBA Investment Pool and United States government securities. Ninety percent (90%) of available funds may be invested in United States government agencies and instrumentalities, one hundred percent (100%) of available funds may be invested in non-negotiable interest bearing time deposits or savings accounts, twenty percent (20%) of available funds may be invested in each of the following categories: repurchase agreements, highest grade commercial paper, mutual funds consisting of U.S. government obligations, registered investment companies and intergovernmental investment pools.

The investment policies of the pension plans contain limitations on the amount that can be invested in any one issuer as well as portfolio allocation ranges and maximum percentages by types of investments. There were no individual investments that represent five percent (5%) or more of the Fire Pension Fund's or Police Retirement Fun's net position at September 30, 2020. 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	15.60 %
Wellington Trust Company - CTF International	16.00
Baird Core Plus Bond Fund	8.90
Neuberger Berman - Short Duration	6.00
Morgan Stanley - Prime Property Fund, LLC	5.70
Neuberger Berman - Crossroads XXI Fund	5.80

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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

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

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

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

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

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

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

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
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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, 2020:

City of Hollywood Investments

Investments by	September 30, 2020
Investments Measured at the Net Asset Value (NAV):	
Florida Cooperative Liquid Assets Securities System (FLCLASS)	\$ 85,950,119
Florida Public Assets for Liquidity Management (FLPALM)	25,200,591
Total Investment measured at the NAV	111,150,710
Demand Deposits	72,970,107
Money Market	180,182,386
Certificates of Deposit	46,276,078
Sweep accounts	38,529,664
Florida Prime - SBA Local Government Surplus Trust Fund	106,140,397
Orangebrook Demand Deposit	100,000
Total Investments	\$ 555,349,342

Investments Measured at the NAV:	Fair Value	Redemption Frequency	Notice Period
Florida Cooperative Liquid Assets Securities Systems (FLCLASS)	\$ 85,950,119	Daily	Same day
Florida Public Assets for Liquidity Management (FLPALM)	25,200,591	Daily	Same day
	<u>\$ 111,150,710</u>		

Florida Cooperative Liquid Assets Securities System (FLCLASS) is an external local government investment pool created by interlocal agreement under F.S. 163.01. The pool is supervised by an appointed Board of Trustees comprised of eligible participants of the program. The Board acts as the liaison between the participants, the custodian, and the program administrator. The fund is an S&P AAAM rated money market product offering a fiscally conservative diversification option for Florida local governments. The objective of the fund is to provide investors with liquidity, stable share price and as high a level of current income as is consistent with preservation of principal and liquidity. The weighted average maturity is 81 days as of September 30, 2020.

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 74 days as of September 30, 2020.

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

income securities. The objective of the fund is to provide investors with a liquid investment product with competitive yields. The weighted average maturity is 48 days as of September 30, 2020.

Employees Retirement Fund Investments

Investment by Fair Value Level	September 30, 2019	Fair Value Measurements Using		
		Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bond Mutual Fund	\$ 32,939,371	\$ 32,939,371	\$ -	\$ -
Fixed Income Composite	53,265,623	14,374,755	38,890,868	-
Domestic Stocks	11,921,866	10,703,232	1,218,634	-
Large Cap Equity				
Investment Fund	57,718,307	-	57,718,307	-
Small Cap Equity				
Investment Fund	18,014,698	-	18,014,698	-
International Equity Investment Fund	76,088,619	16,823,807	59,264,812	-
Total Investments by Fair Value Level	249,948,484	<u>\$ 58,017,358</u>	<u>\$ 175,107,319</u>	<u>\$ -</u>
Investments Measured at the Net Asset Value (NAV):				
Private Equity Investment Funds	37,793,840			
Private Debt Investment Funds	12,315,149			
Real Estate Investment Funds	35,746,376			
Infrastructure Investment Funds	10,027,006			
Total Investments Measured at NAV	95,882,371			
Money Market (exempt)	9,041,074			
Total Investments	<u>\$ 354,871,929</u>			

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

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

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

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

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

CITY OF HOLLYWOOD, FLORIDA

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SEPTEMBER 30, 2020

<u>Investments Measured at NAV</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Private Equity Investment Funds:				
NB Crossroads Fund XXI - Asset Allocation, LP	\$ 21,513,012	\$ 5,400,000	Not Eligible	N/A
HarbourVest Dover Fund IX, LP	8,363,293	2,100,000	Not Eligible	N/A
GoldPoint Co-Investment VI, LP	7,917,535	3,249,371	Not Eligible	N/A
Total Private Equity Investment	<u>37,793,840</u>	<u>10,749,371</u>		
Debt Investment:				
AG Direct Lending Fund II, LP	<u>12,315,149</u>	<u>576,146</u>	Not Eligible	N/A
Real Estate Investment Funds:				
AG Realty Value Fund X	3,032,928	7,025,000	Not Eligible	N/A
Morgan Stanley - Prime Property Fund, LLC	21,119,282	-	Quarterly	90 Days
Principal Enhanced Property Fund, LP	<u>11,594,166</u>	<u>-</u>	Quarterly	90 Days
Total Investment in Real Estate Funds	<u>35,746,376</u>	<u>7,025,000</u>		
Private Infrastructure Investment Fund:				
IFM Global Infrastructure Investment Fund	<u>10,027,006</u>	<u>-</u>	Quarterly	90 Days
Total Investments Measured at NAV	<u>\$ 95,882,371</u>	<u>\$ 18,350,517</u>		

Private Equity Investment Fund – NB Crossroads Fund XXI – Assets Allocation, LP was formed in January 15, 2015 as a Delaware limited partnership for the purpose of acquiring, holding, selling and exchanging, either directly or indirectly, interest in limited partnerships or other pooled investment vehicles that are organized to make investments in large-cap buyout, mid-cap buyout, special situations and venture/growth capital investment funds, as well as securities, including co-investments. The general partner of the fund uses the best information it has reasonably available to determine or estimate fair value. Valuations of the investments are reviewed and approved quarterly by the general partner. Valuation methods employed are comparable public company valuation, comparable transaction valuation analysis and other methodologies, as appropriate. This fund is not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

HarbourVest Dover Fund IX, LP is a closed-end fund. The goal is to provide investors with attractive risk adjusted returns by leveraging the firm’s proven strategy of constructing a well-diversified portfolio of secondary investments with a focus on the less efficient segments of the secondary market. HarbourVest’s investment and accounting teams measure fair value on a quarterly basis. The following methods are used for partnership investments fair value principles and are applied by managers in their financial reports in accordance with U.S. GAAP; publicly traded and quoted securities shall be valued at the closing price at the end of the valuation period; for non-marketable securities and direct investments the value is most likely to be an existing price in an orderly arm’s length transaction between market participants as of the valuation date, using one of the acceptable valuation methods under U.S. GAAP (Guideline Company Method, Similar Transaction Method or Discounted Cash Flow). This fund is not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

Private Debt Investment Fund – AG Direct Lending Fund II, LP is a Delaware limited partnership which commenced operations on November 14, 2016. The Partnership has been established to capitalize on investment opportunities available in the middle market direct lending. The Partnership intends to provide corporate financing support to North American middle-market companies, focusing on senior debt and other debt instruments, including

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

unitranche facilities, second lien debt, mezzanine loans and equity co-investments. The fair value of the investment in this fund has been determined using NAV per unit of the ownership interest in the partners' capital. This fund is not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of five to ten years.

Private Real Estate Investment 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, 2019 were located throughout the United States. Principal will use a third-party appraisal firm, with approximately 25% of the portfolio appraised each quarter. Principal will use the appraised value and updated quarterly valuations for purpose of determining the fund's gross asset value and net asset value. The fair value of the investment in this fund has been determined using the NAV per unit of the ownership interest in the partners' capital.

Morgan Stanley Prime Property Fund, LLC (The Company) is an open-end fund established for the purpose to acquire, own, hold for investment and ultimately dispose of investments in real estate and real estate related assets with the intention of achieving current income, capital appreciation or both. All properties invested in at September 30, 2019 were located throughout the United States. An independent appraiser will perform quarterly appraisals of the fund's underlying properties and is reviewed by asset managers. The fund determines individual investment values based on such appraisals. These processes are designed to assure that valuation is prepared using reasonable inputs and assumptions which are consistent with market data or with assumptions that would be used by a third party participant and assume highest and best use of the real estate investment. The fair value of the investment in this fund has been determined using the NAV per unit of the ownership interest in the fund.

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

GoldPoint Partners Co-Investment VI, LP was formed on July 1, 2017 as a Delaware limited partnership. The fund will seek a highly diversified portfolio of middle market transactions by primarily targeting Co-Investments alongside Core Partners with fund size less than \$5 billion. The fund will typically invest \$10 million to \$40 million in any given transaction, although smaller or larger investments may be made where appropriate. The Fund targets opportunities where the sponsor has relevant expertise, a quantifiable history of successful investing, and a proven ability to add tangible value to the target company. The Fund seeks to invest in companies that have proven management teams, strong and sustainable cash flows, and competitive advantages in industries with barriers to entry. A high priority will be placed on companies that have minimal exposure to cyclical downturns, a low threat of obsolescence or rapid technological change, and limited customer and geographic concentrations. The fund's limited partners include public and private pension funds, financial institutions, insurance companies, endowments, family offices and high-net worth individuals. The partners of the fund uses the best information it has reasonably available to determine or estimate fair value. Valuation methods employed are comparable public company valuation,

CITY OF HOLLYWOOD, FLORIDA

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SEPTEMBER 30, 2020

comparable transaction valuation analysis and other methodologies, as appropriate. Redemptions are generally not permitted for this Fund.

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

Fire Pension Fund Investments

Investment by Fair Value Level	September 30, 2020	Fair Value Measurement Using:		
		Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Government Securities	\$ 2,950,320	-	\$ 2,950,320	\$ -
U.S. Government Agencies	19,638,284	-	19,638,284	-
Corporate Bonds	17,593,344	-	17,593,344	-
International Fixed Income Investment Fund	-	-	-	-
Domestic Fixed Income Investment Fund	1,389,556	1,389,556	-	-
Domestic Stocks	72,138,722	72,138,722	-	-
Domestic Equity Investment Fund	66,411,385	66,411,385	-	-
International Equity Investment Fund	18,250,656	18,250,656	-	-
International Stock	26,472,708	26,472,708	-	-
Timber Investment Fund	6,117,150	-	-	6,117,150
Temporary Investments	4,017,500	4,017,500	-	-
Total Investments by Fair Value Level	234,979,625	\$ 188,680,527	\$ 40,181,948	\$ 6,117,150
Investments Measured at the Net Asset Value (NAV):				
Real Estate Investment Funds	26,124,263			
Domestic Fixed Income Investment Fund	13,065,481			
Total Investments Measured at NAV	39,189,744			
Pooled Investment Fund	204,432			
Total Investments Measured at Fair Value	\$ 274,373,801			

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.

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.

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

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

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

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

<u>Investments Measured at NAV:</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Notice Period</u>
Real Estate Investment Funds:				
U.S. Real Estate Investment Fund, LLC	\$ 12,548,048	\$ -	Quarterly	90 Days
JPMCB Special Situation Property Fund	13,576,215	-	Quarterly	45 Days
Total Real Estate Investment Funds	26,124,263	-		
Domestic Fixed Income Investment Fund:				
Crescent Direct Lending Levered Fund	5,764,257	914,665	Indefinite	90 Days
LBC Credit Partners, IV, L.P. Fund	6,191,395	3,206,557	Indefinite	90 Days
EntrustPermal Special Opportunities Fund IV,				
LTD	1,109,829	3,941,818	Indefinite	90 Days
Total	13,065,481	8,063,040		
Total Investments Measured at NAV	<u>\$ 39,189,744</u>	<u>\$ 8,063,040</u>		

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

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

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loans (including first lien, unitranche and second lien loans) of private U.S. lower middle-market companies and in other permitted investments, including swap and hedging transactions; and

- To enter into and perform any contracts and agreements and carry on any activities necessary in the fund for, or incidental to, the accomplishment of the foregoing purpose.
- Investments in the fund are valued at cost or fair value on the most recent practicable date, less outstanding indebtedness incurred to acquire, or for the purpose of acquiring, the investments;

For commodities, valuation is based on the initial margin or option premium deposited with the futures commission merchant. Swap agreements and similar financial contracts are valued at fair value of cost (not notional amount).

“Fair Value” shall mean a) with respect to securities (other than marketable securities) that are traded in the interdealer market, external pricing sources, to the extent available, including broker/dealer quotes or pricing services, as determined in good faith by the general partner, b) with respect to marketable securities:

- That are primarily traded on a securities exchange, the closing sale price on the principal securities exchange on which they are traded on the date of determination or, if no sales occurred on such date, the mean between the closing bid and asked prices on such date and
- The principal market for which is or is deemed to be the over-the-counter market, the closing sales price on the date of determination as published by NASDAQ or any similar organization, or if such price is not so published on any such date, the mean between the closing bid and asked prices, if available, on such date, which prices may be obtained from any reputable pricing service broker or dealer.

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

LBC Credit Partners, IV, L.P. Fund

- The fund will originate and manage a diversified portfolio of secured, middle market loans to North American borrowers. LBC defines middle market companies as those with revenues of typically less than \$750 million EBITDA of \$5 million to \$50 million. LBC provides transitional capital fund acquisitions, refinancing, growth, recapitalizations, and turnarounds on a sponsored or unsponsored basis. LBC stresses cash flow sustainability and proven business models when selecting borrowers and prefers secured debt to unsecured debt and equity. While their strategy is industry agnostic, LBC avoids service companies with low competitive barriers and trends to avoid the retail, general distribution and real estate development sectors. Typical investments will range in size and maturity between \$10 million and \$50 million and three to seven years, respectively. The Fund will target 45-55 investments.
- LBC employs a value oriented investment approach; seeking to maximize current return while providing downside protection. As such, LBC intends to structure the majority of its investments as secured debt with either a first or second lien on the company's assets which provides the potential to create a recovery floor. LBC typically seeks to obtain all of the rights and remedies of a senior secured lender and in the case of a junior secured transaction, lien subordination rather than debt subordination so as to reduce the risk of payment blockage. LBC also focuses on negotiating strict inter-creditor provision that can limit debt layering and maximize their rights in the event of a bankruptcy.

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- 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 is a pooled investment fund dedicated exclusively to co-investments, which target high-conviction ideas that are catalyst-driven and/or designed to exploit market dislocations.
- EnTrustPermal launched its coinvestment program a decade ago, as it saw an opportunity to extract a premium by capitalizing on situations requiring longer-duration capital amidst the liquidity crunch of the global financial crisis. The program has since grown and expanded over 10-plus years, with opportunistic co-investments currently comprising over \$7.2 billion.
- EnTrustPermal launched the fourth iteration of its Special Opportunities Funds with a first tranche-close of approximately \$1 billion in commitments across 70 global investors. EnTrustPermal manages assets on behalf of a wide range of clients, including public pension funds, high net worth individuals, foundations and sovereign wealth funds.
- Given existing mandates and continued investor demand for co-investments in the alternative space, EnTrustPermal anticipates allocating additional capital to its co-investment strategy going forward.

Police Retirement Fund Investments

	September 30, 2020	Fair Value Measurement Using:		
		Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level				
U.S. Government Securities	\$ 34,786,461	\$ 3,133,769	\$ 31,652,692	\$ -
Corporate Bonds and Notes	40,863,804	-	40,863,804	-
Equity Securities - Common Stocks	152,821,176	152,821,176	-	-
REITs	929,192	929,192	-	-
Comingled Equity Funds	51,458,737	51,458,737	-	-
Total Investments by Fair Value Level	280,859,370	\$ 208,342,874	\$ 72,516,496	\$ -
Investments Measured at the Net Asset Value (NAV):				
Real Estate Funds	37,306,008			
Hedge Fund	10,457,636			
Total Investments Measured at NAV	47,763,644			
Money Market Funds (exempt)	5,874,194			
Total Investments	\$ 334,497,208			

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

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

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

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

The Fund’s valuation methods for investments measured at the net asset value (“NAV”) per share (or its equivalent) as of September 30, 2020 are as follows:

Investments Measured at NAV	Fair Value	Unfunded Commitments	Redemption Frequency	Notice Period
Real Estate Fund (1)	\$ 26,988,501	\$ -	Quarterly	90 Days
Real Estate Fund (2)	10,317,507	-	Quarterly	10 Days
Hedge Fund (3)	5,366,897	788,364	Quarterly	95 Days
Hedge Fund (4)	4,953,337		N/A	N/A
Hedge Fund (5)	137,402	4,862,598	N/A	N/A
Total Investments Measured at NAV	<u>\$ 47,763,644</u>	<u>\$ 5,650,962</u>		

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

(2) Real Estate Fund – This fund is an open-end, diversified core real estate commingled fund that invests primarily in core institutional office, retail, industrial, and multi-family properties located throughout the U.S. The investment is valued at NAV and its redemption must be received by the fund 10 days prior to quarter end.

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

CITY OF HOLLYWOOD, FLORIDA

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- (4) 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.
- (5) Hedge Fund – This fund seeks to generate long-term, consistent investor returns, predominantly in the form of income distributions, from direct lending and similar financing opportunities to vessel owners and operators, and other maritime businesses. The investment is valued at NAV and no redemptions are allowed.

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

	Governmental Activities					Net Total Accounts Receivable
	Taxes	Accounts	Reinsurance	Inter- governmental	Less: Allowance for Uncollectibles	
General	\$ 2,605,083	\$ 5,202,959	\$ -	\$ 4,085,373	\$ (3,170,838)	\$ 8,722,577
General Capital Projects	-	56,567	-	15,917	(6,500)	65,984
Beach Community Redevelopment	-	-	-	-	-	-
Downtown Community Redevelopment	-	175,967	-	-	(175,967)	-
Special Programs	-	-	-	130,473	-	130,473
Other Governmental	-	-	-	2,356,533	-	2,356,533
Internal Service	-	25,129	510,954	-	-	536,083
	<u>\$ 2,605,083</u>	<u>\$ 5,460,622</u>	<u>\$ 510,954</u>	<u>\$ 6,588,296</u>	<u>\$ (3,353,305)</u>	<u>\$ 11,811,650</u>
	Business-type Activities				Less: Allowance for Uncollectibles	Net Total Accounts Receivable
	Accounts	Assessments				
Water & Sewer Utility	\$ 16,696,167	\$ 934,198	\$ (2,500,168)	\$ 15,130,197		
Sanitation Enterprise	3,260,060	-	(644,883)	2,615,177		
Parking Enterprise	73,053	-	-	73,053		
Other Enterprise	1,157,590	-	(167,367)	990,223		
	<u>\$ 21,186,870</u>	<u>\$ 934,198</u>	<u>\$ (3,312,418)</u>	<u>\$ 18,808,650</u>		

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

	Deferred Inflows	Unearned
Local Business Taxes and Other Charges (General Fund)	\$ (2,211,950)	\$ -
Grant Revenue (General Capital Projects)	(15,917)	(32,635)
Deferred Grant and Contract Revenue(Special Programs Fund)	(21,395,160)	(5,996,044)
Deferred Grant and Contract Revenue (Nonmajor Funds)	(12,970,130)	(373,614)
Total Deferred Inflow/Unearned Revenue for Governmental Funds	<u>\$ (36,593,157)</u>	<u>\$ (6,402,293)</u>

CITY OF HOLLYWOOD, FLORIDA

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

	2020
GOVERNMENTAL ACTIVITIES:	
Housing Long-term Loans	\$ 33,010,482
Less: Allowance for Uncollectibles	(25,890,000)
Notes Receivable - Net	7,120,482
Downtown Community Redevelopment:	
Long-term Loans	\$ 3,500,000
Less: Allowance for Uncollectibles	(3,500,000)
Notes Receivable - Net	-
GOVERNMENTAL FUNDS:	
Special Program and SHIP Funds:	
Long-term Loans	33,010,482 (a)
	33,010,482
Less: Allowance for Uncollectibles	(585,678)
Notes Receivable - Net	32,424,804
Total Notes Receivable - Net	\$ 32,424,804

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

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E. CAPITAL ASSETS – Capital asset activity for the fiscal year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 40,650,546	\$ -	\$ -	\$ -	\$ 40,650,546
Construction in Progress	16,170,855	2,671,921	5,774,743	-	13,068,033
Total Capital Assets, Not Being Depreciated	<u>56,821,401</u>	<u>2,671,921</u>	<u>5,774,743</u>	<u>-</u>	<u>53,718,579</u>
Capital Assets, Being Depreciated:					
Buildings and Improvements	189,167,922	5,156,638	-	-	194,324,560
Machinery and Equipment	82,257,549	10,305,935	5,416,722	-	87,146,762
Infrastructure	105,848,914	942,244	242,221	-	106,548,937
Total Capital Assets, Being Depreciated	<u>377,274,385</u>	<u>16,404,817</u>	<u>5,658,943</u>	<u>-</u>	<u>388,020,259</u>
Less Accumulated Depreciation For:					
Buildings and Improvements	117,038,222	6,876,466	-	-	123,914,688
Machinery and Equipment	60,670,062	5,775,295	5,413,791	-	61,031,566
Infrastructure	81,545,050	1,303,737	-	-	82,848,787
Total Accumulated Depreciation	<u>259,253,334</u>	<u>13,955,498 (1)</u>	<u>5,413,791</u>	<u>-</u>	<u>267,795,041</u>
Total Capital Assets, Being Depreciated - Net	<u>118,021,051</u>	<u>2,449,319</u>	<u>245,152</u>	<u>-</u>	<u>120,225,218</u>
Governmental Activities Capital Assets - Net	<u>\$ 174,842,452</u>	<u>\$ 5,121,240</u>	<u>\$ 6,019,895</u>	<u>\$ -</u>	<u>\$ 173,943,797</u>

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

Governmental Activities:	
General Government	\$ 1,344,936
Public Safety - Police	452,439
Public Safety - Fire	1,535,355
Other Public Safety	17,066
Public Works	1,547,336
Transportation	18,328
Economic Environment	6,533
Physical Environment	2,833,361
Culture and Recreation	2,841,150
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	3,358,994
Total Governmental Activities Depreciation Expense	<u>\$ 13,955,498</u>

For the current year, governmental funds contributed \$1.0 million in vehicles and equipment to the Central Services Fund and \$0.3 million in Parking Garage improvements to the Parking Fund. The Water and Sewer Fund also contributed \$90,000 in Vehicles and Equipment to the Central Services Fund. Other Enterprise Funds contributed \$165,000 in Vehicles and Equipment to the Central Services Fund. The Central Services Fund contributed \$0.5 million in various equipment to the governmental funds. At the government wide level, all capital contributions are accounted for in the transfers line item.

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CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 6,285,499	\$ -	\$ -	\$ -	\$ 6,285,499
Construction in Progress	<u>38,739,235</u>	<u>46,171,925</u>	<u>40,931,592</u>	<u>-</u>	<u>43,979,568</u>
Total Capital Assets, Not Being Depreciated	<u>45,024,734</u>	<u>46,171,925</u>	<u>40,931,592</u>	<u>-</u>	<u>50,265,067</u>
Capital Assets, Being Depreciated:					
Buildings and Systems	704,220,595	30,579,135	-	-	734,799,730
Machinery and Equipment	<u>9,187,474</u>	<u>342,259</u>	<u>498,182</u>	<u>(1,012)</u>	<u>9,030,539</u>
Total Capital Assets, Being Depreciated	<u>713,408,069</u>	<u>30,921,394</u>	<u>498,182</u>	<u>(1,012)</u>	<u>743,830,269</u>
Less Accumulated Depreciation For:					
Buildings and Systems	389,397,293	20,050,618	-	-	409,447,911
Machinery and Equipment	<u>7,261,101</u>	<u>581,303</u>	<u>497,138</u>	<u>(1,012)</u>	<u>7,344,254</u>
Total Accumulated Depreciation	<u>396,658,394</u>	<u>20,631,921</u> (1)	<u>497,138</u>	<u>(1,012)</u>	<u>416,792,165</u>
Total Capital Assets, Being Depreciated - Net	<u>316,749,675</u>	<u>10,289,473</u>	<u>1,044</u>	<u>-</u>	<u>327,038,104</u>
Business-type Activities Capital Assets - Net	<u>\$ 361,774,409</u>	<u>\$ 56,461,398</u>	<u>\$ 40,932,636</u>	<u>\$ -</u>	<u>\$ 377,303,171</u>

(1) In the business type activities \$1,650,900 of the cost of construction in progress was not capitalized.

Business-type Activities:	
Water and Sewer	18,096,311
Sanitation	605
Parking	2,136,387
Nonmajor Enterprise Funds	398,618
Total Business-type Activities Depreciation Expense	<u>\$ 20,631,921</u>

F. CONSTRUCTION COMMITMENTS – The City has outstanding commitments for construction and acquisition of capital assets. These commitments were fully funded through bond proceeds and other reserves for the respective funds at September 30, 2020:

General Capital Projects	\$ 2,172,108
2019 GOB Capital Projects	1,470,575
Gas Tax	154,547
Beach Community Redevelopment	1,966,388
Downtown Community Redevelopment	995
Water and Sewer Utility	57,018,813
Nonmajor Enterprise Funds	250,296
	<u>\$ 63,033,722</u>

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G. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS – The composition of interfund balances as of September 30, 2020, is as follows:

Due From	Due to:		
	General Fund	Downtown Community Redevelopment Agency	Total
Special Programs Fund	\$ -	\$ 144,000	\$ 144,000
Police Grants Fund	179,140	-	179,140
Emergency and Disaster Fund	5,512,173	-	5,512,173
Golf Enterprise Fund	2,086,318	-	2,086,318
Total Due From	\$ 7,777,631	\$ 144,000	\$ 7,921,631

The above mainly represents cash advanced by the General Fund to other Funds which are outstanding at September 30, 2020.

	Transfers In:							Total Transfers Out
	General Fund	General Capital Projects Fund	Nonmajor Governmental Funds	Water and Sewer Utility	Sanitation Fund	Nonmajor Enterprise Funds	Internal Service Funds	
Transfers Out:								
General Fund	\$ -	\$ 9,679,550	\$ 5,248,284	\$ -			\$ 2,073,481	\$ 17,001,315
General Capital Projects Fund	-	-	-	-	604,107	3,990	3,000	611,097
Special Programs Fund	10,000	-	211,162	-	-	-	-	221,162
Nonmajor Governmental Funds	379,173	-	187,702	-	-	-	-	566,875
Water and Sewer Utility	4,867,463	-	-	-	-	-	770,100	5,637,563
Sanitation Enterprise Fund	10,025	-	-	-	-	-	55,300	65,325
Parking Enterprise Fund	284,561	-	-	-	-	-	82,500	367,061
Nonmajor Enterprise Funds	132,384	-	-	350,882	-	-	-	483,266
Internal Service Funds	344,440	-	32,582	-	-	-	-	377,022
Total Transfers In	\$ 6,028,046	\$ 9,679,550	\$ 5,679,730	\$ 350,882	\$ 604,107	\$ 3,990	\$ 2,984,381	\$ 25,330,686

Bond covenants and City financial policies require use of interfund transfers to move financial resources from funds designated to receive them to funds required to expend them. Business-type fund payments-in-lieu of taxes are also reported as interfund transfers to the General Fund. The \$9.68 million transfer between the General Fund and the General Capital Project Fund is to fund capital projects. The \$5.68 million transferred into the Nonmajor Governmental Funds represents transfers for debt service. The \$6.03 million of transfers into the General Fund were primarily to offset administrative costs. The \$2.98 million transferred into the Internal Service Funds are primarily to fund capital asset acquisitions.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
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H. CAPITAL LEASES – The City has entered into master lease purchase agreements and other lease agreements as lessee for financing the acquisition of fleet vehicles, equipment and other improvements. The value of assets acquired under capital leases totals approximately \$19.6 million which is comprised of approximately \$12.7 million in gross value and \$2.7 million in net book value of equipment and approximately \$6.9 million in gross value and \$2.3 million in net book value of improvements. Future minimum lease payments and the present value of net minimum lease payments as of September 30, 2020 are as follows:

Fiscal Year	Minimum Lease Payments	
	Governmental Activities	Business-type Activities
2021	\$ 1,396,395	\$ 684,256
2022	1,265,368	708,022
2023	843,956	725,928
2024	740,097	747,706
Total Minimum Lease Payments	4,245,816	2,865,912
Less: Amount Representing Interest	(300,201)	(232,539)
Present Value of Net Minimum Lease Payments	\$ 3,945,615	\$ 2,633,373

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
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- I. LONG-TERM DEBT – Summarized below are the City’s debt issued to finance the acquisition and construction of major capital facilities that were outstanding as of September 30, 2020:

1. GOVERNMENTAL ACTIVITIES DEBT:

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

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

Fiscal Year ending September 30,	Principal	Interest	Total
2021	\$ 2,729,000	\$ 910,982	\$ 3,639,982
2022	2,813,000	831,295	3,644,295
2023	2,892,000	749,155	3,641,155
2024	2,977,000	664,709	3,641,709
2025	3,062,000	577,780	3,639,780
2026-2030	16,725,000	1,493,580	18,218,580
	<u>\$ 31,198,000</u>	<u>\$ 5,227,501</u>	<u>\$ 36,425,501</u>

- \$8,595,000 PNC Bank Refunding Revenue Note, Series 2017 – Note was issued on February 3, 2017 for the purpose of refunding, on a current basis, the outstanding Series 2012 FFGFC Refunding Revenue Bonds. Note was issued with the same terms and conditions as the bonds with bi-annual payments starting July 1, 2017 through maturity on July 1, 2022. The interest rate on the note is fixed at 2.60% per annum. There was no economic gain from the refunding. Interest rate on these borrowings was 1.90% at September 30, 2020. In the event of default of payment, covenant, bankruptcy, or compliance with notice requirements, the outstanding principal and accrued interest is immediately due.
- Annual debt service requirements to maturity for the PNC Refunding Revenue Note, Series 2017:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 1,250,000	\$ 65,780	\$ 1,315,780
2022	1,280,000	33,280	1,313,280
	<u>\$ 2,530,000</u>	<u>\$ 99,060</u>	<u>\$ 2,629,060</u>

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
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- \$6,515,000 Pinnacle Public Finance, Inc. Refunding Revenue Note, Series 2017 – Note was issued on February 3, 2017 for the purpose of refunding, on a current basis, the outstanding Series 2014 FFGFC Refunding Revenue Bonds. Note was issued with the same terms and conditions as the bonds with bi-annual payments starting July 1, 2017 through maturity on July 1, 2024, resulting in no economic gain. The interest rate on the note is fixed at 2.37% per annum. Interest rate on these borrowings was 1.90% at September 30, 2020. In the event of default of payment, covenant, bankruptcy, or compliance with notice requirements, the outstanding principal and accrued interest is immediately due.
- Annual debt service requirements to maturity for the Pinnacle Public Finance Refunding Revenue Note, Series 2017:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 745,000	\$ 73,233	\$ 818,233
2022	765,000	55,577	820,577
2023	780,000	37,446	817,446
2024	800,000	18,960	818,960
	<u>\$ 3,090,000</u>	<u>\$ 185,216</u>	<u>\$ 3,275,216</u>

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 1,276,472	\$ 1,502,237	\$ 2,778,709
2022	1,339,397	1,438,413	2,777,810
2023	2,593,395	1,371,443	3,964,838
2024	2,723,739	1,241,773	3,965,512
2025	3,591,201	1,105,586	4,696,787
2026-2030	16,387,381	2,968,246	19,355,627
2031-2034	3,555,243	106,657	3,661,900
	<u>31,466,828</u>	<u>9,734,355</u>	<u>41,201,183</u>
Premium/(Discount)	3,915,958	-	3,915,958
	<u>\$ 35,382,786</u>	<u>\$ 9,734,355</u>	<u>\$ 45,117,141</u>

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CITY OF HOLLYWOOD, FLORIDA

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- \$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
2021	\$ 6,035,000	\$ 1,149,625	\$ 7,184,625
2022	6,335,000	840,375	7,175,375
2023	6,655,000	515,625	7,170,625
2024	6,985,000	174,625	7,159,625
	<u>26,010,000</u>	<u>2,680,250</u>	<u>28,690,250</u>
Premium/(Discount)	1,207,214	-	1,207,214
	<u>\$ 27,217,214</u>	<u>\$ 2,680,250</u>	<u>\$ 29,897,464</u>

- \$33,500,000 Community Redevelopment Agency Loans – Loans committed to fund certain redevelopment projects and/or redevelopment incentives of the Downtown Community Redevelopment Agency as approved by its governing board. The DCRA has pledged its tax increment revenues for repayment of these loans. The interest rates on \$2,500,000, \$4,000,000 and \$2,000,000 of these loans are fixed at 5.44%, 5.61% and 2.84%. The loans mature in November 2022 and August 2024. The interest rates on the remaining outstanding borrowings are variable and equal to the one month London Interbank Offered Rate (LIBOR) as published periodically in the Wall Street Journal plus 1.75%. Interest rate on these borrowings was 1.90% at September 30, 2020. In the event of default of payment, covenant, bankruptcy, or compliance with notice requirements, the outstanding principal and accrued interest is immediately due. For the \$2,000,000, upon default, the loan’s interest rate will increase to the maximum allowed per law. In addition, a late fee of 4.00% may be applied to late payments. For the \$4,000,000 loan, upon default, a late fee of 0.10% may be applied to payments due but not paid. For each of the loans, the outstanding balance of the obligation may be declared immediately due and payable upon default.

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

Fiscal Year ending September 30,	Principal	Interest	Total
2021	\$ 1,696,667	\$ 220,481	\$ 1,917,148
2022	1,706,667	113,003	1,819,670
2023	686,667	23,644	710,311
2024	354,998	7,596	362,594
	<u>\$ 4,444,999</u>	<u>\$ 364,724</u>	<u>\$ 4,809,723</u>

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

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

At September 30, 2020, the underlying swap with Bank of America had a fair value of (\$201,683). The notional value of \$3,075,000 of this borrowing is included in bonds, loans and leases payable in the statement of net position. This fair value was obtained from the counterparty's mark to market report submitted to the DCRA.

The swap counterparty's ratings at September 30, 2020 by Moody's/Standard and Poor's were A2/A-. The DCRA will have a market breakage risk if it decides to unwind the swap in a lower rate environment. The transaction has no basis risk since the swap payments the DCRA receives match the payments it is making on the underlying loan and both use the same index. There is no tax risk since the swap is indexed to LIBOR, a taxable index.

Using rates at September 30, 2020, the debt service requirements of the DCRA's variable-rate debt and related swap are as follows. As rates vary, variable-rate bond interest payments will vary.

Fiscal Year Ending September 30,	Swap Rate			
	Principal	Interest	Interest	Total
2021	\$ 1,366,667	\$ 91,650	\$ 73,532	\$ 1,531,849
2022	1,366,667	38,001	30,489	1,435,157
2023	341,665	1,118	897	343,680
	<u>\$ 3,074,999</u>	<u>\$ 130,769</u>	<u>\$ 104,918</u>	<u>\$ 3,310,686</u>

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- \$5,585,000 U.S. Department of Housing and Urban Development Section 108 Loan Guarantee Program (HUD Section 108 Loans) – Funds committed to finance several major housing rehabilitation programs anticipated and/or underway in the City. Funds may be used only for payment of approved HUD Section 108 activity costs. The initial variable interest rate on this borrowing is set on the first day of each month at twenty (20) basis points above the LIBOR – three months as published on that day in the Wall Street Journal or certain other recognized financial publications. Interest on the unpaid principal balance is due and payable quarterly on the first day of February, May, August and November. Interest rate on this borrowing was approximately 0.43% at September 30, 2020. Annual principal payments continue through maturity on August 1, 2021. In the event of default of payment, the U.S. Department of Housing and Urban Development may withhold grant funds owed to the City.

Fiscal Year Ending September 30, 2021	Principal	Interest	Total
	\$ 200,000	\$ 882	\$ 200,882
	<u>\$ 200,000</u>	<u>\$ 882</u>	<u>\$ 200,882</u>

- \$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, 2020 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 City must pay to the Paying Agent, Registrar, or Holders of the Bonds not less than 25.00% of the outstanding principal. The purpose of the bonds are to fund capital projects relating to:
 - Neighborhood Infrastructure and Resiliency Projects -\$15,398,905
 - Public Safety Projects - \$12,853,297
 - Parks, Open Space, Golf and Recreational and Cultural Arts - \$41,747,798 and
 - Issuance costs \$737,757

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 1,360,000	\$ 2,542,600	\$ 3,902,600
2022	1,425,000	2,474,600	3,899,600
2023	1,495,000	2,403,350	3,898,350
2024	1,570,000	2,328,600	3,898,600
2025	1,655,000	2,250,100	3,905,100
2026-2030	9,570,000	9,926,500	19,496,500
2031-2035	12,120,000	7,359,650	19,479,650
2036-2040	14,830,000	4,654,200	19,484,200
2041-2044	14,140,000	1,442,000	15,582,000
	<u>58,165,000</u>	<u>35,381,600</u>	<u>93,546,600</u>
Premium/(Discount)	10,137,020	-	10,137,020
	<u>\$ 68,302,020</u>	<u>\$ 35,381,600</u>	<u>\$ 103,683,620</u>

- \$11,700,000 Series 2020A and Series 2020B Capital Improvement Revenue Bonds – On May 20, 2020, the City issued the Series 2020A and Series 2020B Capital Improvement Revenue Bonds. The bond 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

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the bonds equals 2.34% for Series 2020A to 2.27% for Series 2020B. The purpose of the bonds are to fund capital projects.

Annual debt service requirements to maturity for the Series 2020A and Series 2020B Capital Improvement Revenue Bonds:

Fiscal Year Ending:	Capital Improvement Revenue & Refunding Bonds, 2020A			Capital Improvement Revenue & Refunding Bonds, 2020B		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 831,705	\$ 202,805	\$ 1,034,510	\$ 335,339	\$ 51,940	\$ 387,279
2022	851,339	183,172	1,034,511	343,016	44,263	387,279
2023	871,436	163,075	1,034,511	350,869	36,410	387,279
2024	892,007	142,504	1,034,511	358,902	28,377	387,279
2025	913,064	121,447	1,034,511	367,119	20,160	387,279
2026-2030	4,617,703	273,699	4,891,402	658,022	14,941	672,963
	<u>\$ 8,977,254</u>	<u>\$ 1,086,702</u>	<u>\$ 10,063,956</u>	<u>\$ 2,413,267</u>	<u>\$ 196,091</u>	<u>\$ 2,609,358</u>

2. BUSINESS-TYPE ACTIVITIES DEBT:

- \$47,160,000 Water and Sewer Refunding Revenue Bonds, Series 2014 – On November 25, 2014 the City issued Water and Sewer Refunding Revenue Bonds, Series 2014. The bonds were issued for the purpose of providing funds to refund and defease the outstanding Series 2003 Water and Sewer Refunding and Improvement Revenue Bonds and to pay issuance costs and other costs. The bonds mature of September 30, 2023 and are collateralized by a pledge of utility system revenues and carry interest rates from 2.0% to 5.0%. In the event of default of payments, covenants, or bankruptcy existing for more than 30 days, the City must pay to the Paying Agent, Registrar, or Holders of the Bonds not less than 10.00% of the outstanding principal.
- Annual debt service requirements to maturity for the Water and Sewer Refunding Revenue Bonds Series 2014:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 5,710,000	\$ 864,000	\$ 6,574,000
2022	5,990,000	578,500	6,568,500
2023	5,580,000	279,000	5,859,000
	17,280,000	1,721,500	19,001,500
Premium/(Discount)	1,127,085	-	1,127,085
	<u>\$ 18,407,085</u>	<u>\$ 1,721,500</u>	<u>\$ 20,128,585</u>

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

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than 30 days, the City must pay to the Paying Agent, Registrar, or Holders of the Bonds not less than 10.00% of the outstanding principal.

Annual debt service requirements to maturity for the Water and Sewer Improvement Revenue Bonds Series 2010:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 1,390,000	\$ 2,885,161	\$ 4,275,161
2022	1,445,000	2,802,372	4,247,372
2023	1,505,000	2,714,863	4,219,863
2024	1,575,000	2,608,791	4,183,791
2025	1,650,000	2,497,785	4,147,785
2026-2030	9,490,000	10,630,366	20,120,366
2031-2035	11,960,000	6,905,761	18,865,761
2036-2040	11,790,000	2,170,917	13,960,917
	<u>\$ 40,805,000</u>	<u>\$ 33,216,016</u>	<u>\$ 74,021,016</u>

- \$77,030,452 State of Florida Revolving Fund Loans – Funds borrowed and outstanding to finance the construction of a reuse wastewater system and new water supply wellfields. Currently, the State has committed to loan the City a total of approximately \$87.3 million for qualifying projects under this loan program. The loans are collateralized by a pledge of the reuse system and utility system revenues. The final loan matures on December 15, 2040. Interest accrues at rates of 1.21% and 3.34% annually. Interest rate on these borrowings was 1.90% at September 30, 2020. In the event of default of payment, covenant, bankruptcy, or compliance with notice requirements, the loans may be accelerated at a rate of 1.667 times the financing rate.

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

Fiscal Year Ending September 30,	Principal	Interest	Total
2020	\$ 6,001,298	\$ 1,190,987	\$ 7,192,285
2021	6,299,009	1,172,513	7,471,522
2022	6,726,063	1,068,956	7,795,019
2023	6,266,460	929,355	7,195,815
2024	5,517,741	798,471	6,316,212
2025-2029	19,569,580	2,640,111	22,209,691
2030-2034	16,553,563	1,255,913	17,809,476
2035-2039	8,446,517	306,435	8,752,952
2040-2041	1,650,221	14,769	1,664,990
	<u>\$ 77,030,452</u>	<u>\$ 9,377,510</u>	<u>\$ 86,407,962</u>

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

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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
2021	\$ 143,528	\$ 168,913	\$ 312,441
2022	150,603	161,737	312,340
2023	291,605	154,207	445,812
2024	306,261	139,627	445,888
2025	403,799	124,314	528,113
2026-2030	1,842,619	333,754	2,176,373
2031	399,757	11,993	411,750
	<u>3,538,172</u>	<u>1,094,545</u>	<u>4,632,717</u>
Premium/(Discount)	575,387	-	575,387
	<u>\$ 4,113,559</u>	<u>\$ 1,094,545</u>	<u>\$ 5,208,104</u>

\$4,090,122 Promissory Note, Series 2009A – Funds were borrowed to refinance an existing variable rate loan outstanding. Funds were originally borrowed to finance the acquisition and construction of two public parking garages in the City's downtown area. Principal and interest payments are due annually beginning December 1, 2009 through maturity on December 2, 2020. The interest rate on the note is fixed at 6.46%. In the event of default of payment, covenant, bankruptcy, or compliance with notice requirements, the outstanding principal and accrued interest is immediately due.

Annual debt service requirements to maturity for the Promissory Note, Series 2009A:

Fiscal Year Ending September 30,	Principal	Interest	Total
2021	\$ 481,029	\$ 31,074	\$ 512,103
	<u>\$ 481,029</u>	<u>\$ 31,074</u>	<u>\$ 512,103</u>

3. BOND RESOLUTION AND GENERAL DEFAULT TERMS

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

4. LINES OF CREDIT

The City has an emergency line of credit with City National Bank in the amount of \$10 million. The line of credit was unused as of and during the fiscal year ended September 30, 2020.

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CITY OF HOLLYWOOD, FLORIDA

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5. CHANGES IN LONG-TERM LIABILITIES – The following is a summary of changes in the long-term liabilities for the year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Loans Payable:					
Indirect Borrowings:					
General Obligation					
Notes, Series 2015	\$ 33,855,000	\$ -	\$ 2,657,000	31,198,000	\$ 2,729,000
Capital Improvement					
Bonds, Series 2016A	32,550,031	-	1,083,203	31,466,828	1,276,472
General Obligation Bond,					
Series 2019	60,045,000	-	1,880,000	58,165,000	1,360,000
Redevelopment Revenue					
Bonds	31,755,000	-	5,745,000	26,010,000	6,035,000
Bond Premium/(Discount)	17,073,261	-	1,872,895	15,200,366	1,847,640
Total Indirect Borrowings	<u>175,278,292</u>	<u>-</u>	<u>13,238,098</u>	<u>162,040,194</u>	<u>13,248,112</u>
Direct Borrowings:					
Redevelopment Loans	6,131,666	-	1,686,667	4,444,999	1,696,667
HUD Section 108 Loans	200,000	-	-	200,000	200,000
PNC Refunding Note,					
Series 2017	3,745,000	-	1,215,000	2,530,000	1,250,000
Pinnacle Refunding Note,					
Series 2017	3,975,000	-	885,000	3,090,000	745,000
Bank Loan Series 2020	-	11,700,000	309,479	11,390,521	1,167,044
Total Direct Borrowing	<u>14,051,666</u>	<u>11,700,000</u>	<u>4,096,146</u>	<u>21,655,520</u>	<u>5,058,711</u>
Total Bonds, Notes and Loans Payable	<u>189,329,958</u>	<u>11,700,000</u>	<u>17,334,244</u>	<u>183,695,714</u>	<u>18,306,823</u>
Other Liabilities:					
Compensated Absences	14,623,502	10,343,928	9,553,004	15,414,426	9,551,738
Claims and Judgments	14,403,825	33,912,649	34,033,886	14,282,588	14,282,588
Capital Lease Obligations	5,942,677	-	1,997,062	3,945,615	906,243
Other Liabilities	300,000	12,653,048	1,747,448	11,205,600	3,666,208
Other Postemployment					
Benefits Liability	608,489,035	-	167,349,149	441,139,886	-
Net Pension Liability					
General	128,254,766	37,272,423	-	165,527,189	-
Police	176,714,224	54,144,812	-	230,859,036	-
Fire	141,344,362	37,742,173	-	179,086,535	-
FRS	1,077,319	224,735	-	1,302,054	-
Total Other Liabilities	<u>1,091,149,710</u>	<u>186,293,768</u>	<u>214,680,549</u>	<u>1,062,762,929</u>	<u>28,406,777</u>
Total Governmental Activities Long-term Liabilities	<u>\$ 1,280,479,668</u>	<u>\$ 197,993,768</u>	<u>\$ 232,014,793</u>	<u>\$ 1,246,458,643</u> *	<u>\$ 46,713,600</u>

* Variance between long-term liability on Statement of Net Position and this note is due to fair value of the DCRA swap agreement related to Series 2006A Promissory Note of (\$201,683).

Payments on the bonds and loans payable that pertain to the City's governmental activities are made by the Debt Service Fund, except for the capital lease obligations, which are being repaid directly from an Internal Service Fund and other funds. The compensated absences liability attributable to governmental activities will be liquidated primarily by the General Fund. The General Fund comprises 91% of the governmental activities compensated absences.

The claims and judgments liability is generally liquidated through the City's Insurance Internal Service Fund (See Note III.C). That fund finances the payment of claims by charging other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds. Currently, the General Fund and Water and Sewer Utility bear approximately 76% and 16% 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, 2020

The General Fund has been used to liquidate on average approximately 60% of the City's General Employees' net pension liability and 100% of the Police and Fire Pensions. Required contributions for the City's other postemployment benefit obligations are based on a pay-as-you-go basis of which approximately 77% is assigned to the General Fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Bonds and Loans Payable:					
Indirect Borrowings:					
Water and Sewer					
Revenue Bonds, Series 2014 (a)	\$ 22,715,000	\$ -	\$ 5,435,000	\$ 17,280,000	\$ 5,710,000
Water and Sewer					
Revenue Bonds, Series 2010 (a)	42,140,000	-	1,335,000	40,805,000	1,390,000
Capital Improvement					
Revenue and Refunding Bonds, Series 2016 (a)	3,659,969	-	121,797	3,538,172	143,528
Bond Premium/Discount	2,500,338	-	819,586	1,680,752	648,754
Total Indirect Borrowings	<u>71,015,307</u>	<u>-</u>	<u>7,711,383</u>	<u>63,303,924</u>	<u>7,892,282</u>
Direct Borrowing:					
Promissory Note	932,866	-	451,837	481,029	481,029
State Revolving Loans	61,525,891	22,131,801	6,627,240	77,030,452	6,001,298
Total Direct Borrowings	<u>62,458,757</u>	<u>22,131,801</u>	<u>7,079,077</u>	<u>77,511,481</u>	<u>6,482,327</u>
Total Bonds, Notes and Loans Payable	<u>133,474,064</u>	<u>22,131,801</u>	<u>14,790,460</u>	<u>140,815,405</u>	<u>14,374,609</u>
Other Liabilities:					
Compensated Absences	2,018,572	1,537,311	1,408,399	2,147,484	1,408,339
Capital Lease Obligations	3,179,152	-	545,779	2,633,373	588,077
Other Liabilities	-	5,413,787	747,672	4,666,115	1,568,639
Other Postemployment					
Benefits Liability	125,476,876	-	35,930,159	89,546,717	-
Net Pension Liability	<u>57,811,235</u>	<u>16,538,435</u>	<u>893,917</u>	<u>73,455,753</u>	<u>-</u>
Total Other Liabilities	<u>188,485,835</u>	<u>23,489,533</u>	<u>39,525,926</u>	<u>172,449,442</u>	<u>3,565,055</u>
Total Business-Type Activities Long-term Liabilities	<u>\$ 321,959,899</u>	<u>\$ 45,621,334</u>	<u>\$ 54,316,386</u>	<u>\$ 313,264,847</u>	<u>\$ 17,939,664</u>

These amounts are reflected in the financial statements net of unamortized premium/discount of \$1,680,752.

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

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

7. Pension Settlement - On December 10, 2019, the City and the General Employee's Pension Board settled a dispute relating to supplemental pension distributions. The terms call for the City to pay the Board the supplemental distributions plus interest from FY 2021 through FY 2025. Interest is accrued based on the Board's long-term discount rate (7.5%). The City elected to prepay a portion of the fiscal year 2021 contribution during fiscal year 2020. Below is a breakdown of the applicable payout schedule:

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government
2021	\$ 3,666,208	\$ 1,568,639	\$ 5,234,847
2022	1,618,493	692,495	2,310,988
2023	1,739,880	744,432	2,484,312
2024	1,870,371	800,265	2,670,636
2025	2,010,648	860,284	2,870,932
	<u>\$ 10,905,600</u>	<u>\$ 4,666,115</u>	<u>\$ 15,571,715</u>

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

8. PLEDGED REVENUE – General long-term debt bonds/notes are collateralized by multiple sources. For example, the general obligation note is secured by ad valorem taxes on all taxable property within the City and the full faith and credit and taxing power of the City. The City has pledged certain revenue to repay certain bonds and loans outstanding as of September 30, 2020.

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, 2020:

Bond/Loan Description	Pledged Revenue	Revenue Received	Principal and Interest Paid	Outstanding Principal and Interest	Pledged Through
Governmental Activities:					
General Obligation Note, Series 2015	Ad Valorem Revenues	\$ 111,281,205	\$ 3,645,566	\$ 31,198,000	2030
Capital Improvement Revenue & Refunding Bonds, Series 2016	Half Cent Sales Tax & Simplified Communications Tax Revenues	13,741,909	2,639,600	31,466,828	2031
BCRA Redevelopment Revenue Bonds, Series 2015	Increment Tax Revenues Designated Non-Ad Valorem Revenues *	25,267,901 55,459,036	71,489,125	26,010,000	2024
DCRA Redevelopment Revenue Loans, Series 2002 to 2013	Increment Tax Revenues	20,780,845	2,015,080	4,444,999	2024
HUD Section 108 Loans	CDBG Grant Allocation and Program Revenue	1,527,822	4,664	200,000	2021
PNC Refunding Revenue Note, Series 2017	Non-Ad Valorem Revenues	112,785,225	1,312,370	2,530,000	2022
Pinnacle Refunding Revenue Note, Series 2017	Non-Ad Valorem Revenues	112,785,225	979,208	3,090,000	2024
General Obligation Notes, Series 2019	Ad Valorem Revenues	111,281,205	3,894,069	58,165,000	2044
Series 2020 Capital Improvement Bond	Local Business Tax	4,660,581	261,020	11,390,521	2030
Business-type Activities:					
Water and Sewer Revenue Bonds, Series 2014	Utility Revenues	104,090,392	6,570,750	17,280,000	2023
Water and Sewer Revenue Bonds, Series 2010	Utility Revenues	104,090,392	4,296,336	40,805,000	2039
State Revolving Fund Loans	Reuse System and Utility Revenues	112,785,225	8,345,395	77,030,452	2042
Capital Improvement Revenue & Refunding Bonds, Series 2016	Half Cent Sales Tax & Simplified Communications Tax Revenues	13,741,909	296,800	3,538,172	2031
Promissory Note, Series 2009A	Non-Ad Valorem Revenues	112,785,225	512,101	481,029	2021

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

J. NONEXCHANGE FINANCIAL GUARANTEES – On January 23, 2014, the City of Hollywood (City) entered into a 32 year guarantee agreement with the Hollywood Beach Community Development District 1 (District) when the District issued its \$36,395,000 Taxable Revenue Bonds (Public Parking Facilities Project), Series 2014 (Bonds). The District is a legally separate district encompassing approximately 5.13 acres located within the City of Hollywood and was established by Ordinance O-2011-21 of the City effective June 1, 2011 pursuant to the provisions of Chapter 190, Florida Statutes. The bonds were issued for the purpose of funding a public parking garage. The bonds' interest rate varies from 5.00% to 6.25% with interest being paid semi-annual on April 1 and October 1 of each year and with principal payments on October 1 of each year (except for 2014, 2015 and 2016 whereby interest only was paid). Debt payments started in October 2014 until final payment in October 2045. Funding for the debt service is provided by the District's parking revenue, public user fees contracted with the developer of the property, and the District can special assess the Developer's property if such parking fees and user fees are not sufficient. In the event that the District does not have sufficient funds to service the Bonds, the

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

City will fund any deficiency in the debt service reserve fund from legally available non ad valorem revenues.

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

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

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

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

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

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

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

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, 2020.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

The following table shows the City's fund balance classifications for its governmental funds as of September 30, 2020:

	Major Funds						Other Governmental Funds
	General	General Capital Projects	2019 GOB Capital Project	Beach Community Redevelopment	Downtown Community Redevelopment	Special Programs	
Nonspendable:							
Inventory	\$ 58,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Items	-	-	3,024,357	-	-	-	-
Nonspendable Fund Balance	58,304	-	3,024,357	-	-	-	-
Restricted for:							
Assets Held for Sale	-	-	-	-	-	201,926	-
Debt Covenants	-	-	-	6,727,806	-	-	463,170
Grants & Special Programs	-	626,889	-	8,105,293	-	6,205,877	493,928
Public Safety Projects	-	1,303,230	4,966,929	181,820	-	-	2,651,688
Transportation Projects	-	2,391,082	-	318,899	-	-	6,492,608
Redevelopment Projects	-	-	-	14,340,696	8,865,715	-	-
Park Improvements & Renovations	-	-	40,742,859	-	-	-	-
Building Operations	12,774,006	-	-	-	-	-	-
Neighborhood and Infrastructure	-	-	15,346,513	-	-	-	-
Other Capital Projects	-	1,619,507	4,185,701	-	-	-	-
Restricted Fund Balance	12,774,006	5,940,708	65,242,002	29,674,514	8,865,715	6,407,803	10,101,394
Committed to:							
Economic Stabilization	10,955,201	-	-	-	-	-	-
General Capital Project	-	7,210,167	-	-	-	-	-
Public Safety Projects	-	1,485,215	-	-	-	132,826	-
Transportation Project	-	2,179,853	-	-	-	-	-
Park and Improvement Projects	-	1,387,167	-	-	-	-	-
Committed Fund Balance	10,955,201	12,262,402	-	-	-	132,826	-
Subsequent Years' Budget	5,774,336	-	-	-	-	-	-
Encumbrances	683,629	-	-	-	-	-	-
Assets Held for Sale	-	730,590	-	-	-	-	-
General Government	-	321,297	-	-	-	-	-
Public Safety Projects	-	3,236	-	-	-	29,058	-
Physical Environment	-	279,409	-	-	-	-	-
Culture and Recreation Projects	-	50,056	-	-	-	-	-
Transportation Projects	-	991,714	-	-	-	-	-
Other Capital Projects	-	903,896	-	-	-	-	-
Future Debt Service	-	-	-	-	-	-	1,476,912
Assigned Fund Balance	6,457,965	3,280,198	-	-	-	29,058	1,476,912
Unassigned	49,198,376	-	-	-	-	-	(5,163,324)
Total Fund Balances	\$ 79,443,852	\$ 21,483,308	\$ 68,266,359	\$ 29,674,514	\$ 8,865,715	\$ 6,569,687	\$ 6,414,982

- L. DEFICIT NET POSITION/FUND BALANCE OF INDIVIDUAL FUNDS – Net position deficit in the Central Services Fund continues to exist due to a net pension liability of \$25.5 million in FY 2020, and total other postemployment benefit liability of \$17.7 million in FY 2020. Management will continue to evaluate the operations in the Central Services Fund in the future and take necessary steps to improve the net position of the fund.

The net position deficit in the Sanitation fund is primarily related to long-term liabilities for Sanitation's share of the net pension liability and total other post-employment benefits liability. The fund sustained a gain of \$0.67 million. Management will continue to evaluate the operations in the Sanitation Fund in the future and take necessary steps to improve the net position of the fund

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
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The fund balance deficit in the Police Grants Fund totaling \$106,819 is expected to be eliminated by revenue collectible in future years. The revenue is related to reimbursement based grants which do not meet the availability criteria at year end for revenue recognition and is reported as deferred inflows of resources.

The Emergency and Disaster Fund had a fund balance deficit of \$5.06 million as a result of expenditures incurred in the preparation and recovery from the COVID-19 pandemic. The Pandemic is ongoing and funding sources includes Broward County and FEMA.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

NOTE III – OTHER INFORMATION

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

Ordinances pertaining to long-term debt and other agreements require segregation and restriction of certain assets represented by the following amounts within the enterprise funds at September 30, 2020:

Water and Sewer Utility Fund:			
Construction Contracts and Retainage		\$	11,178,867
Customer Deposits			10,408,129
Rate Stabilization Funds			10,000,000
Notes Payable - State Revolving Loan			3,532,304
Renewal, Replacement and Improvement Funds:			
Construction Projects			43,460,765
Impact Fee Reserves:			
Water System	\$	3,067,714	
Sewer System		3,180,961	
			<u>6,248,675</u>
			<u>\$ 84,828,740</u>
Sanitation Enterprise Fund:			
Customer Deposits		\$	<u>953,223</u>

Borrowing agreements for other funds require restriction of certain assets. Amounts required to be restricted totaled \$19.12 million at September 30, 2020 for Governmental Funds. The composition of this amount is shown by fund below:

General Capital Projects:			
2016 Capital Improvement Bonds	\$	2,409,731	
2020 Capital Improvement Bonds		9,982,833	
			<u>12,392,564</u>
Beach Community Redevelopment:			
2015 Beach CRA Refunding Bonds Debt Service		5,860,914	
2015 Beach CRA Refunding Bonds Construction		866,892	
			<u>6,727,806</u>
Total Governmental Restricted Assets	\$	<u>19,120,370</u>	

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

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

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

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

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

<u>Location</u>	<u>Folio #</u>	<u>Size: Land/Building</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
			<u>\$ 201,926</u>

The total assets held for sale at September 30, 2020 was \$932,516.

- C. CLAIMS PAYABLE – INSURANCE FUND – The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's Insurance Fund (an internal service fund) accounts for and finances its uninsured risks of loss. Under this program, the Insurance Fund provides coverage for up to a maximum of \$600,000 for each workers' compensation claim, \$400,000 for each liability claim, and \$350,000 for each health insurance claim. The Property Program has property insurance in the amount of \$100,000,000 per occurrence of blanket policy limits for Utilities property, and \$30,000,000 per occurrence of blanket policy limits for all other City property. 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, 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 \$14,282,588 reported in the Insurance Fund at September 30, 2020, is based on GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims payable liability is based on actuarial evaluations performed by independent actuaries as of September 30, 2020. 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, 2020, claims payable for auto and general liability totaled \$7,931,662 and \$3,904,288 for workers' compensation claims. These amounts reflect a discounted rate factor of 2%. The remaining balance of claims payable consists of amounts for health and dental claims which are not

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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
2019	14,344,350	35,612,222	(35,552,747)	14,403,825
2020	14,403,825	33,912,649	(34,033,886)	14,282,588

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

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

E. TAX ABATEMENTS AND OTHER INCENTIVES

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

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

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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 2020 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 2020, a total of \$785,640 was rebated to the developer.

- 3. Agreement between the City, Downtown CRA and H3 Hollywood, LLC for a residential development project to be located on the SW corner of Dicie Highway and Hollywood Boulevard. This agreement was entered on June 16, 2004 between the City, Downtown CRA and Hollywood Dixie Associates, LLC, and amended on June 17, 2020 by first amendment to the development agreement. On February 1, 2018, the second amendment to the development agreement was entered between the City, Downtown CRA and H3, Hollywood, LLC, the successor in interest in Hollywood Dixie Associates, LLC for Phase III of the project, The agreement states that the CRA shall provide H3 Hollywood, LLC a total cash incentive of \$1,300,000 to be distributed as follows:
 - a. In the first year following issuance of the first certificate of occupancy for phase III and the development becomes subject to ad valorem real property taxes as a completed development, the CRA shall pay H3 50% of the tax increment attributable to Phase III.
 - b. On April 1, in the first year following the first incentive payment for Phase III, and every April 1, thereafter until the total amount of the incentive has been paid, the CRA shall pay H3 50% of the tax increment.
 - c. No individual annual incentive payment will exceed \$450,000 and in the event Phase III is not completed on or before the deadline of February 1, 2021, the incentive will be reduced to a total of \$1,000,000.

In FY 2020, a total of \$0 was rebated to the developer since development has yet to be completed.

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

OTHER BUSINESS INCENTIVE PROGRAMS:

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

COMMUNITY REDEVELOPMENT AGENCY BUSINESS INCENTIVE PROGRAMS:

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

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

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

In FY 2020, a total of \$\$126,585 and \$21,775 was expended for the PIP and POP programs, respectively. There were no funds expended for the HIP program.

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CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

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

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

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

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

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

Employees covered by benefit terms: At September 30, 2020, a total of 2,527 participants were covered by the benefit terms:

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

TOTAL OPEB LIABILITY

The City’s total OPEB liability of \$530,686,603 was determined by an actuarial valuation at March 1, 2020 for the measurement date of September 30, 2020.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
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2. ACTUARIAL ASSUMPTIONS AND OTHER INPUTS – The total OPEB liability in the March 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs which were applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.00 percent, average, including inflation
Discount rate	2.41 percent
Healthcare cost trend rates	Developed using the SOA long term medical trend model
Retirees' share of benefit related costs	25 percent of projected health insurance premiums for retirees

The discount rate of 2.41% was based on the 20-year general obligation index at September 30, 2020. Mortality rates were based on the Fully Generational MP2019 Mortality Improvement Scale.

The actuarial assumptions used on the September 30, 2020 measurement were based on pre and post-Medicare claims for the fiscal years 2018 through 2020.

3. CHANGES IN THE TOTAL OPEB LIABILITY

Changes in the Total OPEB Liability	Total OPEB Liability (a)
	<hr/>
Balance at 9/30/19	\$ 733,965,910
Changes for the Year:	
Service Cost	18,177,238
Interest	19,947,989
Changes of benefit terms	(48,929,076)
Differences between expected and actual experience	(134,188,575)
Changes in assumptions or other inputs	(41,117,883)
Trust Contributions - Employer	<u>(17,169,000)</u>
Net Changes	<u>(203,279,307)</u>
Balance at 9/30/20	<u>\$ 530,686,603</u>

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

<u>Fiscal Year Ending</u>	<u>Discount Rate</u>
9/30/2017	3.50 %
9/30/2018	3.83 %
9/30/2019	2.75 %
9/30/2020	2.41 %

The mortality and tend tables were updated to the latest SOA public sector experience rates (MP2019). The plan subsidy was also changed to be dependent on the participant division and date of hire.

Sensitivity of the total OPEB liability to Changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
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were calculated using a discount rate that is 1-percentage-point lower (1.41 percent) or 1-percentage-point higher (3.41 percent) than the current discount rate.

	1% Decrease (1.41)%	Discount Rate (2.41)%	1% Increase (3.41)%
Total OPEB Liability	\$ 637,995,239	\$ 530,686,603	\$ 447,567,084

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

	1% Decrease (3.00)%	Cost Trend Discount Rate (4.00)%	1% Increase (5.00)%
Total OPEB Liability	\$ 441,196,415	\$ 530,686,603	\$ 647,690,632

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

For the year ended September 30, 2020, the City recognized a negative OPEB expense of \$24,010,641. OPEB is allocated to each fund based on each fund's proportionate share of the total active and retiree employee counts. At September 30, 2020 the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected ad actual experience	\$ -	\$ 111,823,812
Changes in each Fund's proportionate share	9,369,682	9,369,682
Changes of assumptions or other inputs	88,310,185	52,464,682
Total	<u>\$ 97,679,867</u>	<u>\$ 173,658,176</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 Fiscal Year Ending September 30:	Amount
2021	\$ (13,206,792)
2022	(13,206,792)
2023	(13,206,790)
2024	(7,140,197)
2025	(29,217,738)
Total	<u>\$ (75,978,309)</u>

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

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

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

Employees Retirement System City of Hollywood 2600 Hollywood Boulevard City Hall Annex, Room 20 Hollywood, Florida 33020 (954) 921-3333	Fire Pension Fund 310 South 62 Avenue Hollywood, Florida 33023 (954) 967-4331	Police Retirement System 4205 Hollywood Boulevard Suite 4 Hollywood, Florida 33021 (954) 967-4395
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The financial statements of the Employees Retirement System, Fire Pension Fund, and Police Retirement System are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which the employee services are performed. Dividend and interest income, as well as both realized and unrealized gain or loss on investment sales is recognized when earned. Purchases and sales of investments are recorded on the date the trade is executed. Benefit payments and refunds to plan members are recognized when due and payable in accordance with the terms of the appropriate plan.

2. PLAN MEMBERSHIP – Membership of each plan consisted of the following at October 1, 2018, the date of the most recent actuarial valuation:

	<u>Employees Retirement System</u>	<u>Fire Pension Fund</u>	<u>Police Retirement System</u>
Active Members	629	248	251
Inactive Plan Members Entitled But Not Yet Receiving Benefits	77	14	10
Inactive Plan Members and Beneficiaries Currently Receiving Benefits	<u>1,064</u>	<u>219</u>	<u>394</u>
	<u><u>1,770</u></u>	<u><u>481</u></u>	<u><u>655</u></u>

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

3. BENEFITS AND CONTRIBUTIONS

GENERAL EMPLOYEES PLAN:

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

Employees Hired Prior to July 15, 2009:

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

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

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

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

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

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

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

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

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

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

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

Members are not eligible to participate in the DROP.

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

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

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

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

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

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

Vesting period is seven (7) years of credited service

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

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

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

Members are not eligible to participate in the DROP.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Members are not eligible for a COLA.

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

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

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

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

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

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

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

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

Members are not eligible to participate in the DROP.

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

DISABILITY RETIREMENT

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

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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

PRERETIREMENT DEATH BENEFITS

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

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

DEFERRED RETIREMENT OPTION PLAN (DROP)

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

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

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

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

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

CITY OF HOLLYWOOD, FLORIDA

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applicable collective bargaining agreement. As of September 30, 2020, there were 61 members in the DROP and the estimated fair value of DROP investment was approximately \$6,013,000, 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018.

ACTUARIAL ASSUMPTIONS – The total pension liability was determined by an actuarial valuation as of October 1, 2018 and rolled forward to the measurement date of September 30, 2019 using the following actuarial assumptions applied to all prior periods included in the measurement:

Assumed Rate of Return on Investments	7.50%
Annual Salary Increases	3.00% to 8.00% depending on service, including inflation
Inflation Rate	2.5%
Cost-of-Living Adjustments	None
Mortality	The mortality table for healthy lives is the RP-2000 Combined Healthy Participant Mortality Table (for pre-retirement mortality) and the RP-2000 Mortality Table for Annuitants (for post-retirement mortality), with mortality improvements projected to all future years after 2000 using Scale BB. For males, the base mortality rate include a 50% blue collar adjustment and a 50% white collar adjustment. For females, the base mortality rates include a 100% white collar adjustment. These are the same rates used for Regular Class members of the Florida Retirement System (FRS) in their July 1, 2016 actuarial valuation report, as mandated by Chapter 112.63, Florida Statutes.

The long-term expected rate of return on pension plan investments are developed for each major asset class by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the pension plan's target asset allocations as of September 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	%	Real Rate of Return	%
Fixed Income	25 - 45	%	1.11	%
Domestic Equity	20 - 35		6.15	
Emerging Markets Equity			8.65	
International Equity	10 - 25		6.78	
Real Estate	0 - 12.5		4.33	
Private Equity	0 - 15		9.99	
Private Credit			6.87	
Infrastructure	0 - 5		5.53	
Cash	0 - 5			
	100.00	%		

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DISCOUNT RATE – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumes plan members will contribute at the current contribution rate and the City will continue to make future contributions at rates equal to the difference between the total actuarially determined contribution rate and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CHANGES IN NET PENSION LIABILITY – GENERAL EMPLOYEES RETIREMENT SYSTEM:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, Beginning of Year	\$ 517,242,486	\$ 331,176,484	\$ 186,066,002
Changes for the Year:			
Service Cost	5,887,828	-	5,887,828
Interest	38,173,241	-	38,173,241
Differences Between Expected and Actual Experience	(3,670,131)	-	(3,670,131)
Change of Assumptions	5,212,188	-	5,212,188
Change of Benefit Terms	51,225,519	-	51,225,519
Contributions - Employer	-	26,904,543	(26,904,543)
Contributions - Nonemployer	-	26,734	(26,734)
Contributions - Employee	-	3,561,448	(3,561,448)
Net Investment Income	-	13,819,384	(13,819,384)
Benefit Payments	(41,161,931)	(41,161,931)	-
Refunds of Contributions	(539,713)	(539,713)	-
Administrative Expense	-	(671,545)	671,545
Other changes	-	271,141	(271,141)
Net Changes	<u>55,127,001</u>	<u>2,210,061</u>	<u>52,916,940</u>
Balance, End of Year	<u>\$ 572,369,487</u>	<u>\$ 333,386,545</u>	<u>\$ 238,982,942</u>

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

	1% Decrease (6.50)%	Current Rate (7.50)%	1% Increase (8.50)%
Net Pension Liability	\$ 303,621,106	\$ 238,982,942	\$ 184,930,721

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

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

PENSION EXPENSES AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – For the fiscal year ended September 30, 2020, the City recognized pension expense of \$88,194,032. The City allocated pension liabilities, deferred outflows, deferred inflows, and pension expense based on each fund's proportionate share of the collective pensionable wages. Pension expense is comprised of the below:

Service Cost	\$ 5,887,828
Interest	38,173,241
Change in benefit terms	51,225,519
Contributions - Employee	(3,561,448)
Non-Employer Contributing Entity ontributions (made negative for addition here)	(26,734)
Projected Earnings on Plan Investments	(24,738,562)
Administrative Expense	671,545
Net Amortization of Deferred Outflows/Inflows	<u>20,562,643</u>
Total Pension Expense	<u>\$ 88,194,032</u>

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

GENERAL EMPLOYEES PLAN

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 833,243	\$ 2,557,332
Change of Assumptions	16,053,660	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	4,339,612	-
Changes in proportionate share -- Funds	3,885,826	3,885,826
Contributions subsequent to the measurement date but prior to fiscal year end	26,711,564	-
	<u>\$ 51,823,905</u>	<u>\$ 6,443,158</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$26,711,564 will be recognized as a reduction of net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Net Deferred Outflows/ (Inflows)</u>
2021	\$ 10,659,404
2022	3,098,712
2023	2,727,234
2024	2,183,833
Total	<u>\$ 18,669,183</u>

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

FIRE PENSION FUND

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

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

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

TIER 1 MEMBER Hired prior to July 16, 2009.

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

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

AVERAGE FINAL COMPENSATION (AFC)

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

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

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

MEMBER CONTRIBUTIONS

Tier 1 Members: 8% of compensation.

Tier 2 Members: 9.5% of compensation.

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.

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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

COST OF LIVING INCREASES

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

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

The following amendments were implemented during the fiscal year ended September 30, 2019:

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

A summary of the provisions is as follows:

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

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

Best 3 consecutive year Average Final Compensation.

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

50 & 10 or 23 & out Normal Retirement.

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

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

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

A summary of the provisions is as follows:

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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

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

Best 5 consecutive year Average Final Compensation.

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

50 & 10 or 23 & out Normal Retirement.

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

8 Year RPRB at market return.

9.5% Member Contribution Rate.

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

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

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

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

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

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

2%) will be allocated equally to eligible participants. For members who retire or who were eligible to retire on or after July 16, 2009 and before October 1, 2011, the Supplemental pension check cannot exceed \$12,000 per year and shall only be paid if there are no aggregate actuarial experience losses beginning with the actuarial experience on or after October 1, 2008.

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

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

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

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

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

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

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

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
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Share Plan is at no actuarial or other cost to the City of Hollywood. All administrative expenses of the Share Plan are deducted from each year's available premium tax money before it is credited to the share accounts to pay for plan administration by the Board. At September 30, 2020 and 2019, the Share Plan balance had a balance of \$62,925.

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

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

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

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

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

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

NET PENSION LIABILITY – The City's net pension liability as measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018.

Rate of Return on Investments	7.5% per annum
Annual Salary Increases	Service Based
Inflation Rate	2.5%
Cost-of-Living Adjustments	None
Mortality	Female: RP2000 Generational, 100% Combined Healthy White Collar, Scale BB Male: RP2000 Generational, 10% Combined Healthy White Collar / 90% Combined Healthy Blue Collar, Scale BB Mortality Rate Disabled Lives: Female 60% RP2000 Disabled Female set forward two years / 40% Annuitant White Collar with no setback, no projection scale. Male 60% RP2000 Disabled Male Setback four years / 40% Annuitant White Collar withh no setback, no projection scale Mortality Rate Healthy Inactive Lives: Female: RP2000 Generational, 100% Annuitant White Collar / 90% Annuitant Blue Collar, Scale BB.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

ACTUARIAL ASSUMPTIONS - The total pension liability was determined by an actuarial valuation as of October 1, 2018 using the following actuarial assumptions applied to all prior periods included in the measurement:

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

Asset Class	Target	Real Rate
Domestic Equity	50.00 %	5.25 %
International Equity	15.00	8.50
Core Fixed Income	15.00	2.50
Non Core Fixed Income	5.00	2.50
Global Fixed Income	5.00	3.50
Real Estate	10.00	4.50
	<u>100.00 %</u>	

DISCOUNT RATE – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumes plan members will contribute at the current contribution rate and the City will continue to make future contributions at rates equal to the difference between the total actuarially determined contribution rate and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CHANGES IN NET PENSION LIABILITY – FIRE PENSION FUND

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance, Beginning of Year	\$ 391,831,350	\$ 250,486,988	\$ 141,344,362
Changes for the Year:			
Service Cost	7,338,471	-	7,338,471
Interest	30,625,834	-	30,625,834
Differences Between Expected and actual experience	6,461,410	-	6,461,410
Change of Benefit Terms	21,759,327	-	21,759,327
Contributions - Employer	-	21,482,941	(21,482,941)
Contributions - State	-	1,467,281	(1,467,281)
Contributions - Employee	-	1,381,810	(1,381,810)
Net Investment Income	-	6,807,053	(6,807,053)
Benefit Payments	(25,147,318)	(25,147,318)	-
Contributions - Buy-Back	149,358	149,358	-
Administrative Expense	-	(691,571)	691,571
DROP Default Loan Payment	83,010	83,010	-
Other Changes	-	(2,004,645)	2,004,645
Net Changes	<u>41,270,092</u>	<u>3,527,919</u>	<u>37,742,173</u>
Balance, End of Year	\$ <u>433,101,442</u>	\$ <u>254,014,907</u> a	\$ <u>179,086,535</u>

a - The Fire Pension Fund's actuary utilizes the Fund's Market Value Statements to determine the Plan Fiduciary Net Position rather than the audited financial statements.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

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

	FIRE PENSION FUND		
	1% Decrease (6.50%)	Current Rate (7.50%)	1% Increase (8.50%)
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Net Pension Liability	\$ 219,288,742	\$ 179,086,535	\$ 145,785,285

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, 2020, the City recognized pension expense of \$44,909,263:

Service Cost	\$ 7,338,471
Interest	30,625,834
Change in Benefit Terms	21,759,327
Contributions - Employee	(1,381,810)
Contributions - State	(1,467,281)
Projected Earnings on Plan Investments	(18,738,731)
Administrative Expense	691,571
Net Amortization of Deferred Outflows/(Inflows)	6,081,882
Total Pension Expense	<u>\$ 44,909,263</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
	<u>\$</u>	<u>\$</u>
Differences between expected and actual experience	\$ 14,695,885	\$ -
Change of assumptions	5,704,434	-
Net difference between projected and actual earnings on pension plan investments	1,137,570	-
Contributions subsequent to the measurement date but prior to fiscal year end	20,032,719	-
	<u>\$ 41,570,608</u>	<u>\$ -</u>

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CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$20,032,719 will be recognized as a reduction of net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Net Deferred Outflows/(Inflows),
2021	\$ 3,824,212
2022	4,344,379
2023	6,035,121
2024	4,763,175
2025	1,647,943
Thereafter	923,059
Total	<u>\$ 21,537,889</u>

POLICE OFFICERS' RETIREMENT SYSTEM

Eligibility:

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

Group One consists of participants employed on February 20, 2019 who were hired on or before September 30, 2011 and will be eligible to retire on or before September 30, 2020 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, 2020 based on a normal retirement date of age 50 or 22 years of continuous service.

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

Average Final Compensation:

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

Benefits:

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Group One Normal Retirement Benefits:

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

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

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

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

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, 2020, 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.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

Group Three Normal Retirement Benefits:

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

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

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

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

DISABILITY – Any member who becomes totally and permanently disabled in the line of duty and who must have applied for social security disability benefits as well as workers' compensation benefits if applicable, will receive a benefit equal to the greater of his or her accrued benefit on date of disability based on the applicable benefit rate or 50.00% of earnings at the time of determination of disability.

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

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

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

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

SUPPLEMENTAL DISTRIBUTION – There shall be payable to eligible persons a supplemental pension distribution for each fiscal year in which the actual rate of investment return earned on Plan assets exceeds the assumed rate of investment return on Plan assets. The total amount of the supplemental pension distribution for a particular fiscal year shall be equal to the actuarial present value of future retirement benefits, as calculated on the eligible retirees' portion of the Plan's earnings attributable to assets

CITY OF HOLLYWOOD, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
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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, 2020 is as follows:

Beginning Balance	\$	102,286,417
Additions		3,711,743
DROP Conversion		182,463
Adjustments		
Distributions		(5,199,804)
Net Earnings		7,880,785
Ending Balance	\$	<u>108,861,604</u>

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

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

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A summary of the changes in the DROP loans receivable balance as of September 30, 2020 is as follows:

Beginning Balance	\$	1,100,647
Additional Loans		724,250
Loan Repayments		(1,070,208)
Ending Balance	\$	<u>754,689</u>

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

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

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

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

When a participant who has participated in the PRB, but has not participated in the RPRB, terminates employment, the participant shall elect how they wish to receive the PRB earned. The participant may choose to take (i) a maximum lump sum payment that would be valued based on the number of years the participant worked after electing to participate in the PRB (or the number of years for which the participant elects to receive benefits as noted above); (ii) a larger final pension annuity payment (meaning a larger annuity than that earned prior to electing to participate in the PRB) based on the number of years the participant worked after electing to participate in the PRB (or the number of

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years for which the participant elects to receive benefits as noted above): or (iii) any combination of a lump sum payment and larger annuity by dividing the years worked after electing to participate in the PRB (or the number of years for which the participant elects to receive benefits as noted above) between a lump sum payment and larger annuity payments. Any lump sum payment must be paid out to the participant at termination (i.e., it cannot be left in the Plan).

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

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

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

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

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

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

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the Plan is 90% funded, at which time the split of earnings in excess of 6% will end and earnings in excess of 6% will be kept by the participant (but earnings between 4% and 6% will continue to remain in the Plan to offset unfunded liabilities). The split of earnings in excess of 6% will resume if the funding of the Plan drops below 90%.

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

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

There were no PRB or RPRB balances as of September 30, 2020.

CONTRIBUTIONS – Each police officer makes contributions to the Fund during the first 27 years of continuous service at the rate of 8% (9.25% prior to May 1, 2013) of their earnings. After completion of 27 years of continuous service, members shall contribute only 0.5% of their earnings.

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

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

NET PENSION LIABILITY – The City's net pension liability as measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018.

ACTUARIAL ASSUMPTIONS - The total pension liability was determined by an actuarial valuation as of October 1, 2018 and rolled forward to the measurement date of September 30, 2019 using the following actuarial assumptions applied to all prior periods included in the measurement:

Rate of Return on Investments	8.00% per annum
Annual Salary Increases	5.03% to 10.67% average, including inflation
Inflation Rate	2.50%
Cost-of-Living Adjustments	None (Prior to October 1, 2011, 2.00% annual increase commencing 3 years after retiree's benefit payments have begun)
Mortality	Female: PubG.H-2010 Headcount Weighted Safety Employee Set Forward 1 year; projected generationally using projection scale MP-2018. Male: PubG.H-2010 Headcount Weighted Safety Below Male: Median Employee Set Forward 1 year; projected generationally using projection scale MP-2018. Post Retirement Disabled Mortality: Pub-2010 80% Headcount Weighted General Disabled Retiree; 20% Headcount Weighted Safety Disabled Retiree; projected generationally using projection scale MP-2018.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates

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

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

CHANGES IN NET PENSION LIABILITY – POLICE RETIREMENT SYSTEM

	Increase (Decrease)		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance, Beginning of Year	\$ 482,743,216	\$ 306,028,992	\$ 176,714,224
Changes for the Year:			
Service Cost	5,379,012	-	5,379,012
Interest	42,872,487	-	42,872,487
Differences between expected and actual experience	4,813,881	-	4,813,881
Change of Assumptions	(14,264,607)	-	(14,264,607)
Change of Benefit Terms	61,009,969	-	61,009,969
Contributions - Employer	-	24,446,359	(24,446,359)
Contributions - State	-	7,379,064	(7,379,064)
Contributions - Employee	-	3,329,431	(3,329,431)
Net Investment Income	-	11,164,200	(11,164,200)
Benefit Payments	(30,099,345)	(30,099,345)	-
Refunds of Contributions	(112,090)	(112,090)	-
Administrative Expense	-	(714,919)	714,919
Other Charges	-	61,795	(61,795)
Net Changes	<u>69,599,307</u>	<u>15,454,495</u>	<u>54,144,812</u>
Balance, End of Year	<u>\$ 552,342,523</u>	<u>\$ 321,483,487</u>	<u>\$ 230,859,036</u>

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

POLICE OFFICERS' RETIREMENT SYSTEM

	<u>1% Decrease (7.00)%</u>	<u>Current Rate (8.00)%</u>	<u>1% Increase (9.00)%</u>
Net Pension Liability	\$ 280,164,201	\$ 230,859,036	\$ 189,961,782

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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, 2020, the City recognized pension expense of \$93,184,691:

Service Cost	\$ 5,379,012
Interest	42,872,487
Change in Benefit Terms	61,009,969
Expensed portion of current-period difference between expected and actual experience in the total pension liability	1,270,153
Expensed portion of current-period changes of assumptions	(3,763,749)
Contributions - Employee	(3,329,431)
Other	(61,795)
Projected Earnings on Plan Investments	(24,653,931)
Expensed portion of current-period differences between actual and projected earnings on plan investments	2,697,946
Administrative Expense	714,919
Net Amortization of Deferred Outflows/Inflows	11,049,111
Total Pension Expense *	<u>\$ 93,184,691</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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience of the total pension liability	\$ 15,078,907	\$ -
Change of Assumptions	15,166,739	10,500,858
Net difference between Projected and Actual Earnings on Pension Plan Investments	-	542,166
Contributions subsequent to the measurement date but prior to fiscal year end	25,500,000	-
	<u>\$ 55,745,646</u>	<u>\$ 11,043,024</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$25,500,000 will be recognized as a reduction of net pension liability in the year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	<u>Amortization</u>
2021	\$ 6,820,726
2022	3,671,556
2023	3,606,554
2024	4,936,815
2025	166,971
Total	<u>\$ 19,202,622</u>

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FRS RETIREMENT BENEFITS

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

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

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

The City's pension expense for FRS and HIS totaled \$283,853 for the fiscal year ended September 30, 2020.

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.

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The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

BENEFITS PROVIDED – Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits. The following chart shows the percentage value for each year of service credit earned:

Class, Initial Enrollment, and Retirement Age/Years of Service	% Value
Regular Class Members Initially Enrolled Before July 1, 2011:	
Retirement at age 63 or with 31 years of service	1.63 %
Retirement at age 64 or with 32 years of service	1.65
Retirement at age 65 or with 33 years of service	1.68
Regular Class Members Initially Enrolled on or After July 1, 2011:	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement at age 66 or with 34 years of service	1.63
Retirement at age 67 or with 35 years of service	1.65
Retirement at age 68 or with 36 years of service	1.68
Elected County Officers	3.00
Senior Management Service Class	2.00
Special Risk Regular:	
Service from December 1, 1970 through September 30, 1974	2.00
Service on and after October 1, 1974	3.00

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As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3% per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3% determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3%. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

CONTRIBUTIONS – The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates for 2020 were as follows:

Class	Percent of Gross Salary	
	Employee	Employer (1)
FRS, Regular	3.00 %	10.00 %
FRS, Elected Local Officers	3.00	49.18
FRS, Senior Management Service	3.00	27.29
FRS, Special Risk Regular	3.00	24.45
FRS, Special Risk Administrative	3.00	35.84
DROP - Applicable to Members for All of the Above Classes	0.00	16.98
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 \$108,433 and employee contributions totaled \$6,650 for the fiscal year ended September 30, 2020

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – At September 30, 2020, the City reported a liability of \$1,224,487 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The City's proportionate share of the net pension liability was based on the City's FY 2020 fiscal year contributions relative to the FY 2019 fiscal year contributions of all participating members. At June 30, 2020, the City's proportionate share was 0.002825208%.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$257,153 related to the Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 46,864	\$ -
Changes of Assumptions	221,671	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	72,907	.
Changes in Employer Proportion	28,948	24,472
Contributions subsequent to the measurement date but prior to fiscal year end	25,836	-
	<u>\$ 396,226</u>	<u>\$ 24,472</u>

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The deferred outflows of resources related to pensions, totaling \$25,836, resulting from City contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending September 30,	Deferred Outflows/(Inflows), Net
2021	\$ 71,285
2022	111,023
2023	94,369
2024	56,414
2025	12,827
Total	<u>\$ 345,918</u>

ACTUARIAL ASSUMPTIONS – The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Rate of Return on Investments	6.80% net of pension investment expense, including inflation
Annual Salary Increases	3.25% average, including inflation
Inflation Rate	2.40%
Mortality	PUB-2010, projected generationally with Scale MP-2018

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return on pension plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00 %	2.20%	2.20%	1.20%
Fixed Income	19.00	3.00%	2.90%	3.50%
Global Equity	54.20	8.00%	6.70%	17.10%
Real Estate	10.30	6.40%	5.80%	11.70%
Private Equity	11.10	10.80%	8.10%	25.70%
Strategic Investments	4.40	5.50%	5.30%	6.90%
	<u>100.00</u> %			
Assumed Inflation - Mean			2.40%	1.70%

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

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DISCOUNT RATE – The discount rate used to measure the total pension liability was 6.80%. The Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

SENSITIVITY OF THE CITY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease (5.80)%	Current Rate (6.80)%	1% Increase (7.80)%
City's Proportionate Share of the Net Pension Liability	\$ 1,955,300	\$ 1,244,487	\$ 614,109

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 Comprehensive Annual Financial Report.

THE RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS):

PLAN DESCRIPTION – The Retiree Health Insurance Subsidy Program (HIS Plan) is a cost-sharing multiple-employer defined benefit pension plan established under section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services, Division of Retirement.

BENEFITS PROVIDED – For the fiscal year ended June 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State- administered retirement system must provide proof of health insurance coverage, which may include Medicare.

CONTRIBUTIONS – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended June 30, 2019, the contribution rate was 1.66% of payroll pursuant to section 112.363, Florida Statutes. The City contributed 100% of its statutorily required contributions for the current and preceding three years. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. The HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

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CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS – At September 30, 2020, the City reported a net pension liability of \$77,567 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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 2018 fiscal year contributions of all participating members. At June 30, 2020, the City’s proportionate share was 0.00063528265%.

For the fiscal year ended September 30, 2020, the City recognized pension expense of \$2,067 related to the HIS Plan. In addition, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,173	\$ 60
Changes of Assumptions	8,341	4,510
Net difference between projected and actual earnings on pension plan investments	62	-
Changes in proportion and differences between City HIS contributions and proportionate share of HIS contributions	2,298	1,398
Contributions subsequent to the measurement date but prior to fiscal year end	992	-
	<u>\$ 14,866</u>	<u>\$ 5,968</u>

The deferred outflows of resources related to pensions, totaling \$972, resulting from City contributions to the HIS Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:.

Fiscal Year Ending September 30,	Net Deferred Outflows/(Inflows),
2021	\$ 2,188
2022	1,623
2023	443
2024	1,030
2025	1,402
Thereafter	1,220
	<u>\$ 7,906</u>

ACTUARIAL ASSUMPTIONS – The total pension liability in the July 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Municipal Bond Rate	2.21%
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, 2020

DISCOUNT RATE – The discount rate used to measure the total pension liability was 2.21%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

SENSITIVITY OF THE CITY’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current rate:

	<u>1% Decrease (1.21)%</u>	<u>Discount Rate (2.21)%</u>	<u>1% Increase (3.21)%</u>
City's Proportionate Share of the Net Pension Liability	\$ 89,644	\$ 77,567	\$ 67,666

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 Comprehensive Annual Financial Report.

4. SUMMARY OF PENSION EXPENSE, DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES RELATED TO ALL PENSIONS OF THE CITY – For the fiscal year ended September 30, 2020, the City recognized the below as a result of GASB No. 68.

	General Employees Pension	Police Pension	Fire Pension	FRS/HIS Pension	Total
Total Deferred Outflows	\$ 51,823,904	\$ 55,745,646	\$ 41,570,608	\$ 411,092	\$ 149,551,250
Total Deferred Inflows	6,443,156	11,043,024	-	30,440	17,516,620
Total Net Pension Liability	238,982,942	230,859,036	179,086,535	1,302,054	650,230,567
Total Pension Expense	88,194,032	93,184,691	44,909,263	290,239	226,578,225

5. DEFINED CONTRIBUTION PLANS – The City has a contract with the ICMA-RC for a defined contribution plan covering certain employees with an employment agreement with the City. The plan is established under the provisions of Section 401(a) of the Internal Revenue Code as Money Purchase Plans and Trusts. In addition, there is a second 401(a) plan between the Hollywood Community Redevelopment Agency and ICMA-RC covering the executive director and employees of the agency. The assets of the plans are self-directed, and investment results are reported to employees quarterly. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment return. The plans do not require nor permit employee contributions. During fiscal year 2020 the City and CRAs contributed approximately \$529,089 to these defined contribution plans. Of this amount, approximately \$283,603 was contributed on behalf of CRA employees who are not covered under any other City retirement plan. Plan participants become fully vested in the plans upon entry. The plans were established by City Commission resolutions. The City does not have control over the assets of the defined contribution plans and, accordingly, the plans are not reported in the accompanying financial statements.

6. DEFERRED COMPENSATION PLANS – The City offers certain employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, managed by independent plan administrators, permit employees to defer a portion of

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

their salary until future years. At the employee's election, such amounts may be invested in mutual funds which represent varying levels of risk and return. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, are held in trust, for the exclusive benefit of the plans' participants and their beneficiaries. Since the City has no control over these assets, they are not reflected in the City's statements.

H. MISCELLANEOUS

1. IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS – The City implemented the following GASB Statements during the fiscal year ended September 30, 2020:

- GASB Statement No. 88, *Certain Debt Disclosures including Direct Borrowings and Direct Placement* improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Refer to Note II - I Long Term Debt for relevant disclosures.

2. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

- GASB Statement No. 84, "Fiduciary Activities." This Statement improves guidance relating to the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria is included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021. Management has not yet determined the effect this Statement will have on the City's financial statements
- GASB Statement No. 87, "Leases." This Statement's objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing arrangements of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2022. Management has not yet determined the effect this Statement will have on the City's financial statements
- GASB Statement No. 90, "Majority Equity Interest – An Amendment of GASB Statements No. 14 and No. 61." This Statement's objective is to improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement establishes that ownership of a majority equity interest in a legally separate

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2020

organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit using the equity method. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2021. Management has not yet determined the effect this Statement will have on the City's financial statements.

- GASB Statement No. 91, "Conduit Debt Obligations." This Statement provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2023. Management has not yet determined the effect this Statement will have on the City's financial statements.
- GASB Statement No. 92, "Omnibus 2020." This enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses issues relating to leases, intra-entity transfers of assets, pensions, fiduciary activities, asset retirement obligations, public entity risk pools, fair value measurements, and derivatives. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2022. Management has not yet determined the effect this Statement will have on the City's financial statements.
- GASB Statement No. 93, "Replacement of Interbank Offered Rates". This Statement determines the accounting and financial reporting implications that result from the replacement of an IBOR (Interbank offered rate) such as LIBOR (London Interbank Offered Rate). This statement is effective for the City beginning with its fiscal year ending September 30, 2022. Management has not yet determined the effect this Statement will have on the City's financial statements.
- GASB Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". This Statements defines public-private and public-public partnership arrangements and availability payment arrangements. The Statement also prescribes the accounting for such arrangements. The provisions of this Statements will be effective for the City beginning with its year ending September 30, 2023. Management has not yet determined the effect this Statement will have on the City's financial statements.
- GASB Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance". This Statements delays the effective dates of the GASB Statements 83, 84, 88, 89, 90, 91, 92, 93 by one year. GASB statement 87 was postponed by 18 months. This Statement is effective immediately.
- GASB Statement No. 96, "Subscription-Based Information Technology Arrangements". This Statement defines what a subscription-based information technology arrangement (SBITA) is and establishes that a SBITA results in a right-to-use-subscription asset, an intangible asset, and a corresponding subscription liability. The provisions of this Statements will be effective for the City beginning with its year ending September 30, 2023. Management has not yet determined the effect this statement will have on the City's financial statements.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

- GASB Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statements No. 14 and No. 84, and a Suppression of FASB Statement No. 32". This Statement prescribes methodologies to determine if a 457 deferred compensation plan should be reported as a fiduciary activity. The provisions of this Statements will be effective for the City beginning with its year ending September 30, 2022. Management has not yet determined the effect this statement will have on the City's financial statements.

3. COMMUNITY REDEVELOPMENT NOTES

- Hollywood Beach Community Redevelopment Agency – Pursuant to Florida Statute 163.387, listed below is a summary of the sources and amounts of deposits to, and the purpose and amounts of withdrawals from, the Community Redevelopment Agency Funds (CRA) for the fiscal year ended September 30, 2020

	Beach CRA	
	Deposits	Withdrawals
Sources of Deposits:		
Tax Increment Rev - City of Hollywood	\$ 15,377,971	\$ -
Tax Increment Rev - Broward County	11,289,942	-
Tax Increment Rev - South Broward Hospital District	-	-
Tax Increment Rev - Children's Services Council	1,006,898	-
Intergovernmental - State Grants	-	-
Investment Revenue	357,780	-
Other Revenue	24,694	-
Purpose of Withdrawal:		
Debt Service - Principal	-	5,745,000
Debt Service - Interest	-	1,445,050
Salaries, Wages and Benefits	-	2,588,931
Consultants, legal and Other Contractual	-	1,063,100
Training	-	2,086
Utilities	-	188,272
Rentals and Leases	-	54,464
Insurance	-	99,113
Maintenance, Repairs, and Operatons	-	827,725
Consumables and Supplies	-	86,041
Central Services	-	4,604,001
Promotional, Special Events and Advertising	-	677,001
Economic Environment - Trolley Service	-	437,974
Capital - General Government	-	325,021
Capital - Public Safety	-	711,209
Capital - Physical Environment	-	2,098,745
Capital - Culture and Recreation	-	24,612
Total	\$ 28,057,285	\$ 20,978,345

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

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	Downtown CRA	
	Deposits	Withdrawals
Sources of Deposits:		
Tax Increment Rev - City of Hollywood	\$ 5,402,874	\$ -
Tax Increment Rev - Broward County	3,956,324	-
Tax Increment Rev - South Broward Hospital District	91,292	-
Tax Increment Rev - Children's Services Council	353,722	-
Investment Revenue	139,076	-
Other Revenue	29,444	-
Purpose of Withdrawal:		
Debt Service - Principal	-	1,686,677
Debt Service - Interest	-	329,845
Salaries, Wages and Benefits	-	649,506
Consultants and Other Contractual	-	821,104
Training and Transportation	-	19,364
Utilities	-	15,219
Postage	-	123
Rentals and Leases	-	15,422
Insurance	-	5,232
Maintenance and Repairs	-	86,493
Consumables, Supplies, and Operations	-	804,294
Abatements	-	785,640
Promotional, Special Events and Advertising	-	484,058
Central Services	-	1,166,057
Economic Environment - Trolley Service	-	109,494
Capital - Transportation	-	114,267
Capital - General	-	3,770
Total	<u>\$ 9,972,732</u>	<u>\$ 7,096,565</u>

4. CONTINUING AND SUBSEQUENT EVENTS

Continuing through fiscal year 2020, a national emergency was declared by the President of the United States in response to the COVID-19 pandemic. The economic and social impact of the virus has yet to be determined. The City is taking proper precautions to protect the life and assets of the City and its citizens.

On October 15, 2020, the City of Hollywood issued the "Water and Sewer Refunding Revenue Bonds, Series 2020". The bonds were issued at a par of \$30,425,000 and a premium of \$7,640,545. The purpose of the issuance was to refund the Series 2010 Water and Sewer Improvement Revenue Bonds. The Series 2020 bonds are secured by the Water and Sewer Fund's net revenues. The refunding had a net present value savings of \$10.70 million.

On October 13, 2020, the City guaranteed the Series 2020 Revenue Refunding Debt of the Hollywood Beach Community Development District I. The par value of the bonds is \$39.99 million.

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CITY OF HOLLYWOOD, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
(Unaudited - See accompanying independent auditors' report)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 104,277,478	\$ 104,277,478	\$ 103,744,866	\$ (532,612)
Utilities Service Taxes	20,530,000	20,530,000	20,885,954	355,954
Franchise Taxes	12,815,000	12,815,000	12,057,204	(757,796)
Licenses and Permits	8,932,800	9,182,800	9,618,490	435,690
Intergovernmental	16,532,045	16,532,045	16,580,809	48,764
Charges for Services	54,495,090	55,459,069	57,079,597	1,620,528
Investment Revenue	790,000	790,000	984,162	194,162
Miscellaneous	2,336,700	5,441,199	3,115,348	(2,325,851)
Total Revenues	<u>220,709,113</u>	<u>225,027,591</u>	<u>224,066,430</u>	<u>(961,161)</u>
EXPENDITURES:				
General Government:				
City Commission	1,557,350	1,559,274	1,534,969	24,305
City Manager	2,490,741	2,691,876	2,460,847	231,029
City Clerk	864,569	876,680	748,648	128,032
City Attorney	3,238,537	3,594,655	3,608,479	(13,824)
Financial Services	11,042,836	11,002,920	8,838,508	2,164,412
Human Resources	2,373,703	2,453,873	2,400,144	53,729
Planning & Development Services	1,710,549	1,968,539	1,602,307	366,232
Code Enforcement	4,221,628	4,425,002	4,447,931	(22,929)
Total General Government	<u>27,499,913</u>	<u>28,572,819</u>	<u>25,641,833</u>	<u>2,930,986</u>
Public Safety:				
Police	95,246,786	100,677,668	92,668,589	8,009,079
Fire	67,544,323	70,269,235	64,939,219	5,330,016
Building Inspection	6,408,254	7,271,441	6,877,991	393,450
Total Public Safety	<u>169,199,363</u>	<u>178,218,344</u>	<u>164,485,799</u>	<u>13,732,545</u>
Public Works:				
Facilities and Grounds	13,972,458	14,028,866	13,158,981	869,885
Transportation:				
Engineering	2,723,021	2,777,644	2,266,781	510,863
Economic Environment:				
Community Development	2,699,988	3,067,197	2,637,519	429,678

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CITY OF HOLLYWOOD, FLORIDA

(Continued)

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
(Unaudited - See accompanying independent auditors' report)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Culture and Recreation:				
Recreation and Parks	10,886,745	10,928,198	10,365,934	562,264
Marina	552,568	567,438	507,389	60,049
Total Culture and Recreation	<u>11,439,313</u>	<u>11,495,636</u>	<u>10,873,323</u>	<u>622,313</u>
Other:				
Contingencies	3,591,813	805,055	113,325	691,730
Capital Outlay:				
General Government	-	9,417	9,417	-
Public Safety	-	98,624	98,624	-
Public Works	-	10,992	10,992	-
Culture and Recreation	-	32,000	32,000	-
Total Capital Outlay	<u>-</u>	<u>151,033</u>	<u>151,033</u>	<u>-</u>
Total Expenditures	<u>231,125,869</u>	<u>239,116,594</u>	<u>219,328,594</u>	<u>19,788,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,416,756)</u>	<u>(14,089,003)</u>	<u>4,737,836</u>	<u>18,826,839</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	6,028,046	6,028,046	6,028,046	-
Transfers Out	(9,938,685)	(17,001,315)	(17,001,315)	-
Sale of Assets	5,000	53,080	54,677	1,597
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,905,639)</u>	<u>(10,920,189)</u>	<u>(10,918,592)</u>	<u>1,597</u>
Change in Fund Balance	(14,322,395)	(25,009,192)	(6,180,756)	18,828,436
Fund Balance - Beginning	<u>85,624,608</u>	<u>85,624,608</u>	<u>85,624,608</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 71,302,213</u>	<u>\$ 60,615,416</u>	<u>\$ 79,443,852</u>	<u>\$ 18,828,436</u>

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

CITY OF HOLLYWOOD, FLORIDA

**BUDGETARY COMPARISON SCHEDULE
BEACH COMMUNITY REDEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
(Unaudited - See accompanying independent auditors' report)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 15,390,489	\$ 15,377,971	\$ 15,377,971	\$ -
Intergovernmental	12,307,193	12,296,840	12,296,840	-
Investment Revenue	160,000	160,000	357,780	197,780
Miscellaneous	-	-	24,694	24,694
Total Revenues	<u>27,857,682</u>	<u>27,834,811</u>	<u>28,057,285</u>	<u>222,474</u>
EXPENDITURES:				
Current:				
General Government	12,171,362	12,256,362	9,043,518	3,212,844
Economic Environment	1,304,261	1,166,390	463,166	703,224
Physical Environment	200,000	753,686	753,686	-
Culture and Recreation	615,000	615,000	368,338	246,662
Total Current	<u>14,290,623</u>	<u>14,791,438</u>	<u>10,628,708</u>	<u>4,162,730</u>
Capital Outlay:				
General Government	1,154,216	780,278	325,021	455,257
Public Safety	893,029	893,029	711,209	181,820
Transportation	8,105,293	8,105,293	-	8,105,293
Physical Environment	9,803,980	12,661,582	2,098,745	10,562,837
Culture and Recreation	331,800	331,800	24,612	307,188
Total Capital Outlay	<u>20,288,318</u>	<u>22,771,982</u>	<u>3,159,587</u>	<u>19,612,395</u>
Debt Service:				
Principal	5,745,000	5,745,000	5,745,000	-
Interest and Fiscal Charges	1,446,625	1,446,625	1,445,050	1,575
Total Debt Service	<u>7,191,625</u>	<u>7,191,625</u>	<u>7,190,050</u>	<u>1,575</u>
Total Expenditures	<u>41,770,566</u>	<u>44,755,045</u>	<u>20,978,345</u>	<u>23,776,700</u>
Change in Fund Balance	(13,912,884)	(16,920,234)	7,078,940	23,999,174
Fund Balance - Beginning	<u>22,595,574</u>	<u>22,595,574</u>	<u>22,595,574</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 8,682,690</u>	<u>\$ 5,675,340</u>	<u>\$ 29,674,514</u>	<u>\$ 23,999,174</u>

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

CITY OF HOLLYWOOD, FLORIDA

(Continued)

BUDGETARY COMPARISON SCHEDULE
 DOWNTOWN COMMUNITY REDEVELOPMENT FUND
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
 (Unaudited - See accompanying independent auditors' report)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Property Taxes	\$ 5,413,384	\$ 5,402,874	\$ 5,402,874	\$ -
Intergovernmental	4,410,028	4,401,338	4,401,338	-
Investment Revenue	50,000	50,000	139,076	89,076
Miscellaneous	25,000	25,000	29,444	4,444
Total Revenues	<u>9,898,412</u>	<u>9,879,212</u>	<u>9,972,732</u>	<u>93,520</u>
EXPENDITURES:				
Current:				
General Government	7,523,944	9,102,177	4,590,833	4,511,344
Transportation	-	4,950	4,950	-
Economic Environment	186,638	186,638	137,272	49,366
Physical Environment	750,000	650,000	228,961	421,039
Capital Outlay:				
General Government	-	3,770	3,770	-
Transportation	3,911,095	3,906,145	114,267	3,791,878
Debt Service:				
Principal	1,686,667	1,686,667	1,686,667	-
Interest and Fiscal Charges	328,413	328,413	329,845	(1,432)
Total Expenditures	<u>14,386,757</u>	<u>15,868,760</u>	<u>7,096,565</u>	<u>8,772,195</u>
Change in Fund Balance	(4,488,345)	(5,989,548)	2,876,167	8,865,715
Fund Balance - Beginning	<u>5,989,548</u>	<u>5,989,548</u>	<u>5,989,548</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,501,203</u>	<u>\$ -</u>	<u>\$ 8,865,715</u>	<u>\$ 8,865,715</u>

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

CITY OF HOLLYWOOD, FLORIDA

(Continued)

BUDGETARY COMPARISON SCHEDULE
SPECIAL PROGRAMS FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020
(Unaudited - See accompanying independent auditors' report)

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,899,081	\$ 2,951,913	\$ 3,515,834	\$ 563,921
Charges for Services	300,000	300,000	309,075	9,075
Investment Revenue	-	-	122,662	122,662
Miscellaneous	60,000	60,200	73,040	12,840
Total Revenues	<u>2,259,081</u>	<u>3,312,113</u>	<u>4,020,611</u>	<u>708,498</u>
EXPENDITURES:				
Public Safety	45,000	150,633	150,633	-
Economic Environment	1,763,036	12,915,533	2,620,220	10,295,313
Culture and Recreation	15,000	1,183,977	508,816	675,161
Capital Outlay:				
Public Safety	88,838	166,581	92,164	74,417
Debt Service:				
Principal	92,318	104,000	92,318	11,682
Interest and Fiscal Charges	33,727	11,883	9,827	2,056
Total Expenditures	<u>2,037,919</u>	<u>14,532,607</u>	<u>3,473,978</u>	<u>11,058,629</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	221,162	(11,220,494)	546,633	11,767,127
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	10,000	10,000
Transfers Out	(201,162)	(201,162)	(231,162)	(30,000)
Sale of Assets	-	-	1,031	1,031
Total Other Financing Sources (Uses)	<u>(201,162)</u>	<u>(201,162)</u>	<u>(220,131)</u>	<u>(18,969)</u>
Change in Fund Balance	20,000	(11,421,656)	326,502	11,748,158
Fund Balance - Beginning	<u>6,243,185</u>	<u>6,243,185</u>	<u>6,243,185</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 6,263,185</u>	<u>\$ (5,178,471)</u>	<u>\$ 6,569,687</u>	<u>\$ 11,748,158</u>

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

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE BUDGETARY COMPARISON SCHEDULES

NOTE II – STEWARDSHIP AND ACCOUNTABILITY

BUDGETARY INFORMATION – Budgets are legally adopted for the General, Enterprise and Internal Service Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles. The level of budgetary control is the department. The City Manager is authorized to transfer budgeted amounts within departments. Revisions increasing or decreasing the total budget for a department or fund require City Commission approval. The City has supplemental appropriations in the General Fund and in both CRA Funds. Appropriations in annually budgeted funds, except for amounts corresponding to outstanding encumbrances, lapse at year-end.

Multi-year project budgets are adopted for grants reported in the Special Revenue Funds and for authorized capital improvements reported in the Capital Projects Fund. Accordingly, the Special Revenue and Capital Projects Funds have been excluded from budget versus actual presentation except for the Beach Community Redevelopment Agency and the Downtown Community Redevelopment Agency that have legally adopted annual operating budgets.

CITY OF HOLLYWOOD, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S
 TOTAL OPEB LIABILITY AND RELATED RATIOS
 (Unaudited – See accompanying independent auditors' report)

Measurement Date, September 30,	2020	2019	2018
Total OPEB Liability			
Service cost	\$ 18,177,238	\$ 17,891,399	\$ 18,898,738
Interest	19,947,989	22,332,441	20,845,587
Changes of benefit terms	(48,929,076)	(13,663,167)	-
Differences between expected and actual experience	(134,188,575)	-	-
Changes of assumptions or other inputs	(41,117,883)	132,465,278	(36,399,562)
Benefit Payments	(17,169,001)	(16,305,000)	(15,376,000)
Net Change in Total OPEB Liability	(203,279,308)	142,720,951	(12,031,237)
Total OPEB Liability - Beginning	733,965,911	591,244,960	603,276,197
Total OPEB Liability - Ending	<u>\$ 530,686,603</u>	<u>\$ 733,965,911</u>	<u>\$ 591,244,960</u>
Covered Employee Payroll	\$ 109,236,487	\$ 104,238,991	\$ 102,544,514
Total OPEB Liability as a Percentage of Covered Employee Payroll	485.81%	704.12%	576.57%

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

Notes to Schedule:

Benefit changes

Changes of assumptions

Discount Rate:	
9/30/2017	3.50 %
9/30/2018	3.83 %
9/30/2019	2.75 %
9/30/2020	2.41 %

The mortality and trend tables were updated to the latest SOA public sector experience rates.

Benefit Changes:

The plan subsidy was changed to be dependent on participant division and date of hire.

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 SIX FISCAL YEARS

(Unaudited – See accompanying independent auditors' report)

Measurement Date	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Fiscal Year	9/30/2020	9/30/2019	9/30/2018	9/30/2017
TOTAL PENSION LIABILITY				
Service Cost	\$ 5,887,828	\$ 5,738,426	\$ 5,017,634	\$ 4,493,709
Interest	38,173,241	35,698,698	33,809,853	33,373,524
Benefit Changes	51,225,519	-	-	665,893
Difference Between Actual and Expected Experience	(3,670,131)	2,221,979	(2,204,530)	1,986,958
Change of Assumptions	5,212,188	31,374,924	23,474,009	4,147,745
Refunds of Contributions	(539,713)	(448,377)	(166,465)	(271,849)
Benefit Payments	(41,161,931)	(30,896,779)	(29,804,293)	(38,120,910)
Net Change in Total Pension Liability	55,127,001	43,688,871	30,126,208	6,275,070
Total Pension Liability - Beginning	517,242,484	473,553,613	443,427,405	437,152,336
Total Pension Liability - Ending	572,369,485	517,242,484	473,553,613	443,427,406
PLAN FIDUCIARY NET POSITION				
Contributions - Employer.	26,904,543	22,101,019	20,562,868	9,767,849
Contributions - State	-	-	-	-
Contributions - Employee	3,561,448	3,277,081	3,185,801	3,088,620
Net Investment Income	13,819,381	21,635,666	33,218,838	29,224,225
Benefit Payments	(41,161,931)	(30,896,779)	(29,804,293)	(38,120,911)
Contributions Buy-Back	26,734	(448,377)	(166,465)	(271,849)
Contributions - Non-Employer Contributing Entity	(539,713)	12,694	11,723	10,433
Administrative Expense	(671,545)	(497,898)	(486,528)	(298,730)
Other	271,143	(271,143)	-	-
Net change in Plan Fiduciary Net Position	2,210,060	14,912,263	26,521,944	3,399,637
Plan Fiduciary Net Position - Beginning	331,176,483	316,264,220	289,742,276	286,342,639
Plan Fiduciary Net Position - Ending	333,386,543	331,176,483	316,264,220	289,742,276
Net Pension Liability	\$ 238,982,942	\$ 186,066,001	\$ 157,289,393	\$ 153,685,130
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.25%	64.03%	66.79%	65.34%
Covered Payroll	41,243,666	40,963,513	39,822,513	38,607,750
Net Pension Liability as a Percentage of Covered Payroll	579.44%	454.22%	394.98%	398.07%

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

	9/30/2015 <u>9/30/2016</u>	9/30/2014 <u>9/30/2015</u>
\$	4,587,285	\$ 4,152,898
	33,065,052	32,492,291
	-	-
	1,839,725	333,165
	4,976,256	-
	(434,468)	(231,708)
	<u>(31,649,219)</u>	<u>(28,191,052)</u>
	12,384,631	8,555,594
	<u>424,767,705</u>	<u>416,212,111</u>
	<u>437,152,336</u>	<u>424,767,705</u>
	23,216,393	23,160,583
	8,469	-
	2,604,831	2,671,277
	5,108,678	28,051,900
	(31,649,219)	(28,191,052)
	(434,468)	(231,708)
	-	-
	(287,053)	(282,797)
	-	-
	<u>(1,432,369)</u>	<u>25,178,203</u>
	<u>287,775,008</u>	<u>262,596,805</u>
	<u>286,342,639</u>	<u>287,775,008</u>
\$	<u>150,809,697</u>	<u>\$ 136,992,697</u>
	65.50%	67.75%
	32,560,388	33,390,963
	463.17%	410.27%

CITY OF HOLLYWOOD, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE CITY'S
 NET PENSION LIABILITY AND RELATED RATIOS (Continued)
 FIRE PENSION FUND
 LAST SIX FISCAL YEARS
 (Unaudited – See accompanying independent auditors' report)

Measurement Date	9/30/2019	9/30/2018	9/30/2017	9/30/2016
Fiscal Year	9/30/2020	9/30/2019	9/30/2018	9/30/2017
TOTAL PENSION LIABILITY				
Service Cost	\$ 7,338,471	\$ 5,467,335	\$ 4,750,396	\$ 4,453,321
Interest	30,625,834	27,748,028	26,389,549	24,500,448
Change in Excess State Money	-	-	-	-
Change in benefit terms	21,759,327	2,830,293	-	1,979,452
Difference Between Actual and Expected Experience	6,461,410	5,074,190	5,102,275	5,256,660
Assumption Changes	-	-	-	11,571,857
Drop default loan payment	83,010	40,967	-	-
Contributions - Buyback	149,358	-	-	102,854
Contributions	(25,147,318)	(22,033,151)	(21,319,658)	(22,187,054)
Refunds of Contributions	-	-	-	-
Net Change in Total Pension Liability	41,270,092	19,127,662	14,922,562	25,677,538
Total Pension Liability - Beginning	391,831,350	372,703,688	357,781,126	332,103,588
Total Pension Liability - Ending	433,101,442	391,831,350	372,703,688	357,781,126
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	21,482,941	16,373,064	14,349,564	14,398,112
Contributions - State	1,467,281	-	-	-
Contributions - Employee	1,381,810	1,458,572	1,360,393	1,304,661
Contributions - Buyback	149,358	-	-	102,854
Drop default loan payment	83,010	40,967	-	-
Net Investment Income	6,807,053	22,909,517	26,873,377	17,432,805
Benefit Payments	(25,147,318)	(22,033,151)	(21,319,658)	(22,187,054)
Refunds of Contributions	-	-	-	-
Other	(2,004,645)	-	-	-
Administrative Expense	(691,571)	(654,714)	(559,938)	(625,368)
Net change in Plan Fiduciary Net Position	3,527,919	18,094,255	20,703,738	10,426,010
Plan Fiduciary Net Position - Beginning	250,486,988	232,392,733	211,688,995	201,262,985
Plan Fiduciary Net Position - Ending	254,014,907	250,486,988	232,392,733	211,688,995
Net Pension Liability - Ending	\$ 179,086,535	\$ 141,344,362	\$ 140,310,955	\$ 146,092,131
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	58.65%	63.93%	62.35%	59.17%
Covered Payroll	\$ 20,902,962	\$ 18,938,690	\$ 17,401,469	\$ 16,642,582
Net Pension Liability as a Percentage of Covered Payroll	856.75%	746.33%	806.32%	877.82%

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

	9/30/2015	9/30/2014
	<u>9/30/2016</u>	<u>9/30/2015</u>
\$	3,767,328	\$ 3,392,835
	23,842,805	23,251,404
	-	62,926
	485,214	-
	1,276,360	-
	2,607,740	-
	-	-
	(20,162,497)	(19,171,355)
	(66,761)	(44,105)
	<u>11,750,189</u>	<u>7,491,705</u>
	<u>320,353,399</u>	<u>312,861,694</u>
	<u>332,103,588</u>	<u>320,353,399</u>
	14,310,591	10,721,832
	-	1,625,106
	1,170,620	1,078,161
	-	-
	-	-
	3,909,497	19,962,042
	(20,162,497)	(19,171,355)
	(66,761)	(44,105)
	-	-
	<u>(489,016)</u>	<u>(635,223)</u>
	<u>(1,327,566)</u>	<u>13,536,458</u>
	<u>202,590,551</u>	<u>189,054,093</u>
	<u>201,262,985</u>	<u>202,590,551</u>
\$	<u>130,840,603</u>	<u>\$ 117,762,848</u>
	60.60%	63.24%
\$	16,753,713	\$ 13,712,168
	780.96%	858.82%

CITY OF HOLLYWOOD, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S
NET PENSION LIABILITY AND RELATED RATIOS (Continued)
POLICE OFFICERS' RETIREMENT SYSTEM
LAST SIX FISCAL YEARS

(Unaudited – See accompanying independent auditors' report)

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

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

	9/30/2016 <u>9/30/2017</u>	9/30/2015 <u>9/30/2016</u>	9/30/2014 <u>9/30/2015</u>
\$	4,093,052	\$ 3,518,988	\$ 3,148,678
	25,130,908	24,415,878	29,080,971
	-	-	-
	-	2,093,658	-
	9,005,099	5,887,738	1,770,772
	25,704,000	-	-
	-	-	-
	(35,258)	(73,428)	(126,781)
	<u>(23,179,330)</u>	<u>(23,318,201)</u>	<u>(22,993,671)</u>
	40,718,471	12,524,633	10,879,969
	398,476,966	385,952,333	375,072,364
	<u>439,195,437</u>	<u>398,476,966</u>	<u>385,952,333</u>
	13,960,747	13,425,807	11,209,547
	-	-	1,269,750
	1,714,832	1,454,477	1,341,148
	(35,258)	(73,428)	(126,781)
	-	-	-
	22,123,392	3,175,147	22,976,304
	(23,179,330)	(23,318,201)	(22,993,671)
	(671,069)	(656,738)	(684,234)
	(160,748)	210,285	27,952
	<u>13,752,566</u>	<u>(5,782,651)</u>	<u>13,020,015</u>
	245,410,242	251,192,893	238,172,878
	<u>259,162,808</u>	<u>245,410,242</u>	<u>251,192,893</u>
\$	<u>180,032,629</u>	<u>\$ 153,066,724</u>	<u>\$ 134,759,440</u>
	59.01%	61.59%	65.08%
\$	18,649,015	\$ 16,504,396	\$ 15,092,088
	965.37%	927.43%	892.91%

CITY OF HOLLYWOOD, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST SEVEN FISCAL YEARS

(Unaudited – See accompanying independent auditors' report)

FLORIDA RETIREMENT SYSTEM

June 30,	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.002825208 %	0.002918758 %	0.002802949 %	0.002714891 %	0.002740042 %
City's Proportionate Share of the Net Pension Liability	\$ 1,224,487	\$ 1,005,180	\$ 844,263	\$ 803,047	\$ 691,863
City's Covered Payroll	\$ 217,322	\$ 210,951	\$ 209,565	\$ 198,905	\$ 185,400
City's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	563.44 %	476.50 %	402.86 %	403.73 %	373.17 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.85 %	82.61 %	84.26 %	83.89 %	84.88 %

HEALTH INSURANCE SUBSIDY

June 30,	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability	0.00063528265 %	0.000644734 %	0.00064163 %	0.00062404 %	0.00060059 %
City's Proportionate Share of the Net Pension Liability	\$ 77,567	\$ 72,139	\$ 67,911	\$ 66,724	\$ 69,997
City's Covered Payroll	\$ 217,322	\$ 210,951	\$ 209,565	\$ 198,905	\$ 185,400
City's Proportionate Share of Net Pension Liability as a Percentage of its Covered Payroll	35.69 %	34.20 %	32.41 %	33.55	37.75 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.00 %	2.63 %	2.15 %	1.64	0.97 %

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

2015		2014	
0.002844445	%	0.002229762	%
\$ 367,398		\$ 136,048	
\$ 185,400		\$ 185,400	
198.17	%	73.38	%
92.00	%	96.09	%

2015		2014	
0.000611052	%	0.000623967	%
\$ 62,318		\$ 58,342	
\$ 185,400		\$ 185,400	
33.61	%	31.47	%
0.50	%	0.99	%

CITY OF HOLLYWOOD, FLORIDA

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

GENERAL EMPLOYEES RETIREMENT SYSTEM

September 30,	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 28,553,978	\$ 22,101,019	\$ 24,702,602	\$ 20,513,012	\$ 20,167,849
Contribution Made	<u>(26,711,564)</u>	<u>(26,904,543)</u>	<u>(22,113,713)</u>	<u>(20,574,591)</u>	<u>(9,778,282)</u>
Contribution Deficiency (Excess)	<u>\$ 1,842,414</u> b	<u>\$ (4,803,524)</u> a	<u>\$ 2,588,889</u>	<u>\$ (61,579)</u>	<u>\$ 10,389,567</u>
Covered Payroll	\$ 42,117,351	\$ 41,243,666	\$ 40,963,513	\$ 39,822,513	\$ 38,607,750
Contribution as a Percentage of Covered Payroll	63.88%	63.88%	53.98%	51.67%	25.33%

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

b - The required contribution was revised subsequent to the City's initial contribution. This shortfall has been fully paid as of the audit report date.

FIRE PENSION FUND

September 30,	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 20,032,719	\$ 17,029,397	\$ 16,373,064	\$ 14,349,564	\$ 14,398,112
Contribution Made	<u>(20,032,719)</u>	<u>(21,482,940)</u>	<u>(16,373,064)</u>	<u>(14,349,564)</u>	<u>(14,398,112)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (4,453,543)</u> a	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 19,293,600	\$ 20,902,962	\$ 18,938,690	\$ 17,401,469	\$ 16,642,582
Contribution as a Percentage of Covered Payroll	103.83%	110.21%	82.46%	82.46%	86.51%

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

POLICE OFFICERS' RETIREMENT SYSTEM

September 30,	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 24,142,894	\$ 29,182,499	\$ 19,492,251	\$ 17,005,579	\$ 13,960,747
Contribution Made	<u>(25,500,000)</u>	<u>(29,182,499)</u>	<u>(19,492,251)</u>	<u>(17,005,579)</u>	<u>(13,960,747)</u>
Contribution Deficiency (Excess)	<u>\$ (1,357,106)</u> a	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 22,824,881	\$ 21,786,392	\$ 23,585,094	\$ 23,676,707	\$ 18,649,015
Contribution as a Percentage of Covered Payroll	111.72%	133.95%	82.65%	71.82%	74.86%

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

2015	2014
\$ 20,230,240	\$ 19,834,090
<u>(23,224,862)</u>	<u>(23,160,583)</u>
\$ (2,994,622)	\$ (3,326,493)
\$ 32,560,388	\$ 33,390,963
71.33%	69.36%

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

2015	2014
\$ 13,425,807	\$ 12,479,297
<u>(13,425,807)</u>	<u>(12,479,297)</u>
\$ -	\$ -
\$ 16,504,396	\$ 15,092,088
81.35%	82.69%

CITY OF HOLLYWOOD, FLORIDA

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

FLORIDA RETIREMENT SYSTEM					
September 30,	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 104,746	\$ 102,298	\$ 79,882	\$ 70,675	\$ 78,909
Actual Contribution in Relation to Contractually Required Contribution	(104,746)	(102,298)	(79,882)	(70,675)	(78,909)
Contribution Deficiency (Excess)	<u>\$ -</u>				
Covered Payroll	\$ 221,667	\$ 217,322	\$ 210,951	\$ 204,451	\$ 192,530
Contribution as a Percentage of Covered Payroll	47.25%	47.07%	37.87%	34.57%	40.99%

HEALTH INSURANCE SUBSIDY					
September 30,	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 3,687	\$ 3,608	\$ 3,480	\$ 3,303	\$ 3,078
Actual Contribution in Relation to Contractually Required Contribution	(3,687)	(3,608)	(3,480)	(3,303)	(3,078)
Contribution Deficiency (Excess)	<u>\$ -</u>				
Covered Payroll	\$ 221,667	\$ 217,322	\$ 210,951	\$ 204,451	\$ 192,530
Contribution as a Percentage of Covered Payroll	1.66%	1.66%	1.65%	1.62%	1.60%

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

2015	2014
\$ 77,916	\$ 63,460
<u>(77,916)</u>	<u>(63,460)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 185,400	\$ 185,400
42.03%	34.23%

2015	2014
\$ 2,336	\$ 2,138
<u>(2,336)</u>	<u>(2,138)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 185,400	\$ 185,400
1.26%	1.15%

CITY OF HOLLYWOOD, FLORIDA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited – See accompanying independent auditors’ report)

NOTE I – ACTUARIAL METHODS AND ASSUMPTIONS USED IN DETERMINING PENSION PLAN CONTRIBUTION RATES

The following actuarial methods and assumptions were used to determine contribution rates reported for the fiscal year ending September 30, 2020:

	<u>General Employees Retirement System</u>	<u>Fire Pension Fund</u>	<u>Police Officers' Retirement System</u>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percent Closed	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	30 Years	30 Years	14 to 27 Years
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	5 Year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return	7.50%	7.50%	8.00%
Assumed Annual Salary Increase	3.00% to 8.00%	Service Based	5.03% to 10.67%
Inflation	2.50%	2.50%	2.50%
Cost-of-Living Adjustment (COLA)	N/A	(a)	2.00% (b)
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition	N/A	Experience-based table of rates that are specific to the type of eligibility condition
Mortality Rates	RP-2000 Combined Health Participant Mortality Table	RP-2000 Combined Health Participant Mortality Table	Female PubG.H-2010 Scale MP-2018 Male PubG.H-2010 Scale MP-2018
Mortality Rate - Disabled	RP-2000 Combined Health Participant Mortality Table	RP-2000 Combined Disability Table	Pub-2010 Disability Table
Valuation Date	10/01/18	10/01/18	10/01/18

(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.

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NONMAJOR GOVERNMENTAL FUNDS

The City's nonmajor governmental funds are comprised of the following fund types and funds:

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

LAW ENFORCEMENT FORFEITURE FUND - This fund accounts for confiscated monies and property awarded to the City for law enforcement related expenditures as stipulated by State Statutes.

POLICE GRANTS FUND - This fund accounts for various grants awarded to the City for police related activities.

EMERGENCY AND DISASTER FUND – This fund accounts for resources accumulated for emergency use in the event of a hurricane, fire, flood or other major disaster.

LOCAL HOUSING ASSISTANCE FUND - This fund accounts for loan programs financed by State Housing Initiatives Partnership (S.H.I.P.) program grants.

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.

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.

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CITY OF HOLLYWOOD, FLORIDA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2020

	Special Revenue Funds			
	Law Enforcement Forfeiture	Police Grants	Emergency and Disaster	Local Housing Assistance (S.H.I.P.)
ASSETS:				
Cash	\$ 20,200	\$ -	\$ -	\$ -
Investments	2,676,499	17,055	-	526,817
Notes Receivable - Net of Allowances	-	-	-	11,924,769
Due from Other Governments	3,000	187,246	1,394,927	373,614
Due from Other Governments: Restricted Assets:				
TOTAL ASSETS	<u>\$ 2,699,699</u>	<u>\$ 204,301</u>	<u>\$ 1,394,927</u>	<u>\$ 12,825,200</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:				
LIABILITIES:				
Vouchers Payable	\$ 32,316	\$ 6,288	\$ 17,135	\$ 19,312
Construction Contracts Payable	-	-	2,453	13,579
Due to Other Funds	-	179,140	5,512,173	-
Unearned Revenue	-	-	-	373,614
Deposits Payable	15,695	-	-	-
Payable from Restricted Assets: Total Liabilities	<u>48,011</u>	<u>185,428</u>	<u>5,531,761</u>	<u>406,505</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable or Advanced Revenue	-	125,692	919,671	11,924,767
FUND BALANCES:				
Restricted	2,651,688	-	-	493,928
Assigned	-	-	-	-
Unassigned	-	(106,819)	(5,056,505)	-
Total Fund Balances	<u>2,651,688</u>	<u>(106,819)</u>	<u>(5,056,505)</u>	<u>493,928</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,699,699</u>	<u>\$ 204,301</u>	<u>\$ 1,394,927</u>	<u>\$ 12,825,200</u>

Debt Service Funds			
Debt Service Fund	General Obligation Bonds Series 2005	Gas Tax Capital Projects	Total
\$ -	\$ -	\$ -	\$ 20,200
1,476,912	463,170	6,145,812	11,306,265
-	-	-	11,924,769
-	-	397,746	2,356,533
<u>\$ 1,476,912</u>	<u>\$ 463,170</u>	<u>\$ 6,543,558</u>	<u>\$ 25,607,767</u>
\$ -	\$ -	\$ 50,950	\$ 126,001
-	-	-	16,032
-	-	-	5,691,313
-	-	-	373,614
-	-	-	15,695
<u>-</u>	<u>-</u>	<u>50,950</u>	<u>6,222,655</u>
-	-	-	12,970,130
-	463,170	6,492,608	10,101,394
1,476,912	-	-	1,476,912
-	-	-	(5,163,324)
<u>1,476,912</u>	<u>463,170</u>	<u>6,492,608</u>	<u>6,414,982</u>
<u>\$ 1,476,912</u>	<u>\$ 463,170</u>	<u>\$ 6,543,558</u>	<u>\$ 25,607,767</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, 2020

	Special Revenue Funds			
	Law Enforcement Forfeiture	Police Grants	Emergency and Disaster	Local Housing Assistance (S.H.I.P.)
REVENUES:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	338,678	8,784,178	454,646
Fines and Forfeitures	507,827	-	-	-
Investment Revenue	25,016	-	(81,941)	9,898
Miscellaneous	675	-	-	-
Total Revenues	<u>533,518</u>	<u>338,678</u>	<u>8,702,237</u>	<u>464,544</u>
EXPENDITURES:				
Current:				
Public Safety	365,540	225,235	-	-
Transportation	-	-	-	-
Economic Environment	-	-	-	838,159
Emergency and Disaster Relief	-	-	3,994,092	-
Capital Outlay:				
Debt Service:				
Public Safety	138,535	107,192	-	-
Transportation	-	-	-	-
Economic Environment	-	-	50,152	-
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>504,075</u>	<u>332,427</u>	<u>4,044,244</u>	<u>838,159</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>29,443</u>	<u>6,251</u>	<u>4,657,993</u>	<u>(373,615)</u>

Debt Service Funds			
Debt Service Fund	General Obligation Bonds Series 2005	Gas Tax Capital Projects	Total
\$ -	\$ 7,608,953	\$ -	\$ 7,608,953
-	-	2,468,888	12,046,390
-	-	-	507,827
6,219	40,522	45,643	45,357
-	-	-	675
<u>6,219</u>	<u>7,649,475</u>	<u>2,514,531</u>	<u>20,209,202</u>
-	-	-	590,775
-	-	235,938	235,938
-	-	-	838,159
-	-	-	3,994,092
-	-	-	245,727
-	-	92,399	92,399
-	-	-	50,152
4,030,344	4,537,000	-	8,567,344
1,696,429	3,003,261	-	4,699,690
<u>5,726,773</u>	<u>7,540,261</u>	<u>328,337</u>	<u>19,314,276</u>
<u>(5,720,554)</u>	<u>109,214</u>	<u>2,186,194</u>	<u>894,926</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA

(Continued)

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds			
	Law Enforcement Forfeiture	Police Grants	Emergency and Disaster	Local Housing Assistance (S.H.I.P.)
OTHER FINANCING SOURCES (USES):				
Transfers In:				
Transfers In	-	-	-	-
Total Transfers In	-	-	-	-
Transfers Out:				
Transfers Out	-	-	-	-
Total Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Change in Fund Balances	29,443	6,251	4,657,993	(373,615)
Fund Balances - Beginning	2,622,245	(113,070)	(9,714,498)	867,543
Fund Balances - Ending	<u>\$ 2,651,688</u>	<u>\$ (106,819)</u>	<u>\$ (5,056,505)</u>	<u>\$ 493,928</u>

Debt Service Funds			
Debt Service Fund	General Obligation Bonds Series 2005	Gas Tax Capital Projects	Total
5,679,730	-	-	5,679,730
5,679,730	-	-	5,679,730
-	-	(566,875)	(566,875)
-	-	(566,875)	(566,875)
5,679,730	-	(566,875)	5,112,855
(40,824)	109,214	1,619,319	6,007,781
1,517,736	353,956	4,873,289	407,201
<u>\$ 1,476,912</u>	<u>\$ 463,170</u>	<u>\$ 6,492,608</u>	<u>\$ 6,414,982</u>

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NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City Commission is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the periodic determination of net income is appropriate for accountability purposes.

STORMWATER UTILITY FUND - This fund accounts for fees and charges related to the operation and maintenance of a stormwater management system.

GOLF ENTERPRISE FUND - This fund accounts for the operations and rental payments of City owned golf courses.

RECORDS PRESERVATION FUND – This fund accounts for resources accumulated to defray the cost of maintaining city-wide records management and preservation activities.

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CITY OF HOLLYWOOD, FLORIDA

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	<u>Stormwater Utility</u>	<u>Golf Enterprise</u>	<u>Records Preservation</u>	<u>Total</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
ASSETS:				
CURRENT ASSETS:				
Cash	\$ -	\$ 100,000	\$ 130	\$ 100,130
Investments	12,897,422	-	230,741	13,128,163
Accounts Receivable - Net of Allowances	990,748	(525)	-	990,223
Total Current Assets	<u>13,888,170</u>	<u>99,475</u>	<u>230,871</u>	<u>14,218,516</u>
NONCURRENT ASSETS:				
Capital Assets:				
Land	-	962,122	-	962,122
Buildings	-	2,935,048	-	2,935,048
Improvements	8,738,168	3,826,887	-	12,565,055
Machinery and Equipment	136,132	1,402,705	-	1,538,837
Accumulated Depreciation	(3,879,712)	(7,770,192)	-	(11,649,904)
Construction in Progress	1,089,494	-	-	1,089,494
Total Noncurrent Assets	<u>6,084,082</u>	<u>1,356,570</u>	<u>-</u>	<u>7,440,652</u>
Total Assets	<u>19,972,252</u>	<u>1,456,045</u>	<u>230,871</u>	<u>21,659,168</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflow - General Employees Pension	325,833	73,943	-	399,776
Deferred Outflow for OPEB	566,318	113,927	-	680,245
Total Deferred Outflows of Resources	<u>892,151</u>	<u>187,870</u>	<u>-</u>	<u>1,080,021</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>20,864,403</u>	<u>1,643,915</u>	<u>230,871</u>	<u>22,739,189</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA

(Continued)

NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Stormwater Utility	Golf Enterprise	Records Preservation	Total
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:				
LIABILITIES:				
CURRENT LIABILITIES:				
Vouchers Payable	\$ 192,177	\$ 159,562	\$ 54	\$ 351,793
Accrued Wages and Leave	27,439	-	-	27,439
Pension Settlement	67,157	3,643	-	70,800
Compensated Absences	68,476	-	-	68,476
Construction Contracts	423,688	-	-	423,688
Due to Other Funds	-	2,086,318	-	2,086,318
Due to Other Governments	-	4,243	-	4,243
Interest Payable	7,711	-	-	7,711
Deposits Payable	-	26,668	-	26,668
Loans Payable	83,330	-	-	83,330
Total Current Liabilities	<u>869,978</u>	<u>2,280,434</u>	<u>54</u>	<u>3,150,466</u>
NONCURRENT LIABILITIES:				
Compensated Absences	30,909	-	-	30,909
Loans Payable	740,810	-	-	740,810
Total Other Postemployment Benefits Liability (OPEB)	3,403,201	212,700	-	3,615,901
Net Pension Liability - General Employees	1,624,356	348,372	-	1,972,728
Pension Settlement	132,611	7,194	-	139,805
Total Noncurrent Liabilities	<u>5,931,887</u>	<u>568,266</u>	<u>-</u>	<u>6,500,153</u>
Total Liabilities	<u>6,801,865</u>	<u>2,848,700</u>	<u>54</u>	<u>9,650,619</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflow - General Employees Pension	743,648	43,608	-	787,256
Deferred Inflow for OPEB	1,296,178	66,631	-	1,362,809
Total Deferred Inflows of Resources	<u>2,039,826</u>	<u>110,239</u>	<u>-</u>	<u>2,150,065</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>8,841,691</u>	<u>2,958,939</u>	<u>54</u>	<u>11,800,684</u>
NET POSITION:				
Net Investment in Capital Assets	4,836,254	1,356,570	-	6,192,824
Unrestricted (Deficit)	7,186,458	(2,671,594)	230,817	4,745,681
TOTAL NET POSITION	<u>\$ 12,022,712</u>	<u>\$ (1,315,024)</u>	<u>\$ 230,817</u>	<u>\$ 10,938,505</u>

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CITY OF HOLLYWOOD, FLORIDA

NONMAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Stormwater Utility</u>	<u>Golf Enterprise</u>	<u>Records Preservation</u>	<u>Total</u>
OPERATING REVENUES:				
Charges for Sales and Services	\$ 5,780,996	\$ 1,461,989	\$ 33,172	\$ 7,276,157
Miscellaneous	-	193,211	-	193,211
Total Operating Revenues	<u>5,780,996</u>	<u>1,655,200</u>	<u>33,172</u>	<u>7,469,368</u>
OPERATING EXPENSES:				
Personal Services and Benefits	1,270,065	71,739	-	1,341,804
Supplies, Services and Claims	1,170,721	1,938,823	16,032	3,125,576
Depreciation	282,383	116,235	-	398,618
Total Operating Expenses	<u>2,723,169</u>	<u>2,126,797</u>	<u>16,032</u>	<u>4,865,998</u>
Operating Income (Loss)	<u>3,057,827</u>	<u>(471,597)</u>	<u>17,140</u>	<u>2,603,370</u>
NONOPERATING REVENUES (EXPENSES):				
Investment Revenue	103,683	(22,841)	1,937	82,779
Interest Expense	(27,064)	-	-	(27,064)
Gain/Loss on Disposals	5,850	-	-	5,850
Total Nonoperating Revenues (Expenses)	<u>82,469</u>	<u>(22,841)</u>	<u>1,937</u>	<u>61,565</u>
Income (Loss) Before Transfers and Capital Contributions	<u>3,140,296</u>	<u>(494,438)</u>	<u>19,077</u>	<u>2,664,935</u>
Capital Contributions	(165,165)	-	-	(165,165)
Transfers In	-	-	3,990	3,990
Transfers Out	<u>(413,239)</u>	<u>(70,027)</u>	-	<u>(483,266)</u>
Total Capital Contributions and Transfers	<u>(578,404)</u>	<u>(70,027)</u>	<u>3,990</u>	<u>(644,441)</u>
Change in Net Position	2,561,892	(564,465)	23,067	2,020,494
Net Position - Beginning	<u>9,460,820</u>	<u>(750,559)</u>	<u>207,750</u>	<u>8,918,011</u>
Net Position - Ending	<u>\$ 12,022,712</u>	<u>\$ (1,315,024)</u>	<u>\$ 230,817</u>	<u>\$ 10,938,505</u>

CITY OF HOLLYWOOD, FLORIDA

NONMAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Stormwater Utility</u>	<u>Golf Enterprise</u>	<u>Records Preservation</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received from Customers, Employees and Other Governments	\$ 5,324,738	\$ 1,655,388	\$ 33,172	\$ 7,013,298
Payments to Suppliers for Goods and Services	(387,036)	(1,902,663)	(25,636)	(2,315,335)
Payments to Employees for Services	(1,351,405)	-	-	(1,351,405)
Payments for interfund services used	-	347,213	-	347,213
Net Cash Provided (Used) by Operating Activities	<u>3,586,297</u>	<u>99,938</u>	<u>7,536</u>	<u>3,693,771</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers In			3,990	3,990
Transfers Out	(578,404)	(70,027)	3,990	(644,441)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(578,404)</u>	<u>(70,027)</u>	<u>7,980</u>	<u>(640,451)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal Paid on Bonds, Notes and Equipment Contracts	(80,772)	-	-	(80,772)
Interest Paid on Bonds, Notes and Equipment Contracts	(27,820)	-	-	(27,820)
Proceeds from sale of Capital Assets	5,850	-	-	5,850
Acquisition and Construction of Capital Assets	(1,559,590)	(7,070)	-	(1,566,660)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,662,332)</u>	<u>(7,070)</u>	<u>-</u>	<u>(1,669,402)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from Sale and Maturities of Investment Revenue	<u>103,683</u>	<u>(22,841)</u>	<u>1,937</u>	<u>82,779</u>
Net Cash Provided (Used) by Investing Activities	<u>103,683</u>	<u>(22,841)</u>	<u>1,937</u>	<u>82,779</u>
Net Increase in Cash and Investments	1,449,244	-	17,453	1,466,697
Cash and Investments - beginning of year	<u>11,283,013</u>	<u>100,000</u>	<u>217,408</u>	<u>11,600,421</u>
Cash and Investments - end of year	<u>\$ 12,732,257</u>	<u>\$ 100,000</u>	<u>\$ 234,861</u>	<u>\$ 13,067,118</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA

NONMAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Stormwater Utility</u>	<u>Golf Enterprise</u>	<u>Records Preservation</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ 3,057,827	\$ (471,597)	\$ 17,140	\$ 2,603,370
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	282,383	116,235	-	398,618
Provision for Uncollectible Accounts	59,006	-	-	59,006
Pension Expense Adjustment	26,627	57,930	-	84,557
OPEB Expense Adjustment	(313,249)	2,972	-	(310,277)
Change in Assets, Liabilities and Deferred Inflows/Outflows:				
(Increase) Decrease in Accounts Receivable	(515,264)	792	-	(514,472)
(Increase) Decrease in Due from Other Funds	-	347,213	-	347,213
(Increase) Decrease in Due to Other Governments	-	4	-	4
Increase (Decrease) in Vouchers Payable	131,042	36,156	(9,604)	157,594
Increase (Decrease) in accrued expenses	860,849	10,837	-	871,686
Increase (Decrease) in accrued compensated absences	(2,924)			(2,924)
Increase (Decrease) in Deposits Payable	-	(604)	-	(604)
Total Adjustments	<u>528,470</u>	<u>571,535</u>	<u>(9,604)</u>	<u>1,090,401</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,586,297</u>	<u>\$ 99,938</u>	<u>\$ 7,536</u>	<u>\$ 3,693,771</u>
NONCASH CAPITAL FINANCING ACTIVITIES				
Change in construction and related liabilities	<u>\$ (401,446)</u>	<u>-</u>	<u>-</u>	<u>\$ (401,446)</u>

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INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

CENTRAL SERVICES FUND - This fund accounts for the operation of the central garage, archiving services, public relations services and information technology services..

INSURANCE FUND - This fund accounts for self insurance activities, including reserves, and employee health benefits as well as purchased insurance coverages for general, auto and property liability.

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CITY OF HOLLYWOOD, FLORIDA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Central Services	Insurance	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
ASSETS:			
CURRENT ASSETS:			
Cash	\$ 500	\$ -	\$ 500
Investments	25,550,034	52,598,548	78,148,582
Accounts Receivable - Net of Allowances	-	25,129	25,129
Reinsurance Receivable	-	510,954	510,954
Inventories of Supplies	208,892	-	208,892
Total Current Assets	25,759,426	53,134,631	78,894,057
NONCURRENT ASSETS:			
Prepaid Items	-	58,601	58,601
Capital Assets:			
Buildings	1,141,350	-	1,141,350
Machinery and Equipment	44,715,628	-	44,715,628
Accumulated Depreciation	(37,020,651)	-	(37,020,651)
Total Noncurrent Assets	8,836,327	58,601	8,894,928
Total Assets	34,595,753	53,193,232	87,788,985
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflow - General Employees Pension	7,804,761	304,761	8,109,522
Deferred Outflow for OPEB	4,392,905	260,755	4,653,660
Total Deferred Outflows of Resources	12,197,666	565,516	12,763,182
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	46,793,419	53,758,748	100,552,167

(Continued)

CITY OF HOLLYWOOD, FLORIDA

(continued)

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Central Services	Insurance	Total
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
LIABILITIES:			
CURRENT LIABILITIES:			
Vouchers Payable	662,668	22,525	685,193
Accrued Wages and Leave	195,037	11,160	206,197
Pension Settlement	552,832	38,862	591,694
Compensated Absences	400,395	39,769	440,164
Construction Contracts	1,056,612	-	1,056,612
Interest Payable	127,849	-	127,849
Bonds Payable - Net	198,486	-	198,486
Capital Lease Obligations	906,243	-	906,243
Loans Payable	40,629	-	40,629
Total Current Liabilities	<u>4,140,751</u>	<u>112,316</u>	<u>4,253,067</u>
NONCURRENT LIABILITIES:			
Compensated Absences	504,901	20,098	524,999
Claims Payable	-	14,282,588	14,282,588
Bonds Payable - Net	3,623,553	-	3,623,553
Capital Lease Obligations	3,039,371	-	3,039,371
Loans Payable	41,605	-	41,605
Total Other Postemployment Benefits Liability (OPEB)	17,654,103	1,488,900	19,143,003
Net Pension Liability - General Employees	25,473,041	1,404,236	26,877,277
Pension Settlement	1,091,637	76,739	1,168,376
Total Noncurrent Liabilities	<u>51,428,211</u>	<u>17,272,561</u>	<u>68,700,772</u>
Total Liabilities	<u>55,568,962</u>	<u>17,384,877</u>	<u>72,953,839</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflow - General Employees Pension	890,960	286,811	1,177,771
Deferred Inflow for OPEB	8,954,381	683,578	9,637,959
Total Deferred Inflows of Resources	<u>9,845,341</u>	<u>970,389</u>	<u>10,815,730</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>65,414,303</u>	<u>18,355,266</u>	<u>83,769,569</u>
NET POSITION			
Unrestricted (Deficit)	<u>(18,620,884)</u>	<u>35,403,482</u>	<u>16,782,598</u>
TOTAL NET POSITION	<u>\$ (18,620,884)</u>	<u>\$ 35,403,482</u>	<u>\$ 16,782,598</u>

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CITY OF HOLLYWOOD, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Central Services</u>	<u>Insurance</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Sales and Services	\$ 20,335,015	\$ 50,711,056	\$ 71,046,071
Miscellaneous	-	3,156,997	3,156,997
Total Operating Revenues	<u>20,335,015</u>	<u>53,868,053</u>	<u>74,203,068</u>
OPERATING EXPENSES:			
Personal Services and Benefits	16,950,596	934,929	17,885,525
Supplies, Services and Claims	9,531,714	41,431,575	50,963,289
Depreciation	3,358,994	-	3,358,994
Total Operating Expenses	<u>29,841,304</u>	<u>42,366,504</u>	<u>72,207,808</u>
Operating Income (Loss)	<u>(9,506,289)</u>	<u>11,501,549</u>	<u>1,995,260</u>
NONOPERATING REVENUES (EXPENSES):			
Investment Revenue	212,365	379,203	591,568
Interest Expense	(268,510)	-	(268,510)
Contributions to Governmental Funds	(522,626)	-	(522,626)
Gain/Loss on Disposals	203,239	-	203,239
Total Nonoperating Revenues	<u>(375,532)</u>	<u>379,203</u>	<u>3,671</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(9,881,821)</u>	<u>11,880,752</u>	<u>1,998,931</u>
CONTRIBUTIONS:			
Capital Contributions	1,225,317	-	1,225,317
TRANSFERS IN (OUT):			
Transfers In:			
Transfers In	<u>2,984,381</u>	-	<u>2,984,381</u>
Total Transfers In	<u>2,984,381</u>	-	<u>2,984,381</u>
Transfers Out:			
Transfers Out	<u>(377,022)</u>	-	<u>(377,022)</u>
Total Transfers In (Out)	<u>(377,022)</u>	-	<u>(377,022)</u>
Change in Net Position	(6,049,145)	11,880,752	5,831,607
Net Position - Beginning	<u>(12,571,739)</u>	<u>23,522,730</u>	<u>10,950,991</u>
Net Position - Ending	<u>\$ (18,620,884)</u>	<u>\$ 35,403,482</u>	<u>\$ 16,782,598</u>

CITY OF HOLLYWOOD, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Central Services</u>	<u>Insurance</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers and Employees	\$ 20,378,173	\$ 53,647,206	\$ 74,025,379
Cash Received from Other Funds	-	-	-
Payments to Suppliers for Goods and Services	(10,117,832)	(5,815,930)	(15,933,762)
Payments to Employees for Services	(9,711,226)	(723,093)	(10,434,319)
Other Operating Receipts (Payments)	-	(35,733,459)	(35,733,459)
Net Cash Provided (Used) by Operating Activities	<u>549,115</u>	<u>11,374,724</u>	<u>11,923,839</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers In	2,984,381	-	2,984,381
Transfers Out	<u>(377,022)</u>	<u>-</u>	<u>(377,022)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,607,359</u>	<u>-</u>	<u>2,607,359</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from Sale of Capital Assets	203,752	-	203,752
Principal Paid on Other Borrowings	(1,367,081)	-	(1,367,081)
Interest Paid on Other Borrowing	(354,502)	-	(354,502)
Acquisition and Construction of Capital Assets	<u>(1,975,805)</u>	<u>-</u>	<u>(1,975,805)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,493,636)</u>	<u>-</u>	<u>(3,493,636)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment Revenue	<u>212,365</u>	<u>379,203</u>	<u>591,568</u>
Net Cash Provided (Used) by Investing Activities	<u>212,365</u>	<u>379,203</u>	<u>591,568</u>
Net Increase (Decrease) in Cash and Investments	(124,797)	11,753,927	11,629,130
Cash and Investments - beginning of year	<u>25,675,331</u>	<u>40,844,621</u>	<u>66,519,952</u>
Cash and Investments- end of year	<u>\$ 25,550,534</u>	<u>\$ 52,598,548</u>	<u>\$ 78,149,082</u>
NON-CASH TRANSACTIONS AFFECTING FINANCIAL POSITION			
Change in bond discount/premium	\$ 59,824	\$ -	\$ 59,824
Total non-cash transactions affecting financial position	<u>\$ 59,824</u>	<u>\$ -</u>	<u>\$ 59,824</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	<u>Central Services</u>	<u>Insurance</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (9,506,289)	\$ 11,501,549	\$ 1,995,260
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(used) by Operating Activities:			
Depreciation	3,358,994	-	3,358,994
Pension Expense Adjustment	7,292,528	249,485	7,542,013
OPEB Expense Adjustment	(1,951,146)	(156,816)	(2,107,962)
Change in Assets, Liabilities and Deferred Inflows/Outflows:			
(Increase) Decrease in Accounts Receivable	43,158	(220,847)	(177,689)
(Increase) Decrease in Inventory	(8,517)	-	(8,517)
(Increase) Decrease in Prepaid Expense	-	(2,445)	(2,445)
(Increase) Decrease in Accrued Expense	1,712,367	116,810	1,829,177
Increase (Decrease) in Accounts Payable	(577,603)	5,868	(571,735)
Increase (Decrease) in Accrued Wages and Leave	185,623	2,357	187,980
Increase (Decrease) in Claims Payable		(121,237)	(121,237)
Total Adjustments	<u>10,055,404</u>	<u>(126,825)</u>	<u>9,928,579</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 549,115</u>	<u>\$ 11,374,724</u>	<u>\$ 11,923,839</u>

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FIDUCIARY FUNDS

Fiduciary funds are used to account for resources held for the benefit of parties outside the City.

GENERAL EMPLOYEES' RETIREMENT SYSTEM - To account for the accumulation of resources and benefit payments for the pension plan for general employees.

FIRE PENSION FUND - To account for the accumulation of resources and benefit payments for the pension plan for fire personnel.

POLICE RETIREMENT SYSTEM - To account for the accumulation of resources and benefit payments for the pension plan for police personnel.

CITY OF HOLLYWOOD, FLORIDA

**FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2020**

	General Employees Retirement System	Fire Pension Fund	Police Retirement System	Total Pension Plans
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS:				
Investments				
U.S. Government Securities	\$ -	\$ 22,588,604	\$ 34,786,461	\$ 57,375,065
Money Market Funds	9,041,074	-	5,874,194	14,915,268
Corporate Equities	11,921,866	183,273,471	205,209,105	400,404,442
Corporate Bonds and Other	-	32,048,381	40,863,804	72,912,185
Mutual Funds	247,703,995	36,258,913	47,763,644	331,726,552
Pooled Investment Funds	86,204,994	204,432	-	86,409,426
Total Investments	<u>354,871,929</u>	<u>274,373,801</u>	<u>334,497,208</u>	<u>963,742,938</u>
Contributions Receivable	-	360,097	1,797,433	2,157,530
Interest Receivable	63,325	138,192	702,446	903,963
Accounts Receivable	15,701,322	665,381	754,689	17,121,392
Accounts Receivable - Sale of Investments	-	-	307,983	307,983
Intergovernmental Receivable: State excise tax rebate	-	1,483,741	-	1,483,741
Prepaid Items	142,428	8,321	2,602,330	2,753,079
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>370,779,004</u>	<u>277,029,533</u>	<u>340,662,089</u>	<u>988,470,626</u>
LIABILITIES:				
Vouchers Payable	1,016,591	494,653	134,792	1,646,036
Due to Brokers	94,927	1,002,327	697,155	1,794,409
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>1,111,518</u>	<u>1,496,980</u>	<u>831,947</u>	<u>3,440,445</u>
NET POSITION:				
Restricted for Pension Benefits	<u>\$ 369,667,486</u>	<u>\$ 275,532,553</u>	<u>\$ 339,830,142</u>	<u>\$ 985,030,181</u>

CITY OF HOLLYWOOD, FLORIDA

**FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

	General Employees Retirement System	Fire Pension Fund	Police Retirement System	Total Pension Plans
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ADDITIONS:				
Contributions:				
City	\$ 42,284,055	\$ 20,460,578	\$ 19,856,774	\$ 82,601,407
Local or State Excise Tax	29,738	1,483,741	1,797,433	3,310,912
Members	3,635,402	1,889,305	2,922,863	8,447,570
Total Contributions	<u>45,949,195</u>	<u>23,833,624</u>	<u>24,577,070</u>	<u>94,359,889</u>
Investment Income:				
Net Increase in Fair				
Value of Plan Investments	21,551,651	23,038,701	19,879,997	64,470,349
Interest and Dividends	4,957,465	4,276,203	6,858,166	16,091,834
	<u>26,509,116</u>	<u>27,314,904</u>	<u>26,738,163</u>	<u>80,562,183</u>
Less: Investment Expense	(710,676)	(1,197,334)	(1,597,044)	(3,505,054)
Net Investment Income	<u>25,798,440</u>	<u>26,117,570</u>	<u>25,141,119</u>	<u>77,057,129</u>
Other Income	-	-	44,860	44,860
Total Additions	<u>71,747,635</u>	<u>49,951,194</u>	<u>49,763,049</u>	<u>171,461,878</u>
DEDUCTIONS:				
Pension Benefits	34,235,265	27,740,642	30,379,009	92,354,916
Refund of Contributions	425,409	1,100	314,396	740,905
Administrative Expenses	806,020	691,806	722,989	2,220,815
Total Deductions	<u>35,466,694</u>	<u>28,433,548</u>	<u>31,416,394</u>	<u>95,316,636</u>
Change in Net Position	36,280,941	21,517,646	18,346,655	76,145,242
Net Position Restricted for Pension Benefits - Beginning of Year	<u>333,386,545</u>	<u>254,014,907</u>	<u>321,483,487</u>	<u>908,884,939</u>
Net Position Restricted for Pension Benefits - End of Year	<u>\$ 369,667,486</u>	<u>\$ 275,532,553</u>	<u>\$ 339,830,142</u>	<u>\$ 985,030,181</u>

CITY OF HOLLYWOOD, FLORIDA

**INDEX TO
STATISTICAL SECTION
(Unaudited – See accompanying independent auditors’ report)**

This part of the City of Hollywood’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

	<u>Page No.</u>
FINANCIAL TRENDS	179-184
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
REVENUE CAPACITY	185-197
These schedules contain information to help the reader assess the government’s most significant tax revenue sources, and in particular property taxes.	
DEBT CAPACITY	198-202
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and its ability to issue additional debt in the future.	
DEMOGRAPHIC AND ECONOMIC INFORMATION	203-204
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	205-211
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 comprehensive annual financial reports for the relevant year.

CITY OF HOLLYWOOD, FLORIDA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
GOVERNMENTAL ACTIVITIES:					
Net Investment in Capital Assets	\$ 70,938	\$ 69,416	\$ 71,886	\$ 65,894	\$ 65,085
Restricted	139,737	119,212	34,865	33,995	49,191
Unrestricted	<u>(926,843)</u>	<u>(830,648)</u>	<u>(779,606)</u>	<u>(451,440)</u>	<u>(457,116)</u>
Total Governmental Activities Net Position	<u>\$ (716,168)</u>	<u>\$ (642,020)</u>	<u>\$ (672,855)</u>	<u>\$ (351,551)</u>	<u>\$ (342,840)</u>
BUSINESS-TYPE ACTIVITIES:					
Net Investment in Capital Assets	\$ 222,928	\$ 219,044	\$ 186,154	\$ 164,263	\$ 145,990
Restricted	63,242	62,248	64,916	64,238	62,157
Unrestricted	<u>29,856</u>	<u>20,480</u>	<u>9,765</u>	<u>68,179</u>	<u>59,580</u>
Total Business-type Activities Net Position	<u>\$ 316,026</u>	<u>\$ 301,772</u>	<u>\$ 260,835</u>	<u>\$ 296,680</u>	<u>\$ 267,727</u>
PRIMARY GOVERNMENT:					
Net Investment in Capital Assets	\$ 293,866	\$ 288,460	\$ 258,040	\$ 230,157	\$ 211,075
Restricted	202,979	181,460	99,781	98,233	111,348
Unrestricted	<u>(896,987)</u>	<u>(810,168)</u>	<u>(769,841)</u>	<u>(383,261)</u>	<u>(397,536)</u>
Total Primary Government Net Position	<u>\$ (400,142)</u>	<u>\$ (340,248)</u>	<u>\$ (412,020)</u>	<u>\$ (54,871)</u>	<u>\$ (75,113)</u>

- (1) As restated.
- (2) Previously titled Invested in Capital Assets - Net of Related Debt
- (3) Net Position previously titled Net Assets

<u>2015 (1)</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 63,650	\$ 58,658	\$ 54,284 (2)	\$ 55,803	\$ 55,606
36,472	37,383	35,220	34,097	31,892
(440,035)	(79,505)	(76,747)	(83,169)	(91,074)
<u>\$ (339,913)</u>	<u>\$ 16,536</u>	<u>\$ 12,757</u> (3)	<u>\$ 6,731</u>	<u>\$ (3,576)</u>
\$ 125,409	\$ 121,880	\$ 105,450 (2)	\$ 98,007	\$ 93,968
63,303	61,237	54,816	51,281	40,377
48,867	63,610	60,044	47,901	43,195
<u>\$ 237,579</u>	<u>\$ 246,727</u>	<u>\$ 220,310</u> (3)	<u>\$ 197,189</u>	<u>\$ 177,540</u>
\$ 189,059	\$ 180,538	\$ 159,734 (2)	\$ 153,810	\$ 149,574
99,775	98,620	90,036	\$ 85,378	72,269
(391,168)	(15,895)	(16,703)	(35,268)	(47,879)
<u>\$ (102,334)</u>	<u>\$ 263,263</u>	<u>\$ 233,067</u> (3)	<u>\$ 203,920</u>	<u>\$ 173,964</u>

CITY OF HOLLYWOOD, FLORIDA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
PRIMARY GOVERNMENT:				
EXPENSES:				
Governmental activities				
General government	\$ 54,781	\$ 64,445	\$ 34,331	\$ 36,963
Public safety	252,285	152,776	155,948	160,110
Public Works	17,001	16,012	13,047	15,400
Transportation	2,610	3,437	3,375	5,041
Economic Environment	8,092	6,602	6,767	6,641
Physical Environment	989	633	7,100	1,551
Culture and Recreation	17,165	15,386	14,851	14,815
Emergency and Disaster Relief & Other	3,994	239	7,002	3,293
Interest and Fiscal Charges	5,753	4,872	4,509	4,973
Total Governmental Activities	<u>362,670</u>	<u>264,402</u>	<u>246,930</u>	<u>248,787</u>
Business-type Activities:				
Water	36,700	29,721	27,276	29,604
Sewer	54,588	43,645	42,248	41,754
Sanitation	15,408	13,547	12,804	12,539
Stormwater	2,730	2,605	2,471	2,238
Golf	2,125	2,081	2,088	2,411
Parking	10,278	8,768	7,280	7,080
Other	16	27	34	28
Total Business-type Activities	<u>121,845</u>	<u>100,394</u>	<u>94,201</u>	<u>95,654</u>
Total Primary Government Expenditures	<u>\$ 484,515</u>	<u>\$ 364,796</u>	<u>\$ 341,131</u>	<u>\$ 344,441</u>
REVENUES:				
Governmental activities:				
Charges for services:				
General government	\$ 14,135	\$ 13,909	\$ 12,718	\$ 12,279
Public Safety	49,619	49,655	42,433	38,318
Public Works	13	259	251	244
Transportation	-	-	76	104
Economic Environment	837	2,629	2,904	1,581
Physical Environment	291	962	733	1,109
Culture and Recreation	1,006	1,436	1,447	1,470
Operating grants and Contributions	7,275	21,457	3,929	3,895
Capital Grants and Contributions	625	474	82	658
Total Governmental Activities	<u>73,801</u>	<u>90,781</u>	<u>64,573</u>	<u>59,658</u>
Business-type Activities:				
Water	41,100	38,887	40,425	41,050
Sewer	62,018	56,876	57,900	56,718
Sanitation	15,491	13,049	13,335	13,590
Stormwater	5,781	3,177	3,215	3,275
Golf	1,655	2,009	1,922	2,069
Parking	8,403	9,566	9,136	7,489
Other	33	41	34	40
Operating Grants and Contributions	-	-	47	-
Capital Grants and Contributions	4,540	2,968	2,802	2,731
Total Business-type Activities	<u>139,021</u>	<u>126,573</u>	<u>128,816</u>	<u>126,962</u>
Total Primary Government Revenues	<u>\$ 212,822</u>	<u>\$ 217,354</u>	<u>\$ 193,389</u>	<u>\$ 186,620</u>

	2016	2015	2014	2013	2012	2011
\$	37,369	\$ 26,828	\$ 26,525	\$ 25,874	\$ 19,740	\$ 22,678
	145,365	135,739	132,446	124,728	117,283	131,790
	15,566	13,647	14,238	13,752	11,332	12,937
	3,698	2,604	1,830	809	274	1,097
	6,143	22,407	10,025	5,018	8,383	6,469
	787	5,680	2,114	1,775	5,457	4,490
	14,970	14,460	14,966	15,039	15,748	17,113
	-	-	-	-	-	-
	5,565	7,034	7,689	8,021	9,153	9,488
	<u>229,463</u>	<u>228,399</u>	<u>209,833</u>	<u>195,016</u>	<u>187,370</u>	<u>206,062</u>
	27,398	24,353	26,367	25,293	24,977	25,314
	41,179	41,869	42,032	42,329	41,589	40,836
	12,421	11,501	11,393	11,765	12,339	13,408
	2,230	2,155	2,000	1,983	2,191	2,192
	2,374	2,474	2,910	2,912	2,878	3,211
	7,320	6,588	6,880	6,825	6,387	7,159
	6	4	-	22	-	23
	<u>92,928</u>	<u>88,944</u>	<u>91,582</u>	<u>91,129</u>	<u>90,361</u>	<u>92,143</u>
\$	<u>322,391</u>	<u>\$ 317,343</u>	<u>\$ 301,415</u>	<u>\$ 286,145</u>	<u>\$ 277,731</u>	<u>\$ 298,205</u>
\$	10,881	\$ 8,750	\$ 8,847	\$ 8,688	\$ 8,450	\$ 8,574
	36,503	38,024	39,196	35,367	34,431	30,260
	206	206	200	193	270	241
	333	312	1,500	-	-	-
	1,949	1,770	1,882	1,798	1,191	767
	1,496	335	1,174	267	412	200
	1,558	1,462	1,362	1,220	1,128	1,081
	2,692	2,013	7,078	7,905	8,402	11,545
	863	1,258	1,413	953	2,027	3,677
	<u>56,481</u>	<u>54,130</u>	<u>62,652</u>	<u>56,391</u>	<u>56,311</u>	<u>56,345</u>
	39,757	40,551	38,394	36,572	34,452	33,768
	54,473	58,975	55,481	53,577	51,258	49,647
	13,651	16,085	13,274	14,810	13,571	16,058
	3,201	3,245	3,333	3,191	3,313	3,043
	1,829	2,285	2,470	2,646	2,724	3,120
	6,625	6,604	6,588	6,540	6,518	8,375
	30	19	19	17	17	18
	-	29	29	197	232	417
	4,808	2,933	2,151	1,870	879	630
	<u>124,374</u>	<u>130,726</u>	<u>121,739</u>	<u>119,420</u>	<u>112,964</u>	<u>115,076</u>
\$	<u>180,855</u>	<u>\$ 184,856</u>	<u>\$ 184,391</u>	<u>\$ 175,811</u>	<u>\$ 169,275</u>	<u>\$ 171,421</u>

CITY OF HOLLYWOOD, FLORIDA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
NET (EXPENSE) REVENUES:				
Governmental Activities	\$ (288,869)	\$ (173,621)	\$ (182,357)	\$ (189,129)
Business-type Activities	<u>17,176</u>	<u>26,179</u>	<u>34,615</u>	<u>31,308</u>
 Total Primary Government Net (Expenses) Revenues	 <u>\$ (271,693)</u>	 <u>\$ (147,442)</u>	 <u>\$ (147,742)</u>	 <u>\$ (157,821)</u>
 GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:				
Governmental activities				
Property Taxes Levied for General Purpose	\$ 103,745	\$ 100,692	\$ 89,282	\$ 77,073
Property Taxes Levied for Debt Service	7,609	3,680	3,673	3,682
Property Taxes Incremental	37,479	31,082	35,366	32,512
Utility Service Taxes	20,886	20,673	21,004	20,629
Franchise Taxes	12,057	13,007	12,911	12,726
Sales Tax	9,081	10,080	10,137	9,563
Gas Tax	2,469	2,773	2,760	2,766
Local Business Tax	2,411	2,299	2,332	2,030
Contributions not Restricted to Specific Programs	7,084	8,025	7,843	7,025
Investment Revenue	3,032	4,435	2,881	1,268
Gain (loss) on sale of Capital Assets	14	729	-	-
Miscellaneous	3,331	14,751	3,138	2,411
Transfers	5,522	(7,772)	6,980	6,059
Total Governmental Activities	<u>214,719</u>	<u>204,454</u>	<u>198,307</u>	<u>177,744</u>
Business-type activities				
Investment Revenue	2,041	4,543	2,420	2,546
Miscellaneous	559	2,443	826	686
Transfers	(5,522)	7,772	(6,981)	(6,059)
Total Business-type Activities	<u>(2,922)</u>	<u>14,758</u>	<u>(3,735)</u>	<u>(2,827)</u>
 Total Primary Government General Revenues and Other Changes in Net Position	 <u>\$ 211,797</u>	 <u>\$ 219,212</u>	 <u>\$ 194,572</u>	 <u>\$ 174,917</u>
 CHANGE IN NET POSITION:				
Governmental Activities	(74,150)	30,833	15,950	(11,385)
Business-type Activities	<u>14,254</u>	<u>40,937</u>	<u>30,880</u>	<u>28,481</u>
 Total Primary Government Change in Net Position	 <u>\$ (59,896)</u>	 <u>\$ 71,770</u>	 <u>\$ 46,830</u>	 <u>\$ 17,096</u>

	2016	2015	2014	2013	2012	2011
\$	(172,982)	\$ (174,269)	\$ (147,181)	\$ (138,625)	\$ (131,059)	\$ (149,717)
	31,446	41,782	30,157	28,291	22,603	22,933
\$	<u>(141,536)</u>	<u>(132,487)</u>	<u>(117,024)</u>	<u>(110,334)</u>	<u>(108,456)</u>	<u>(126,784)</u>
\$	70,740	\$ 64,459	\$ 61,107	\$ 59,636	\$ 59,248	\$ 55,089
	3,742	3,781	3,983	2,944	4,284	4,243
	29,790	27,988	25,191	22,815	22,869	22,959
	20,324	20,595	20,625	20,127	19,633	19,421
	11,540	11,955	11,748	11,064	11,141	12,072
	10,254	9,252	8,769	8,247	7,738	7,523
	2,913	2,652	2,562	2,487	2,491	2,562
	1,871	1,773	2,075	1,949	1,885	1,771
	6,984	6,883	6,390	5,834	5,791	5,172
	932	759	526	331	288	339
	-	-	-	-	-	-
	6,790	1,728	2,793	4,262	1,701	1,444
	4,175	6,763	5,191	4,955	4,297	4,898
	<u>170,055</u>	<u>158,588</u>	<u>150,960</u>	<u>144,651</u>	<u>141,366</u>	<u>137,493</u>
	2,151	1,409	501	303	315	396
	728	1,052	950	411	1,028	1,084
	(4,175)	(6,763)	(5,191)	(4,955)	(4,297)	(4,898)
	<u>(1,296)</u>	<u>(4,302)</u>	<u>(3,740)</u>	<u>(4,241)</u>	<u>(2,954)</u>	<u>(3,418)</u>
\$	<u>168,759</u>	<u>154,286</u>	<u>147,220</u>	<u>140,410</u>	<u>138,412</u>	<u>134,075</u>
	(2,927)	(15,681)	3,779	6,026	10,307	(12,224)
	<u>30,149</u>	<u>37,480</u>	<u>26,417</u>	<u>24,050</u>	<u>19,649</u>	<u>19,515</u>
\$	<u>27,222</u>	<u>21,799</u>	<u>30,196</u>	<u>30,076</u>	<u>29,956</u>	<u>7,291</u>

CITY OF HOLLYWOOD, FLORIDA

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Utilities Service Taxes</u>	<u>Franchise Taxes</u>	<u>Sales Tax</u>	<u>Gas Tax</u>	<u>Local Business Tax</u>	<u>Total</u>
2020	\$ 148,833	\$ 20,886	\$ 12,057	\$ 9,081	\$ 2,469	\$ 2,411	\$ 195,737
2019	135,454	20,673	13,007	10,080	2,773	2,299	184,286
2018	128,321	21,004	12,911	10,137	2,760	2,332	177,465
2017	113,267	20,629	12,726	9,563	2,766	2,030	160,981
2016	104,272	20,324	11,540	10,254	2,912	1,871	151,173
2015	96,227	20,595	11,955	9,252	2,651	1,773	142,453
2014	90,280	20,625	11,748	8,769	2,562	2,075	136,059
2013	85,395	20,127	11,064	8,246	2,487	1,949	129,268
2012	86,401	19,633	11,141	7,738	2,490	1,885	129,288
2011	82,291	19,421	12,072	7,523	2,562	1,771	125,640

CITY OF HOLLYWOOD, FLORIDA

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

Fiscal Year	General Fund					
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total
2020	\$ 58	\$ 12,774	\$ 10,955	\$ 6,458	\$ 49,198	\$ 79,444
2019	40	6,300	11,085	8,023	60,177	85,625
2018	37	-	9,483	4,984	57,592	72,096
2017	47	-	17,987	4,195	33,496	55,725
2016	34	-	15,983	2,806	30,854	49,677
2015	42	-	16,641	3,136	14,967	34,786
2014	7,506	-	15,875	7,446	14,311	45,138
2013	4,151	-	14,776	5,634	13,275	37,836
2012	6,090	-	13,294	1,086	4,787	25,257
2011	12	-	4,264	-	-	4,276

Fiscal Year	Other Governmental Funds						Total Governmental Funds
	Nonspendable	Restricted	Committed	Assigned	Unassigned	Total	
2020	\$ 3,024	\$ 126,232	\$ 12,395	\$ 4,786	\$ (5,163)	\$ 141,275	\$ 220,718
2019	1,132	112,182	330	6,702	(9,828)	110,518	196,143
2018	-	51,187	5,205	2,076	(9,948)	48,520	120,616
2017	1,586	75,530	6,561	1,348	(2,990)	82,035	137,760
2016	2,042	75,779	5,909	3,298	-	87,028	136,705
2015	2,501	44,225	218	1,387	(191)	48,140	82,926
2014	915	60,399	5,659	2,241	-	69,214	114,352
2013	1,138	63,028	3,135	2,834	373	70,508	108,344
2012	1,114	62,427	3,865	1,901	(505)	68,802	94,059
2011	1,669	71,361	4,226	1,042	(158)	78,140	82,416

CITY OF HOLLYWOOD, FLORIDA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
REVENUES:					
Property Taxes	\$ 132,135	\$ 121,538	\$ 112,390	\$ 98,520	\$ 90,697
Utilities Service Taxes	20,886	20,673	21,004	20,629	20,324
Franchise Taxes	12,057	13,007	12,878	12,726	11,540
Licenses and Permits	9,618	10,878	10,305	7,973	8,864
Intergovernmental	49,886	42,807	41,235	38,261	37,116
Charges for Services	57,614	59,582	50,182	48,187	44,915
Fines and Forfeits	508	159	1,284	61	424
Investment Revenue	2,440	3,238	2,062	1,006	628
Miscellaneous	3,331	14,663	3,261	3,023	5,860
Total Revenues	<u>288,475</u>	<u>286,545</u>	<u>254,601</u>	<u>230,386</u>	<u>220,368</u>
EXPENDITURES:					
Current:					
General Government	39,873	55,236	33,057	31,292	26,847
Public Safety	165,753	152,847	141,936	133,224	120,134
Public Works	13,159	12,921	12,229	12,144	10,977
Transportation	3,085	2,840	2,297	2,211	1,589
Economic Environment	6,808	5,992	3,826	3,455	2,990
Physical Environment	988	432	20	335	258
Culture and Recreation	11,959	11,698	11,411	10,538	9,835
Human Services	-	-	-	-	-
Emergency and Disaster Relief	3,994	239	7,002	3,293	-
Other	113	250	2,252	2,333	2,718
Capital Outlay:					
General Government	1,755	16,290	4,691	1,840	3,097
Public Safety	4,248	2,810	2,721	3,046	2,582
Public Works	11	-	-	-	-
Transportation	1,087	1,573	1,719	5,358	3,402
Economic Environment	50	6	-	5	-
Physical Environment	2,132	4,524	7,607	4,080	718
Culture and Recreation	2,117	55	305	468	313
Debt Service:					
Principal	16,091	13,853	13,982	13,628	13,773
Interest and Fiscal Charges	6,484	5,696	5,576	6,213	8,974
Total Expenditures	<u>279,707</u>	<u>287,262</u>	<u>250,631</u>	<u>233,463</u>	<u>208,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>8,768</u>	<u>(717)</u>	<u>3,970</u>	<u>(3,077)</u>	<u>12,161</u>

	2014	2013	2012	2011
\$	78,931	\$ 75,318	\$ 76,240	\$ 70,359
	20,625	20,127	19,729	19,650
	11,749	11,064	11,141	12,072
	6,688	5,952	5,416	5,148
	37,515	36,183	37,025	41,260
	45,188	41,804	41,108	36,580
	774	307	484	567
	284	112	104	119
	3,110	5,033	2,039	3,327
	<u>204,864</u>	<u>195,900</u>	<u>193,286</u>	<u>189,082</u>
	22,104	19,950	18,453	22,225
	118,827	111,088	102,345	115,648
	11,975	11,443	9,062	10,466
	2,028	496	285	319
	8,981	4,291	5,850	5,365
	1,565	1,529	2,171	2,027
	10,479	10,049	10,724	10,869
	52	57	53	75
	-	-	-	-
	2,447	3,748	1,291	4,258
	2,065	158	1,663	549
	1,341	1,538	4,557	4,292
	-	-	-	-
	881	792	370	2,185
	3	3	1,018	1,404
	671	1,057	7,009	7,285
	444	150	515	4,519
	20,097	11,716	24,147	10,296
	7,591	7,907	9,122	9,201
	<u>211,551</u>	<u>185,972</u>	<u>198,635</u>	<u>210,983</u>
	<u>(6,687)</u>	<u>9,928</u>	<u>(5,349)</u>	<u>(21,901)</u>

(Continued)

CITY OF HOLLYWOOD, FLORIDA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
OTHER FINANCING SOURCES (USES):						
Issuance of Debt	\$ 11,700	\$ 70,738	\$ -	\$ 14,831	\$ 92,127	\$ 45,922
Retirement of Debt		-	-	(14,831)	(53,924)	(43,732)
Transfers In	21,377	14,593	13,246	12,143	15,352	16,783
Transfers Out	(18,390)	(11,220)	(7,600)	(8,011)	(11,937)	(12,817)
Sale of Assets	56	2,133	-	-	-	-
Impact Fees	1,064	2,133	-	-	-	-
Total Other Financing Sources (Uses)	<u>15,807</u>	<u>78,377</u>	<u>5,646</u>	<u>4,132</u>	<u>41,618</u>	<u>6,156</u>
 Change in Fund Balances	<u>\$ 24,575</u>	<u>\$ 77,660</u>	<u>\$ 9,616</u>	<u>\$ 1,055</u>	<u>\$ 53,779</u>	<u>\$ (21,082)</u>
 Debt Service as a Percentage of Noncapital Expenditures	9.2%	8.1%	9.1%	10.0%	13.0%	10.3%

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 7,965	\$ -	\$ 12,848	\$ -
-	-	-	-
14,182	13,643	13,915	31,411
(9,452)	(9,286)	(9,771)	(22,610)
-	-	-	-
-	-	-	-
12,695	4,357	16,992	8,801
\$ 6,008	\$ 14,285	\$ 11,643	\$ (13,100)
15.5%	12.1%	22.1%	11.4%

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
2020	\$ 132,135	\$ 20,886	\$ 12,057	\$ 9,081	\$ 2,469	\$ 2,411	\$ 179,039
2019	121,538	20,673	13,007	10,080	2,773	2,299	170,370
2018	115,782	21,004	12,877	10,137	2,670	2,130	164,600
2017	98,520	20,629	12,726	9,563	2,677	1,931	146,046
2016	90,697	20,324	11,540	10,254	2,825	1,826	137,466
2015	84,028	20,595	11,955	9,252	2,569	1,723	130,122
2014	78,931	20,625	11,748	8,769	2,486	2,002	124,561
2013	75,318	20,127	11,064	8,246	2,412	1,881	119,048
2012	76,240	19,729	11,141	7,738	2,419	1,910	119,177
2011	70,359	19,650	12,072	7,523	2,488	1,949	114,041

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			
2020	\$ 16,789,008	\$ 6,868,114	\$ 6,374	\$ 1,473,059	\$ 7,723,651	17,412,904
2019	16,191,585	6,431,406	4,764	1,547,857	7,702,624	16,472,988
2018	15,187,241	6,052,243	4,623	1,512,574	7,519,034	15,237,647
2017	13,978,049	5,650,080	4,469	627,053	7,075,271	13,184,380
2016	12,764,725	5,163,513	4,117	604,697	6,453,560	12,083,492
2015	11,607,318	4,829,226	4,137	595,229	5,880,337	11,155,573
2014	9,710,175	4,826,893	3,551	587,328	4,669,012	10,458,935
2013	9,039,943	4,754,324	3,139	656,880	4,361,073	10,093,213
2012	9,074,429	4,815,235	3,320	647,910	4,433,935	10,106,959
2011	9,175,890	4,977,610	3,224	649,744	4,387,855	10,418,613

Source: Broward County Property Appraiser's Office.
(1) Includes tax exempt property.

Total Direct Tax Rate (mills)	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
7.9226	\$ 25,136,556	69.27 %
7.6992	24,175,612	68.14
7.6992	22,756,682	66.96
7.7363	20,259,651	65.08
7.7677	18,537,052	65.19
7.8007	17,035,909	65.48
7.8436	15,127,947	69.14
7.7519	14,454,286	69.83
7.8928	14,540,895	69.51
7.1368	14,806,468	70.37
6.3375	17,249,389	68.55

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
2020	7.4665	0.4561	7.9226	5.4878	0.1812	5.6690	6.6350	0.1043	6.7393
2019	7.4665	0.2327	7.6992	5.4792	0.1898	5.6690	6.2750	0.1279	6.4029
2018	7.4479	0.2513	7.6992	5.4623	0.2067	5.6690	6.4740	0.0654	6.5394
2017	7.4479	0.2884	7.7363	5.4474	0.2216	5.6690	6.8360	0.0703	6.9063
2016	7.4479	0.3198	7.7677	5.4741	0.2489	5.7230	7.2030	0.0710	7.2740
2015	7.4479	0.3528	7.8007	5.4584	0.2646	5.7230	7.4380	0.0000	7.4380
2014	7.4479	0.3957	7.8436	5.4400	0.2830	5.7230	7.4800	0.0000	7.4800
2013	7.4479	0.3040	7.7519	5.2576	0.2954	5.5530	7.4560	0.0000	7.4560
2012	7.4479	0.4449	7.8928	5.1860	0.3670	5.5530	7.4180	0.0000	7.4180
2011	6.7100	0.4268	7.1368	5.1021	0.4509	5.5530	7.6310	0.0000	7.6310

Property Tax Rates: Expressed as mills per \$1,000 of taxable value.

Source: Broward County Property Appraiser.

- (1) Overlapping rates are those of local and county governments that apply to property owners within the City of Hollywood. Not all overlapping rates apply to all City of Hollywood property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).
- (2) Hollywood tax district code 0543 and 0553 - excluding North Broward Hospital District.
- (3) Hollywood tax district code 0534 - excluding South Broward Hospital District.

Special Districts	South	North	Total Direct and Overlapping Rates	
	Broward Hospital District	Broward Hospital District	(2)	(3)
0.7997	0.1260	1.0324	21.2566	22.1630
0.8138	0.1414	1.0855	20.7263	21.6704
0.8302	0.1496	1.2483	20.8874	21.9861
0.8509	0.1615	1.3462	21.3240	22.5087
0.8753	0.1737	1.4425	21.8137	23.0825
0.9069	0.1863	1.5939	22.0549	23.4625
0.9337	0.4000	1.7554	22.3803	23.7357
0.9536	0.6000	1.8564	22.3145	23.5709
0.9497	0.7500	1.8750	22.5635	23.6885
1.1281	1.2732	1.8750	22.7221	23.3239
1.0828	1.2732	1.7059	21.5134	21.9461

CITY OF HOLLYWOOD, FLORIDA

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(\$ in thousands)

Taxpayer	Fiscal Year 2020	
	Taxable Assessed Value (1)	Percentage of Total City Taxable Assessed Value
Florida Power & Light Company	\$ 1,028,665	5.91 %
Diplomat Properties LTD Partnership	474,029	2.72
MVHF LLC (BLDG) City of Hollywood	143,985	0.83
Michael Swerdlow Properties	130,809	0.75
HC Real Property LLC	124,606	0.72
Equity One Sheridan Plaza LLC	104,208	0.60
Parc Station Acquisition LLC	79,561	0.46
MHI Hospitality	72,773	0.42
Hollywood Beach LLC	60,304	0.35
Windsor Hollywood LLC	54,426	0.31
Total Taxpayer	\$ 2,273,366	13.07 %
Total Taxable Assessed Value	\$ 17,412,904	

Taxpayer	Fiscal Year 2011	
	Taxable Assessed Value (2)	Percentage of Total City Taxable Assessed Value
Diplomat Properties LTD Partnership	\$ 276,760	2.66 %
TRG Holiday LTD	267,224	2.56
Florida Power & Light Company	215,478	2.07
Michael Swerdlow Properties	102,092	0.98
Equity One LLC	74,488	0.71
Distribution Funding, Inc.	46,712	0.45
Metropolitan Life Insurance Company	43,441	0.42
MHI/Carlyle Sian Owner I LLC	40,584	0.39
WRI/Hollywood Hills LLC	40,317	0.39
CDR Presidential LLC	40,143	0.39
Total Taxpayer	\$ 1,147,239	11.02 %
Total Taxable Assessed Value	\$ 10,418,613	

Source: Broward County Revenue Collector.

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

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

CITY OF HOLLYWOOD, FLORIDA

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

Fiscal Year	Total Tax Levy (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy Collected		Amount	Percentage of Levy Collected
2020	\$ 138,012	\$ 136,769	99.1 %	\$ 31	\$ 136,800	99.1 %
2019	126,888	125,920	99.2	8	125,928	99.2
2018	117,354	116,462	99.2	48	116,510	99.3
2017	102,701	102,044	99.4	57	102,101	99.4
2016	94,519	93,927	99.4	51	93,978	99.4
2015	87,700	87,011	99.2	73	87,084	99.3
2014	82,093	81,711	99.5	(348) (2)	81,363	99.1
2013	78,279	77,984	99.6	(295) (2)	77,689	99.2
2012	79,803	78,948	98.9	(273) (2)	78,675	98.6
2011	74,415	72,825	97.9	31	72,856	97.9

(1) Source: Broward County Revenue Collector.

(2) Negative collections resulted from Broward County adjustments processed during fiscal year after initial levy.

CITY OF HOLLYWOOD, FLORIDA

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

(\$ in thousands, except per capita amount)

Fiscal Year	Governmental Activities					
	General Obligation Bonds/Note	Capital Improvement Bonds and Loans	Capital Leases	Revenue Bonds and Loans (CRA's)	Other Loans and Notes	Bond Premium (Discount)
2020	\$ 89,363	\$ 42,858	\$ 3,946	\$ 30,455	\$ 5,820	\$ 15,200
2019	93,900	32,550	5,943	37,887	7,920	17,073
2018	36,435	33,161	7,794	45,661	10,745	7,871
2017	38,940	34,231	6,937	53,043	13,665	9,527
2016	41,372	51,803	7,926	60,231	-	11,354
2015	43,922	42,715	6,541	52,436	-	-
2014	46,050	48,192	7,465	55,864	-	-
2013	47,720	53,447	4,131	61,146	-	-
2012	49,195	58,463	5,323	66,293	-	-
2011	50,455	63,441	6,586	71,309	-	-

Business-type Activities

Water & Sewer Revenue Bonds	Other Loans and Notes	Capital Leases	Bond Premium (Discount)	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 61,623	\$ 77,511	\$ 2,633	\$ 1,681	\$ 331,090	N/A %	\$ 2,181
68,515	69,318	3,179	2,500	338,785	7.12	2,200
75,054	61,499	5,246	3,477	286,943	6.41	1,925
81,229	66,111	6,173	4,599	314,455	7.58	2,136
87,119	71,320	7,115	5,853	344,093	8.61	2,354
89,020	78,585	7,990	6,242	327,451	8.57	2,259
103,070	73,323	8,802	1,959	344,725	9.15	2,389
110,595	68,701	9,106	2,197	357,043	9.52	2,481
117,780	67,424	9,703	(1,214)	372,967	9.87	2,620
124,645	70,594	10,340	(1,410)	395,960	10.53	2,810
131,205	70,647	10,896	(1,279)	414,702	10.66	2,912

CITY OF HOLLYWOOD, FLORIDA

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

(\$ in thousands, except per capita amount)

<u>Fiscal Year</u>	<u>General Obligation Bonds/Note(1)</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Percentage of Total Taxable Assessed Value of Property</u>	<u>Per Capita</u>
2020	\$ 99,500	\$ (1,477)	\$ 98,023	0.53 %	\$ 579
2019	104,593	(1,517)	103,076	0.61	612
2018	36,435	(282)	36,153	0.27	243
2017	38,940	(233)	38,707	0.32	263
2016	41,372	(182)	41,190	0.34	282
2015	43,922	(129)	43,793	0.39	302
2014	46,050	(735)	45,315	0.43	314
2013	47,720	(685)	47,035	0.47	327
2012	49,195	(1,536)	47,659	0.47	335
2011	50,455	(895)	49,560	0.48	352

(1) Net of related premiums/discounts.

CITY OF HOLLYWOOD, FLORIDA

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS
SEPTEMBER 30, 2020

Governmental Unit	Bonded Debt Outstanding	Applicable to City of Hollywood	
		Percent (1)	Amount
DIRECT DEBT:			
City of Hollywood:			
General Obligation (2)	\$ 99,500,020	100.00 %	\$ 99,500,020
Non-Self-Supporting Revenue Debt (2)	<u>88,141,309</u>	100.00	<u>88,141,309</u>
Total Direct Debt	<u>187,641,329</u>	100.00	<u>187,641,329</u>
OVERLAPPING DEBT:			
Broward County	134,458,000	9.00	12,101,220
Broward School District	<u>1,971,892,000</u>	9.00	<u>177,470,280</u>
Total Overlapping Debt	<u>2,106,350,000</u>		<u>189,571,500</u>
Total Direct and Overlapping Debt	<u>\$ 2,293,991,329</u>		<u>\$ 377,212,829</u>

Source: Taxing authority indicated.

(1) Percent of taxable value of property in Hollywood to taxable value of property in overlapping unit.

(2) Net of related premiums and/or discounts.

COMPUTATION OF LEGAL DEBT MARGIN
SEPTEMBER 30, 2020

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 Expenses (3)	Available Revenue (4)	Principal	Interest		
2020	\$ 102,412	\$ 68,548	\$ 33,863	\$ 13,766	\$ 5,504	1.76	
2019 (2)	99,616	52,652	46,964	12,726	4,971	2.74	
2018 (2)	100,416	48,857	51,559	12,079	5,895	2.87	
2017 (2)	100,108	47,581	52,527	11,260	6,676	2.93	
2016 (2)	96,241	43,130	53,111	11,835	6,184	2.95	
2015 (2)	100,875	42,327	58,548	12,255	7,341	2.99	
2014 (2)	94,347	43,477	50,870	12,520	8,377	2.43	
2013 (2)	90,477	42,632	47,845	11,957	8,347	2.35	
2012 (2)	86,022	42,028	43,994	11,544	8,345	2.21	
2011 (2)	84,178	42,331	41,847	11,167	8,835	2.09	

- (1) Total revenues include charges for services and miscellaneous revenue.
- (2) Total operating and investment revenue
- (3) Total expense exclusive of depreciation.
- (4) The terms, Revenues, Operating Expenses, and Principal and Interest Requirements are defined in Ordinance No. 0-91-44 and do not necessarily have the same meanings as under generally accepted accounting principles. Operating Expenses exclude payments in lieu of taxes to the City that approximated \$3.9 million in fiscal year 2009.

CITY OF HOLLYWOOD, FLORIDA

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Population (1)	Personal Income (2) (\$ in thousands)	Per Capita Personal Income (2)	Median Age (2)	School Enrollment (3)	Unemployment Rate (4)
2020	151,818	N/A	N/A	N/A	19,263	8.2 %
2019	150,878	4,661,828	30,898	41.4	19,251	3.2 %
2018	149,028	4,479,782	30,060	41.7	19,441	3.5
2017	147,212	4,148,729	28,182	42.1	19,360	4.3
2016	146,155	3,995,001	27,334	42.6	19,623	4.6
2015	144,926	3,819,815	26,357	41.9	20,238	5.3
2014	144,310	3,769,089	26,118	41.7	20,368	5.5
2013	143,935	3,752,242	26,069	41.7	20,172	6.3
2012	142,374	3,779,460	26,546	41.4	19,822	8.4
2011	140,930	3,759,449	26,676	40.7	19,752	10.0

(1) Source: University of Florida, Bureau of Economic and Business Research.

(2) Source: U.S. Census Bureau (estimate).

(3) Source: Broward School District - for Hollywood.

(4) Source: U.S. Department of Labor, Bureau of Labor Statistics.

N/A: Not available at time of publication.

CITY OF HOLLYWOOD, FLORIDA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

SEPTEMBER 30, 2020

<u>Employer</u>	<u>Employees</u>	<u>Product/ Business</u>	<u>Percentage of Employment</u>
Memorial Regional Hospital	4,124	Hospital	5.1 %
City of Hollywood	1,458	Government	1.8
Chewy	1,200	Pet Food Distributor	1.5
Publix Supermarkets	1,110	Supermarket Chain	1.4
Diplomat Resort & Spa	960	Hotel	1.4
Memorial Regional Hospital South	766	Hospital	0.9
Great Healthworks	430	Health Care Products	0.5
BrandsMart U.S.A.	351	Retail Consumer Electronics	0.4
Toyota of Hollywood	333	Property Management	0.4
HEICO Corporation	320	Aircraft Parts	0.4

SEPTEMBER 30, 2011

<u>Employer</u>	<u>Employees</u>	<u>Product/ Business</u>	<u>Percentage of Employment</u>
Memorial Healthcare System	10,000	Hospital	12.9 %
The Continental Group	3,900	Property Management	5.0
City of Hollywood	1,208	Government	1.6
Westin Diplomat Resort & Spa	900	Hotel	1.2
Memorial Regional Hospital South	500	Hospital	0.6
Brandsmart U.S.A.	400	Retail Consumer Electronics	0.5
HEICO Corporation	250	Aircraft Parts	0.3
Great Health Works, Inc.	220	Health Care Products	0.3
Sheridan Technical Center	200	Educational Facility	0.2
Hollywood Woodwork, LLC	120	Custom Woodworking	0.2

Source: City of Hollywood

CITY OF HOLLYWOOD, FLORIDA

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FUNCTION:										
General Government:										
City Commission:										
Elected Officials	7	7	7	7	7	7	7	7	7	7
Administrative Staff	6	6	6	6	6	6	6	6	6	6
City Manager	7	7	7	7	7	7	7	7	7	8
City Clerk	6	6	6	8	8	8	8	8	8	8
City Attorney	14	14	14	14	14	12	10	10	10	10
Procurement Services	8	8	8	-	-	-	-	-	-	15
Budget & Performance Management	8	-	-	-	-	-	-	-	-	-
Business & International Trade	-	-	-	-	-	-	-	-	4	5
Public Affairs & Marketing	-	-	-	5	5	6	6	6	6	6
Communications, Marketing &										
Economic Development	11	10	10	-	-	-	-	-	-	-
Financial Services	33	42	42	50	50	49	48	57	52	41
Human Resources & Risk Management	-	-	-	-	-	-	15	15	12	14
Human Resources	13	9	10	11	11	12	-	-	-	-
Labor Relations & Risk Management	4	4	3	4	4	3	-	-	-	-
Development Services:										
Administration	4	4	3	3	-	-	-	-	-	-
Architecture	9	9	8	9	-	-	-	-	-	-
Engineering/Transportation Mobility	5	5	6	6	-	-	-	-	-	-
Parking Services	-	18	18	16	16	16	16	16	19	28
Planning & Development Services	-	-	-	-	-	-	41	41	33	43
Planning	9	7	7	7	11	11	-	-	8	8
Building	32	33	31	31	31	30	-	-	-	-
Code Compliance	28	-	-	-	-	-	-	-	-	21
Public Safety:										
Police:										
Officers	321	323	321	321	322	323	335	334	334	330
Civilians	127	103	109	109	133	168	168	164	166	153
Fire:										
Certified	233	233	226	225	213	213	230	230	230	230
Beach Safety	27	26	26	26	26	26	26	26	26	26
Civilians	14	12	12	12	12	12	12	12	12	12
Public Works:										
Administration	6	6	6	6	6	6	7	7	6	10
Code Compliance	-	25	25	25	-	-	-	-	-	-
Streets & Highways	28	28	27	24	24	24	24	29	-	30
Building & Grounds	29	27	33	36	48	51	52	34	37	34
Fleet Maintenance	15	15	15	15	15	15	14	14	14	15
Community & Economic										
Development	-	-	-	4	4	4	4	4	-	-
Culture and Recreation	42	42	42	42	42	44	44	43	69	54
Public Utilities:										
Administration	44	44	44	44	44	44	39	23	23	23
Engineering Services	19	19	19	19	18	18	18	18	21	18
Water & Wastewater	130	130	130	130	131	132	132	128	128	128
Stormwater	11	11	11	11	11	11	11	11	11	11
Sanitation	15	18	15	15	11	10	10	5	5	5
Information Technology	22	22	23	23	23	23	23	23	23	24
Design & Construction Management	18	-	-	-	4	8	8	18	17	17
Total	1,305	1,273	1,270	1,271	1,257	1,299	1,321	1,296	1,294	1,340

Source: City of Hollywood adopted fiscal year budget.

CITY OF HOLLYWOOD, FLORIDA

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
FUNCTION:				
Police:				
Physical Arrests	3,578	5,368	6,172	7,059
Traffic Summons	10,481	13,883	16,184	22,583
Fire:				
Emergency Unit Responses	44,755	45,192	48,260	65,483
Ambulance Transports	12,221	13,765	13,063	13,810
Inspections Conducted	5,222	6,889	3,742	3,750
Building Activity:				
Permits Issued:				
Electrical	2,503	2,789	3,289	2,667
Mechanical	1,348	1,595	1,567	1,520
Plumbing	1,904	1,908	2,672	2,582
Structural	7,057	7,881	8,647	6,361
Zoning	137	55	-	-
Reviewer Valuation:				
Electrical	\$ 38,459,641	\$ 34,409,093	\$ 50,594,374	\$ 33,592,099
Mechanical	31,126,705	18,050,008	24,154,831	19,751,604
Plumbing	24,398,214	17,441,998	23,497,454	18,259,839
Structural	372,062,082	604,218,963	424,251,620	293,230,831
Zoning	4,042,988	184,627	-	-
Public Works:				
Compressed Natural Gas (CGN) Used in Place of Gasoline (Gallons)	-	11,837	5,389	8,118
E85 Gas	442,243	410,133	391,873	165,926
Reuse Water Used for Irrigation Purposes (Cubic Feet)	4,482,969	4,922,167	4,922,167	3,620,000
Culture and Recreation:				
Special Events/Programs Held	64	177	174	102
Special Events/Program Participants	45,416	126,365	130,984	254,694
Sports Fields Prepared for Games	1,755	3,840	10,188	3,810
Rounds of Golf Played at Orangebrook Golf Course	52,892	73,931	71,508	75,133
Water System:				
Average Daily Consumption (Million GPD)	21.7	21.2	21.9	20.9
Wastewater System:				
Average Daily Treatment (Million GPD)	38.9	38.3	34.7	38.5
Sanitation:				
Solid Waste Collection (Tons)	51,835	45,622	45,622	44,809
Material Recycled (Tons)	9,714	11,320	11,320	9,989
Parking Services:				
Parking Violations Issued	43,641	43,670	39,967	35,896

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

2016	2015	2014	2013	2012	2011
7,502	5,584	2,536	2,291	2,359	2,980
23,809	22,150	22,915	17,921	12,911	14,583
65,221	63,443	55,773	53,485	50,686	52,380
14,740	14,825	14,719	15,583	15,281	14,669
5,097	7,612	7,670	7,637	8,512	9,922
2,598	2,047	1,993	2,533	2,616	2,425
1,411	1,393	1,447	1,449	1,296	1,510
2,427	4,169	2,116	1,793	1,700	1,668
6,422	5,596	5,441	5,137	4,511	4,313
-	-	-	-	-	-
\$ 48,951,927	\$ 28,147,130	\$ 26,130,994	\$ 26,216,036	\$ 21,298,232	\$ 16,660,118
25,482,660	30,026,421	21,556,183	14,013,724	18,134,724	17,296,973
26,030,291	22,863,089	21,908,622	8,948,921	12,381,215	9,086,131
411,440,568	345,464,780	222,708,457	214,519,259	170,308,683	121,108,365
-	-	-	-	-	-
98,855	86,859	41,548	26,308	25,705	24,776
-	-	-	-	-	-
2,352,286	3,534,628	2,530,166	2,229,544	2,665,615	3,692,259
118	113	265	343	380	278
209,869	238,948	228,332	379,016	350,815	307,922
5,200	8,100	11,110	9,174	9,393	8,149
64,497	76,181	78,745	85,360	80,445	83,908
22.6	22.3	21.4	20.9	20.9	21.6
36.0	36.5	38.0	38.5	40.1	35.6
41,640	41,307	43,191	41,468	41,764	40,750
9,753	9,216	9,030	9,096	8,397	8,377
37,886	38,934	41,756	27,937	28,765	52,698

CITY OF HOLLYWOOD, FLORIDA

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
FUNCTION:				
Police:				
Stations	1	1	1	1
Neighborhood Network Centers	2	2	2	2
Patrol Units & Other Vehicles	439	480	510	510
Fire:				
Stations	6	6	6 (1)	5 (1)
Training Centers	1	1	1	1
Beach Safety Center	1	1	1	1
Fire Apparatus	15	15	15	15
Emergency Rescue/Transport Units	12	12	12	12
Highways and Streets:				
Miles of Streets	879	879	879	879
Miles of Alleys	88	88	85	85
Number of Street Lights	9,026	8,819	8,822	9,438
Culture and Recreation:				
Art and Culture Centers	2	2	2	2
Baseball/Softball Diamonds	14	15	15	15
Basketball Courts-Indoor	3	3	2	2
Basketball Courts-Outdoor	24	24	24	24
Beach:				
Total Miles	6.00	6.00	6.00	6.00
Miles Maintained for Public Use	4.50	4.50	4.50	5.00
Miles of Patrolled Area	4.50	4.50	4.50	5.00
Bocci Ball Courts	2	2	2	2
Football/Soccer Fields	17	23	18	18
Golf Courses (36, 18 and 9 Holes)	3	3	3	3
Paddleball Courts	18	18	18	18
Parks and Playgrounds	79	80	81	80
Performing Arts Center-Indoor (508 Seats)	1	1	1	1
Recreation Centers	11	11	11	11
Roller Hockey Rinks (Converted for pickleball use)	1	1	1	1
Shuffleboard Courts	26	36	36	36
Skate Parks	2	2	2	2
Swimming Pools	1	1	1	1
Tennis Centers (12 Lighted Courts)	1	1	1	1
Tennis Courts	9	9	9	9
Theaters-Outdoor	3	3	3	3
Water System:				
Miles of Water Mains	547	547	550	550
Number of Supply Wells	22	22	22	22
Maximum Treatment Capacity (Million GPD)	46.0	46.0	46.0	46.0
Maximum Treatment Capacity Rating (Million GPD)	60.0	60.0	60.0	60.0
Storage Capacity (Millions of Gallons)	18.0	18.0	18.0	18.0
Number of Service Connections	41,377	40,565	41,372	40,565
Number of Fire Hydrants	2,913	2,869	2,832	2,832

2016	2015	2014	2013	2012	2011
1	1	1	1	1	1
2	3	3	3	3	3
521	550	518	441	417	350
6	6	6	6	6	6
1	1	1	1	1	1
1	1	1	1	1	1
15	15	15	15	15	15
12	12	12	12	12	12
879	879	879	879	879	879
85	85	85	85	85	85
9,262	9,262	9,246	9,246	9,246	9,237
2	2	2	2	2	2
15	15	15	15	15	16
2	2	2	2	2	2
24	24	24	24	24	24
6.00	6.00	6.00	6.00	6.00	6.00
5.00	4.50	4.50	4.50	4.50	4.50
5.00	4.50	4.50	4.50	4.50	4.50
2	2	2	2	2	2
18	18	18	18	18	18
3	3	3	3	3	3
18	18	18	18	18	18
80	81	81	81	81	79
1	1	1	1	1	1
11	11	11	11	11	11
1	1	1	1	1	1
36	36	36	36	36	36
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
9	9	9	9	9	9
3	3	3	3	3	3
550	557	555	555	545	555
22	22	22	22	22	22
46.0	46.0	46.0	46.0	46.0	46.0
60.0	59.5	60.0	60.0	60.0	60.0
18.0	18.0	18.0	13.0	13.0	13.0
41,128	40,247	40,299	40,299	41,300	40,269
2,685	2,687	2,592	2,578	2,660	2,645

CITY OF HOLLYWOOD, FLORIDA

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

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

Source: Information herein is provided by various City departments annually.

(1) Fire Station 45 was demolished and is in the process of being rebuilt.

(Continued)

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
159.0	156.0	156.0	157.0	157.0	163.7
4,624	4,842	4,786	4,785	4,731	4,686
10	10	10	10	10	10
9	12	10	10	8	11
389	462	463	463	456	456
279	324	324	321	288	295
80	80	80	84	76	76
56.0	55.5	55.5	55.0	55.5	50.0
21,303	21,178	20,947	20,947	20,550	21,038
4,354	4,569	4,544	4,516	4,518	4,500

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City of Hollywood, Florida
Department of Financial Services
P.O. Box 229045
Hollywood, Florida 33022-9045
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For more information visit our website
www.hollywoodfl.org

CITY OF HOLLYWOOD, FLORIDA
COMPLIANCE REPORTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

CITY OF HOLLYWOOD, FLORIDA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Hollywood, Florida (the City), as of and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 31, 2021. Our report includes a reference to other auditors who audited the financial statements of the City of Hollywood Firefighters' Pension Fund and the City of Hollywood Police Officers' Retirement System (collectively, the Plans), as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the City of Hollywood Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Marcum LLP

Fort Lauderdale, FL
May 31, 2021

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND STATE PROJECT; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE REQUIRED BY THE UNIFORM GUIDANCE AND CHAPTER 10.550, RULES OF THE AUDITOR GENERAL

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

Report on Compliance for Each Major Federal Program and State Project

We have audited the City of Hollywood, Florida's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the requirements described in the *State of Florida Department of Financial Services' State Projects Compliance Supplement*, that could have a direct and material effect on the City's major federal programs and state projects for the fiscal year ended September 30, 2020. The City's major federal programs and state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal programs and state projects based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Auditor General. Those standards, the Uniform Guidance, and Chapter 10.550, Rules of the Auditor General require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program or state project occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program and State Project

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs and its state projects for the fiscal year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program or state project to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and state project and to test and report on internal control over compliance in accordance with the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards and State Financial Assistance
Required by the Uniform Guidance and Chapter 10.550 Rules of the Auditor General***

We have audited the financial statements of the 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 and for the fiscal year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 31, 2021, which contained unmodified opinions on those financial statements. Our report includes reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Marcum LLP

Fort Lauderdale, FL
May 31, 2021

**CITY OF HOLLYWOOD, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Federal/State Grantor, Pass Through Entity, Program Title	Federal CFDA/ State CFSA Number	Grant/ Contract Number	Funds Expended	Passed through to Subrecipients
FEDERAL GRANTS:				
U.S. Department of Housing and Urban Development:				
Direct Programs:				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grant - Year XXXX	14.218	B-13-MC-12-0009	\$ 26,895	\$ -
Community Development Block Grant - Year XXXXI	14.218	B-14-MC-12-0009	410	-
Community Development Block Grant - Year XXXXII	14.218	B-15-MC-12-0009	835	-
Community Development Block Grant - Year XXXXIII	14.218	B-16-MC-12-0009	51,587	-
Community Development Block Grant - Year XXXXIV	14.218	B-17-MC-12-0009	76,723	-
Community Development Block Grant - Year XXXXV	14.218	B-18-MC-12-0009	37,489	-
Community Development Block Grant - Year XXXXVI	14.218	B-18-MC-12-0009	637,212	232,661
TOTAL Community Development Block Grant - Entitlement Grants Cluster			831,151	232,661
HOME Investment Partnership Program Grant	14.239	M18-MC-12-0227	52,196	33,213
HOME Investment Partnership Program Grant	14.239	M19-MC-12-0227	148,320	100,374
TOTAL HOME Investment Partnerships Program			200,516	133,587
Community Development Block Grants Section 108 Loan Guarantees	14.248	B-97-MC-12-2009	200,000	-
TOTAL U.S. Department of Housing and Urban Development			1,231,667	366,248
U.S. Department of Justice:				
Direct Programs:				
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0988	11,166	-
Federal Equitable Sharing Agreement	16.922	FL0060500	212,587	-
Indirect Programs:				
Passed through the State of Florida, Department of Legal Affairs:				
Victims of Crime Act Grant (VOCA) - FY 19	16.575	VOCA-2019-City of Hollywood Police-00302	34,999	-
Passed through the Broward County Sheriff's Office:				
Edward Byrne Justice Assistance Grant (JAG) Program - FY 2016	16.738	2017-DJ-BX-0823	44,382	-
TOTAL U.S. Department of Justice			303,134	-
U.S. Department of Transportation:				
Indirect Programs:				
Passed through the State of Florida, Department of Transportation:				
Highway Planning and Construction Cluster:				
Colbert Elementary Safe Routes to School	20.205	436921-1-58-01/ Contract G0V31	300,483	-
TOTAL Highway Planning and Construction Cluster			300,483	-
Federal Railroad Administration - Trespassing Pilot Grant Program Operation Fast Track	20.301	69A36520401910RTEFL	8,176	-
			8,176	-
Highway Safety Cluster:				
State and Community Highway Traffic Safety Program - Speed and Aggressive Driving Grant	20.600	SC-20-13-11	40,000	-
TOTAL Highway Safety Cluster			40,000	-
TOTAL U.S. Department of Transportation			348,659	-
U.S. Department of Treasury				
Direct Program:				
Federal Equitable Sharing Program	21.016		127,000	-
TOTAL U.S. Department of Treasury			127,000	-

(Continued)

**CITY OF HOLLYWOOD, FLORIDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020**

Federal/State Grantor, Pass Through Entity, Program Title	Federal CFDA/ State CFSA Number	Grant/ Contract Number	Funds Expended	Passed through to Subrecipients
U.S. Department of Environmental Protection Agency:				
Indirect Program:				
Passed through the State of Florida, Department of Environmental Protection:				
Drinking Water State Revolving Fund Cluster:				
Capitalization Grants for Drinking Water State Revolving Fund	66.468	DW060470	9,340,269	-
Capitalization Grants for Drinking Water State Revolving Fund	66.468	DW060490	5,047,368	-
TOTAL Drinking Water State Revolving Fund Cluster			<u>14,387,637</u>	<u>-</u>
TOTAL U.S. Department of Environmental Protection			<u>14,387,637</u>	<u>-</u>
U.S. Department of Homeland Security:				
Direct Program:				
2017 Assistance to Firefighters Grant	97.044	EMW-2017-FO-04302	9,346	-
Indirect Program:				
Passed through the State of Florida, Division on Emergency Management and City of Miami:				
Urban Area Security Initiative (UASI) - FY 18	97.067	19-DS- X3-11-23-02- 37/EMW-2018-SS-00064	111,614	-
TOTAL U.S. Department of Homeland Security			<u>120,960</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 16,519,057</u>	<u>\$ 366,248</u>
STATE GRANTS:				
State of Florida, Housing Finance Corporation				
Direct Program:				
State Housing Initiatives Partnership (SHIP) Program		225001	\$ 1,173,902	\$ -
Total State of Florida, Housing Finance Corporation			<u>1,173,902</u>	<u>-</u>
State of Florida, Department of Environmental Protection:				
Direct Programs:				
Capitalization Grants for Drinking Water State Revolving Fund	37.076	DW060460	3,520,112	-
City of Hollywood Marina Boat Ramp Resiliency Improvements	37.098	R1805	324,050	-
Capitalization Grants for Drinking Water State Revolving Fund	37.077	WW060430	299,554	-
Capitalization Grants for Drinking Water State Revolving Fund	37.077	WW0604A0	3,722,986	-
Total State of Florida, Department of Environmental Protection			<u>7,866,702</u>	<u>-</u>
State of Florida, Department of Elder Affairs:				
Indirect Programs:				
Passed through the Areawide Council on Aging of Broward County, Inc.:				
Local Service Programs - Elderly Grant 2019-2020	65.009	JL 119-29-2020	100,882	-
Total State of Florida, Department of Elder Affairs			<u>100,882</u>	<u>-</u>
State of Florida, Department of Law Enforcement				
Direct Program:				
Identity Theft & Fraud Grant FY20	71.042	2020-SFA-ITF-06-2D-004	9,475	-
Total State of Florida, Department of Law Enforcement			<u>9,475</u>	<u>-</u>
State of Florida, Fish and Wildlife Conservation Commission				
Direct Program:				
City of Hollywood, Derelict Vessel Removal Project	77.005	FWC - 17326	15,750	-
Total State of Florida, Fish and Wildlife Conservation Commission			<u>15,750</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u>\$ 9,166,711</u>	<u>\$ -</u>

See accompanying notes to schedule of federal awards and state financial assistance.

CITY OF HOLLYWOOD, FLORIDA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance (the Schedule) includes the federal and state grant activity of the City of Hollywood, Florida (the City) under programs of the federal government and the State of Florida for the fiscal year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and Chapter 10.550, Rules of the Auditor General. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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

NOTE 4 – OUTSTANDING LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

On July 19, 2002, the City received a \$5,585,000 loan commitment from the U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program. As of September 30, 2020, the outstanding loan balance was \$200,000.

CITY OF HOLLYWOOD, FLORIDA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None.

II. PRIOR YEAR FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None.

CITY OF HOLLYWOOD, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued on whether the financial Statements audited were prepared in accordance with GAAP: *Unmodified Opinion*

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Non-compliance material to financial statements noted? Yes No

Federal Awards and State Projects

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Type of auditors’ report issued on compliance for major programs:

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with CFR 200.516(a) or Chapter 10.557, *Rules of the Auditor General*?

Yes No

Identification of major programs/projects:

CFDA No.
66.468

Federal Program or Cluster
Capitalization Grants for Drinking Water State Revolving Fund

14.218

Community Development Block Grants - Entitlement Grants Cluster

CSFA No.
40.901

State Projects
State Housing Initiatives Partnership Program Grant

37.076 & 37.077

Capitalization Grants for Drinking Water State Revolving Fund

Dollar threshold used to distinguish between Type A and Type B programs – Federal \$750,000

Dollar threshold used to distinguish between Type A and Type B projects – State \$750,000

Auditee qualified as low-risk auditee pursuant to the Uniform Guidance? Yes No

CITY OF HOLLYWOOD, FLORIDA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARDS AND STATE PROJECTS FINDINGS AND QUESTIONED COSTS

None.

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

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

Report on the Financial Statements

We have audited the financial statements of the City of Hollywood, Florida (the City), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated May 31, 2021. We did not audit the financial statements of the City of Hollywood Firefighters' Pension Fund and City of Hollywood Police Officers' Retirement System (collectively, the Plans), which represent 55%, 60% and 36%, respectively, of the assets, net position/fund balance and revenues/additions of the aggregate remaining fund information.

Auditors' Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (Uniform Guidance); and Chapter 10.550, Rules of the Auditor General.

Other Reporting Requirements

We have issued our Independent Auditors' Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance for Each Major Federal Program and State Project; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards and State Financial Assistance Required by the Uniform Guidance and Chapter 10.550, Rules of the Auditor General; Schedule of Findings and Questioned Costs; Summary Schedule of Prior Audit Findings; and Independent Accountants' Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedules, which are dated May 31, 2021, should be considered in conjunction with this management letter.

Prior Audit Findings

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

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The information is disclosed in Note I to the financial statements. The City included the following blended component unit: the Hollywood Community Redevelopment Agency, comprised of the Downtown District and the Beach District. The Emerald Hills Safety Enhancement District is a discretely presented component unit of the City.

Financial Condition and Management

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

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the City. It is management's responsibility to monitor the City's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was performed as of the fiscal year end.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did have recommendations to improve financial management which are described in the current year and prior year observations section in Appendix A. In addition, we did not report audit findings in the schedule of findings and questioned costs.

Special District Component Units

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

Additional Matters

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

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal, State and other granting agencies, the Mayor and the City Commission, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Marcum LLP

Fort Lauderdale, FL
May 31, 2021

CITY OF HOLLYWOOD, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

No.	Observations	Observation Is Still Relevant	Observation Addressed or No Longer Relevant
<u>Current Year</u>			
None			
<u>Prior Year</u>			
MLC 2018-002	Implementation of Required Uniform Guidance (UG) Procurement Guidelines		Addressed
MLC 2019-001	SHIP Grant - Noncompliance with Reporting Requirements	Repeated	
MLC 2019-002	General Information Technology Recommendation		Addressed

CITY OF HOLLYWOOD, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

MLC 2019-001 SHIP GRANT – NONCOMPLIANCE WITH REPORTING REQUIREMENTS

Observation

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

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

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

Effect

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

Recommendation

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

CITY OF HOLLYWOOD, FLORIDA

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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

Management's Response and Status

Management is aware of the compliance requirements regarding State Housing Initiatives Partnership (SHIP) expenditures and the related “three year cycle”. The encumbrances and expenditures are actively monitored by the City. The City and the State of Florida are in regular communication regarding programmatic decisions that are outside the normal course of business. In fiscal year 2019, the State of Florida withheld the funding for the years 2019 and 2020 due to unanticipated events noted within the above finding. During fiscal year 2020, the City and the State of Florida reallocated the expenditures associated with the above finding to a different program. As such, the State of Florida approved the City’s plan and report in February 2021. As a result of the above actions, the City also received the prior year’s SHIP allocation in February 2021.

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE PURSUANT TO
SECTION 218.415 FLORIDA STATUTES**

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

We have examined the City of Hollywood's (the City) compliance with Section 218.415 Florida Statutes, Local Government Investment Policies for the fiscal year ended September 30, 2020. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

In our opinion, the City complied, in all material respects, with Section 218.415 Florida Statutes for the fiscal year ended September 30, 2020.

This report is intended to describe our testing of compliance with Section 218.415, Florida Statutes, and it is not suitable for any other purpose.

Marcum LLP

Fort Lauderdale, FL
May 31, 2021

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Melissa Cruz who being duly sworn, deposes and says on oath that:

1. I am the Chief Financial Officer of City of Hollywood, Florida which is a local governmental entity of the State of Florida;
2. The governing body of City of Hollywood, Florida adopted Ordinance No. O-2013-21 (Park Impact Fee (Section 6.7G) of the Zoning and Land Development Regulations)), O-2019-18 (Water Impact Fee), and O-2019-17 (Sewer Impact Fee) implementing an impact fee or authorized City of Hollywood, Florida to receive and expend proceeds of an impact fee implemented by City of Hollywood, Florida; and
3. City of Hollywood, Florida has complied and, as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.



 Melissa, Cruz, Director of Financial Services
 City of Hollywood, Florida

STATE OF FLORIDA
COUNTY OF (Name of County)

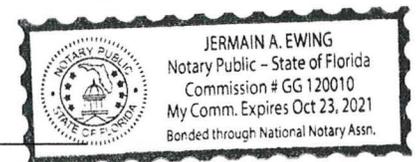
SWORN TO AND SUBSCRIBED before me this 26 day of May, 2020.



 NOTARY PUBLIC
 Print Name Jermain A. Ewing

Personally known X or produced identification _____

Type of identification produced: _____



My Commission Expires:

10/23/2021

2600 Hollywood Boulevard
P.O. Box 229045
Hollywood, Florida
33022-9045