



FOR THE **FISCAL YEAR ENDED** **SEPTEMBER 30, 2022**

CITY OF POMPANO BEACH, FL
ANNUAL COMPREHENSIVE
FINANCIAL REPORT



Annual Comprehensive Financial Report

City Of
Pompano Beach,
Florida

Fiscal Year Ended September 30, 2022

Prepared by the
Finance Department

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Front Cover: Standing 142 feet tall, Hillsboro Inlet Lighthouse is located on the north side of Hillsboro Inlet, across from the Hillsboro Inlet Park in Pompano Beach Florida. A lighthouse at the inlet was first requested in 1884 and rejected 17 times until the 3-acre parcel was purchased and first illuminated 23 years later, in 1907. The Hillsboro Inlet Lighthouse was listed on the U.S National Register of Historic Places in 1979 and is considered to have one of the most powerful lights in the world, with a beam that can be seen for 28 nautical miles. In 2003, the Hillsboro Inlet Light was commemorated with a \$0.37 US postage stamp. In 2008, a bronze statue of the Barefoot mailman, James "Ed" Hamilton who disappeared at the Hillsboro Inlet in 1887, was erected at the base of the lighthouse. Lighthouse Scenic Tours is the exclusive tour provider of the Hillsboro Inlet Lighthouse and offers limited tours throughout the year, accessible via boat.

CITY OF POMPANO BEACH, FLORIDA

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

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INTRODUCTORY SECTION

CITY OF POMPANO BEACH, FLORIDA

LIST OF ELECTED AND APPOINTED OFFICIALS
AS OF SEPTEMBER 30, 2022

CITY COMMISSION

Rex Hardin
Andrea McGee
Rhonda Eaton
Alison Fournier
Beverly Perkins
Barry Moss

Mayor at Large
Vice Mayor, District I
Commissioner, District II
Commissioner, District III
Commissioner, District IV
Commissioner, District V

APPOINTED OFFICIALS

Greg Harrison
Mark Berman
Kervin Alfred
Deusdedit "DC" Kiyemba

City Manager
City Attorney
City Clerk
Internal Auditor



April 17, 2023

The Honorable Mayor,
Commissioners and Residents of the
City of Pompano Beach, Florida

Dear Honorable Mayor, City Commissioners and Residents:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Pompano Beach, Florida (the City), for the fiscal year ended September 30, 2022. This report, presented in conformity with generally accepted accounting principles (GAAP) in the United States of America, was prepared by the City's Finance Department and audited by an independent firm of certified public accountants, Keefe McCullough, as mandated by Florida Statutes, Chapter 218.39, Annual Financial Audit Reports. The audit was conducted in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, and the Rules of the Auditor General of the State of Florida, promulgated pursuant to Florida Statute, Chapter 11.45. The independent auditor has issued an unmodified opinion that this ACFR fairly presents the financial position of the City and complies with applicable reporting standards as of September 30, 2022.

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 help ensure the assets of the City are protected from loss, theft or misuse and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. 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 the establishment of an adequate internal control structure to help 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 U.S. Office of Management and Budget Uniform Guidance and Chapter 10.550, Rules of the Auditor General of the 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, under separate cover.

This report is divided into three parts. The Introductory Section provides a summary of the contents of the entire report and general information about the reporting entity. The Financial Section includes the Independent Auditors' Report, Management's Discussion and Analysis (Unaudited), the Basic Financial Statements, Notes to the Financial Statements, Required Supplementary Information (Unaudited), and the Combining and Individual Fund Financial Statements and Schedules. The Management's Discussion and Analysis section provides a narrative introduction, overview and analysis of the basic financial statements. It complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

The City was incorporated in 1947 and covers an area of approximately 24.59 square miles. The legal authority by which the City was created and is governed is its charter, which was derived from Chapter 57-1754, Special Acts 1957, as amended. The City is governed by an elected five member district commission and a mayor at large. In addition to general government services, the City also provides community planning and redevelopment, public safety, public works and culture and recreation services to its residents. Furthermore, the City's water and sewer, stormwater, sanitation, airport and parking operations are reported as enterprise funds.

Located in Broward County, Florida, the City is centrally located between Palm Beach and Miami-Dade Counties, and is the year round home to approximately 113,789 residents. During the peak season (September through March), this number increases to nearly 150,000. Due to its mild year round climate, visitors to the City can also enjoy its beautiful parks, beaches, boating, fishing, scuba diving and all other types of outdoor recreation. As the name implies (Pompano - a species of in-shore tropical game fish) the City is famous for some of the world's best sport fishing and is locally known as the "dive capital" of Broward County. Once a thriving agricultural community, the City has evolved into a warehouse/distribution hub for a wide range of companies that service the over 5 million residents of the South Florida market. The Pompano Beach Air Park is also home to the famous Goodyear Blimp.

The City offers 3 miles of beautiful shoreline and the City's public beach has been declared a Blue Wave Award winner since 2000. Additionally, in 2005 the City was named an All-America City. The All-America City Award is America's original and most prestigious community recognition award honoring communities in which community members, government, businesses and non-profit organizations work together to address critical local issues. The City has also been declared a Tree City USA for thirty-three years and is committed to enhancing its tree canopy and providing shade and fresh air to residents and guests. In 2022, the City has been named the 2022 NPA Innovative Organization of the Year. This is the parking industry's highest honor. The honor recognizes leadership innovation, excellence and best practices in the parking industry.

Due to its tremendous transportation links, the City is now home to over 28 million square feet of industrial/warehouse/distribution space, which includes regional headquarters for companies such as, Aquathin, Associated Grocers, FedEx Ground, Point Blank Enterprises and Stimpson Company. The City provides access to both the Florida Turnpike and Interstate 95 and also provides access to both the CSX and FEC railroads.

THE REPORTING ENTITY

The accompanying ACFR includes the financial activities of the City, the primary government, and its component units, which are the Pompano Beach Emergency Medical Services District (EMS), and the Pompano Beach Community Redevelopment Agency, which includes the Northwest and the East Districts (the Districts). Financial information for the City and these component units is accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board (GASB). A component unit is an entity for which the City is considered to be financially accountable. The City is financially accountable if the City Commission appoints a voting majority of an entity's governing body and the City is able to impose its will on that entity, or the City has a financial benefit/burden relationship with the entity. Blended component units are, in substance, part of the City's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the City.

EMS is a dependent special district created to provide emergency medical care and transportation to the residents of the City. EMS has been presented as a blended component unit because it is

governed by the City Commission and there is a financial benefit or burden relationship between the City and EMS. The EMS fund is reported as a special revenue fund.

The Districts have also been presented as blended component units because they are governed by the City Commission and management of the City has operational responsibility for them. The Districts are reported as special revenue funds.

The Pompano Beach Finance Corporation (PBFC) is a not-for-profit Florida corporation. PBFC has been presented as a blended component unit because it was formed solely for the purpose of facilitating lease purchase arrangements for the benefit of the City and it is governed by the City Commission. The balances and transactions of PBFC are accounted for within the Parking fund.

FACTORS IMPACTING ECONOMIC AND FINANCIAL CONDITION

Broward County's year-end jobs report stated a December 2022 *unemployment rate of 2.2%*. “In December 2022, Broward County added nearly 33,000 jobs year over year, with the largest gain in the Professional and Business Services sector. We are also seeing the lowest unemployment rate since 2006, demonstrating that Greater Fort Lauderdale is a location of choice for companies in high-value targeted industries,” said Greater Fort Lauderdale Alliance President/CEO, Bob Swindell.

Miami-Dade County finished the year at 1.4%, and *Palm Beach County*, also finished the year at 2.2%. The *State* finished off 2022 with an unemployment rate of 2.5%, while the *U.S.* unemployment rate was 3.5%.

As those figures reflect, it was an extremely tight labor market across the United States with employers large and small having a tough time finding labor. In January 2022, when the Omicron variant of the COVID virus surfaced, it understandably made fears return after a mild resurgence in the Returning to Office (or RTO). RTO and inflation were major discussions throughout most of the year, as well as, talks of a recession, which still has not occurred.

Huffington Post article by Christopher Rugaber, stated “Job openings hovered at a near-record level in February (2022), there were 11.3 million available jobs last month. The number of Americans quitting their jobs was also historically high, at 4.4 million. Many people are taking advantage of numerous opportunities to switch jobs, often for higher pay. The unemployment rate, at 3.8% (February 2022), is near the pre-pandemic level of 3.5%, which was the lowest in five decades. And there are still several million fewer people working or looking for work than before the pandemic, forcing employers to compete among a smaller labor pool.” Now we see that the pre-pandemic level of 3.5% reached by the end of the year, making the labor pool even tighter. “With employers desperate to find workers, wages and salaries rose 4.5% in 2021, the fastest pace in two decades. Many businesses have, in turn, charged their customers more to cover the higher labor costs.”

Costar Economy reported, “The pandemic was believed by many to have caused many people to retire early, as the labor force participation rate for those age 55 and older remained stubbornly low. However, many in this demographic have now been leading the increase in the workforce. Clearly, the strong demand for workers amid a tight supply is drawing some early retirees back into the labor market. Competition for labor over the past year has been intense, especially in those industries where face-to-face, personal interaction is critical, and firms have had to boost wages to attract much needed workers. Wage growth varied significantly by sector. Leisure and hospitality firms, which have raised wages the most over the past year.”

Yahoo! News reported, “LinkedIn CEO Ryan Roslansky has issued a word of warning to employers grappling with an intensifying battle for talent: “Motivate and inspire Gen Z, or risk being left behind. He discussed what LinkedIn data revealed about a shifting generational attitude

toward the workplace. Roslansky revealed how the end of 2021 brought on a surge of professionals jumping ship to new employers following a period of great uncertainty. ‘This is what we refer to as the Great Reshuffle,’ Roslansky said. ‘People are switching jobs at a higher rate than ever before as they figure out not only how and where to work, but why they work. What’s fascinating to look at is the fact that the Great Reshuffle has played out differently among generations, he noted. The surge in job-hopping was mainly driven by Gen Z and millennials. Baby Boomers, those born between 1946 and 1964, were the most loyal to their roles, well before COVID and straight through the pandemic and recovery, Gen Xers (1965 – 1980) followed pretty much an identical path until post-COVID, where their tendency to move ticked up a bit. Millennials (1981 – 1996) follow a similar pattern, but when things started to ease in the spring of 2021, they moved at a record pace. However, this is all in contrast to what we see with Gen Z (1997-2012), who not only were the biggest movers during the post-pandemic, but were also the most active movers even before the pandemic struck. This generation believes it’s not only okay to move around frequently, but it’s expected, and potentially have a side gig or two along the way. Since May 2021, U.S. employers have consistently reported more job openings than the total number of unemployed Americans, and the gap has widened almost every month. The latest data shows an unprecedented imbalance: Even if every unemployed person in the country got a job today, employers would still have 5.4 million unfilled roles.’”

In the year 2021, as those numbers show, some employers did respond to the tightening labor market; however, most pushed back against raising wages and expanding benefits packages for employees. That was not the case in 2022, where large employers raised minimum wages for new employees, expanding benefits packages, relaxing drug testing requirements and offered flexible work schedules to attract new talent. Companies like Verizon, Target, Walmart and Amazon all increased their pay caps and expanded their benefit packages. Some of these same companies over-hired and started making mass layoffs towards the end of the year when they saw they are over-responded to the pandemic fallout. Small businesses, while making some concessions, were worried about the long-term sustainability of those concessions, but they did what they could.

Industrial Market

The industrial “boom” that started in 2013 continues, but has slowed. Essentially every parcel of industrial designated land in the City has been built on. There are very few vacant parcels left available, they are randomly positioned and not sizeable; however, much of the activity in the industrial district this past year were larger deals, only one of which closed.

Amazon was working through the development review process for a Sortation facility and Delivery Station on the Isle Casino (now Harrah’s) eastern 92 acres, but that was scrapped as the company pulled back on their industrial development nationally.

Another local larger project that never finalized was the IDI Logistics play for the Festival Flea Market property. The company proposed demolishing the local retail landmark and replacing it with another large warehouse (473,000 sf – 2 buildings) on essentially the same footprint, but that deal seems to have evaporated. The Isle (now Harrah’s) and the Festival Flea Market represent the largest opportunities in Pompano Beach industrial submarket.

The one notable deal that did close was the Prologis, the largest industrial product developer in the nation, purchasing Duke Realty and their 7+ million square feet of space in Pompano Beach. Duke has always maintained a quality product here and we don’t expect that to change with the sale.

The Pompano Beach industrial submarket makes up approximately a quarter of the Broward County industrial market and remains the County’s largest submarket. Pompano Beach position in the market remains strong with its location in the middle of the South Florida, its access to both CSX and FEC rail lines, its roadway system with access to both I-95 and Florida’s Turnpike, and proximity to air and sea ports.

According to the *Colliers Broward County Industrial Q4 2022* report, the Northeast Broward submarket (which also including Deerfield Beach) includes 1,019 buildings: 807 warehouse/distribution, 73 manufacturing and 139 flex, with vacancy rates of 5.6%, 4.5% and 2.5% respectively and an inventory of 42,614,851 square feet of total space. The County finished the year with a vacancy rate of 4.3%. “Based on strong fundamentals, the South Florida industrial and logistics market ranked among the top 25 markets in the U.S. Strong occupancy gains, low vacancy, and ample construction activity are keeping the region on steady footing. In 2022, the Northeast Broward submarket experienced the lion’s share of the leasing activity, and landlords are expected to continue to have the upper hand in the market entering 2023.”

Nationally we’ve seen a slowdown in the *mega-warehouse* projects, those warehouses are over a million square feet. Amazon, the company leading the push into mega-warehouse projects over the past few years, hit the breaks; but other large retail companies like Target, Wal-Mart and Nike are still trying to catch up with Amazon in expanding their own logistics networks and where strong retail demand is forcing them to hold more inventory closer to their consumer markets. Also, *cold storage facilities*, whose development is being driven by the e-commerce push into the grocery market, has seen spec development go from approximately 300,000 sf nationally in 2019 to over 3.3 million sf in 2022. Lastly, *Co-warehousing*, a parallel concept of *Co-working*, provides smaller-scale spaces within larger industrial properties, in an attempt to help the small business owner, as newer industrial product keeps increasing in size and ‘through-the-roof prices’ are taking the small business/ building owners out of the building ownership market.

Industrial projects approved by the City’s Planning & Zoning Board include:

- *Andrews Premier Business Park approval for 84,945 sf on 6.14 acres at 1698 N. Andrews Avenue.*
- *Verizon Pompano Beach approval of 22, 049 sf on 7.14 acres at SW 16th Terrace.*
- *Parcel Y –Air Park approval of 76,653 sf (12 hangers, 6 buildings) on 9.3 acres at 1550 NE 5th Avenue.*

Commercial – Office Market

According to the *Colliers Broward County Office Q4 2022* report, the Pompano Beach submarket (which also includes Deerfield Beach, Coconut Creek, LHP & Margate) includes 181 buildings: 8 Class A, 120 Class B and 53 Class C buildings with an overall inventory of 5,564,311 square feet of space. The different classes had vacancy rates of 24.1%, 9.1% and 3.5%, respectively. The County finished the year with a vacancy rate of 11.7%. Nationally, ‘the office’ is being reimaged.

Costar reported, across America discussions throughout the year revolved around RTO and there is no simple answer. Leaders and managers across America are three times (3x) as likely to push for RTO, have been trying to figure out the silver bullet that will bring workers back into the office, but it’s just not that easy given the state of the labor market. Some managers have considered penalizing workers who don’t return; however, “Nearly 40% of U.S. workers say they would quit their jobs if they were denied the option to work remotely, while 66% of employees said they would immediately start looking for a job that offered flexibility. The ability to work remotely, has resulted in workers saying they’ve saved money and felt more productive. About 62% of workers say they are more productive when working remote. A little more than half of workers would take a pay cut of 5% or more to have flexibility in their work location, with 23% saying they would take a pay cut of 10% or more. Workers are clear on what working style works best for them, and if an employer isn’t able to bend to meet their needs, the choice is simple.” According to local staffing recruiters, one thing is fairly certain though: the hybrid/ flexible work schedule is here to stay.

Historically, the Pompano Beach submarket has never been seen as a corporate headquarters location, because it’s been devoid of any Class A office space. That was originally a primary point for the creation of a downtown, as well as the initial concept of the Cordish Group’s development of a corporate headquarters location at the Isle (Harrah’s). Both were sought to be extensions of

the Cypress Creek corridor that is home to Citrix and other corporate offices; however, with the 'reconfiguration of the office,' Pompano Beach's future downtown will have to adapt. It is more likely offices will merely be an ancillary rather than a primary use.

Locally, "Broward County office fundamentals remain stable. As the migration to South Florida persists, Broward County is expected to attract some of the new-to-market activity which will reduce vacancy levels. Despite rising interest rates and economic uncertainty, South Florida and other Sunbelt markets like Austin, Dallas and Nashville captured the most tenant activity, strong new-to-market activity, particularly in Miami-Dade County, combined with a limited supply and major renovations at existing buildings have pushed rental rates to all time highs. High quality, well-located assets will continue to attract tenants and increase rents, in contrast to Class B and C assets that will see a tighter pool of interested tenants. Tenant expectations for building amenities are also high, adding to the challenges for Class B and C buildings which may not be able to keep pace with Class A buildings." These last two sentences should make Pompano Beach take note, as we should expect redevelopment of such product in the near future.

Urban Land Magazine reported, "A recent Wall Street Journal poll shows that overwhelmingly the biggest reason people are reluctant to return to work is because of their 'dreaded' commute."

Commercial – Retail Market

According to the *Colliers Broward County Retail Q4 2022* report, the Pompano Beach submarket (which also includes Deerfield Beach, LHP, Coconut Creek & Margate) includes an inventory of 324 buildings, 12,859,335 square feet of space and ended the year with a vacancy rate of 4.9%. The County finished the year with a vacancy rate of 4.0%. "The submarkets with the most significant amount of leasing activity in 2022 include Pompano Beach, with more than 410,000 square feet leased."

"The Broward County retail market ended 2022 with all the key indicators trending positive. The influx of new-to-market tenants coupled with the rising trend of clicks-to-bricks is expected to keep market fundamentals healthy throughout 2023, as flagship stores flock to areas with high population growth."

'Retailtainment' or customer experiences/experiential retail continues to evolve with competitive socializing experiences like golf and soccer are seemingly everywhere. Locally, and after practically a decade of recruitment, Top Golf finalized its deal on 11 acres at the Isle Casino (now Harrah's) property. They would like to be operational by the end of the year. The Cordish Group is also planning on developing about 150,000 sf of retail in the northwest corner of its property at Powerline Road and Racetrack Road. This development will include a grocery store, high-end retail and a 7-story hotel.

"A significant trend seen in South Florida, and across the U.S., is the shift in the dynamics of the grocery market during inflationary times. With consumers managing financial uncertainty, food retailers and brands must determine how they intend to help consumers and retain their loyalty. Furthermore, consumers concerned about rising cost-of-living expenses are substituting for lower priced alternatives resulting in a rise of discount grocers." This trend is also reflected in the amount of spec cold storage facilities being built across the country as well. Pompano Beach has a few existing cold storage facilities, but nothing new has been proposed.

Commercial developments approved by the City's Planning & Zoning Board include:

- *Vista VW is redeveloping their dealership at 700 N Federal Highway after demolishing the existing structure.*
- *Uhaul Self Storage approval to construct a 55, 283 sf facility on 2.44 acres at 790-820 SW 12th Avenue.*

- *Top Golf approval to construct 64,000 sf 3 story golf entertainment venue on 11 acres at Harrahs Casino property on East side of Lucky Lane.*

Residential Market

This song remains the same: South Florida remains one of the most expensive places to live, especially as it relates to rent. The South Florida Business Journal reported, “Nationwide, South Florida renters spend the largest portion of their income on housing, according to a recent report from Realtor.com. In August (2022), South Floridians spent an average of 46.5% of their income on rent... it was the largest percentage paid in rent when compared to residents in the 50 largest metro areas in the U.S.”

“Rent increases will have the greatest impact on the service sector economy and the availability of workers in those industries, said Ned Murray, associate director of the Metropolitan Center at Florida International University. While South Florida has attracted wealthy transplants from out of state, it’s losing service sector workers and recent college graduates to more affordable cities such as Tampa and Fort Myers. The problem is much worse for working families in South Florida – which doesn’t have many large apartments – so people seeking more space leave, Murray added. While office employees can often work remotely, it’s not an option for many others, especially service workers.”

According to National Bisnow.com, “Rising interest rates, combined with rising prices, have made U.S. houses less affordable. Would-be U.S. homebuyers face an increasingly daunting task, as homes were less affordable in May than they have been in about 15 years, according to the latest National Association of Realtors Home Affordability Index. First-time homebuyers now spend an average of 25.5% of their family income on mortgage payments, pushing over the threshold into unaffordability. The NAR defines a mortgage as affordable if the payment amounts to 25% or less of a family’s income.”

One of the accelerators of both the homeownership affordability and rental price surges that isn’t discussed much is the investment community’s/corporate ownership of single-family homes. Bisnow article by Matthew Rothstein, stated that “Investors are pouring into the single-family home market like never before, and a much-maligned subset of civic organizations is fighting back. Homeowner Associations in some of the country’s hottest housing markets have responded to rising investor activity in their respective communities by implementing new restrictions on ownership and occupancy. The pace of such restrictions has risen alongside growing investor appetite for single-family homes. Across a set of 21 counties in Arizona, Florida, North Carolina and Texas, about 30% of more than 1,000 new policies passed by HOAs since 2019 have been restrictions on ownership and usage meant to discourage the purchase of homes for short- or long-term rentals. From 2016-2018, that ratio had been only 21%. Opposition to rental housing comes from a fear that home values and quality-of-life for residents would suffer, the WSJ reports. HOA members have reported that out-of-town landlords are less responsive to issues at their properties and let their properties deteriorate at higher rates than homeowners. Aside from effects on neighborhood character, single-family home investors have been accused of exacerbating the lack of available and affordable housing for sale in the U.S. and levying eye-popping rent increases.”

In an effort to address affordability, some government entities and authorities are purchasing homes to rehab, rent and resell to first-time homebuyers and low- and middle- income families. In Pompano Beach, our Community Redevelopment Agency (CRA) participates in developments within its zone to assist with the affordability of projects and also for some projects to provide additional workforce rental units, as it has with the Old Town Square project in the downtown area or the Mayla Pompano project in the East CRA District. Also, Habitat for Humanity continues progress on it’s 78 single-family development at Blanche Ely Ave and NW 15th Street.

Florida's tax policies, quality of life, and sunshine continue to be the primary reasons people keep moving to South Florida, and the constraints of the Florida peninsula cannot help but to push residential densities higher. Pompano Beach approved more than a thousand units (1,002) in 2022 and has well over three thousand in the queue (3,427) with most developments lying east of the intercoastal waterway (ICW), in the 'starting to take shape' downtown area, or along our major transportation corridors.

Residential projects approved by the City's Planning & Zoning Board include:

- *Ocean Park Residences approval to construct a mixed-use development including 28 units, 3047 sf, 2 towers at 1508 N Ocean Blvd.*
- *Captiva Cove III approval to construct 106 units in two 3-story buildings and one 6-story building on 3.279 acres on South Dixie Highway at SW 11th Street.*
- *Soleste approval to construct a mixed-use development including 253 units, 4000 sf, in a 8-story building on 1.95 acres at 208 N Federal Highway.*
- *Salato Residences approvals to construct 40 units in a 9-story building on 1.33 acres at 305 Briny Avenue.*
- *Hunters Manor obtained approval to construct 59 single family detached homes on 9.09 acres in the Hunters Manor neighborhood.*
- *Gateway Luxury Apartments approval to construct 128 units in four 3-story buildings on 4.23 acres at 950 N Powerline Road.*
- *Broward Partnership for the Homeless obtained approval to construct 138 units on 6.7 acres at 1700 NW 30th Avenue.*
- *Golden Acres –Senior Housing obtained approval to construct 100 units in two 3-story buildings on 4.36 acres at 1050 NW 18th Drive.*
- *St. Joseph's Manor, Phase II –Senior Housing, obtained approval to construct 150 units on 8.33 acres at 1210 NW 6th Avenue.*

Major City Initiatives

The City gained approvals for/commenced/completed a number of significant improvements and programs during the year to meet the needs of the community. The most significant project/programs/ improvements for the fiscal year ending September 30, 2022 included:

- *The City is constructing Fire Station #61, a 13,402 sf facility on 2.14 acres at 2121 NW 3rd Avenue.*
- *The City is constructing a 8,646 sf Senior Center on 4.93 acres at 2005 NW 9th Street.*
- *The City is starting construction on Fire Station #52, a 13,402 sf building on 1.09 acres at 10 SW 27th Avenue.*
- *A General Obligation Bond was overwhelmingly approved by voters in March of 2018 and the first bond was passed in August of the same year. Overall, the bond covered 25 projects with a collective tab of \$181 million. The Covid pandemic, supply chain issues and inflation have since increased costs dramatically. Staff is dealing with these issues by shifting initiatives and reallocating funds based on Commission priorities. The issuance of the bond was split into two phases. As a function of Phase 1, all 25 projects were designed and approved and construction funds were allocated to 16 of them. The issuance of the 2nd bond facilitated the funding of the remaining 9 projects. This approach saved significant taxpayer dollars.*
- *In July of 2011, the City launched the OASIS (Our Alternative Supply Irrigation System) Reuse irrigation program. The City continues to construct reclaimed water distribution lines. The City continues to budget \$300,000 annually for the project and apply for available grants. This program has already been successful including golf courses, parks, road medians, schools, 300+ multi-family and commercial properties and 1,000 single-family residential properties while conserving over 20 billion gallons of water from the Biscayne Aquifer.*

FINANCIAL POLICIES AND PLANNING

Financial Policies:

Investment Policy – The City has adopted a written comprehensive investment policy to help safeguard against the loss of its assets. Oversight for the investment program lies with the Finance Director under the direction of the City Manager. The City's investment program is established in accordance with the City's investment policy, which was adopted by resolution of the City Commission, and Florida State Statute Chapter 218.415 (Local Government Investment Policies), which establishes investment plan guidelines for local governments in Florida. The City's investment guidelines permit the investment of City funds in United States Treasury securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), Corporate Notes, Commercial Paper, Time Deposits (Certificates of Deposit), Repurchase Agreements, Bankers' Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, Intergovernmental Investment Pools and Savings Accounts of financial institutions that are Qualified Public Depositories in accordance with Florida State Statute Chapter 280.01 (Security for Public Deposits). All securities are purchased on a delivery-versus-payment basis. This requirement assures the City that it has possession of the securities before release of its funds. The investment policy further incorporates additional safeguards, limiting the allocation of the portfolio by sector within each investment type, as well as to the issuer within each sector.

The investments of the pension plans are controlled by the pension boards, who have hired professional money managers responsible for managing the assets of those funds. The pension plan boards have also adopted formal investment policies.

Fund Balance/Net Position Policy – The City Commission has formally adopted a fund balance/net position policy (the "Policy") for the City's General Fund and its Water and Sewer and Stormwater Funds. The objective of the Policy is to insure against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. More specifically, the Policy ensures that the City maintains adequate fund balance/net position reserves to provide the capacity to: (1) provide sufficient cash flow for daily financial needs, (2) offset significant economic downturns and revenue shortfalls, (3) maintain stable tax/fee rates (4) provide funds for unforeseen expenditures related to emergencies, (5) provide for renewal and replacement of long-lived assets and (6) secure and maintain investment grade bond ratings.

Debt Management Policy – The City Commission has formally adopted a debt management policy (the "Debt Policy") to assist in improving the quality of the City's decisions governing debt issuance. More specifically, the Debt Policy establishes parameters for issuing debt and managing a debt portfolio that encompass existing legal, economic, financial and capital market conditions, the City's capital improvement needs, and its ability to repay financial obligations as they become due. The policy:

- Assists the City in maintenance, acquisition and replacement of appropriate capital assets for present and future needs;
- Guides the City in policy and debt issuance decisions;
- Provides a framework within which each potential issuance can be evaluated;
- Assists in controlling the types and levels of outstanding obligations;
- Outlines a mechanism to ensure ongoing compliance requirements governing outstanding obligations; and
- Ensures that the costs of debt issuance are borne equitably by each generation of taxpayers, rate payers, users, and other beneficiaries; and promotes sound financial management.

Strategic Planning – The City has adopted a long-term strategic plan that articulates a clear vision of its future that is integrated with an organizational philosophy to guide elected officials' and employees' actions and the efficient and effective use of resources. The plan is focused on the issues of greatest importance to the City Commission and its citizens. It will provide the framework that will enable the City to make prudent business decisions for its successful operation and the continuing development of the City as a highly desirable location for residents, businesses and visitors. The plan includes benchmarks or milestones that measure the City's progress toward achieving its strategic goals and objectives.

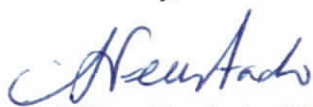
REPORTING ACHIEVEMENT AND ACKNOWLEDGEMENTS

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 for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. The City has received the GFOA's prestigious Certificate of Achievement for Excellence in Financial Reporting award for thirty-eight years. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of only one year. We believe our current annual comprehensive financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

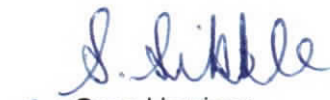
The financial responsibility exhibited by the Commission throughout the year is certainly commendable, especially given the current and future challenges faced by the City given continued economic challenges impacting the fiscal affairs of the City and ultimately the residents of the City. Your interest in the fiscal matters of the City combined with a commitment to assume continual sufficient financial capacity is appreciated.

This report, which conforms to all the latest effective standards of local government financial reporting, could not have been prepared without the extraordinary devotion of the Finance Department team. Their dedication merits special attention. Special thanks to the City's Economic Development Manager, Christopher Clemens for his contributions in providing a comprehensive profile of the City, as well as providing readers with a summary of economic conditions and major initiatives impacting the City.

Sincerely,

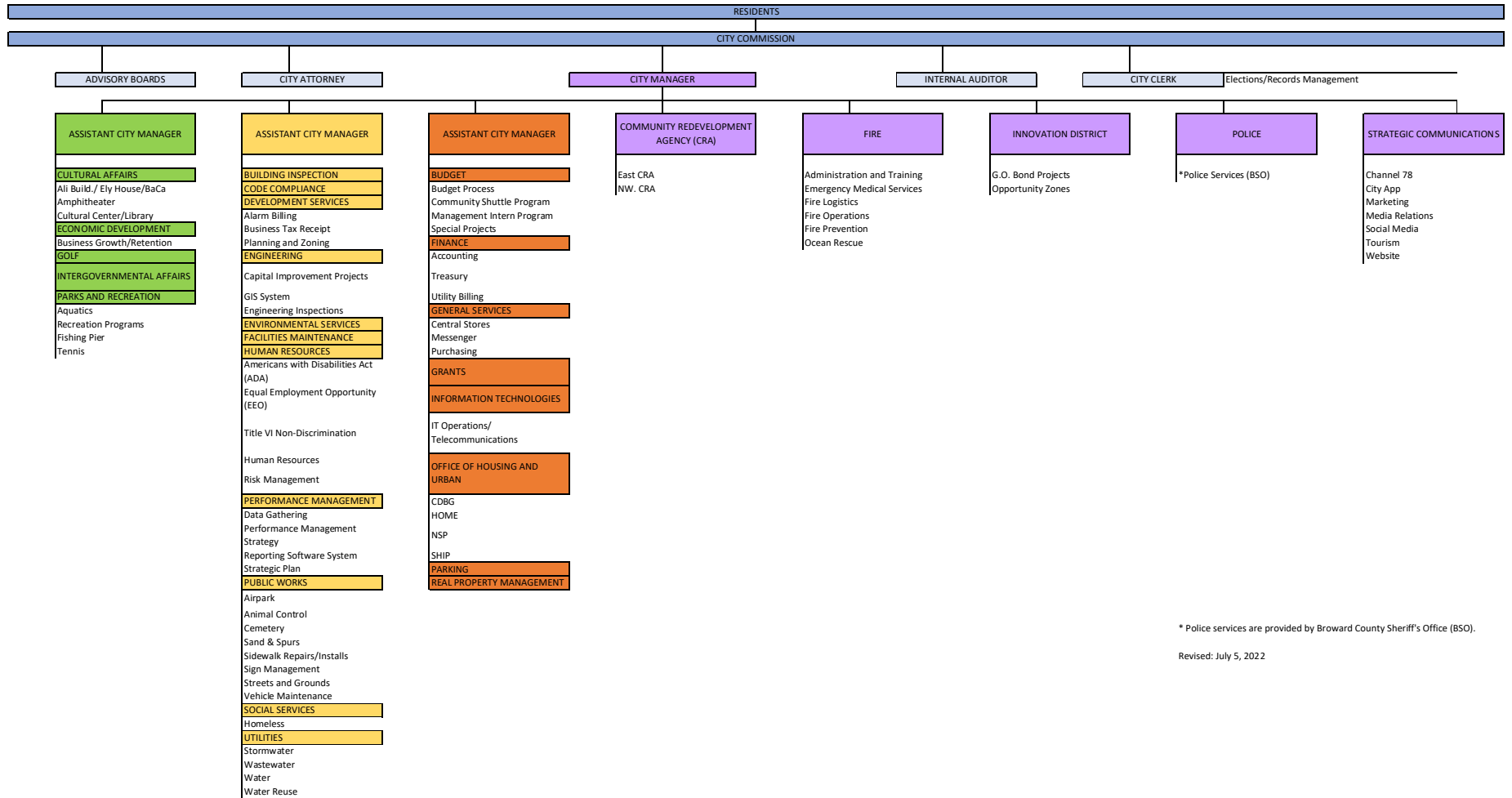


Allison Feurtado, CPA
Finance Director



For Greg Harrison
City Manager

CITY OF POMPANO BEACH, FLORIDA ORGANIZATIONAL CHART



* Police services are provided by Broward County Sheriff's Office (BSO).

Revised: July 5, 2022



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pompano Beach
Florida**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,
City Commissioners and City Manager
City of Pompano Beach, Florida

Opinions

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

In our opinion, based on our audit and the reports of the 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, each major fund, and the aggregate remaining fund information of the City as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the City of Pompano Beach General Employees' and the Police & Firefighters' Retirement Systems, which represents 89%, 91% and 49%, respectively, of the assets, net position/fund balance, and revenues/additions of the aggregate remaining fund information as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. 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 City of Pompano Beach General Employees' and Police & Firefighters' Retirement Systems, is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

City of Pompano Beach, Florida

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in the City's net pension liability and related ratios, the schedules of City contributions, the other post-employment benefits schedule of changes in the City's total OPEB liability and related ratios, and budgetary comparison schedules for the general fund and major special revenue funds on pages as identified in the table of contents, 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.

City of Pompano Beach, Florida

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 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 nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 17, 2023

CITY OF POMPANO BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2022

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

OVERVIEW OF THE FINANCIAL STATEMENTS

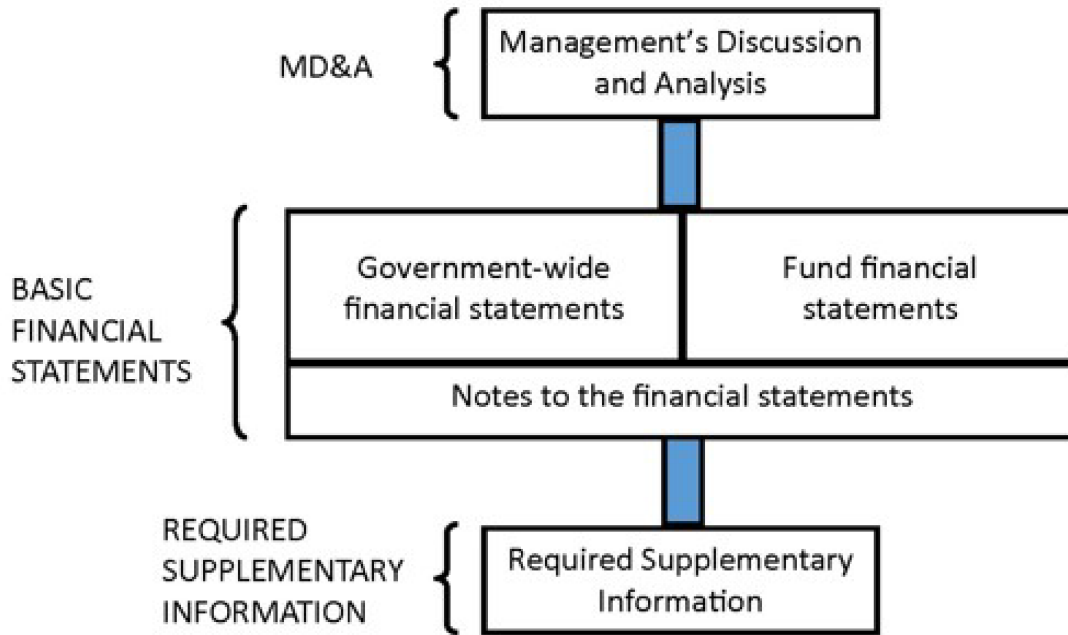
This annual report follows a format consisting of four parts – Management's Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and an additional section that presents combining statements for non-major governmental funds, non-major enterprise funds, internal service funds and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the City.

- 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 show 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 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 Required Supplementary Information that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another.

**CITY OF POMPANO BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2022**

FIGURE 1



FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year by \$527.5 million. The City's total net position increased by \$21.9 million. The increase noted was primarily as a result of current year operations as discussed in more detail below.

At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$298.6 million, representing an increase of \$85.5 million from the previous fiscal year. The increase noted was primarily due to the issuance of the 2021 General Obligation Bond Series and Community Redevelopment Agency (NW CRA District) Tax Increment Revenue Bond Series 2022.

At the close of the current fiscal year the City's enterprise funds reported combined ending net position of \$189.1 million. This represents an increase of \$8.8 million from the previous fiscal year.

The increase noted was primarily due to the net result of the following activity:

- an increase in charges for services of \$6.9 million primarily due to increases in utility rates, and stormwater fees.

**CITY OF POMPANO BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2022**

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, transportation, physical environment, economic environment and culture and recreation. The business-type activities of the City include utilities, stormwater, sanitation, parking and airpark activities.

The government-wide financial statements include not only the City itself (the primary government), but also its blended component units, as discussed in the notes to the financial statements. In addition, the City has two defined benefit pension plans and a defined contribution pension plan established for the exclusive benefit of its employees and beneficiaries. The defined benefit 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

The Fund Financial Statements include statements for each of the three fund types; governmental, proprietary and fiduciary. The governmental fund financial statements are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. 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. Reconciliation of the Governmental Fund Financial Statements to the Government-wide Financial Statements are provided in the Basic Financial Statements to explain the differences between the governmental fund financial statements and the government-wide financial statements.

REPORTING THE CITY AS A WHOLE

Governmental-wide Financial Analysis - Net position may serve over time as a useful indicator of the government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$527.5 million at September 30, 2022. The City's net position increased by \$21.9 million during the current fiscal year. The largest portion of the City's net position, 82.7%, reflects its net investment in capital assets. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings or payables that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also

**CITY OF POMPANO BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2022**

included in this component of net position. The City utilizes 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 other associated debt related items. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves will not be used to liquidate those liabilities. Approximately 22.1% or \$116.6 million of net position is subject to external restrictions for various purposes (e.g. building permitting function, capital projects etc.).

**TABLE 1
SUMMARY OF NET POSITION
SEPTEMBER 30, 2022 and 2021**

| | Governmental Activities | | Business-type Activities | | Totals | |
|----------------------------------|------------------------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Current and other assets | \$ 350,701,097 | \$ 270,235,048 | \$ 91,334,175 | \$ 92,372,591 | \$ 442,035,272 | \$ 362,607,639 |
| Capital assets | 432,576,783 | 384,377,387 | 178,159,932 | 165,501,355 | 610,736,715 | 549,878,742 |
| Total assets | <u>783,277,880</u> | <u>654,612,435</u> | <u>269,494,107</u> | <u>257,873,946</u> | <u>1,052,771,987</u> | <u>912,486,381</u> |
| Deferred outflows of resources | 57,432,964 | 27,153,581 | 5,816,697 | 7,605,428 | 63,249,661 | 34,759,009 |
| Long-term liabilities | 450,714,533 | 299,892,189 | 70,241,777 | 78,708,318 | 520,956,322 | 378,600,507 |
| Other liabilities | 26,967,272 | 30,346,839 | 10,009,249 | 6,204,553 | 36,976,509 | 36,551,392 |
| Total liabilities | <u>477,681,805</u> | <u>330,239,028</u> | <u>80,251,026</u> | <u>84,912,871</u> | <u>557,932,831</u> | <u>415,151,899</u> |
| Deferred inflows of resources | 22,690,988 | 25,061,610 | 7,898,514 | 1,455,175 | 30,589,502 | 26,516,785 |
| Net position: | | | | | | |
| Net investment in capital assets | 292,954,375 | 311,774,743 | 143,456,639 | 134,315,024 | 436,411,014 | 446,089,767 |
| Restricted | 112,754,190 | 82,795,340 | 3,824,452 | 4,287,677 | 116,578,642 | 87,083,017 |
| Unrestricted | (65,370,514) | (68,104,705) | 39,880,173 | 40,508,627 | (25,490,341) | (27,596,078) |
| Total net position | <u>\$ 340,338,051</u> | <u>\$ 326,465,378</u> | <u>\$ 187,161,264</u> | <u>\$ 179,111,328</u> | <u>\$ 527,499,315</u> | <u>\$ 505,576,706</u> |

At September 30, 2022, the City's governmental activities reported a negative balance of (\$64.3 million) in the unrestricted category primarily due to the net pension liability for the City's General Employees' and Police and Firefighters' pension plans. The City is able to report positive balances in the remaining categories of net position for its Governmental activities and Business-type activities.

Governmental Activities

There was an increase of \$80.5 million in current and other assets for governmental activities, primarily as a result of current year operations, as discussed in detail starting on page 9.

There was an increase of \$48.2 million in capital assets. The increase was primarily due to the net effect of the current fiscal year capital asset activity (as discussed in more detail on page 17) and the recognition of current fiscal year depreciation expense.

The increase of \$30.3 million in deferred outflows of resources resulted primarily from the recognition of pension expense related to prior year deferred outflows of resources for the City's General Employees' and Police and Firefighters' pension plans. Deferred outflows of resources represents consumption of net assets applicable to future periods that will not be recognized as expenditures until the future period to which it applies (i.e. employer contributions made subsequent to the measurement date or projected earnings exceeding actual earnings on pension plan investments, changes in assumptions). Refer to Note (III)(C)(2) for additional information.

The increase of \$150.8 million in long-term liabilities is primarily the result of the following activity:

- Issuance of the General Obligation Bonds, Series 2021 and Community Redevelopment Agency (NW CRA District) Tax Increment Revenue Bonds, Series 2022, and the implementation of GASB

**CITY OF POMPANO BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2022**

Statement No. 87, *Leases*.

- An increase in the net pension liability in the current fiscal year related to the City's General Employees' pension plan. Net pension liability is calculated by the actuary engaged by the pension plan. The net pension liability is a function of various factors, inclusive of investment income and changes in assumptions between fiscal years. Refer to Note (III)(C)(2) for additional information.
- An increase in financing arrangements payable for the acquisition of certain equipment for the Fire, Public Works and Parks & Recreation departments.

The decrease of \$3.4 million in other liabilities is primarily due to the reduction of non-recurring revenue from ARPA funding that was received in the prior years due to the COVID -19 pandemic.

Business-type Activities – The decrease of \$1.0 million in current and other assets is primarily as a result of current year operations, as discussed in detail starting on page 9.

The increase of \$12.7 million in capital assets is primarily due to the net effect of capital asset acquisitions and dispositions and recognition of current fiscal year depreciation expense (as discussed in more detail on page 18).

The decrease of \$1.8 million in deferred outflows of resources primarily resulted from the recognition of a net pension liability in the current fiscal year related to the City's General Employees' pension plan; partially related to the difference between projected and actual investment earnings for the Plan and differences between expected and changes of assumptions, which necessitated the deferral of outflows. Refer to Note (III)(C)(2) for additional information.

The decrease of \$8.5 million in long-term liabilities is primarily the result of the adjustment in the actuarial valuation of the City's net pension liability.

The increase of \$3.8 million in other liabilities is primarily the result of a increase in outstanding payments due vendors compared to prior year fiscal year end related to both the Utility Fund and the Stormwater Fund capital projects.

The increase of \$6.4 million in deferred inflows of resources primarily resulted from the recognition of a net pension liability in the current fiscal year related to the City's General Employees' Pension Plan; partially related to the difference between projected and actual investment earnings for the Plan and differences between expected and changes of assumptions.

**CITY OF POMPANO BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Analysis of the City's Operations

The following table provides a summary of the City's changes in net position for the fiscal year ended September 30, 2022.

**TABLE 2
SUMMARY OF CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2022 and 2021**

| | Governmental Activities | | Business-type Activities | | Totals | |
|--|------------------------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|
| | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> | <u>2022</u> | <u>2021</u> |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 71,132,925 | \$ 61,265,049 | \$ 75,751,177 | \$ 68,857,392 | \$ 146,884,102 | \$ 130,122,441 |
| Operating grants and contribs. | 22,138,181 | 11,099,519 | - | 14,418 | 22,138,181 | 11,113,937 |
| Capital grants and contributions | 9,052,083 | 14,833,978 | 1,585,639 | 1,180,983 | 10,637,722 | 16,014,961 |
| General Revenues | | | | | | |
| Taxes | 125,381,775 | 114,265,574 | - | - | 125,381,775 | 114,265,574 |
| Pari Mutuel | 2,031,215 | 1,828,827 | - | - | 2,031,215 | 1,828,827 |
| Franchise fees | 9,840,903 | 8,297,885 | - | - | 9,840,903 | 8,297,885 |
| State revenue sharing | 14,436,774 | 12,190,762 | - | - | 14,436,774 | 12,190,762 |
| Gain from sale of capital assets | 714,527 | 227,345 | 15,303 | 18,663 | 729,830 | 246,008 |
| Investment earnings | (4,625,299) | 570,508 | (2,109,210) | (67,065) | (6,734,509) | 503,443 |
| Miscellaneous | 861,800 | 1,262,977 | 2,150,849 | 4,240,559 | 3,012,649 | 5,503,536 |
| Total revenues | <u>250,964,884</u> | <u>225,842,424</u> | <u>77,393,758</u> | <u>74,244,950</u> | <u>328,358,642</u> | <u>300,087,374</u> |
| Expenses | | | | | | |
| General government | 38,842,307 | 38,881,709 | - | - | 38,842,307 | 38,881,709 |
| Public safety | 128,840,214 | 109,029,994 | - | - | 128,840,214 | 109,029,994 |
| Physical environment | 26,197,893 | 25,313,761 | - | - | 26,197,893 | 25,313,761 |
| Transportation | 5,119,776 | 5,090,033 | - | - | 5,119,776 | 5,090,033 |
| Economic environment | 10,989,198 | 19,773,046 | - | - | 10,989,198 | 19,773,046 |
| Culture and recreation | 18,777,022 | 17,413,137 | - | - | 18,777,022 | 17,413,137 |
| Interest on long-term debt | 7,468,849 | 4,363,496 | - | - | 7,468,849 | 4,363,496 |
| Utility | - | - | 50,287,493 | 48,292,635 | 50,287,493 | 48,292,635 |
| Sanitation | - | - | 10,242,715 | 10,002,862 | 10,242,715 | 10,002,862 |
| Stormwater | - | - | 3,260,372 | 3,113,004 | 3,260,372 | 3,113,004 |
| Airpark | - | - | 2,577,612 | 2,630,534 | 2,577,612 | 2,630,534 |
| Parking | - | - | 3,832,582 | 3,942,380 | 3,832,582 | 3,942,380 |
| Total expenses | <u>236,235,259</u> | <u>219,865,176</u> | <u>70,200,774</u> | <u>67,981,415</u> | <u>306,436,033</u> | <u>287,846,591</u> |
| Increase (decrease) in net position before transfers | 14,729,625 | 5,977,248 | 7,192,984 | 6,263,535 | 21,922,609 | 12,240,783 |
| Transfers | (856,952) | (1,578,741) | 856,952 | 1,578,741 | - | - |
| Increase (decrease) in net position | 13,872,673 | 4,398,507 | 8,049,936 | 7,842,276 | 21,922,609 | 12,240,783 |
| Net position - beginning | <u>326,465,378</u> | <u>322,066,871</u> | <u>179,111,328</u> | <u>171,269,052</u> | <u>505,576,706</u> | <u>493,335,923</u> |
| Net position - ending | <u>\$ 340,338,051</u> | <u>\$ 326,465,378</u> | <u>\$ 187,161,264</u> | <u>\$ 179,111,328</u> | <u>\$ 527,499,315</u> | <u>\$ 505,576,706</u> |

**CITY OF POMPANO BEACH, FLORIDA
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Governmental Activities – Governmental activities increased the City's net position by \$13.9 million.

Charges for services increased by \$9.9 million primarily due to the City starting to recover from the impacts of the 2 year COVID-19 pandemic. Revenue increased due to a significant amount of construction development and program activities in the current year.

Operating grants and contributions increased by approximately \$11.0 million, primarily due to the recognition of both the first and second tranche of the American Rescue Plan Act, funds distributed in 2021 and 2022, for COVID-19 pandemic response, recovery, mitigation and prevention.

Capital grants and contributions decreased by approximately \$5.8 million, primarily due to nonrecurring grants received in the prior year not received in the current year related to the COVID-19 pandemic.

Tax revenues increased by \$11.1 million primarily due to an increase in property-assessed valuation for the year. Ad valorem revenue is a function of assessed property values, new construction, and the City's operating millage rates.

Franchise fees revenue increased by \$1.5 million primarily due to increased activities as a result of re-opening after the 2 year COVID-19 pandemic.

State revenue sharing revenue increased by \$2.2 million due to the re-opening of private business operations in the City and the increase in consumer spending that was constricted in the prior year due to the unprecedented impact of Covid-19 on the City's economy.

Investment earnings decreased by \$5.2 million primarily due to the timing of unrealized fair value adjustment of investments that are held to maturity without any realized loss of principal.

Public safety expenses increased by \$19.8 million primarily due to the following:

- An increase in the pension expense related to the net pension liability for the Police and Firefighters' and the General Employees' pension plans as determined by actuaries for both pension plans.
- An increase in the annual consideration for police services provided by the Broward Sheriff's Office.

Economic environment expenses decreased by \$8.8 million primarily due to COVID 19 impact related expenses of the prior year.

Culture and recreation expenses increased by \$1.4 million primarily due to the re-opening of several program activities after the 2 year COVID-19 pandemic.

Interest on long-term debt increased by \$3.1 million primarily due to the issuance of the Series 2021 GO Bonds.

Business-type Activities - Business-type activities increased the City's net position by \$8.0 million.

Charges for services increased by \$6.9 million primarily due to an increase in consumption usage due to new development within the City and an increase in utility rates.

Investment earnings decreased by \$2.0 million primarily as a result of the timing of unrealized fair value adjustment of investments that are held to maturity without any realized loss of principal.

Miscellaneous revenues decreased by \$2.1 million due to prior year receipt of insurance proceeds to

**CITY OF POMPANO BEACH, FLORIDA
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reimburse the City for costs incurred for the damage to Utility Infrastructure caused by a subcontractor working for the Florida Department of Transportation.

Utility operating expenses increased by \$2.0 million primarily due to increase in disposal charges payment to Broward County, electricity cost, administrative charges and grant assistance to Lauderdale-By-The Sea for Sanitary Sewer Conversion.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law, accounting regulations and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

Governmental Funds

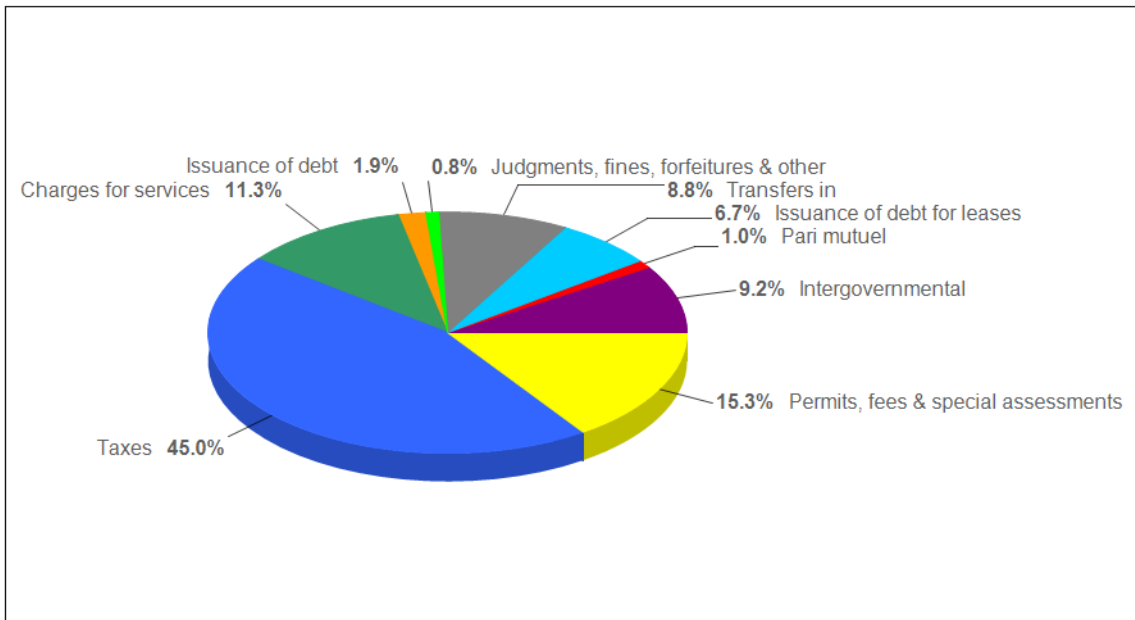
Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those of the governmental activities of the Government-wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

**CITY OF POMPANO BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2022**

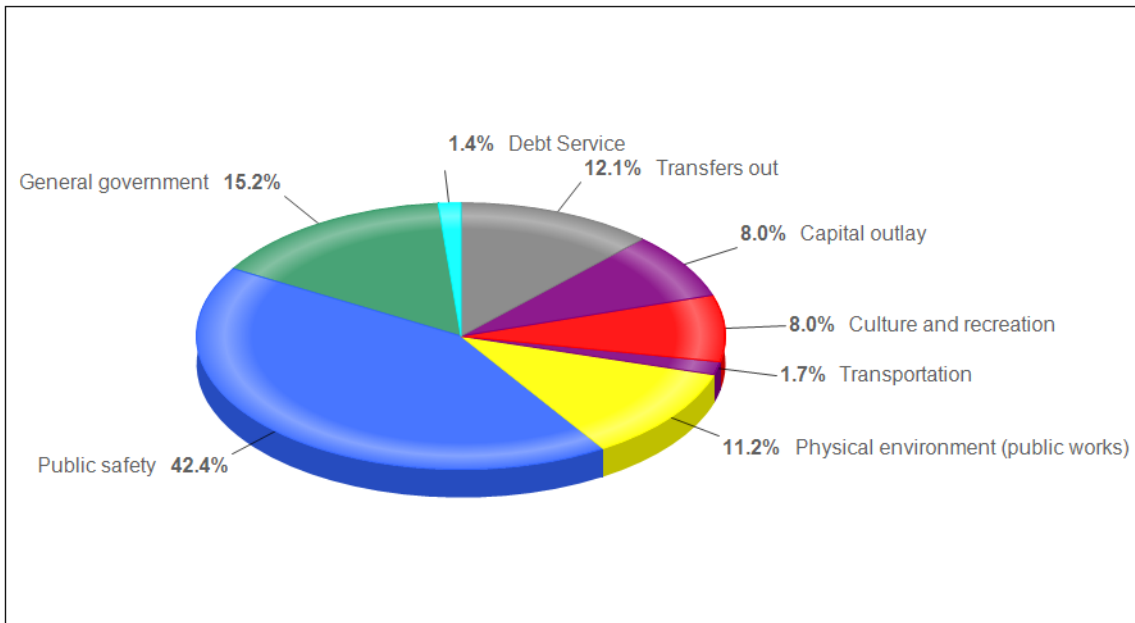
General Fund

The General Fund is the chief operating fund of the City. The following pie charts depict the breakdown of actual receipts by revenue source and expenditures by function, for the fiscal year ended September 30, 2022:

Revenues Received by Source



Actual Expenditures By Function



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At the end of the current fiscal year, unassigned fund balance for the General Fund was \$56.7 million, while total fund balance was \$66.6 million. The fund balance for the City's General Fund increased by \$12.0 million during the current fiscal year.

Compared to the prior fiscal year, there was an increase of \$5.2 million in tax revenue, primarily as a result of an increase in ad valorem tax receipts. Ad valorem tax revenue is a function of assessed property values, new construction, and the City's operating millage rates.

The increase of \$1.7 million in permits, fees and special assessments is primarily due to an increase in new construction development in the City.

The increase of \$2.8 million in charges for services revenue is primarily due to an increase in the amount of development and program activities after the 2 year COVID-19 pandemic.

The decrease of \$2.5 million in investment earnings revenue is timing of unrealized fair value adjustment of investments that are held to maturity without any realized loss of principal.

The increase of \$17.9 million in transfers-in is primarily due to transfers from the American Rescue Plan Fund for qualified public safety expenditures and the 2021 Series GO Bonds Fund to reimburse the General Fund for funds advanced for GO Bond projects prior to issuance of the 2021 Series GO Bonds.

The increase of \$3.9 million in public safety expenditures is primarily due to an increase in the annual consideration for police services provided by the Broward County Sheriff's Office.

The increase of \$4.6 million in transfers out is primarily due to the funding of several Capital GO Bonds projects. The projects funded include McNair Park Improvements, North Ocean Rescue, Palm-Aire Neighborhood Project, and Fire Station #114 Project.

Northwest Community Redevelopment Agency Northwest District Fund

The fund balance of the Northwest CRA District Fund increased by \$17.9 million primarily due to the issuance of a Tax Increment Revenue Bond Series 2022, to fund improvements to Dixie/Atlantic Segment 2, Streetscape Improvements.

American Rescue Plan

The fund balance of the American Rescue Plan Fund increased by \$1.1 million primarily due to the timing of intergovernmental funds received from the Federal government and transfers to the General Fund related to the City's response to COVID-19 pandemic relief efforts.

Building Permit Fund

Permits, fees and special assessments revenue increased by \$4.0 million due to an increase in the number of permits issued, as well the construction value associated with those permits. This also resulted in a \$3.6 million increase to fund balance.

GO Bonds Debt Service Fund

Tax revenue increased by \$4.5 million as a result of property taxes levied by the debt service millage rate in order to collect funds sufficient to cover annual principal and interest payments due on the Series 2021 Bonds.

Debt service expenditures increased by \$3.8 million primarily due to payments related for Series 2021 Bonds.

Capital Projects Fund

The increase in capital outlay expenditures of \$10.6 million is primarily due to the timing of capital

**CITY OF POMPANO BEACH, FLORIDA
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outlays.

Transfers in increased by \$10.4 million from the General Fund is due primarily to the reimbursement from the Series 2021 GO Bonds Funds. The project funded include McNair Park Improvements, North Ocean Rescue, Palm Aire Neighborhood Project and Fire Station #114 Project.

Capital Project 2018 GO Bonds Fund

The fund balance of the Capital Project 2018 GO Bonds Fund decreased by \$23.9 million primarily due to the timing of capital outlays related to expenditures for the General Obligation Bonds Series 2018 funded projects.

Capital Project 2021 GO Bonds Fund

The fund balance of the Capital Project 2021 GO Bonds Fund increased by \$71.0 million primarily due to issuance of the 2021 GO Bond Series.

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Proprietary Funds

When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City maintains internal service funds to report activities that provide services for the City's other programs and activities – such as the City's Risk Management Fund. Residual balances for internal service funds are reported with governmental and business-type activities in the Government-wide financial statements allocated based on each functions usage of those services.

Utility Fund

Operating revenues increased by \$4.7 million primarily due to an increase in consumption usage due to new development within the City and increase in Utility rates.

Other current expenses increased by \$2.1 million primarily due to increase cost in disposal charges payment to Broward County, increase in electricity cost, administrative service charges and grant assistance to Lauderdale-By-The-Sea for Sanitary Sewer Conversion.

Investment earnings decreased by \$1.4 million primarily as a result of the timing of unrealized fair value adjustment of investments that are held to maturity without any realized loss of principal.

Parking Fund

The net position of the Parking Fund increased by \$3.0 million primarily due a combination of an increase in parking rates, and an increase in parking revenues primarily as a result of increase in local business operations in the current year after the two year COVID-19 pandemic, as well as the opening of new establishment on the barrier island which drove parking demand.

**CITY OF POMPANO BEACH, FLORIDA
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General Fund Budgetary Highlights

Original budget compared to final budget

The City made revisions to the original appropriations approved by the City Commission. Overall these changes resulted in an increase from the original budget of \$26.6 million.

The increase of \$13.4 million in the capital outlay budget is primarily due to appropriation of funds for the purchase of various properties and the acquisition of certain equipment relating to financing arrangements for the Fire, Parks & Recreation, Development Services and Public Works functions.

The transfers-in budget increased by approximately \$6.4 million primarily due to the reimbursement of expenditures from the Capital Project 2018 and 2021 GO Bonds Funds and the American Rescue Plan Fund to subsidize public safety expenditures.

The transfers out budget increased by approximately \$5.8 million primarily related to transfers to the Capital Project Fund for funding of several GO Bond projects. The projects funded included McNair Park Improvements, North Ocean Rescue, Palm-Aire Neighborhood Project, and the Fire Station #114 Project.

Final budget compared to actual

Tax revenue was approximately \$2.2 million higher than the final budget primarily due to an increase in ad-valorem collections as a result of higher property assessed value.

Intergovernmental revenue was \$4.3 million higher than the final budget due to the recognition of both the first and second tranche of American Rescue Plan Act funds distributed in 2021 and 2022, for COVID-19 pandemic response, recovery, mitigation and prevention.

Charges for services revenue was \$3.4 million higher than the final budget primarily as a result of greater than anticipated receipts for engineering service, zoning and annual fire inspection fees due to increased development.

Investment earnings were \$3.0 million lower than the final budget primarily as a result of the timing of unrealized fair value adjustment of investments that are held to maturity without any realized loss of principal.

Culture and recreation expenditures were approximately \$1.0 million lower than the final budget primarily due to timing of goods and services not yet received as of the end of the fiscal year.

Capital outlay expenditures were \$3.1 million higher than the final budget primarily due to the timing of the acquisition of certain equipment relating to financing arrangements for the Fire, Parks & Recreation, Development Services and Public Works departments and multi-year capital projects not yet completed in the current fiscal year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2022**

Capital Assets including Leased Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounted to \$610.7 million, net of accumulated depreciation. This investment in capital assets includes leased assets, land, building, equipment, improvements, infrastructure and construction in progress.

TABLE 3

**CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)
September 30, 2022 and 2021**

| | Governmental Activities | | Business-type Activities | | Totals | |
|--------------------------|------------------------------------|-----------------------|-------------------------------------|-----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land | \$ 77,066,673 | \$ 77,535,541 | \$ 468,659 | \$ 468,659 | \$ 77,535,332 | \$ 78,004,200 |
| Construction in Progress | 116,106,697 | 70,027,553 | 22,835,283 | 7,255,122 | 138,941,980 | 77,282,675 |
| Buildings | 47,246,825 | 49,135,675 | 36,896,355 | 39,026,812 | 84,143,180 | 88,162,487 |
| Infrastructure | 69,939,862 | 72,582,521 | 39,563,656 | 42,579,170 | 109,503,518 | 115,161,691 |
| Improvements | 101,252,185 | 105,670,208 | 72,300,060 | 69,336,520 | 173,552,245 | 175,006,728 |
| Machinery & Equipment | 7,052,751 | 9,233,568 | 6,073,390 | 6,816,570 | 13,126,141 | 16,050,138 |
| Art Work | 155,902 | 192,321 | 12,500 | 18,500 | 168,402 | 210,821 |
| Total | <u>\$ 418,820,895</u> | <u>\$ 384,377,387</u> | <u>\$ 178,149,903</u> | <u>\$ 165,501,353</u> | <u>\$ 596,970,798</u> | <u>\$ 549,878,740</u> |

TABLE 4

**RIGHT TO USE LEASED ASSETS
(NET OF ACCUMULATED AMORTIZATION)
September 30, 2022 and 2021**

| | Governmental Activities | | Business-type Activities | | Totals | |
|-----------|------------------------------------|-------------|-------------------------------------|-------------|----------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land | \$ 11,917,836 | \$ - | \$ - | \$ - | \$ 11,917,836 | \$ - |
| Buildings | 405,868 | - | - | - | 405,868 | - |
| Equipment | 1,432,184 | - | 10,029 | - | 1,442,213 | - |
| Total | <u>\$ 13,755,888</u> | <u>\$ -</u> | <u>\$ 10,029</u> | <u>\$ -</u> | <u>\$ 13,765,917</u> | <u>\$ -</u> |

Major capital assets events during the fiscal year included:

Governmental Activities

- Capital projects under construction in governmental activities had a net increase of \$46.1 million, primarily as a result of major activity related to several projects. See capital asset and construction commitments in the notes to the financial statements, Note II (C).
- Buildings for governmental activities decreased by \$1.9 million primarily due to the recognition of current fiscal year depreciation expense.
- Infrastructure for governmental activities decreased by \$2.6 million, primarily due to the recognition of current fiscal year depreciation expense.

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- Improvements for governmental activities decreased by \$4.4 million, primarily due to the current fiscal year depreciation expense.
- Machinery and Equipment decreased by \$2.2 million primarily due to the net effect of the recognition of current fiscal year depreciation expense, the disposal of equipment during the fiscal year and the reclassification of lease equipment per new GASB Statement No. 87, *Leases* pronouncement.

Business-type Activities

- Capital projects under construction in business-type activities increased by \$15.6 million as a result of several new projects in the current fiscal year, the Sewer Gravity Main 04, Water Treatment Plant Transfer Station Rehab, Water main replacement, Lyons Park Improvement Series 2021, Stormwater Gateway Dr and SW 2 Street Drainage.
- Buildings for business-type activities decreased by \$2.1 million, primarily due to the recognition of current fiscal year depreciation expense.

Additional information on the City's capital assets can be found in the notes to the financial statements, Note II (C).

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MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
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Outstanding Debt

At the end of the current fiscal year the City had total debt (bonds and notes) of \$276,173,897 outstanding compared to \$168,271,031 last year, a 64% increase.

TABLE 5 - OUTSTANDING DEBT
September 30, 2022 and 2021

| | Governmental Activities | | Business-Type Activities | | Totals | |
|--|----------------------------|-----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenue Bonds | \$ - | \$ - | \$ 18,840,000 | \$ 19,515,000 | \$ 18,840,000 | \$ 19,515,000 |
| Certificates of Participation | - | - | 24,370,000 | 23,275,000 | 24,370,000 | 23,275,000 |
| General Obligation Bonds (Series 2018 and 2021) | 176,992,125 | 99,214,042 | - | - | 176,992,125 | 99,214,042 |
| Tax increment bonds | 22,670,000 | 8,490,000 | - | - | 22,670,000 | 8,490,000 |
| Notes payable | 3,581,176 | 4,075,672 | 8,116,605 | 7,081,561 | 11,697,781 | 11,157,233 |
| Financing arrangements payable | 7,041,850 | 5,596,788 | 757,566 | 1,022,968 | 7,799,416 | 6,619,756 |
| Lease liability | 13,794,421 | - | 10,154 | - | 13,804,575 | - |
| Total | <u>\$ 224,079,572</u> | <u>\$ 117,376,502</u> | <u>\$ 52,094,325</u> | <u>\$ 50,894,529</u> | <u>\$ 276,173,897</u> | <u>\$ 168,271,031</u> |

At September 30, 2022, the City's Certificates of Participation maintained a credit rating of AA- from Standard and Poor's and A-1 from Moody's. The General Obligation Bond, Series 2018 and Series 2021 maintained a credit rating of AA from Standard and Poor's and Aa2 from Moody's. None of the City's other long term obligations were required to carry a credit rating at fiscal year end.

Required principal, interest and reserves on outstanding debt were provided for during the year. The City's Water & Sewer Bonds are pledged with the revenues from the water and sewer system. The City's Stormwater Utility Bond are pledged with the revenues from the stormwater utility system. The General Obligation Bond Series 2018 and 2021 are pledged with the property taxes levied by the debt service millage. The City fully anticipates that it will meet future debt service requirements for outstanding bond issues based on these pledged revenue sources. Additional information on the City's long-term debt can be found in the notes to the financial statements, Note II (G).

NEXT YEAR'S BUDGET

The City's fiscal year runs from October 1st to September 30th. The City begins its budget cycle in October-November. From November to May, workshops and meetings are held with department heads to determine the upcoming fiscal needs of the City while ensuring adherence to City's policies. Upon establishing a fiscal blueprint for the upcoming fiscal year, the City Manager presents the recommended budget to the City Commission and public in June and then a second workshop is held in July. If necessary, resources and/or policies are modified by the Commission and subsequently adopted in the final public budget hearing in September. Two public budget hearings are held in September to adopt the millage rates and the budgets.

The City's tax base for the upcoming FY 2023 increased by \$1.87B for a total of \$17,176,982,493, including new construction of \$297M. As the City continues to invest in its infrastructure, more private investments will be attracted, which will increase the City's tax base. Business cycles aside, an increasing tax base allows the City to annually maintain service levels, while maintaining a competitive tax rate.

The adopted millage rates for FY 2023 are as follows: General Fund operating millage 5.2705,

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Emergency Medical Services District (EMS) millage rate 0.5000, and voted debt service millage rate 0.3535 (Series 2018) and 0.2413 (Series 2021). When compared to FY 2022 adopted millage rate, the FY 2023 adopted EMS millage rate remain unchanged. The adopted aggregate millage rate (Operating and EMS) of 5.7705 is approximately 11.11% above the rollback rate of 5.1937. The rollback rate is the millage rate at which the City would levy the same amount of ad-valorem revenues as in the previous fiscal year.

The adopted operating millage rate is anticipated to levy approximately \$86.1M in property taxes to support and maintain service levels for the City's residents. Property taxes support about 47% of the total General Fund budget of \$179,788,000. The FY 2023 adopted debt service millage rate of 0.3535 represents a decrease of 0.0434 mills, or 10.93% when compared to the FY 2022 adopted debt service millage rate of 0.3969 for Series 2018. The adopted debt service 2021 Series millage rate is 0.2413 represent a decrease of 0.0659 mills, or 21.45% when compared to the FY 2022 adopted debt service millage rate Series 2021 of 0.3072.

The total City of Pompano Beach adopted budget for FY 2023 is \$360,782,892; this represents a 16.8% decrease or a \$72.7M decrease from the FY 2022 adopted budget of \$433,510,744. The major reason for this decrease is that the FY 2022 Citywide budget accounted for three GO Bond Capital Improvement Project Funds of \$79.4M.

The General Fund budget of \$179,788,000 accounts for approximately 50% of the total FY 2023 Citywide adopted budget of \$360,782,892. This is the fund where some of the most vital governmental services are funded such as: public safety services, finance, development services, public works, parks and recreation, tourism, marketing, and cultural affairs.

FY 2023 General Fund adopted budget is approximately \$4.7M or 2.7% higher than the FY 2022 adopted budget of \$175,065,000. The increases in the General Fund budget for FY 2023 can primarily be attributed to personnel expenditures of \$8.6M due to the increase in pension contributions for the Police and Firefighters' pension plan and \$5.2M for the General Employees' pension plan; adjustments in salaries and benefits \$3.4M to include cola, merit, FICA and VEBA; Code Compliance salaries and benefits; adjustment for fifteen (15) full-time employees account for approximately \$1.1M. New full-time and part-time personnel in various departments \$380K.

The \$1.4M increase in operating expenses is primarily due to the net effect of the \$1.5M reduction of Code Compliance Contract; Police services budget increased by \$2.65M which includes sixteen (16) School Resource Officers (SRO's) and the normal annual contract adjustments. The total cost of the SRO program is about \$2.5M and funding from the Local Law Enforcement Trust Fund (LETF) covers a portion of this program in the amount of \$525K. In addition, the School Board's Reimbursement for this program is about \$1M.

The \$1.0M increase in other expenses is mostly associated with Tax Increment Financing (TIF) allocation to the Community Redevelopment Agency (CRA) Districts.

The \$129K decrease in capital expenses is due to capital outlay (pay-as-you-go) items based on the Capital Replacement Plan for FY 2023. Transfers decreased \$6.2M due to the \$4.8M reduction in transfers to the General Capital Project Fund and the \$1.3M reduction in transfers to EMS.

**CITY OF POMPANO BEACH, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
SEPTEMBER 30, 2022**

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need any additional financial information, contact the City's Finance Department, at the City of Pompano Beach, 100 W. Atlantic Boulevard, Pompano Beach, Florida 33060.

BASIC FINANCIAL STATEMENTS

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

| | Governmental Activities | Business-type Activities | Total |
|--|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 34,973,614 | \$ 8,515,027 | \$ 43,488,641 |
| Unrestricted investments | 165,260,206 | 73,178,493 | 238,438,699 |
| Restricted cash and cash equivalents | 44,130,224 | 2,112,230 | 46,242,454 |
| Restricted investments | 48,165,255 | 7,770 | 48,173,025 |
| Interest receivable | 848,033 | 360,614 | 1,208,647 |
| Accounts receivables (net) | 4,424,202 | 7,057,399 | 11,481,601 |
| Notes receivable | 50,000 | - | 50,000 |
| Lease receivables, short term | 248,223 | - | 248,223 |
| Lease receivables, long term | 836,800 | - | 836,800 |
| Internal balances | 1,947,846 | (1,947,846) | - |
| Due from other governments | 5,062,444 | 1,639,002 | 6,701,446 |
| Inventories | 1,881,242 | 411,486 | 2,292,728 |
| Prepays | 2,195,828 | - | 2,195,828 |
| Other assets | 34,042 | - | 34,042 |
| Assets held for resale and redevelopment | 40,643,138 | - | 40,643,138 |
| Capital assets: | | | |
| Land and construction in progress | 193,173,370 | 23,303,942 | 216,477,312 |
| Capital assets net of accumulated depreciation | 225,647,525 | 154,845,961 | 380,493,486 |
| Leased assets | 13,755,888 | 10,029 | 13,765,917 |
| Total capital assets net of accumulated depreciation | <u>432,576,783</u> | <u>178,159,932</u> | <u>610,736,715</u> |
| Total assets | <u>783,277,880</u> | <u>269,494,107</u> | <u>1,052,771,987</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred charge on refunding | - | 1,902,955 | 1,902,955 |
| Deferred outflows related to pensions | 57,223,827 | 3,869,371 | 61,093,198 |
| Deferred outflows related to OPEB | 209,137 | 44,371 | 253,508 |
| Total deferred outflows of resources | <u>57,432,964</u> | <u>5,816,697</u> | <u>63,249,661</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|-----------------------|
| LIABILITIES | | | |
| Accounts payable | \$ 6,733,678 | \$ 7,311,710 | \$ 14,045,388 |
| Accrued expenses | 2,739,425 | 296,643 | 3,036,068 |
| Accrued interest payable | 1,907,610 | 253,375 | 2,160,985 |
| Due to other governments | 51,720 | - | 51,720 |
| Customer deposits payable | 1,535,703 | - | 1,535,703 |
| Unearned revenue | 10,677,664 | - | 10,677,664 |
| Liabilities payable from restricted assets: | | | |
| Customer deposits payable | - | 2,147,521 | 2,147,521 |
| Accounts payable | 3,321,472 | - | 3,321,472 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Long term obligations | 5,060,392 | 805,000 | 5,865,392 |
| Notes payable | 510,176 | 1,312,798 | 1,822,974 |
| Claims and judgments | 3,090,617 | - | 3,090,617 |
| Compensated absences | 372,193 | 118,864 | 491,057 |
| Financing arrangements payable | 2,018,560 | 249,095 | 2,267,655 |
| Certificates of participation payable | - | 1,015,000 | 1,015,000 |
| Lease liability | 544,956 | 6,719 | 551,675 |
| Due in more than one year: | | | |
| Long term obligations | 194,601,733 | 18,035,000 | 212,636,733 |
| Notes payable | 3,071,000 | 6,803,807 | 9,874,807 |
| Claims and judgments | 14,958,383 | - | 14,958,383 |
| Compensated absences | 9,205,593 | 1,682,619 | 10,888,212 |
| Total OPEB liability | 9,957,683 | 2,112,683 | 12,070,366 |
| Financing arrangements payable | 5,023,290 | 508,471 | 5,531,761 |
| Certificates of participation payable | - | 23,355,000 | 23,355,000 |
| Lease liability | 13,249,465 | 3,435 | 13,252,900 |
| Net pension liability | 189,050,492 | 14,233,286 | 203,283,778 |
| Total liabilities | <u>477,681,805</u> | <u>80,251,026</u> | <u>557,932,831</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pensions | 19,389,398 | 7,423,792 | 26,813,190 |
| Deferred inflows related to OPEB | 2,237,503 | 474,722 | 2,712,225 |
| Deferred inflows - lease revenue | 1,064,087 | - | 1,064,087 |
| Total deferred inflows of resources | <u>22,690,988</u> | <u>7,898,514</u> | <u>30,589,502</u> |
| NET POSITION | | | |
| Net investment in capital assets | 292,954,375 | 143,456,639 | 436,411,014 |
| Restricted for: | | | |
| Renewal and replacement/rate stabilization | - | 3,824,452 | 3,824,452 |
| Capital projects | 1,264,786 | - | 1,264,786 |
| Building permit function | 21,766,367 | - | 21,766,367 |
| Community redevelopment | 85,707,832 | - | 85,707,832 |
| Cultural arts | 494 | - | 494 |
| Public safety | 2,961,165 | - | 2,961,165 |
| Debt service | 943,064 | - | 943,064 |
| Transportation | 110,482 | - | 110,482 |
| Unrestricted | (65,370,514) | 39,880,173 | (25,490,341) |
| Total net position | <u>\$ 340,338,051</u> | <u>\$ 187,161,264</u> | <u>\$ 527,499,315</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| Function/Programs | Program Revenues | | | |
|----------------------------------|-----------------------|-----------------------|------------------------------------|----------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General government | \$ 38,842,307 | \$ 19,256,420 | \$ 10,145 | \$ - |
| Public safety | 128,840,214 | 45,732,410 | 4,180,894 | 1,237,661 |
| Physical environment | 26,197,893 | 249,295 | 289,246 | 2,102,347 |
| Transportation | 5,119,776 | - | 882,098 | - |
| Economic environment | 10,989,198 | 175,735 | 16,558,815 | 5,512,075 |
| Culture and recreation | 18,777,022 | 5,719,065 | 216,983 | 200,000 |
| Interest on long-term debt | 7,468,849 | - | - | - |
| Total governmental activities | <u>236,235,259</u> | <u>71,132,925</u> | <u>22,138,181</u> | <u>9,052,083</u> |
| Business-Type Activities: | | | | |
| Utility | 50,287,493 | 54,346,034 | - | 1,062,128 |
| Sanitation | 10,242,715 | 9,556,290 | - | - |
| Stormwater | 3,260,372 | 4,368,925 | - | - |
| Airpark | 2,577,612 | 1,402,284 | - | 523,511 |
| Parking | 3,832,582 | 6,077,644 | - | - |
| Total business-type activities | <u>70,200,774</u> | <u>75,751,177</u> | <u>-</u> | <u>1,585,639</u> |
| Total governmental activities | <u>\$ 306,436,033</u> | <u>\$ 146,884,102</u> | <u>\$ 22,138,181</u> | <u>\$ 10,637,722</u> |

General Revenues:

| |
|---|
| Taxes: |
| Property taxes, levied for general purposes |
| Sales and use taxes |
| Business tax receipts |
| Utility taxes |
| Communication service taxes |
| Tax increment fees - Community Redevelopment Agency |
| Pari Mutuel |
| Franchise fees |
| State revenue sharing |
| Gain on sale of capital assets |
| Investment earnings |
| Miscellaneous revenue |
| Transfers |
| Total General Revenues and Transfers |
| Changes in net position |
| Net position - beginning |
| Net position - ending |

The accompanying notes are an integral part of the financial statements.

Net (Expenses) Revenues and Changes in Net Position

| <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|-------------------------|
| \$ (19,575,742) | \$ - | \$ (19,575,742) |
| (77,689,249) | - | (77,689,249) |
| (23,557,005) | - | (23,557,005) |
| (4,237,678) | - | (4,237,678) |
| 11,257,427 | - | 11,257,427 |
| (12,640,974) | - | (12,640,974) |
| (7,468,849) | - | (7,468,849) |
| <u>(133,912,070)</u> | <u>-</u> | <u>(133,912,070)</u> |
| - | 5,120,669 | 5,120,669 |
| - | (686,425) | (686,425) |
| - | 1,108,553 | 1,108,553 |
| - | (651,817) | (651,817) |
| - | <u>2,245,062</u> | <u>2,245,062</u> |
| - | 7,136,042 | 7,136,042 |
| <u>\$ (133,912,070)</u> | <u>\$ 7,136,042</u> | <u>\$ (126,776,028)</u> |
| | | |
| \$ 94,144,717 | \$ - | \$ 94,144,717 |
| 1,953,646 | - | 1,953,646 |
| 2,055,377 | - | 2,055,377 |
| 14,064,725 | - | 14,064,725 |
| 3,970,031 | - | 3,970,031 |
| 9,193,279 | - | 9,193,279 |
| 2,031,215 | - | 2,031,215 |
| 9,840,903 | - | 9,840,903 |
| 14,436,774 | - | 14,436,774 |
| 714,527 | 15,303 | 729,830 |
| (4,625,299) | (2,109,210) | (6,734,509) |
| 861,800 | 2,150,849 | 3,012,649 |
| (856,952) | 856,952 | - |
| <u>147,784,743</u> | <u>913,894</u> | <u>148,698,637</u> |
| 13,872,673 | 8,049,936 | 21,922,609 |
| 326,465,378 | 179,111,328 | 505,576,706 |
| <u>\$ 340,338,051</u> | <u>\$ 187,161,264</u> | <u>\$ 527,499,315</u> |

CITY OF POMPANO BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

| | <u>General</u> | <u>Northwest Community Redevelopment District</u> | <u>East Community Redevelopment District</u> | <u>Emergency Medical Services District</u> |
|---|----------------------|---|--|--|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,206,336 | \$ 924,255 | \$ 758,811 | \$ 207,977 |
| Restricted cash and cash equivalents | - | 15,024,866 | 11,281 | - |
| Restricted investments | - | - | - | - |
| Unrestricted investments | 60,655,340 | 26,564,403 | 4,953,341 | 1,432,519 |
| Interest receivable | 235,933 | 112,735 | 18,388 | 7,905 |
| Accounts receivables, net | 3,392,000 | - | - | 788,687 |
| Notes receivable | - | 50,000 | - | - |
| Assets held for resale and redevelopment | - | 34,067,817 | 5,045,235 | - |
| Advances to other funds | 1,189,955 | - | - | - |
| Due from other governments | 2,888,083 | - | - | 881,417 |
| Inventories | 414,807 | - | - | 456,940 |
| Prepays | 1,432,603 | - | 280,000 | - |
| Other assets | 25,568 | - | - | - |
| Leased assets receivables, net | - | 896,508 | 188,515 | - |
| Total assets | <u>\$ 72,440,625</u> | <u>\$ 77,640,584</u> | <u>\$ 11,255,571</u> | <u>\$ 3,775,445</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 660,971 | \$ 368,890 | \$ 137,409 | \$ 21,267 |
| Accrued expenditures | 1,127,322 | - | - | 322,747 |
| Due to other governments | 111 | - | - | - |
| Advances from other funds | - | 1,189,955 | - | - |
| Deposits | 14,104 | 31,124 | 13,310 | - |
| Deposits, sales tax & payroll taxes payable | 2,673,701 | - | - | - |
| Unearned revenue | 1,277,024 | 4,500 | - | - |
| Total liabilities | <u>5,753,233</u> | <u>1,594,469</u> | <u>150,719</u> | <u>344,014</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | 87,801 | 50,000 | - | 13,326 |
| Deferred inflows - lease revenue | - | 847,461 | 216,626 | - |
| Total deferred inflows of resources | <u>87,801</u> | <u>897,461</u> | <u>216,626</u> | <u>13,326</u> |
| Fund balances: | | | | |
| Nonspendable | 3,037,365 | 49,047 | 280,000 | 456,940 |
| Restricted | - | 75,099,607 | 10,608,226 | 2,961,165 |
| Committed | - | - | - | - |
| Assigned | 6,908,538 | - | - | - |
| Unassigned | 56,653,688 | - | - | - |
| Total fund balances | <u>66,599,591</u> | <u>75,148,654</u> | <u>10,888,226</u> | <u>3,418,105</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 72,440,625</u> | <u>\$ 77,640,584</u> | <u>\$ 11,255,571</u> | <u>\$ 3,775,445</u> |

The accompanying notes are an integral part of the financial statements.

| <u>American Rescue Plan</u> | <u>Capital Projects</u> | <u>Capital Project 2018 GO Bonds</u> | <u>Capital Project 2021 GO Bonds</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---------------------------------|-----------------------------|--|--|--|---|
| \$ 981,578 | \$ 2,603,370 | \$ 14,613,759 | \$ 70,900 | \$ 9,456,141 | \$ 31,823,127 |
| - | 1,259,932 | - | 27,714,758 | 119,387 | 44,130,224 |
| - | 3,090,524 | 6,171 | 44,246,241 | 822,319 | 48,165,255 |
| 6,760,972 | 23,519,356 | - | - | 21,524,293 | 145,410,224 |
| - | 107,671 | - | 187,441 | 88,269 | 758,342 |
| - | 242,079 | - | - | 1,436 | 4,424,202 |
| - | - | - | - | - | 50,000 |
| 1,124,049 | - | - | - | 406,037 | 40,643,138 |
| - | - | - | - | - | 1,189,955 |
| - | 308,244 | - | - | 945,151 | 5,022,895 |
| - | - | - | - | - | 871,747 |
| 37,398 | 445,827 | - | - | - | 2,195,828 |
| - | - | - | - | 8,474 | 34,042 |
| - | - | - | - | - | 1,085,023 |
| <u>\$ 8,903,997</u> | <u>\$ 31,577,003</u> | <u>\$ 14,619,930</u> | <u>\$ 72,219,340</u> | <u>\$ 33,371,507</u> | <u>\$ 325,804,002</u> |
| | | | | | |
| \$ 408,069 | \$ 2,290,931 | \$ 3,321,470 | \$ 1,433,209 | \$ 886,991 | \$ 9,529,207 |
| 2,168 | 29,450 | - | - | 149,651 | 1,631,338 |
| - | - | - | - | - | 111 |
| - | - | - | - | - | 1,189,955 |
| - | - | - | - | 434 | 58,972 |
| - | - | - | - | - | 2,673,701 |
| 7,369,717 | - | 48,097 | - | 1,978,326 | 10,677,664 |
| <u>7,779,954</u> | <u>2,320,381</u> | <u>3,369,567</u> | <u>1,433,209</u> | <u>3,015,402</u> | <u>25,760,948</u> |
| | | | | | |
| - | - | - | - | 240,962 | 392,089 |
| - | - | - | - | - | 1,064,087 |
| - | - | - | - | 240,962 | 1,456,176 |
| | | | | | |
| 37,398 | 445,827 | - | - | - | 4,306,577 |
| 1,086,645 | 1,264,786 | 11,250,363 | 70,786,131 | 25,881,681 | 198,938,604 |
| - | - | - | - | 4,233,462 | 4,233,462 |
| - | 27,546,009 | - | - | - | 34,454,547 |
| - | - | - | - | - | 56,653,688 |
| <u>1,124,043</u> | <u>29,256,622</u> | <u>11,250,363</u> | <u>70,786,131</u> | <u>30,115,143</u> | <u>298,586,878</u> |
| | | | | | |
| <u>\$ 8,903,997</u> | <u>\$ 31,577,003</u> | <u>\$ 14,619,930</u> | <u>\$ 72,219,340</u> | <u>\$ 33,371,507</u> | <u>\$ 325,804,002</u> |

CITY OF POMPANO BEACH, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

| | | |
|--|---------------------|-----------------------|
| Fund Balances - total governmental funds | | \$ 298,586,878 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds: | | |
| Governmental capital assets | \$ 680,354,992 | |
| Less accumulated depreciation | (262,399,416) | |
| Assets - right of use | 14,468,010 | |
| Accumulated amortization - right of use | <u>(712,122)</u> | 431,711,464 |
| Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds financial statements: | | |
| FL. Division of Emergency Management | 48,891 | |
| FEMA - Hurricane Irma | 180,152 | |
| Broward County - ad valorem | 113,046 | |
| ETA NU Education Foundation | <u>50,000</u> | 392,089 |
| Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds: | | |
| Tax increment & General Obligation bonds | (199,662,125) | |
| Net pension liability | (189,050,492) | |
| Deferred outflows related to pensions | 57,223,827 | |
| Deferred outflows related to OPEB benefits | 197,657 | |
| Deferred inflows of resources related to pensions | (19,389,398) | |
| Deferred inflows of resources related to OPEB | (2,114,673) | |
| Total OPEB liability | (9,411,045) | |
| Notes payable | (3,581,176) | |
| Compensated absences | (8,941,562) | |
| Financing arrangements payable and lease liability | (20,836,271) | |
| Accrued interest payable | <u>(1,907,608)</u> | (397,472,866) |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds that are reported with governmental activities are as follows: | | |
| Assets and Deferred Outflows | 25,016,006 | |
| Liabilities and Deferred Inflows | <u>(19,843,366)</u> | 5,172,640 |
| Adjustment for Internal Service Funds look-back | | <u>1,947,846</u> |
| Net position of governmental activities | | <u>\$ 340,338,051</u> |

The accompanying notes are an integral part of the financial statements.

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

| | <u>General</u> | <u>Northwest Community Redevelopment District</u> | <u>East Community Redevelopment District</u> | <u>Emergency Medical Services District</u> |
|---|----------------------|---|--|--|
| Revenues | | | | |
| Taxes | \$ 95,344,459 | \$ 5,148,986 | \$ 4,044,293 | \$ 7,381,561 |
| Judgments, fines and forfeitures | 674,580 | - | - | - |
| Permits, fees and special assessments | 31,673,351 | - | - | - |
| Intergovernmental | 19,019,752 | 3,300,000 | - | 1,376,591 |
| Charges for services | 23,523,635 | 118,269 | 57,466 | 4,720,434 |
| Pari-Mutuel | 2,031,215 | - | - | - |
| Donations | 10,000 | 1,000 | - | - |
| Program income | - | - | - | - |
| Investment earnings (loss) | (2,113,060) | (176,686) | (26,595) | (40,772) |
| Cemetery lot sales | - | - | - | - |
| Other revenue | 1,023,721 | 43,321 | 7,975 | - |
| Total revenues | <u>171,187,653</u> | <u>8,434,890</u> | <u>4,083,139</u> | <u>13,437,814</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 29,647,939 | - | - | - |
| Public safety | 82,819,723 | - | - | 20,599,444 |
| Physical environment | 21,956,411 | - | - | - |
| Transportation | 3,260,821 | - | - | - |
| Economic environment | - | 2,320,357 | 899,509 | - |
| Culture and recreation | 15,693,468 | - | - | - |
| Debt Service: | | | | |
| Principal | 2,433,352 | 133,229 | 820,000 | - |
| Interest and other charges | 351,966 | 49,772 | 281,184 | - |
| Capital outlay | | | | |
| | 15,543,381 | 3,534,208 | 463,883 | 20,579 |
| Total expenditures | <u>171,707,061</u> | <u>6,037,566</u> | <u>2,464,576</u> | <u>20,620,023</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(519,408)</u> | <u>2,397,324</u> | <u>1,618,563</u> | <u>(7,182,209)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 18,184,075 | - | - | 7,391,309 |
| Transfers out | (23,655,052) | - | (650,000) | - |
| Issuance of debt | 4,017,097 | 15,000,000 | - | - |
| Issuance of debt for leases | 13,923,526 | 544,485 | - | - |
| Total other financing sources (uses) | <u>12,469,646</u> | <u>15,544,485</u> | <u>(650,000)</u> | <u>7,391,309</u> |
| Net changes in fund balances | 11,950,238 | 17,941,809 | 968,563 | 209,100 |
| Fund balances - beginning | 54,649,353 | 57,206,845 | 9,919,663 | 3,209,005 |
| Fund Balances - ending | <u>\$ 66,599,591</u> | <u>\$ 75,148,654</u> | <u>\$ 10,888,226</u> | <u>\$ 3,418,105</u> |

The accompanying notes are an integral part of the financial statements.

| <u>American Rescue Plan</u> | <u>Capital Projects</u> | <u>Capital Project 2018 GO Bonds</u> | <u>Capital Project 2021 GO Bonds</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---------------------------------|-----------------------------|--|--|--|---|
| \$ - | \$ 3,130,716 | \$ - | \$ - | \$ 10,511,997 | \$ 125,562,012 |
| - | - | - | - | - | 674,580 |
| - | 887,786 | - | - | 16,160,749 | 48,721,886 |
| 16,196,553 | 200,000 | - | - | 4,592,935 | 44,685,831 |
| - | 1,625,205 | - | - | 889,156 | 30,934,165 |
| - | - | - | - | - | 2,031,215 |
| - | - | - | - | 145 | 11,145 |
| - | - | - | - | 1,978,394 | 1,978,394 |
| 36,888 | (1,043,193) | 37,175 | (392,828) | (906,228) | (4,625,299) |
| - | - | - | - | 3,429 | 3,429 |
| - | - | - | - | 62,834 | 1,137,851 |
| <u>16,233,441</u> | <u>4,800,514</u> | <u>37,175</u> | <u>(392,828)</u> | <u>33,293,411</u> | <u>251,115,209</u> |
| - | 82,979 | 12,427 | 32,984 | - | 29,776,329 |
| 92,930 | - | - | - | 11,234,669 | 114,746,766 |
| - | 2,315,066 | - | - | - | 24,271,477 |
| - | - | - | - | 486,453 | 3,747,274 |
| 2,289,856 | - | - | - | 5,361,473 | 10,871,195 |
| - | - | - | - | 6,239 | 15,699,707 |
| - | - | - | - | 3,805,000 | 7,191,581 |
| - | - | - | - | 6,013,326 | 6,696,248 |
| - | 19,379,461 | 23,917,219 | 3,622,102 | 197,632 | 66,678,465 |
| <u>2,382,786</u> | <u>21,777,506</u> | <u>23,929,646</u> | <u>3,655,086</u> | <u>27,104,792</u> | <u>279,679,042</u> |
| <u>13,850,655</u> | <u>(16,976,992)</u> | <u>(23,892,471)</u> | <u>(4,047,914)</u> | <u>6,188,619</u> | <u>(28,563,833)</u> |
| - | 19,318,858 | - | - | 154,199 | 45,048,441 |
| (12,726,612) | - | - | (6,414,415) | (2,459,314) | (45,905,393) |
| - | - | - | 81,451,106 | - | 100,468,203 |
| - | - | - | - | - | 14,468,011 |
| <u>(12,726,612)</u> | <u>19,318,858</u> | <u>-</u> | <u>75,036,691</u> | <u>(2,305,115)</u> | <u>114,079,262</u> |
| 1,124,043 | 2,341,866 | (23,892,471) | 70,988,777 | 3,883,504 | 85,515,429 |
| - | 26,914,756 | 35,142,834 | (202,646) | 26,231,639 | 213,071,449 |
| <u>\$ 1,124,043</u> | <u>\$ 29,256,622</u> | <u>\$ 11,250,363</u> | <u>\$ 70,786,131</u> | <u>\$ 30,115,143</u> | <u>\$ 298,586,878</u> |

CITY OF POMPANO BEACH, FLORIDA

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

Net change in fund balances - total governmental funds \$ 85,515,429

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 are capitalized and depreciated over their estimated useful lives.

| | | |
|--|------------------|------------|
| Expenditures for capital and right of use assets | \$ 66,133,980 | |
| Less depreciation of capital assets | (16,308,642) | |
| Less amortization of right of use assets | <u>(712,122)</u> | 49,113,216 |

Some revenues and expenses reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.

| | | |
|--|------------------|-------------|
| Change in unavailable revenue | (608,802) | |
| Loss disposal of capital assets | (217,542) | |
| Change in compensated absences liability | <u>(237,850)</u> | (1,064,194) |

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction however, has any effect on net position.

| | | |
|--------------------------------------|------------------|--------------|
| Amortization of GO Bond premiums | 254,107 | |
| Proceeds from financing arrangements | (100,639,287) | |
| Principal payments | <u>7,058,352</u> | (93,326,828) |

Changes in the City's net pension liability, OPEB liability, deferred outflows and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the statement of activities.

| | | |
|---|---------------------|--------------|
| Change in accrued interest | (855,625) | |
| Pension expense | (9,119,527) | |
| OPEB expense | (264,369) | |
| Proceeds from financing related to leases | <u>(13,790,297)</u> | (24,029,818) |

Internal service funds are used by management to charge the costs of certain activities to individual funds.

The change in net position in the internal service funds is reported with governmental funds in the government-wide statement of activities. (3,077,316)

| | | |
|--|----------------------|--|
| Adjustment for Internal Service Funds look-back | 742,184 | |
| Change in Net Position - Governmental Activities | <u>\$ 13,872,673</u> | |

The accompanying notes are an integral part of the financial statements.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

| | Business-type Activities - Enterprise Funds | | | | | Governmental |
|--|--|--------------------|---------------------|--|----------------------|--|
| | Utility | Parking | Stormwater | Nonmajor Enterprise Funds | Total | Activities Internal Service Funds |
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 4,640,831 | \$ 929,275 | \$ 2,197,277 | \$ 747,644 | \$ 8,515,027 | \$ 3,150,487 |
| Restricted cash and cash equivalents | 2,112,230 | - | - | - | 2,112,230 | - |
| Interest receivable | 149,553 | 160,952 | 29,514 | 20,595 | 360,614 | 89,693 |
| Accounts receivables, net | 5,624,956 | 3,797 | 385,183 | 1,043,463 | 7,057,399 | - |
| Due from other governments | 795,306 | - | 164,212 | 679,484 | 1,639,002 | 39,549 |
| Inventories | 395,912 | - | 15,574 | - | 411,486 | 1,009,495 |
| Total current assets: | <u>13,718,788</u> | <u>1,094,024</u> | <u>2,791,760</u> | <u>2,491,186</u> | <u>20,095,758</u> | <u>4,289,224</u> |
| Noncurrent assets: | | | | | | |
| Unrestricted investments | 46,514,139 | 6,400,707 | 15,134,539 | 5,129,108 | 73,178,493 | 19,849,982 |
| Restricted investments | - | 7,770 | - | - | 7,770 | - |
| Leased assets receivables, net | - | - | - | 10,029 | 10,029 | - |
| Capital assets | | | | | | |
| Construction in progress | 9,347,756 | - | 11,542,239 | 1,945,288 | 22,835,283 | 47,708 |
| Land | 467,725 | - | - | 934 | 468,659 | - |
| Buildings | 50,717,305 | 22,355,752 | - | 1,805,869 | 74,878,926 | 254,536 |
| Infrastructure | 110,184,595 | - | 8,912,136 | 4,222,359 | 123,319,090 | - |
| Improvements | 101,141,936 | - | 18,296,598 | 22,097,595 | 141,536,129 | 423,838 |
| Machinery and equipment | 29,193,302 | 138,429 | 2,032,277 | 2,528,510 | 33,892,518 | 4,371,689 |
| Art Work | 30,000 | - | - | - | 30,000 | - |
| Less accumulated depreciation | <u>(183,541,509)</u> | <u>(4,578,693)</u> | <u>(12,776,330)</u> | <u>(17,914,170)</u> | <u>(218,810,702)</u> | <u>(4,232,451)</u> |
| Total capital assets (net of accumulated depreciation) | <u>117,541,110</u> | <u>17,915,488</u> | <u>28,006,920</u> | <u>14,686,385</u> | <u>178,149,903</u> | <u>865,320</u> |
| Total noncurrent assets: | <u>164,055,249</u> | <u>24,323,965</u> | <u>43,141,459</u> | <u>19,825,522</u> | <u>251,346,195</u> | <u>20,715,302</u> |
| Total assets | <u>177,774,037</u> | <u>25,417,989</u> | <u>45,933,219</u> | <u>22,316,708</u> | <u>271,441,953</u> | <u>25,004,526</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred charge on refunding | - | 1,902,955 | - | - | 1,902,955 | - |
| Deferred outflows related to pensions | 3,194,085 | 36,900 | 100,152 | 538,234 | 3,869,371 | - |
| Deferred outflows related to OPEB | 34,132 | 310 | 1,862 | 8,067 | 44,371 | 11,480 |
| Total deferred outflows of resources | <u>3,228,217</u> | <u>1,940,165</u> | <u>102,014</u> | <u>546,301</u> | <u>5,816,697</u> | <u>11,480</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2022

| | Business-type Activities - Enterprise Funds | | | | Total | Governmental Activities Internal Service Funds |
|--|--|---------------------|----------------------|--|-----------------------|---|
| | Utility | Parking | Stormwater | Nonmajor Enterprise Funds | | |
| LIABILITIES | | | | | | |
| Current liabilities, unrestricted: | | | | | | |
| Accounts payable | 4,805,290 | 97,081 | 1,526,195 | 883,144 | 7,311,710 | 408,631 |
| Accrued expenses | 229,752 | 2,772 | 16,498 | 47,621 | 296,643 | 80,043 |
| Accrued interest payable | 25,096 | 204,893 | 20,016 | 3,370 | 253,375 | - |
| Compensated absences | 112,117 | - | - | 6,747 | 118,864 | 56,829 |
| Claims and judgments | - | - | - | - | - | 3,090,617 |
| Long-term obligations | 425,000 | - | 380,000 | - | 805,000 | - |
| Notes payable | 1,039,769 | - | 273,029 | - | 1,312,798 | - |
| Lease liability (current) | - | - | - | 6,719 | 6,719 | - |
| Financing arrangements payable | - | - | - | 249,095 | 249,095 | - |
| Certificates of participation payable | - | 1,015,000 | - | - | 1,015,000 | - |
| Total current liabilities, unrestricted | <u>6,637,024</u> | <u>1,319,746</u> | <u>2,215,738</u> | <u>1,196,696</u> | <u>11,369,204</u> | <u>3,636,120</u> |
| Current liabilities payable from restricted assets: | | | | | | |
| Deposits payable | <u>2,112,229</u> | <u>35,292</u> | - | - | <u>2,147,521</u> | - |
| Total current liabilities payable from restricted assets | <u>2,112,229</u> | <u>35,292</u> | - | - | <u>2,147,521</u> | - |
| Total current liabilities | <u>8,749,253</u> | <u>1,355,038</u> | <u>2,215,738</u> | <u>1,196,696</u> | <u>13,516,725</u> | <u>3,636,120</u> |
| Noncurrent liabilities: | | | | | | |
| Compensated absences | 1,220,088 | 26,064 | 103,223 | 333,244 | 1,682,619 | 579,395 |
| Total OPEB liability | 1,625,141 | 14,774 | 88,644 | 384,124 | 2,112,683 | 546,638 |
| Claims and judgments | - | - | - | - | - | 14,958,383 |
| Notes payable | 191,407 | - | 6,612,400 | - | 6,803,807 | - |
| Lease liability, (non current) | - | - | - | 3,435 | 3,435 | - |
| Long-term obligations | 9,590,000 | - | 8,445,000 | - | 18,035,000 | - |
| Financing arrangements payable | - | - | - | 508,471 | 508,471 | - |
| Certificates of participation payable | - | 23,355,000 | - | - | 23,355,000 | - |
| Net pension liability | <u>11,749,280</u> | <u>135,734</u> | <u>368,405</u> | <u>1,979,867</u> | <u>14,233,286</u> | - |
| Total noncurrent liabilities | <u>24,375,916</u> | <u>23,531,572</u> | <u>15,617,672</u> | <u>3,209,141</u> | <u>66,734,301</u> | <u>16,084,416</u> |
| Total liabilities | <u>33,125,169</u> | <u>24,886,610</u> | <u>17,833,410</u> | <u>4,405,837</u> | <u>80,251,026</u> | <u>19,720,536</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Deferred inflows related to pensions | 6,128,185 | 70,796 | 192,153 | 1,032,658 | 7,423,792 | - |
| Deferred inflows related to OPEB | <u>365,171</u> | <u>3,320</u> | <u>19,918</u> | <u>86,313</u> | <u>474,722</u> | <u>122,830</u> |
| Total deferred inflows of resources | <u>6,493,356</u> | <u>74,116</u> | <u>212,071</u> | <u>1,118,971</u> | <u>7,898,514</u> | <u>122,830</u> |
| NET POSITION | | | | | | |
| Net investment in capital assets | 113,585,275 | (4,551,557) | 20,051,137 | 14,371,784 | 143,456,639 | 865,320 |
| Restricted: | | | | | | |
| Renewal & replacement/rate stabilization | 3,824,452 | - | - | - | 3,824,452 | - |
| Unrestricted | <u>23,974,002</u> | <u>6,948,985</u> | <u>7,938,615</u> | <u>2,966,417</u> | <u>41,828,019</u> | <u>4,307,320</u> |
| Total net position (deficit) | <u>\$ 141,383,729</u> | <u>\$ 2,397,428</u> | <u>\$ 27,989,752</u> | <u>\$ 17,338,201</u> | <u>\$ 189,109,110</u> | <u>\$ 5,172,640</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF POMPANO BEACH, FLORIDA
RECONCILIATION OF THE ENTERPRISE FUNDS STATEMENT OF NET POSITION
TO THE GOVERNMENTWIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

| | |
|--|-----------------------|
| Net Position - Enterprise Funds | \$ 189,109,110 |
| Adjustment to Enterprise Funds for Internal Service Funds look-back | <u>(1,947,846)</u> |
| Net Position - Business-type Activities | <u>\$ 187,161,264</u> |

The accompanying notes are an integral part of the financial statements.

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

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities |
|---|--|---------------------|----------------------|----------------------------------|-----------------------|--------------------------------|
| | Utility | Parking | Stormwater | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| | | | | | | |
| OPERATING REVENUES | | | | | | |
| Charges for services | \$ 54,346,034 | \$ 5,140,979 | \$ 4,368,925 | \$ 10,692,599 | \$ 74,548,537 | \$ 26,944,928 |
| Fines and forfeitures | - | 419,527 | - | - | 419,527 | - |
| Miscellaneous | - | 710,840 | - | 2,223,122 | 2,933,962 | 354,946 |
| Total operating revenues | <u>54,346,034</u> | <u>6,271,346</u> | <u>4,368,925</u> | <u>12,915,721</u> | <u>77,902,026</u> | <u>27,299,874</u> |
| OPERATING EXPENSES | | | | | | |
| Personnel services | 12,162,190 | 157,836 | 811,865 | 2,535,200 | 15,667,091 | 4,000,842 |
| Other current expenses | 28,774,974 | 2,242,922 | 1,258,773 | 8,462,518 | 40,739,187 | 25,015,616 |
| Depreciation and amortization | 8,460,366 | 747,638 | 911,676 | 1,678,657 | 11,798,337 | 478,084 |
| Amortization expense | - | 27,185 | - | 6,686 | 33,871 | - |
| Total operating expenses | <u>49,397,530</u> | <u>3,175,581</u> | <u>2,982,314</u> | <u>12,683,061</u> | <u>68,238,486</u> | <u>29,494,542</u> |
| Operating income (loss) | <u>4,948,504</u> | <u>3,095,765</u> | <u>1,386,611</u> | <u>232,660</u> | <u>9,663,540</u> | <u>(2,194,668)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Investment earnings (loss) | (1,474,280) | (141,473) | (281,537) | (211,920) | (2,109,210) | (901,704) |
| Interest expense and fiscal agent fees | (323,320) | (649,903) | (235,312) | (11,569) | (1,220,104) | - |
| Gain or (loss) from disposition of capital assets | 16,054 | - | - | (751) | 15,303 | 19,056 |
| Total nonoperating revenues (expenses) | <u>(1,781,546)</u> | <u>(791,376)</u> | <u>(516,849)</u> | <u>(224,240)</u> | <u>(3,314,011)</u> | <u>(882,648)</u> |
| Income (loss) before contributions and transfers | 3,166,958 | 2,304,389 | 869,762 | 8,420 | 6,349,529 | (3,077,316) |
| Capital grants and contributions | 1,062,128 | - | - | 523,511 | 1,585,639 | - |
| Transfers in | - | 650,000 | - | 450,000 | 1,100,000 | - |
| Transfers out | - | - | (243,048) | - | (243,048) | - |
| Change in net position | <u>4,229,086</u> | <u>2,954,389</u> | <u>626,714</u> | <u>981,931</u> | <u>8,792,120</u> | <u>(3,077,316)</u> |
| Total net position (deficit) - beginning | 137,154,643 | (556,961) | 27,363,038 | 16,356,270 | 180,316,990 | 8,249,956 |
| Total net position (deficit) - ending | <u>\$ 141,383,729</u> | <u>\$ 2,397,428</u> | <u>\$ 27,989,752</u> | <u>\$ 17,338,201</u> | <u>\$ 189,109,110</u> | <u>\$ 5,172,640</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF POMPANO BEACH, FLORIDA

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

| | |
|--|---------------------|
| Net change in Net Position - Enterprise Funds | \$ 8,792,120 |
| Adjustment to Enterprise Funds for Internal Service Funds look-back | <u>(742,184)</u> |
| Change in Net Position - Business-type Activities | <u>\$ 8,049,936</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | Business-type Activities - Enterprise Funds | | | | | Governmental |
|--|--|----------------|-------------------|----------------------------------|---------------|-------------------------------|
| | Utility | Parking | Stormwater | Nonmajor Enterprise Funds | Total | Internal Service Funds |
| CASH FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from other funds for charges for services | \$ - | \$ - | \$ - | \$ - | \$ - | 24,015,052 |
| Receipts from customers | 53,370,351 | 6,342,770 | 4,350,645 | 13,458,727 | 77,522,493 | 3,257,308 |
| Payments to suppliers/Insurer | (25,781,173) | (2,264,349) | (562,010) | (8,861,087) | (37,468,619) | (22,682,062) |
| Payments to employees | (11,628,176) | (2,042,637) | (713,000) | (2,383,429) | (16,767,242) | (4,003,177) |
| Claims Paid | - | - | - | - | - | (1,565,364) |
| Net cash provided (used) by operating activities | 15,961,002 | 2,035,784 | 3,075,635 | 2,214,211 | 23,286,632 | (978,243) |
| CASH FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Transfers to other funds | - | - | (243,048) | - | (243,048) | - |
| Transfers from other funds | - | 650,000 | - | 450,000 | 1,100,000 | - |
| Interest paid on utility deposits | (17,444) | - | - | - | (17,444) | - |
| Advances from (to) other funds | - | - | - | - | - | (219,869) |
| Net cash provided (used) by noncapital financing activities | (17,444) | 650,000 | (243,048) | 450,000 | 839,508 | (219,869) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Acquisition and construction of capital assets | (14,968,195) | (22,602) | (7,099,760) | (1,303,745) | (23,394,302) | (198,924) |
| Capital grants and contributions | 193,679 | - | - | 523,520 | 717,199 | - |
| Proceeds from capital debt | - | - | 2,128,337 | - | 2,128,337 | - |
| Proceeds from the sale of surplus materials/capital assets | 72,993 | - | - | (751) | 72,242 | 22,125 |
| Principal paid on bonds/notes | (1,458,130) | - | (587,739) | - | (2,045,869) | - |
| Principal Payment (COPS) | - | 1,067,822 | - | - | 1,067,822 | - |
| Principal paid on financing arrangements | - | - | - | (245,622) | (245,622) | - |
| Payments to fiscal agents | - | (7,637) | - | - | (7,637) | - |
| Interest paid on bonds/notes/certificates | (310,307) | (741,473) | (236,049) | (2,433) | (1,290,262) | - |
| Net cash provided (used) by capital and related financing activities | (16,469,960) | 296,110 | (5,795,211) | (1,029,031) | (22,998,092) | (176,799) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Purchase of investments | (1,678,242) | (2,640,261) | 1,549,857 | (1,508,777) | (4,277,423) | 622,680 |
| Interest earnings | (1,484,099) | (289,935) | (275,575) | (221,895) | (2,271,504) | (909,834) |
| Net cash provided (used) by investing activities | (3,162,341) | (2,930,196) | 1,274,282 | (1,730,672) | (6,548,927) | (287,154) |
| Net increase (decrease) in cash and cash equivalents | (3,688,743) | 51,698 | (1,688,342) | (95,492) | (5,420,879) | (1,662,065) |
| Cash and cash equivalents, beginning of the year | 10,441,804 | 877,577 | 3,885,619 | 843,136 | 16,048,136 | 4,812,552 |
| Cash and cash equivalents, end of the year | \$ 6,753,061 | \$ 929,275 | \$ 2,197,277 | \$ 747,644 | \$ 10,627,257 | \$ 3,150,487 |
| Cash and cash equivalents, unrestricted | \$ 4,640,831 | \$ 929,275 | \$ 2,197,277 | \$ 747,644 | \$ 8,515,027 | \$ 3,150,487 |
| Cash and cash equivalents, restricted | 2,112,230 | - | - | - | 2,112,230 | - |
| Cash and cash equivalents, end of the year | \$ 6,753,061 | \$ 929,275 | \$ 2,197,277 | \$ 747,644 | \$ 10,627,257 | \$ 3,150,487 |
| Non-cash transactions (capital & related financing activities): | | | | | | |
| Non-cash transactions (investing activities): | | | | | | |

The accompanying notes are an integral part of the financial statements.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | Business-type Activities - Enterprise Funds | | | | Total | Governmental |
|--|--|---------------------|---------------------|----------------------------------|----------------------|--|
| | Utility | Parking | Stormwater | Nonmajor Enterprise Funds | | Activities Internal Service Funds |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | | | | |
| Operating income(loss) | \$ 4,948,504 | \$ 3,095,765 | \$ 1,386,611 | \$ 232,660 | \$ 9,663,540 | \$ (2,194,668) |
| Depreciation and amortization expense | 8,460,357 | 774,824 | 911,676 | 1,685,343 | 11,832,200 | 478,084 |
| Changes in assets and liabilities: | | | | | | |
| Accounts receivable | (445,968) | 77,010 | (5,182) | 119,443 | (254,697) | - |
| Due from other governments | (701,976) | - | (13,098) | 423,563 | (291,511) | (27,512) |
| Inventories | (143,831) | - | 2,033 | - | (141,798) | (111,419) |
| Other assets and prepaids | 3,074 | - | - | - | 3,074 | - |
| Deferred outflows and inflows pensions | 3,123,654 | (1,880,713) | 75,793 | 470,000 | 1,788,734 | (1,654) |
| Increase (decrease) in liabilities | | | | | | |
| Deferred outflows and inflows related to OPEB | 5,263,864 | 68,129 | 172,285 | 939,061 | 6,443,339 | 96,568 |
| Accounts and other payables | 3,371,453 | (19,278) | 707,649 | (342,577) | 3,717,247 | 85,288 |
| Accrued expenses | 18,107 | 560 | 3,470 | 4,029 | 26,166 | 8,547 |
| Customer deposits payable | 172,261 | (5,586) | - | - | 166,675 | - |
| Net pension liability | (7,766,058) | (89,520) | (155,492) | (1,254,897) | (9,265,967) | - |
| Other post employment benefits (OPEB) | (236,886) | (2,153) | (12,919) | (55,991) | (307,949) | (79,681) |
| Compensated absences | (105,553) | 16,746 | 2,809 | (6,423) | (92,421) | (105,796) |
| Estimated claims payable | - | - | - | - | - | 874,000 |
| Net cash provided (used) by operating activities: | <u>\$ 15,961,002</u> | <u>\$ 2,035,784</u> | <u>\$ 3,075,635</u> | <u>\$ 2,214,211</u> | <u>\$ 23,286,632</u> | <u>\$ (978,243)</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2022

| | Employee Retirement Plans |
|---|--------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 60,724 |
| Receivables: | |
| Accrued interest and dividends | 572,196 |
| Due from brokers | 1,436,526 |
| Other | 265,739 |
| Total receivables | <u>2,274,461</u> |
| Investments: | |
| US Government obligations | 22,354,031 |
| Mortgage backed securities | 19,707,433 |
| Municipal obligations | 264,883 |
| Corporate obligations | 26,639,632 |
| Equity securities | 223,896,749 |
| Hedge funds and private equity funds | 86,501,830 |
| Real estate funds | 51,237,368 |
| Money market funds | 28,470,010 |
| Total investments | <u>459,071,936</u> |
| Prepayments and other assets | 1,882,411 |
| Property & equipment, net of accumulated depreciation | 315,142 |
| Total assets | <u>463,604,674</u> |
| LIABILITIES | |
| Accounts payable and accrued expenses | 480,160 |
| Due to brokers | 3,431,051 |
| Due in more than one year | 263,035 |
| Total liabilities | <u>4,174,246</u> |
| NET POSITION | |
| Restricted for pension benefits | <u>\$ 459,430,428</u> |

The accompanying notes are an integral part of the financial statements.

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

| | Employee Retirement Plans |
|---|--|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 18,232,476 |
| Employee Buybacks | 1,272,887 |
| Broward County Sheriff's Office | 4,938,880 |
| Broward County - Library | 10,152 |
| Members | 6,014,398 |
| State | 2,813,294 |
| Total contributions: | <u>33,282,087</u> |
| Investment income | |
| Net appreciation (depreciation) in fair value of investments | (77,264,616) |
| Interest and dividends | 10,699,184 |
| Other | 54,251 |
| Total investment income (loss) | <u>(66,511,181)</u> |
| Less: investment expenses | <u>2,846,023</u> |
| Net investment income (loss) | <u>(69,357,204)</u> |
| Total additions | <u>(36,075,117)</u> |
| DEDUCTIONS | |
| Participant benefit payments | 37,818,062 |
| Benefits paid from DROP | 2,199,415 |
| Refunds of participant contributions | 357,177 |
| Administrative expenses | 1,633,999 |
| Total deductions | <u>42,008,653</u> |
| Net increase (decrease) in net position | <u>(78,083,770)</u> |
| Net position restricted for pension benefits | |
| Beginning of the year | <u>537,514,198</u> |
| End of the year | <u>\$ 459,430,428</u> |

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

CITY OF POMPANO BEACH, FLORIDA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2022

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CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(I) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the City of Pompano Beach, 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. 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 provide services primarily to other funds of the government) are presented 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 primarily included in the governmental 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 City, these funds are not incorporated into the government-wide statements.

The following is a summary of significant accounting policies of the City.

(A) Financial Reporting Entity

The City, located in Broward County, Florida, was incorporated in 1947. The legal authority by which the City was created and is governed by its charter, which was derived from Chapter 57-1754, Special Acts 1957, as amended. The City is governed by an elected five member district commission and a mayor at large and provides services to residents in many areas, including law enforcement and community enrichment. As required by accounting principles generally accepted in the United States of America, the accompanying financial statements present the reporting entity, which consists of the primary government and its component units. The component units discussed in Note 1 (B) below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City. The City also has the following retirement plans:

- City of Pompano Beach General Employees' Retirement System (GERS), established in 1972 by Ordinance 73-3;
- Pompano Beach Police and Firefighters' Retirement System (PFRS), established in 1973 by Ordinance 73-11; and
- Defined Contribution Retirement System, established in 1996 by Ordinance 96-84.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(B) Blended Component Unit Disclosure

The reporting entity of the City includes the following component units:

The Pompano Beach Community Redevelopment Agency (the "CRA"), comprised of the Northwest and East Districts (the "Districts"), was established in 1988 by Ordinance 89-27 and in 2001 by Resolution 2002-12, respectively, pursuant to the authority set forth in Florida Statutes, Chapter 163, Part III. These Districts are dependent special districts governed by a five member board comprised of the City Commission and a mayor at large. Although legally separate from the City, each District is reported as part of the primary government as a special revenue fund, because each District is governed by the members of the City Commission and management of the City has operational responsibility for the CRA. The CRA issues separate financial statements that may be obtained by writing to the City of Pompano Beach, 100 W. Atlantic Blvd, Suite 480, Pompano Beach, Florida 33060.

The Pompano Beach Emergency Medical Services District (the "EMS District"), established in 1974 by Ordinance 75-18, is a dependent special district created to provide emergency medical care and transportation to the residents of the City. EMS is reported as a blended component unit because it is governed by the City Commission and there is a financial benefit or burden relationship between the City and EMS. EMS is reported as a special revenue fund. The EMS District does not issue separate financial statements.

Herb Skolnick Cultural Arts Foundation (the "CAF"), established in 1999 by Resolution 99-13, is reported as a blended component unit because it is governed by the City Commission and management of the City has operational responsibility for the CAF. The CAF is reported as a special revenue fund. The CAF does not issue separate financial statements.

The criterion used for including component units in the reporting entity of the City consist of identification of legally separate organizations for which the elected officials of the City are financially accountable. This criterion also includes identification of organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Under the blended method, component unit balances and transactions are reported in a manner similar to the balances and transactions of the primary government itself. The City has no discretely presented component units.

(C) 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.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

For the most part, the effect of interfund activity has been removed from these financial statements to avoid distorted financial results, with the exception of interfund services provided and used. Governmental activities, which primarily 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 are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items, which are not classified as program revenues, are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are 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. Activities of non-major governmental funds and non-major enterprise funds are aggregated in the respective fund financial statements.

(D) Measurement focus, basis of accounting, and financial statement presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. 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. For this purpose, 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, consistent with accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. Expenditures related to pensions and other post employment benefits are recognized when the City has made a decision to fund those obligations with current available resources.

Property taxes when levied, and other taxes (such as franchise taxes, utility taxes and sales tax), fees and fines, charges for services, interest and intergovernmental revenue for which eligibility requirements have been met are all considered to be measurable, and accordingly, have been recognized as revenues of the current fiscal period, if available.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

All other revenue items are considered to be measurable only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the government'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 Northwest Community Redevelopment District Fund (NW CRA) accounts for a City agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities.

The East Community Redevelopment District Fund (East CRA) accounts for a City agency which uses tax-increment financing to encourage development and the resources accumulated therein are restricted to those activities.

The Emergency Medical Services District Fund (EMS) accounts for ad valorem taxes and emergency transport fees collected for emergency medical services provided by the City and the resources therein are committed to support that function.

The American Rescue Plan Fund accounts for the activities for local aid, including covering expenditures related to the City's response to the Covid-19 pandemic and rental, utilities, and small business assistance.

The Capital Projects Fund accounts for the resources accumulated and expenditures made for the acquisition or construction of long term capital assets other than for amounts accounted for in proprietary funds.

Capital Project 2018 GO Bonds Fund accounts for the resources accumulated and expenditures made for the acquisition or construction of long term capital assets for the General Obligation Bonds – Series 2018.

Capital Project 2021 GO Bonds Fund accounts for the resources accumulated and expenditures made for the acquisition or construction of long term capital assets for the General Obligation Bonds – Series 2021.

The City reports the following major proprietary funds:

The Utility Fund which accounts for the provision of water and sewer services to residents of the City and surrounding areas.

The Parking Fund which accounts for parking operation activities throughout the City.

The Stormwater Fund which accounts for the provision of stormwater services to residents of the City and surrounding areas.

The City also has certain funds (Building Permit Fund, Special Purpose Fund, Law Enforcement Trust Fund (LETF), State Housing Initiative Partnership Grant Fund (SHIP), Other Grants Fund, Affordable Housing Fund, Cultural Arts Foundation, Cemetery, GO

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Bonds Debt Fund, Airpark and Sanitation) that do not meet the GASB Statement No. 34 criteria for major fund classification.

Additionally, the City reports the following fund types:

Internal Service Funds:

The Internal Service Funds account for central stores, information technology, central services, risk management (health), risk management (general) and vehicle services provided to other departments or agencies of the government, on a cost reimbursement basis.

Fiduciary Funds:

The City of Pompano Beach General Employees' Retirement System Pension Trust Fund accounts for the accumulation of resources to be used for retirement benefit payments to the majority of City employees. Resources are contributed by employees at rates fixed by contract and by the City at amounts determined by an annual actuarial valuation.

The Pompano Beach Police and Firefighters' Retirement System Pension Trust Fund accounts for the accumulation of resources to be used for retirement benefit payments to City police officers and firefighters. Resources are contributed by employees at rates fixed by contract and by the City at amounts determined by an annual actuarial valuation.

The effect of interfund activity has been eliminated from the government-wide financial statements, except for charges between the enterprise funds activity and various other functions of the government.

Amounts reported as program revenues include 1) charges for service, 2) operating grants and contributions, and 3) capital grants and contributions.

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 proprietary funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for the proprietary 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.

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

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(E) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, time and demand deposits and short term investments with original maturity dates within three months of the date acquired by the City.

(F) Investments

Investments in participating interest-earning contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. All other investments, including pension trust fund and component unit investments, are reported at fair value or amortized cost. Fair value is the price 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. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

(G) Inventories/Prepays

Inventories consist of supplies and equipment replacement parts, valued using the weighted average cost. Prepays represent goods and services which are paid for in one period, but benefit a future period. Inventories and prepays are recorded as an expenditure/expense in the fund level and government-wide financial statements in the period benefited. Inventories/prepays for governmental fund types are reported as an asset of the fund with a corresponding amount recorded as non-spendable fund balance.

(H) Due to/from other funds and Advances to/from other funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to/from other funds" and are expected to be repaid within one year of the balance sheet date. Activities between funds that are representative of long-term lending/borrowing arrangements (not expected to be repaid within one year from the balance sheet date) outstanding at the end of the fiscal year are referred to as "advances to/from other funds."

(I) Capital Assets

Capital assets recorded in the government-wide and proprietary fund statements are stated at historical cost or estimated historical cost and include, land, construction in progress, buildings, improvements, equipment, infrastructure, art work, and intangible assets (such as right-of-way easements, utility easements, land use rights, computer software etc.). Contributed capital assets are recorded at acquisition value when received.

In governmental fund financial statements, the cost associated with the acquisition or construction of capital assets are shown as capital outlay expenditures. Capital assets are not shown on the governmental fund balance sheets and no depreciation expense is

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

recognized in the governmental fund statement of revenues, expenditures and changes in fund balances.

Depreciation on all assets meeting the City's capitalization threshold of \$1,000 including those obtained through contributions is charged to operations. A \$25,000 threshold is maintained for additions to infrastructure and intangible capital assets.

Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives are as follows:

| | |
|-----------------------------------|-------------|
| Buildings/Infrastructure | 15-50 Years |
| Improvements other than buildings | 5-50 Years |
| Machinery and equipment | 3-15 Years |
| Art Work | 5-50 Years |

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

(J) Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the City recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Re-measurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The City calculates the amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

As lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the City recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

subsequent to the reporting period.

(K) Deferred Outflows and Inflows of Resources

The Statement of Net Position and Balance Sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent the consumption of net assets applicable to future periods and will not be recognized as expenditures or expenses until the future period to which it applies. The following items are reported in this category. The deferred charges related to the carrying value of refund debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows related to pensions include investment gains and losses, demographic gains and employer pension contributions made after the measurement date, which will be recognized in future fiscal years. The deferred outflows related to Other Post-Employment Benefits (OPEB) is comprised of assumption changes.

Deferred inflows of resources represent the acquisition of net assets applicable to future periods and will not be recognized as revenue until the future period to which it applies. The following items are reported in this category. Net pension investment gains and losses, demographic gains. Deferred inflows of pension and Other Post-Employment Benefits (OPEB) earnings on investments, the difference between expected and actual experience and assumption changes. Deferred inflows on leased assets will be recognized as revenues in future fiscal years as provided for in the lease agreements.

(L) Risk Management

The City is self-insured for automobile liability, general liability, including public official's liability and property damage claims pursuant to Florida Statute Section 768.28 (Waiver of Sovereign Immunity in Tort Actions; Recovery Limits; Limitation on Attorney Fees; Statute of Limitations; Exclusions; Indemnification; Risk Management Programs).

The City has purchased insurance to cover its property exposures in excess of a \$100,000 per occurrence / 5% windstorm deductible. In addition, the City has purchased general liability insurance coverage for the airport. The City's retention for worker's compensation claims is \$350,000 per occurrence, while general and automobile liability statutory limit is \$200,000 per person and \$300,000 per occurrence. These limits do not apply to actions brought in federal courts or to claim relief bills approved by the Florida legislature.

The risk management funds charge the operating funds insurance premiums. The accrued liability for estimated insurance claims represents an estimate of the ultimate cost of settling claims arising prior to year end including claims incurred but not yet reported. The City has insurance coverage for health claims with a commercial carrier. The City accounts for its Risk Management activities in the internal service funds.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(M) Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. When terminated, an employee is paid for accumulated vacation leave and a percent of unused sick leave hours, subject to certain limitations. All vacation and sick pay is accrued when earned in the government-wide and proprietary fund financial statements. Expenditures for accumulated compensated absences have been recorded in the governmental funds only for amounts payable to employees who have terminated as of the end of the fiscal year.

(N) 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 and gain/loss on bond refunding are deferred and amortized over the life of the bonds using the straight line method, which is not materially different than the effective interest method. Bonds payable are reported net of the unamortized amount of the applicable bond premium/discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Payments on debt are recorded as expenditures. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred in government-wide and proprietary fund statements. Prepaid insurance costs are reported as an asset and recognized as an expense over the duration of the related debt.

(O) Employee Benefit Plans and Net Pension Liability

The City provides separate defined benefit pension plans for general employees and for uniformed police and fire department personnel, as well as optional defined contribution pension plans created in accordance with Internal Revenue Code Sections 401(a) and 457. The 401(a) and 457 plan assets have been placed in trust accounts with third-party plan administrators for the exclusive benefit, and under the control, of participants and their beneficiaries and not considered assets of the City. Accordingly, the 401(a) and 457 plan assets and liabilities are not included in the City's financial statements.

The Police and Firefighters' Retirement Plan (PFRS) is a single employer plan with the City being named as the Plan sponsor. In August 1999, the City contracted with the Broward County Sheriff's Office ("BSO") whereby the BSO would provide policing services in Pompano Beach. As a result, all of the City's police officers were employed by the BSO. Participating police officers were given the option to either remain in the Plan or switch to the BSO's retirement plan and the Plan was closed to new police officers. The City contracted with BSO to make annual contributions to the PFRS as actuarially determined. However, the City is ultimately obligated to ensure that the Plan is funded

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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each year, despite its contract with BSO.

At September 30, 2022 the City recorded a net pension liability related to the General Employees' Retirement Plan and a net pension liability related to the Police and Firefighters' Retirement Plan in its government-wide and enterprise fund statements of net position, as applicable. For governmental activities it is expected that the net pension liability will be liquidated by the General and EMS Funds. For business-type activities, the enterprise funds will be responsible for liquidating that component of the City's net pension liability and the net pension liability is recorded within these individual fund financial statements to reflect this, in accordance with accounting recognition criteria. The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees and their beneficiaries). Please refer to Note (III) for further information.

(P) Post Employment Benefits Other Than Pensions (OPEB)

Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by retirees and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees. Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees.

The City currently provides these benefits in accordance with the vesting and retirement requirements for its General Employees' Retirement System (GERS) and Police and Firefighters' Retirement System (PFRS).

The City is financing other post employee benefits (OPEB) on a pay-as-you go basis. As determined by an actuarial valuation, the City records a total OPEB liability in its proprietary and government-wide financial statements related to the implicit subsidy. Please refer to Note II (J) for further information.

(Q) Pollution Remediation Obligations

Once any one of five specified obligating events below occurs, the City is required to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired. Components of a liability (for example, legal services, site investigation, or required post-remediation monitoring) should be recognized as they become reasonably estimable. Obligating events include the following:

- The City is compelled to take pollution remediation action because of an imminent endangerment to the public.
- The City violates a pollution prevention-related permit or license.

CITY OF POMPANO BEACH, FLORIDA
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- The City is named, or evidence indicates that it will be named, by a regulator as a responsible party or potentially responsible party (PRP) for remediation, or as a government responsible for sharing costs.
- The City is named, or evidence indicates that it will be named, in a lawsuit to compel participation in pollution remediation.
- The City commences or legally obligates itself to commence pollution remediation.

The City measures pollution remediation obligations using the expected cash flow technique. Estimates of a pollution remediation liability are adjusted when benchmarks are met or when new information indicates changes in estimated outlays due to, for example, changes in the remediation plan or operating conditions. These changes may include the type of equipment, facilities, and services that will be used, price increases or reductions for specific outlay elements, such as ongoing monitoring requirements, changes in technology, and changes in legal or regulatory requirements. The City has adopted a minimum reporting threshold of \$100,000, per obligating event. Therefore only remediation sites with outlays estimated to meet or exceed that amount are reported in the financial statements. The City has not recorded any pollution remediation obligations at September 30, 2022.

(R) Unearned/Unavailable Revenue

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the government-wide and the governmental and proprietary fund financial statements. In addition, amounts related to governmental fund receivables that are measurable, but not available (not received within 60 days from fiscal year end), are recorded as unavailable (a deferred inflow of resources) in the governmental fund financial statements.

(S) Fund Equity/Net Position

In the governmental fund financial statements, fund balance classifications are as follows:

- Nonspendable Fund Balance – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance - amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

CITY OF POMPANO BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

- Committed Fund Balance - amounts that can only be used for specific purposes pursuant to constraints imposed by formal City Ordinance or Resolution which are equally binding by the City Commission, which is the City's highest level of legal authorization. Constraints may only be removed by similar City Commission action.
- Assigned Fund Balance – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Assignments are made directly by the City Commission via resolution.
- Unassigned Fund Balance – includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as follows:

- Net Investment in Capital Assets – consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other obligations that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related obligations are also included in this component of net position.
- Restricted Net Position – amounts that are restricted to specific purposes when constraints placed on the use of resources are either by (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. These amounts are reduced by liabilities and deferred inflows of resources related to those assets.
- Unrestricted Net Position – have no third party limitations on their use. While City management may have categorized and segmented portions for various purposes, the City Commission has the unrestricted authority to revisit or alter these managerial decisions.

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NOTES TO THE FINANCIAL STATEMENTS
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(T) Restricted Net Position

Restricted Net Position consists of amounts restricted to comply with grant contracts and other externally imposed constraints or by legislation that are legally enforceable. At September 30, 2022, the Government-wide statement of net position reports \$116,578,642 in restricted net position. Of this amount, \$109,313,850 is restricted as a result of enabling legislation.

(U) Accounting 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 and deferred outflows and liabilities and deferred inflows and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from those estimates.

(V) Implementation of Governmental Accounting Standards Board (GASB) Statements

New Accounting Pronouncements: In June 2017, the GASB issued Statement No. 87, *Leases*. 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. The requirements of this statement are effective for financial statements for fiscal years beginning after June 15, 2021. The City has implemented GASB Statement No. 87, *Leases* in this annual report.

CITY OF POMPANO BEACH, FLORIDA
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(II) DETAILED NOTES ON ALL FUNDS

(A) Cash and Cash Equivalents and Investments

The City maintains pooled cash, cash equivalents and investments that are available for use by all funds except for those in which the cash and investments must be segregated due to bond indenture or other legal restrictions, such as the Pension Trust Funds.

Interest earned on pooled cash, cash equivalents and investments is allocated to funds based on average daily balances.

The following are components of the cash, cash equivalents and investments at September 30, 2022:

| | Unrestricted | | Restricted | | Total cash, cash equivalents and investments |
|---------------------------|---------------------------|----------------|---------------------------|---------------|--|
| | Cash and cash equivalents | Investments | Cash and cash equivalents | Investments | |
| Governmental activities: | | | | | |
| General | \$ 2,206,336 | \$ 60,655,340 | \$ - | \$ - | 62,861,676 |
| Northwest Community | | | | | |
| Redevelopment District | 924,255 | 26,564,403 | 15,024,866 | - | 42,513,524 |
| East Community | | | | | |
| Redevelopment District | 758,811 | 4,953,341 | 11,281 | - | 5,723,433 |
| Emergency Medical | | | | | |
| Services District | 207,977 | 1,432,519 | - | - | 1,640,496 |
| American Rescue Plan | 981,578 | 6,760,972 | - | - | 7,742,550 |
| Capital Projects | 2,603,370 | 23,519,356 | 1,259,932 | 3,090,524 | 30,473,182 |
| Capital Project 2018 GO | | | | | |
| Bonds | 14,613,759 | - | - | 6,171 | 14,619,930 |
| Capital Project 2021 GO | | | | | |
| Bonds | 70,900 | - | 27,714,758 | 44,246,241 | 72,031,899 |
| Nonmajor Governmental | | | | | |
| Funds | 9,456,141 | 21,524,293 | 119,387 | 822,319 | 31,922,140 |
| Internal Service Funds | 3,150,487 | 19,849,982 | - | - | 23,000,469 |
| Total governmental | 34,973,614 | 165,260,206 | 44,130,224 | 48,165,255 | 292,529,299 |
| Business-type activities: | | | | | |
| Utility | 4,640,831 | 46,514,139 | 2,112,230 | - | 53,267,200 |
| Parking | 929,275 | 6,400,707 | - | 7,770 | 7,337,752 |
| Stormwater | 2,197,277 | 15,134,539 | - | - | 17,331,816 |
| Nonmajor Enterprise Funds | 747,644 | 5,129,108 | - | - | 5,876,752 |
| Total business-type | 8,515,027 | 73,178,493 | 2,112,230 | 7,770 | 83,813,520 |
| Fiduciary Funds | 60,724 | 459,071,936 | - | - | 459,132,660 |
| Total | \$ 43,549,365 | \$ 697,510,635 | \$ 46,242,454 | \$ 48,173,025 | \$ 835,475,479 |

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Public Deposits:

Florida Statutes, Chapter 280, Florida Security for Public Deposits Act (the Act) prescribes depository authority of the City. Deposits whose balance exceeds the limits of federal depository insurance are collateralized pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act. Under this Act, financial institutions which are qualified as public depositories place with the State Board of Administration (“SBA”), securities which have a fair value equal to 50 percent of the average daily balance for each month of all public deposits in excess of applicable deposit insurance. The Public Deposit Security Trust Funds have a procedure to allocate and recover losses in the event of default or insolvency. When public deposits are made in accordance with Chapter 280, no public depositor shall be liable for any loss thereof. It is the City’s practice to ensure that all its public deposits are maintained with a qualified depository and as a result, all City depositories at fiscal year end were designated as qualified public depositories in accordance with Florida Statute.

Investment Authorization:

The City’s investment program is established in accordance with the City’s investment policy, which was adopted via resolution by the City Commission, and Florida State Statute Chapter 218.415, Local Government Investment Policies, which establishes investment plan guidelines for local governments in Florida. The City’s investment policy allows for the purchase of the following investments: Funds Trust Fund, United States Treasury securities, United States Government Agency securities with the full faith and credit of the United States Government, Federal Instrumentalities (Government Sponsored Enterprises), Corporate Notes, Commercial Acceptances, State and/or Local Government Taxable and/or Tax-Exempt Debt, Money Market Mutual Funds, Intergovernmental Investment Pools and Savings Accounts of financial institutions that are Qualified Public Depositories, in accordance with Florida State Statute Chapter 280.01, Security for Public Deposits.

The City has a General Employees’ Retirement System and a Police and Firefighters’ Retirement System (the plans) whose investments are held separately from those of other City funds. The Plans’ adopted investment policies (as adopted by the Board of Trustees for each Plan) comply with guidelines stipulated in Florida Statutes, Chapter 280, Florida Security for Public Deposits Act and Chapter 112, Local Retirement System Investment Policies.

The Pompano Beach Police and Firefighters’ Retirement System’s investment policy is also governed by Chapter 175, (Firefighter Pensions) and 185 (Municipal Police Pensions), Florida Statutes. Both Plans also apply the “Prudent Person Rule” when executing investment strategies.

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The City's investment policy stipulates the following maximum portfolio percentages:

| Authorized Investments | Maximum % Portfolio Composition | Maximum % Individual Issuers | Maximum % Individual Sectors |
|---|--|---|---|
| Florida Local Government Surplus Funds Trust Fund | 25% | NA | NA |
| US Government Securities | 100% (1) | NA | NA |
| US Government Agencies | 50% | 10% | NA |
| US Sponsored Agencies | 80% | 25% | NA |
| Interest Bearing Time Deposit | 10% | 10% | NA |
| Repurchase Agreements | 20% (2) | 5% | NA |
| Commercial Paper | 25% | 2% | 10% |
| Corporate Notes | 25% | 2% | 10% |
| Asset Backed Securities | 10% | 2% | 5% |
| Bankers' Acceptances | 15% | 5% | NA |
| State/Local Government Taxable/Tax Exempt general obligation bonds | 25% | NA | NA |
| State/Local Government Taxable/Tax Exempt revenue/excise tax bonds | 10% | NA | NA |
| Money Market Mutual Funds | 35% | 15% | NA |
| Intergovernmental Investment Pools | 25% | NA | NA |

(1) 10% for treasury strips

(2) excludes one (1) business day agreements and overnight sweep agreements

NA-not applicable

Florida Statutes and the investment policy authorize the Board of Trustees for the City of Pompano Beach General Employees' Retirement System to acquire any kind of investment property, real, personal or mixed, and every kind of investment specifically including, but not by way of limitation, bonds, debentures, and other corporate obligations and stocks, preferred or common, which persons of prudence, discretion and intelligence acquire or retain for their own account.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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The investment policy stipulates the following maximum portfolio percentages:

| Authorized Investments | Maximum % Portfolio Composition |
|-----------------------------------|--|
| Domestic Equities | 30-70% |
| International Equities | 5-25% |
| Fixed Income | 10-35% |
| Real Estate | 5-25% |
| Alternatives | 5-20% |
| Cash and Cash Equivalents | 0-10% |

Florida Statutes and Plan policy authorize the Board of Trustees for the Pompano Beach Police and Firefighters' Retirement System to invest in marketable debt securities issued or guaranteed by either the United States Government or its agencies, domestic corporations (including industrial and utilities), Israeli bonds, asset backed and commercial mortgage backed securities, domestic banks and other financial institutions, exchange traded funds, equity securities listed on the New York, American and principal regional and foreign (for foreign securities) exchanges, over the counter securities for which there is an active market maker regulated by National Association of Securities Dealers, American Depository Receipts, and real estate investment trusts (REIT) listed on the New York, American, and principal regional and foreign exchanges, Funds of Hedge Funds (FOHF), and private real estate through institution vehicles or direct ownership.

The Plan's investment policy establishes asset classes and stipulates the following maximum portfolio percentages:

| Authorized Investments | Effective April 15, 2021 | |
|-----------------------------------|---------------------------------|-----------------|
| | Allowable Range % | Target % |
| Fixed Income Securities | 17.5% - 30% | 22.5% |
| Equity Securities | 45% - 65% | 55.0% |
| Real Estate | 0% - 10% | 7.5% |
| FOHF and Managed | | |
| Futures | 0% - 10% | 5.0% |
| Infrastructure | 0% - 7.5% | 5.0% |
| Private Equity | 0% - 7.5% | 5.0% |

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Security:

The City and the Pension Plans have a third party custodial arrangement with certain financial institutions to accept securities on a delivery vs. payment basis for direct purchase agreements. Securities purchased in the City's or Pension Plan's name are registered in the name of the City or Pension Plans by an agent of these entities and are confirmed with safekeeping statements.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Most of the security prices were obtained from a pricing service, Interactive Data Corporation (IDC). While the underlying asset values are based on quoted prices or market-corroborated inputs, the net asset value of the portfolio is not publicly quoted. As such, this is reported as level 2, since the value is based on market-corroborated data. The City does not value any of its investments using level 1 or level 3 inputs.

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The City has the following recurring fair value measurements as of September 30, 2022:

| Investments by fair value level | Reported Value | Fair Value Hierarchy | | |
|--|-----------------------|---|--|--|
| | | Quotes Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| US Treasury Notes | \$ 106,885,826 | \$ - | \$ 106,885,826 | \$ - |
| US Sponsored Agencies | 109,464,844 | - | 109,464,844 | - |
| Asset Backed Securities | 9,108,107 | - | 9,108,107 | - |
| Commercial Paper | 254,143 | - | 254,143 | - |
| Corporate Bonds | 54,183,567 | - | 54,183,567 | - |
| Municipal Bonds | 6,715,237 | - | 6,715,237 | - |
| Total investments by fair value level | 286,611,724 | \$ - | \$ 286,611,724 | \$ - |
| Demand Deposits | 40,267,692 | | | |
| Money Market Mutual Funds | 49,463,403 | | | |
| Total Government-wide | <u>\$ 376,342,819</u> | | | |

CITY OF POMPANO BEACH, FLORIDA
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GERS Fair Value Measurements

Fair value is defined as the price 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. The Plan categorizes its fair value measurements within the fair value hierarchy as established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market as follows:

Level 1- Inputs to the valuation methodology are based upon quoted prices for identical assets in active markets.

Level 2- Inputs to the valuation methodology are based upon significant other observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3- Inputs to the valuation methodology are based upon significant unobservable inputs.

Following is a description of the valuation methodologies used for investments measured at fair value.

Common stocks: Valued at the closing price reported on the New York Stock Exchange.

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

Mutual funds: Valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

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

Private equity funds: Valued based on the net asset value (NAV). The most significant input into the NAV is the fair value of its investment holdings. These holdings are valued by the general partners on a quarterly basis, in conjunction with management and investment advisors. The Plan has holdings in two limited partnerships.

Real estate funds: Valued at the net asset value of shares held by the Plan at year end. The Plan has investment in a private market real estate investment for which no liquid public market exists.

CITY OF POMPANO BEACH, FLORIDA
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Hedge fund: Valued at the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investment.

The following table presents the Plan's fair value hierarchy for investments at fair value as of September 30, 2022:

| Investments by fair value level | Reported Value | Fair Value Hierarchy | | |
|---|----------------|--|---|---|
| | | Quotes Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Equity securities: | | | | |
| Common stocks | \$ 38,622,642 | \$ 38,622,642 | \$ - | \$ - |
| Mutual funds | 74,775,436 | 74,775,436 | - | - |
| Total equity securities | 113,398,078 | 113,398,078 | - | - |
| Debt securities: | | | | |
| US treasury securities | 2,101,027 | 2,101,027 | - | - |
| US agency securities | 6,927,298 | - | 6,927,298 | - |
| Corporate bonds | 8,816,933 | - | 8,816,933 | - |
| Total debt securities | 17,845,258 | 2,101,027 | 15,744,231 | - |
| Total investments by fair value level | 131,243,336 | \$ 115,499,105 | \$ 15,744,231 | \$ - |
| Investments measured at net asset value (NAV) (1) | | | | |
| Real estate | 51,237,368 | | | |
| Private equity | 17,907,826 | | | |
| Hedge fund | 10,629,591 | | | |
| Total investments measured at NAV | 79,774,785 | | | |
| Money market funds (exempt) | 16,147,903 | | | |
| Total investments | \$ 227,166,024 | | | |

(1) As required by GAAP, certain investments that are measured at net asset value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions:

| Investment Measured at NAV | Fair Value | Unfunded Commitment | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|-----------------------------------|---------------|---------------------|--|--------------------------|
| Real estate (1) | \$ 31,387,942 | \$ - | Quarterly | 45 Days |
| Real estate (2) | 9,279,284 | - | Quarterly | 10 Days |
| Real estate (3) | 10,570,142 | - | N/A | N/A |
| Private equity (4) | 17,907,826 | 3,425,531 | N/A | N/A |
| Hedge fund (5) | 10,629,591 | - | Quarterly | 90 Days |
| Total investments measured at NAV | \$ 79,774,785 | \$ 3,425,531 | | |

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(1) Real estate fund: This fund is an open-end, commingled real-estate fund consisting primarily of real estate properties in the multifamily, industrial, office, retail and hotel sector. The investment is valued at NAV and redemption requests must be received by the fund 45 days prior to quarter end.

(2) Real estate fund: This fund is an open-end, commingled investment vehicle with a multi-disciplinary investment strategy. Diversified nationally, the foundation of the portfolio is to acquire yield-driven assets consisting of all property types. The investment is valued at NAV and redemption request must be received by the fund 10 days prior to quarter end.

(3) Real estate fund: This fund is an open-end, commingled real-estate fund with a diversified portfolio of income producing properties located throughout the United States. The investment is valued at NAV and redemption request must be received 45 days before quarter end.

(4) Private equity fund: This fund seeks to acquire and structure private equity portfolios of private equity partnerships and underlying portfolio companies. The investment is valued at NAV.

(5) Hedge fund: This fund seeks to acquire fundamentally cheap corporate and mortgage securities in order to reduce drawdowns during market dislocations. The investment is valued at NAV and redemption requests must be received by the fund 90 days prior to quarter end.

PFRS Fair Value Measurements

The Plan categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 – Investments' fair values based on prices quoted in active markets for identical assets.

Level 2 – Investments' fair values based on significant observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3 – Investments' fair values based upon significant unobservable inputs.

The following is a description of the fair value techniques for the Plan's investments:

Level 1 and 2 prices are obtained from various pricing sources by the Plan's custodian.

Money market funds are reported at amortized cost.

Equity securities traded on national or international exchanges are valued at the last reported sales price or current exchange rates (Level 1). This includes common stock, American Depository Receipts, foreign stock, mutual fund equities and REITs.

CITY OF POMPANO BEACH, FLORIDA
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Debt securities are valued using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2). This includes US Treasury bonds and notes, inflation-indexed bonds, US federal agencies, mortgage backed and collateralized securities, municipal bonds, mutual bond funds and corporate obligations, foreign bonds and notes, and private placements.

The Plan has investments in alternative asset classes including funds of hedge funds, private equity fund of funds and a core real estate fund which hold a variety of investment vehicles that do not have readily available market quotations. These investments are measured at net asset value based on their proportionate share of the value of the investments as determined by the fund managers and are valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2022:

| Investments by fair value level | Reported Value | Fair Value Hierarchy | | |
|---|-----------------------|-----------------------------|------------------|------------------|
| | | (Level 1) | (Level 2) | (Level 3) |
| Debt securities: | | | | |
| US Government obligations | \$ 13,325,706 | \$ 472,570 | \$ 12,853,136 | \$ - |
| Mortgage backed securities | 19,707,433 | - | 19,707,433 | - |
| Municipal obligations | 264,883 | - | 264,883 | - |
| Corporate obligations | 17,822,699 | - | 17,822,699 | - |
| Total debt securities | 51,120,721 | 472,570 | 50,648,151 | - |
| Equity securities: | | | | |
| Common stock | 63,089,619 | 63,089,619 | - | - |
| ADR's and Foreign Stock | 39,231,759 | 23,367,867 | 15,863,892 | - |
| Mutual fund equities | 7,596,086 | 7,596,086 | - | - |
| Preferred stock | 581,207 | 581,207 | - | - |
| Total equity securities | 110,498,671 | 94,634,779 | 15,863,892 | - |
| Total investments by fair value level | 161,619,392 | \$ 95,107,349 | \$ 66,512,043 | \$ - |
| Investments measured at net asset value (NAV) | | | | |
| Fund of hedge funds | 15,240,606 | | | |
| Real estate fund | 24,085,141 | | | |
| Infrastructure fund | 11,744,492 | | | |
| Private equity fund of funds | 6,894,174 | | | |
| Total investments measured at NAV | 57,964,413 | | | |
| Money market funds (exempt) | 12,322,107 | | | |
| Total investments | \$ 231,905,912 | | | |

CITY OF POMPANO BEACH, FLORIDA

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SEPTEMBER 30, 2022**

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

| Investments measured at NAV | Reported Value | Unfunded Commitment | Redemption Frequency (if Currently Eligible) | Redemption Notice Period |
|--|-----------------------|----------------------------|---|---------------------------------|
| Fund of hedge funds - multi strategy (1) | \$ 15,240,606 | \$ - | - Semi-annual | 95 Days |
| Core real estate fund (2) | 24,085,141 | - | - Quarterly | 45 Days |
| Private equity fund of funds (3) | 3,091,462 | 1,725,000 | N/A | N/A |
| Private equity fund of funds (3) | 2,739,099 | 870,000 | N/A | N/A |
| Private equity fund of funds (4) | 457,795 | 328,578 | N/A | N/A |
| Private equity fund of funds (5) | 605,818 | 965,202 | N/A | N/A |
| Global Listed Infrastructure Fund (6) | 11,744,492 | - | N/A | N/A |
| Total investments measured at NAV | <u>\$ 57,964,413</u> | | | |

(1) Multi-strategy fund of hedge fund. Aims to pursue varying strategies in order to diversify risks and reduce volatility. This fund is a diversified portfolio of relative value, equity market neutral and low net equity, event driven and distressed and credit securities.

(2) Core real estate fund. This fund is an open-end core real estate fund with a diversified portfolio of income producing institutional properties throughout the US.

(3) Private equity fund of funds. These two funds are globally diversified private equity programs that invest in large, mid and small-cap buyouts, venture and growth capital, and special situations.

(4) Private equity fund of funds. This fund seeks to find undervalued opportunities in a differentiated platform of private equity, real estate, credit, hedge fund solutions and secondary solutions.

(5) Private equity fund of funds. This fund seeks to acquire and structure private equity portfolios of private equity partnerships and underlying portfolio companies across leveraged buyout, credit, distressed, growth capital, real assets and venture capital strategies.

(6) Global Listed Infrastructure Fund. The Fund seeks to achieve total return through investments in the US and non-US equity securities issued by infrastructure companies. Investments may include utilities, pipelines, toll roads, airports, railroads, marine ports and telecommunication companies.

Risk Disclosures:

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

The City employs multiple investment duration and investment management strategies which seek to minimize the City’s portfolio interest rate risk. The City maintains sixty days or more of liquidity in overnight investments and remaining assets are invested in short term securities with maturity and diversification limitations to further minimize changes in market price, as interest rates change.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity at September 30, 2022:

| Investment Type | Remaining Maturity (in years) | | | | | | |
|--|--------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
| | Reported Value | Less than 1 | 1 to 2 | 2 to 3 | 3 to 4 | 4 to 5 | 5+ Years |
| US Treasury Notes | \$ 106,885,826 | \$ 54,039,346 | \$ 25,583,804 | \$ 17,430,720 | \$ 3,755,768 | \$ 4,266,989 | \$ 1,809,199 |
| US Sponsored Agencies | 109,464,844 | 62,988,820 | 17,472,571 | 8,172,034 | 370,917 | 4,131,527 | 16,328,975 |
| Asset Backed Securities | 9,108,108 | - | 2,392,790 | 3,630,969 | 3,084,349 | - | - |
| Commercial Paper | 254,143 | 254,143 | - | - | - | - | - |
| Corporate Bonds | 54,183,567 | 18,648,740 | 23,439,542 | 8,011,282 | 4,084,003 | - | - |
| Municipal Bonds | 6,715,236 | 1,509,539 | 4,605,671 | 600,026 | - | - | - |
| | <u>\$ 286,611,724</u> | <u>\$137,440,588</u> | <u>\$ 73,494,378</u> | <u>\$ 37,845,031</u> | <u>\$ 11,295,037</u> | <u>\$ 8,398,516</u> | <u>\$ 18,138,174</u> |
| Breakdown Government-wide Investments -- | | | | | | | |
| (subject to interest rate risk) | \$ 286,611,724 | | | | | | |
| Deposits -- | | | | | | | |
| (not subject to interest rate risk) | | | | | | | |
| Money Market Savings | 7,287,952 | | | | | | |
| Cash & Cash Equivs. (other deposits) | <u>82,443,143</u> | | | | | | |
| Total Government-wide | <u>\$ 376,342,819</u> | | | | | | |

CITY OF POMPANO BEACH, FLORIDA

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

“Foreign currency risk” is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than US Dollars and the carrying value of foreign investments.

The General Employees Retirement System (the GERS) plan exposure to foreign currency risk derives mainly from its investments in international equity funds. The Plan owns participation in international equity funds as well as individual securities. The investment policy limits the foreign investments to no more than 25% of the Plan’s investment balance. As of year-end, the foreign investments were 3.19% of total investments.

As a means of limiting its exposure to interest rate risk over time, the General Employees Retirement Plan diversifies its investments by security type and durations of maturities. Information about the sensitivity of the fair values of the investments for the plan to market interest rate fluctuations is provided by the following table which shows the distribution of the plan’s debt type investments by remaining maturity at September 30, 2022:

| Investment Type | Remaining Maturity (in years) | | | | |
|---|--------------------------------------|--------------------|---------------------|---------------------|---------------------|
| | Reported Value | Less than 1 | 1 to 5 | 6 to 10 | More than 10 |
| Corporate Bonds | \$ 8,816,933 | \$ - | \$ 3,076,539 | \$ 3,283,227 | \$ 2,457,167 |
| US Treasuries | 2,101,027 | 125,181 | 869,182 | 1,106,664 | - |
| US Agencies | 6,927,298 | 271,966 | 46,330 | 100,167 | 6,508,835 |
| | <u>17,845,258</u> | <u>\$ 397,147</u> | <u>\$ 3,992,051</u> | <u>\$ 4,490,058</u> | <u>\$ 8,966,002</u> |
| Investment types not subject to interest rate risk: | | | | | |
| Equity Securities | 113,398,078 | | | | |
| Real Estate | 51,237,368 | | | | |
| Hedge funds and private equity funds | 28,537,417 | | | | |
| Money Market funds | 16,147,903 | | | | |
| Total Investments | <u>\$ 227,166,024</u> | | | | |

As a means of limiting its exposure to fair value losses, the investment guidelines for the Pompano Beach Police and Firefighters’ Retirement System (PFRS) look to control impacts from interest rate risk in both rising and declining interest rate environments considering such factors as credit quality and duration for losses in rising rate environments, and credit quality in declining rate environments. The benchmarks are monitored and changed when warranted by the investment market environment. Debt portfolios are structured and managed to produce returns based on risks inherent in the selected benchmarks.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Information about the sensitivity of the fair values of the investments for the PFRS to market interest rate fluctuations is provided by the following table which shows the distribution of the plan's investments by remaining maturity at September 30, 2022.

| Investment Type | Remaining Maturity (in years) | | | | |
|--|--------------------------------------|---------------------|----------------------|---------------------|----------------------|
| | Reported Value | Less than 1 | 1 to 5 | 6 to 10 | More than 10 |
| US government obligations | \$ 13,325,706 | \$ 1,717,082 | \$ 6,450,449 | \$ 1,280,601 | \$ 3,877,574 |
| Mortgage backed securities | 13,891,031 | - | 8,192 | 428,880 | 13,453,959 |
| Municipal obligations | 264,883 | - | 45,304 | 110,873 | 108,706 |
| Corporate obligations | 17,775,708 | 1,143,162 | 6,488,523 | 6,013,488 | 4,130,535 |
| Collateralized mortgage obligations | 5,816,402 | - | 1,513,888 | 449,674 | 3,852,840 |
| Foreign obligations | 46,991 | - | - | 46,991 | - |
| | <u>51,120,721</u> | <u>\$ 2,860,244</u> | <u>\$ 14,506,356</u> | <u>\$ 8,330,507</u> | <u>\$ 25,423,614</u> |
| Investment types not subject to interest rate risk: | | | | | |
| Equity securities | 110,498,671 | | | | |
| Infrastructure fund | 11,744,492 | | | | |
| Hedge funds and private equity | 22,134,780 | | | | |
| Real estate | 24,085,141 | | | | |
| Money market funds | <u>12,322,107</u> | | | | |
| Total Investments | <u>\$ 231,905,912</u> | | | | |

Credit Risk – This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. One measure of the perceived credit risk of an issuer is the credit rating. The City's investment policy provides strict guidelines and limits investments to highly rated securities with minimum ratings of AAA for money market funds, AA for corporate notes, A-1 for commercial paper and AAA for US Agencies and US Treasuries. To further minimize credit risk the City's investment policy also provides asset allocation limits for each security type. Issuer limits are also provided for certain investment types.

CITY OF POMPANO BEACH, FLORIDA

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

Corporate notes limits (25%) and commercial paper limits (25%) are established with additional asset allocation limits for the sector (10%) and issuer (2%). The following table discloses composite credit ratings by investment type for the City as rated by Moody's or Standard & Poor's (Fitch for LGIP) at September 30, 2022:

| Investment Type | Rating at September 30, 2022 | | | | |
|---------------------------------------|-------------------------------------|---------------|---------------|---------------------------------|----------------|
| | Reported Value | AAAm | P-1 | Aaa/AAA/Aa/A/AA/ A-1 | AAAf/S2 |
| US Treasury Notes | \$ 106,885,826 | \$ - | \$ - | \$ 106,885,826 | \$ - |
| US Sponsored Agencies | 109,464,844 | - | 10,474,168 | 98,990,676 | - |
| Asset Backed Securities | 9,108,108 | - | - | 9,108,107 | - |
| Commercial Paper | 254,143 | - | 254,143 | - | - |
| Corporate Bonds | 54,183,567 | - | - | 54,183,567 | - |
| Municipal Bonds | 6,715,236 | - | - | 6,715,237 | - |
| Money Market Mutual Funds | 49,463,403 | 49,463,403 | - | - | - |
| Total Investments with Credit Risk | 336,075,127 | \$ 49,463,403 | \$ 10,728,311 | \$ 275,883,413 | \$ - |
| Demand Deposits | 40,267,692 | | | | |
| Total City Portfolio | <u>\$ 376,342,819</u> | | | | |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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The City's General Employees' Retirement Plan utilizes portfolio diversification, as well as minimum credit ratings in order to control credit risk. The Plan limits investment in the securities of any one issuer, other than the US Government and its agencies, to no more than 5% of fiduciary net position. The Plan had no such investments as of September 30, 2022.

The following table discloses credit ratings by investment type for the General Employees Retirement Plan at September 30, 2022, as applicable:

| | <u>Reported Value</u> | <u>Percentage of Portfolio</u> |
|---|-----------------------|--------------------------------|
| Quality rating of credit risk debt securities | | |
| AAA | \$ 3,655,581 | 20.48% |
| AA3 | 65,846 | 0.37% |
| A1 | 920,166 | 5.16% |
| A2 | 2,217,481 | 12.43% |
| A3 | 1,188,957 | 6.66% |
| BAA1 | 1,616,053 | 9.06% |
| BAA2 | 493,189 | 2.76% |
| BAA3 | 254,290 | 1.42% |
| Not rated | 7,433,695 | 41.66% |
| Total credit risk debt securities | <u>17,845,258</u> | <u>100.00%</u> |
| Total fixed income securities | <u>\$ 17,845,258</u> | <u>100.00%</u> |

The City's Police and Firefighters' Retirement Plan also utilize portfolio diversification in order to control credit risk. The Plan's investment policy requires all fixed income investments to hold a credit rating in one of the four highest classifications by a major rating service. Commercial paper, if used, must be of only the highest quality (rating of A-1 or P-1). Investments in fixed income securities with a rating of Baa3 are limited to 15% of the fixed income portfolio. The fixed income investments credit ratings for the fiscal year ended September 30, 2022 ranged between AAA and Baa3 and below ratings. Positions rated below Baa3 by Moody's may hold a BBB equivalent rating by S&P or Fitch. All of the fixed income investments for the fiscal year ended September 30, 2022 met the ratings requirements of the investment policy or an approved exception thereto.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

| | <u>Fair Value</u> | <u>Corporate</u> | <u>CMO</u> | <u>Municipal</u> | <u>US Government</u> |
|--|----------------------|----------------------|---------------------|-------------------|--------------------------|
| US government guaranteed* | \$ 27,216,737 | \$ - | \$ - | \$ - | \$ 27,216,737 |
| Quality rating of credit risk debt securities: | | | | | |
| Aaa | 4,634,713 | 839,335 | 3,795,378 | - | - |
| Aa1 | 12,710 | - | - | 12,710 | - |
| Aa2 | 513,466 | 279,759 | 119,147 | 114,560 | - |
| Aa3 | 507,768 | 421,586 | - | 86,182 | - |
| A1 | 2,451,443 | 2,451,443 | - | - | - |
| A2 | 2,127,203 | 2,127,203 | - | - | - |
| A3 | 3,103,375 | 3,051,944 | - | 51,431 | - |
| Ba1 and Below | 8,122,471 | 8,122,471 | - | - | - |
| Not rated | 2,430,835 | 528,958 | 1,901,877 | - | - |
| Total credit risk debt securities | 23,903,984 | 17,822,699 | 5,816,402 | 264,883 | - |
| Total fixed income securities | <u>\$ 51,120,721</u> | <u>\$ 17,822,699</u> | <u>\$ 5,816,402</u> | <u>\$ 264,883</u> | <u>\$ 27,216,737</u> |

*Obligations are backed by the full faith and credit of the US Government

Concentration of Credit Risk – Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer.

The investment policy of the City includes limitations on the amount that can be invested in any one issuer as stated in the maximum portfolio percentages stated earlier. There were no individual investments that represent 5% or more of the City's total investments (excluding investments issued or explicitly guaranteed by the US government and investments in mutual funds, external investment pools, and other pooled investments) at September 30, 2022.

The investment policy of the General Employees' Retirement Plan does not use limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. GASB Statement Nos. 40 and 67 require disclosure of investments (other than those issued or guaranteed by the US Government) in any one organization that represent 5% or more of total investments or fiduciary net position. At September 30, 2022, investment in the following mutual funds represented more than 5% of the Plan's net position: Rhumblin Russell 1000 Pooled Index Fund (12.7%), Rhumblin Russell 1000 Growth Pooled Index Fund (8.1%) and Rhumblin S&P Small Cap 600 Pooled Index Fund (7.2%). At September 30, 2022, investment in the following real estate fund represented more than 5% of the Plan's net position: Principal Real Estate US Property Separate Account (13.8%).

The investment policy of the Police and Firefighters' Retirement Plan utilizes limitations on securities of a single issuer to manage this risk. The System's investment policy limits investments in the fixed income portion of the portfolio to 10% of a given issuer and limits equity investments in any one company to 15% of the equity portion of each portfolio manager (at market). The Invesco Core Real Estate USA LP investment is 10.4% of the System's net position restricted for pension benefits and the Ironwood Institutional Ltd Investments was approximately 6.6% of the System's net position restricted for pension benefits.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

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 held by the counterparty. It is the City’s policy that all investments purchased by the City be designated as an asset of the City in the City’s name, despite being held in safekeeping by the City’s custodial bank or a third party custodial institution, chartered by the United States Government or the State of Florida. Consistent with the Plans’ investment policies, investments are held by the Plans’ custodial bank and registered in the Plans’ name. Investments in mutual funds and external investment pools are not subject to custodial credit risk.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(B) Receivables and Other Assets, net

Receivables at fiscal year-end for the City's governmental individual major funds, non-major governmental funds in the aggregate and internal service funds, including the applicable allowances for uncollectible accounts of \$54,029 are as follows:

| Governmental | General | NW CRA | East CRA | EMS | Capital Projects | Non-Major Gov't'l | Internal Service | Total |
|--------------------------------------|---------------------|-------------------|---------------------|-------------------|-----------------------------|------------------------------|-----------------------------|---------------------|
| Receivables: | | | | | | | | |
| Electric franchise tax | \$ 2,044,391 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,044,391 |
| Electric utility tax | 968,316 | - | - | - | 242,079 | - | - | 1,210,395 |
| EMS transport fees | - | - | - | 831,723 | - | - | - | 831,723 |
| Water utility tax | 194,495 | - | - | - | - | - | - | 194,495 |
| Leased assets | - | 896,508 | 188,515 | - | - | - | - | 1,085,023 |
| Slot machine revenue | 137,186 | - | - | - | - | - | - | 137,186 |
| Other | 58,605 | 50,000 | - | - | - | 1,436 | - | 110,041 |
| Less: Allowance for uncollectibles | (10,993) | - | - | (43,036) | - | - | - | (54,029) |
| Total governmental receivables (net) | <u>\$ 3,392,000</u> | <u>\$ 946,508</u> | <u>\$ 188,515</u> | <u>\$ 788,687</u> | <u>\$ 242,079</u> | <u>\$ 1,436</u> | <u>\$ -</u> | <u>\$ 5,559,225</u> |
| Due from other governments: | | | | | | | | |
| State half cents sales tax | \$ 1,481,023 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,481,023 |
| State local option gas tax | 189,044 | - | - | - | 108,244 | 139,171 | - | 436,459 |
| Motor fuel tax | - | - | - | - | - | - | 39,549 | 39,549 |
| FL Communications service tax | 734,730 | - | - | - | - | - | - | 734,730 |
| Broward County court fines | 15,864 | - | - | - | - | - | - | 15,864 |
| Broward County - ad valorem taxes | 129,597 | - | - | 14,909 | - | 13,278 | - | 157,784 |
| Broward County - OES | 71,690 | - | - | - | - | - | - | 71,690 |
| State of Florida - PEMT | - | - | - | 866,508 | - | - | - | 866,508 |
| Florida Dept of Transportation | 266,135 | - | - | - | - | 91,779 | - | 357,914 |
| FDEM - Wind Mitigation Grant | - | - | - | - | - | 48,891 | - | 48,891 |
| CDBG - HUD | - | - | - | - | - | 110,349 | - | 110,349 |
| Home - HUD | - | - | - | - | - | 269 | - | 269 |
| FEMA- Hurricane IRMA | - | - | - | - | - | 180,152 | - | 180,152 |
| US Dept of Justice - JAG | - | - | - | - | - | 361,262 | - | 361,262 |
| Florida Environmental Protection | - | - | - | - | 200,000 | - | - | 200,000 |
| Total due from other governments | <u>\$ 2,888,083</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 881,417</u> | <u>\$ 308,244</u> | <u>\$ 945,151</u> | <u>\$ 39,549</u> | <u>\$ 5,062,444</u> |

CITY OF POMPANO BEACH, FLORIDA

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

| <u>Business-type</u> | <u>Utility</u> | <u>Parking</u> | <u>Stormwater</u> | <u>Nonmajor Enterprise</u> | <u>Total</u> |
|---|---------------------|-----------------|-------------------|--------------------------------|---------------------|
| Receivables: | | | | | |
| Water /sewer customer charges | \$ 6,084,822 | \$ - | \$ - | \$ - | 6,084,822 |
| Solid waste service charges | - | - | - | 1,103,899 | 1,103,899 |
| Stormwater customer charges | - | - | 823,703 | - | 823,703 |
| Parking Fees | - | 140,414 | - | - | 140,414 |
| Less: Allowance for uncollectibles | (459,867) | (136,617) | (438,520) | (60,436) | (1,095,440) |
| Total business-type receivables (net) | <u>\$ 5,624,955</u> | <u>\$ 3,797</u> | <u>\$ 385,183</u> | <u>\$ 1,043,463</u> | <u>\$ 7,057,398</u> |
| Due from other governments: | | | | | |
| Broward County OES | \$ 11,952 | \$ - | \$ 164,212 | \$ 235,612 | \$ 411,776 |
| City of Ft. Lauderdale | 241,982 | - | - | - | 241,982 |
| Florida Dept of Transportation | - | - | - | 443,872 | 443,872 |
| Florida Dept of Environmental Protection | 140,158 | - | - | - | 140,158 |
| South FL Water Management District | 399,659 | - | - | - | 399,659 |
| Broward County | 1,555 | - | - | - | 1,555 |
| Total due from other governments | <u>\$ 795,306</u> | <u>\$ -</u> | <u>\$ 164,212</u> | <u>\$ 679,484</u> | <u>\$ 1,639,002</u> |

Mortgages

The Northwest Community Redevelopment District (the Northwest District) provided qualified individuals with loans/grants to build new homes at the Canal Point (10 year amortization period), Sabal Chase (30 year amortization period), and Ortanique Estates (30 year amortization period) subdivisions which were reported as community redevelopment expenses/expenditures. In addition, the Northwest District also provided similar grants for various infill housing projects during the current fiscal year. The Northwest District has placed a mortgage lien on these new homes with a covenant that the owner must reside at the property for the respective period of time in order to remain eligible for the grant. The Northwest District's reasonable assumption is that the homeowner will reside at the home for the stipulated period. The Northwest District maintains a memorandum record of the outstanding mortgage amounts related to these grants. These amounts are reduced ratably over the 10 year period as it relates to the grants for the Canal Point subdivision and the infill housing projects. Should the homeowner move, sell or refinance, the Northwest District is paid a prorated amount of the initial grant. After the 10 year period the amounts relating to these mortgages are forgiven. As it relates to the Sabal Chase and Ortanique Estates grants, these amounts are amortized over the 30 year period. After the 30 year period the amounts relating to these mortgages are forgiven. During fiscal year 2022, no one defaulted on the terms of the grants and consequently, the Northwest District did not receive any repayments related to these grants. At September 30, 2022 the unamortized amount outstanding related to these grants was \$569,848. Due to the reasonable assumption made above of expected homeowner residence for the grant period a receivable has not been recorded.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Notes Receivable

- On May 15, 2018 the City provided a \$150,000 economic development loan to the ETA NU Education Foundation. The loan is non-interest bearing as it is provided to carry out the objectives for the NW Community Redevelopment Agency.

The loan payments are as follows:

| Fiscal Year Ending | Principal | Interest | Total |
|-----------------------|------------------|-------------|---------------|
| 2023 | \$ 20,000 | \$ - | 20,000 |
| 2024 | 20,000 | - | 20,000 |
| 2025 | 10,000 | - | 10,000 |
| Total | <u>\$ 50,000</u> | <u>\$ -</u> | <u>50,000</u> |

Assets Held for Resale for Redevelopment

The City and the NW CRA and East CRA Districts acquire and develop property in economically depressed areas, for the intention of rendering the property suitable for economic development and then reselling it to private sector purchasers meeting certain criteria. Since these properties are acquired with the express intent of resale and development, they are reported at lower of cost/donated value or net realizable value. Assets donated from the City or other related entities are recorded at the carrying value of the donor entity. Donated assets from other sources are recorded at lower of cost/donated value or net realizable value. The cost basis of assets held for resale and development include costs incurred to acquire the asset and prepare the asset for resale and development, such as purchase price, closing fees, surveys, lot clearing, demolition, judgments levied through suits, costs of construction, permits etc. These assets include land, land improvements and buildings. Upon the sale of these assets, a gain or loss is recognized. When the net realizable amount is less than the carrying amount a loss would be recognized. Gains are recorded as a gain from sale of capital assets in the government-wide statements and proceeds from sale of capital assets in the fund financial statements and losses are recorded as economic environment expenses/expenditures.

Additionally the City participates in the Neighborhood Stabilization Program (NSP) funded by the United States Department of Housing and Urban Development (HUD). The Housing and Economic Recovery Act signed into law on July 30, 2008 provided Neighborhood Stabilization funds to assist local governments to acquire foreclosed, vacant and abandoned properties to address neighborhood decline. HUD awarded NSP funds to the City to stabilize City neighborhoods through the purchase of foreclosed properties. Through this program, the City purchases foreclosed homes in targeted neighborhoods with the intention of rehabilitating and selling them back to the public. The homes are available for purchase by eligible residents meeting certain income requirements. The cost basis of assets held for resale and development in this category include all costs incurred by the City to acquire and redevelop or rehabilitate the homes or properties up to a marketable, safe, and habitable condition. These assets are recorded at the lower of cost or net realizable value.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Assets held for resale and redevelopment activity for the year ended September 30, 2022 are as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|---------------------|---------------------|----------------------|
| Assets held for resale and redevelopment | \$ 40,441,766 | \$ 1,861,694 | \$ 1,660,322 | \$ 40,643,138 |
| Total | <u>\$ 40,441,766</u> | <u>\$ 1,861,694</u> | <u>\$ 1,660,322</u> | <u>\$ 40,643,138</u> |

(C) Capital Assets and Construction Commitments

Capital asset activity for the fiscal year ended September 30, 2022 was as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|-----------------------|----------------------|---------------------|-----------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 77,535,541 | \$ 194,219 | \$ 663,087 | \$ 77,066,673 |
| Construction in progress | 70,027,553 | 50,493,516 | 4,414,372 | 116,106,697 |
| Total capital assets, not being depreciated | <u>147,563,094</u> | <u>50,687,735</u> | <u>5,077,459</u> | <u>193,173,370</u> |
| Capital assets net of accumulated depreciation | | | | |
| Buildings | 88,952,893 | 14,900 | - | 88,967,793 |
| Infrastructure | 159,234,861 | 2,114,913 | - | 161,349,774 |
| Improvements other than buildings | 197,235,029 | 2,114,211 | - | 199,349,240 |
| Machinery and equipment | 44,262,294 | 3,005,959 | 4,917,016 | 42,351,237 |
| Art work | 261,349 | - | - | 261,349 |
| Total capital assets being depreciated | <u>489,946,426</u> | <u>7,249,983</u> | <u>4,917,016</u> | <u>492,279,393</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 39,817,218 | 1,903,750 | - | 41,720,968 |
| Infrastructure | 86,652,340 | 4,757,572 | - | 91,409,912 |
| Improvements other than buildings | 91,564,821 | 6,532,234 | - | 98,097,055 |
| Machinery and equipment | 35,028,726 | 3,556,751 | 3,286,991 | 35,298,486 |
| Art work | 69,028 | 36,419 | - | 105,447 |
| Total accumulated depreciation | <u>253,132,133</u> | <u>16,786,726</u> | <u>3,286,991</u> | <u>266,631,868</u> |
| Total capital assets being depreciated, net | <u>236,814,293</u> | <u>(9,536,743)</u> | <u>1,630,025</u> | <u>225,647,525</u> |
| Governmental activities capital assets, net | <u>\$ 384,377,387</u> | <u>\$ 41,150,992</u> | <u>\$ 6,707,484</u> | <u>\$ 418,820,895</u> |

CITY OF POMPANO BEACH, FLORIDA

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|----------------------|---------------------|---------------------------|
| Business-type activities: | | | | |
| Utility Fund: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 467,725 | \$ - | \$ - | \$ 467,725 |
| Construction in progress | 1,070,419 | 14,780,335 | 6,502,998 | 9,347,756 |
| Total capital assets, not being depreciated | <u>1,538,144</u> | <u>14,780,335</u> | <u>6,502,998</u> | <u>9,815,481</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 50,717,305 | - | - | 50,717,305 |
| Infrastructure | 110,016,812 | 167,783 | - | 110,184,595 |
| Improvement other than buildings | 94,693,080 | 6,448,856 | - | 101,141,936 |
| Machinery and equipment | 28,501,278 | 1,196,428 | 504,404 | 29,193,302 |
| Art work | 30,000 | - | - | 30,000 |
| Total capital assets being depreciated | <u>283,958,475</u> | <u>7,813,067</u> | <u>504,404</u> | <u>291,267,138</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 31,245,914 | 1,338,439 | - | 32,584,353 |
| Infrastructure | 73,317,361 | 3,032,070 | - | 76,349,431 |
| Improvements other than buildings | 48,866,874 | 2,020,910 | - | 50,887,784 |
| Machinery and equipment | 22,110,771 | 2,062,947 | 471,277 | 23,702,441 |
| Art Work | 11,500 | 6,000 | - | 17,500 |
| Total accumulated depreciation | <u>175,552,420</u> | <u>8,460,366</u> | <u>471,277</u> | <u>183,541,509</u> |
| Utility Fund capital assets, being depreciated, net | 108,406,055 | (647,299) | 33,127 | 107,725,629 |
| Utility Fund capital assets, net | <u>\$ 109,944,199</u> | <u>\$ 14,133,036</u> | <u>\$ 6,536,125</u> | <u>\$ 117,541,110</u> |
| Parking Fund: | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings | \$ 22,355,752 | \$ - | \$ - | \$ 22,355,752 |
| Machinery and equipment | 115,828 | 22,601 | - | 138,429 |
| Total capital assets being depreciated | <u>22,471,580</u> | <u>22,601</u> | <u>-</u> | <u>22,494,181</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 3,717,178 | 745,192 | - | 4,462,370 |
| Machinery and equipment | 113,877 | 2,446 | - | 116,323 |
| Total accumulated depreciation | <u>3,831,055</u> | <u>747,638</u> | <u>-</u> | <u>4,578,693</u> |
| Parking Fund capital assets, being depreciated, net | 18,640,525 | (725,037) | - | 17,915,488 |
| Parking Fund capital assets | <u>\$ 18,640,525</u> | <u>\$ (725,037)</u> | <u>\$ -</u> | <u>\$ 17,915,488</u> |

CITY OF POMPANO BEACH, FLORIDA

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|----------------------|---------------------|---------------------------|
| Stormwater: | | | | |
| Capital assets, not being depreciated: | | | | |
| Construction in progress | \$ 4,978,884 | \$ 7,054,651 | \$ 491,296 | \$ 11,542,239 |
| Capital assets, being depreciated: | | | | |
| Infrastructure | 8,912,136 | - | - | 8,912,136 |
| Improvements other than buildings | 17,809,188 | 487,410 | - | 18,296,598 |
| Machinery and equipment | 2,045,606 | 48,993 | 62,322 | 2,032,277 |
| Total capital assets being depreciated | 28,766,930 | 536,403 | 62,322 | 29,241,011 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 916,764 | 113,529 | - | 1,030,293 |
| Improvements other than buildings | 9,362,387 | 653,590 | - | 10,015,977 |
| Machinery and equipment | 1,647,824 | 144,557 | 62,321 | 1,730,060 |
| Total accumulated depreciation | 11,926,975 | 911,676 | 62,321 | 12,776,330 |
| Stormwater Fund capital assets, being depreciated, net | 16,839,955 | (375,273) | 1 | 16,464,681 |
| Stormwater Fund capital assets | <u>\$ 21,818,839</u> | <u>\$ 6,679,378</u> | <u>\$ 491,297</u> | <u>\$ 28,006,920</u> |
| | | | | |
| Nonmajor Enterprise Funds: | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 934 | \$ - | \$ - | \$ 934 |
| Construction in progress | 1,205,819 | 758,082 | 18,613 | 1,945,288 |
| Total capital assets, not being depreciated | 1,206,753 | 758,082 | 18,613 | 1,946,222 |
| | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings | 1,805,869 | - | - | 1,805,869 |
| Infrastructure | 4,222,359 | - | - | 4,222,359 |
| Improvements other than buildings | 22,078,982 | 18,613 | - | 22,097,595 |
| Machinery and equipment | 2,035,917 | 530,470 | 37,877 | 2,528,510 |
| Total capital assets being depreciated | 30,143,127 | 549,083 | 37,877 | 30,654,333 |
| | | | | |
| Less accumulated depreciation for: | | | | |
| Buildings | 889,022 | 46,826 | - | 935,848 |
| Infrastructure | 6,338,012 | 37,698 | - | 6,375,710 |
| Improvements other than buildings | 7,015,469 | 1,316,839 | - | 8,332,308 |
| Machinery and equipment | 2,009,587 | 277,294 | 16,577 | 2,270,304 |
| Total accumulated depreciation | 16,252,090 | 1,678,657 | 16,577 | 17,914,170 |
| Nonmajor Enterprise Funds capital assets, being depreciated, net | 13,891,037 | (1,129,574) | 21,300 | 12,740,163 |
| Nonmajor Enterprise Funds capital assets, net | 15,097,790 | (371,492) | 39,913 | 14,686,385 |
| Business-type activities capital assets, net | <u>\$ 165,501,353</u> | <u>\$ 19,715,885</u> | <u>\$ 7,067,335</u> | <u>\$ 178,149,903</u> |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---|----------------------|
| Governmental activities: | |
| General government | \$ 7,499,940 |
| Public safety | 3,588,097 |
| Transportation | 1,399,133 |
| Physical environment | 1,406,735 |
| Culture and recreation | 2,892,821 |
| Total depreciation expense - governmental activities | <u>\$ 16,786,726</u> |
| | |
| Business-type activities: | |
| Utilities | \$ 8,460,366 |
| Parking | 747,638 |
| Stormwater | 911,676 |
| Airpark | 1,437,958 |
| Sanitation | 240,699 |
| Total depreciation expense - business-type activities | <u>\$ 11,798,337</u> |

The City has active construction projects as of September 30, 2022. Significant projects that were ongoing as of September 30, 2022 for governmental activities with significant commitments, were as follows:

| <u>Project</u> | <u>Expended through September 30, 2022</u> | <u>Remaining Commitment</u> |
|------------------------------------|--|---------------------------------|
| Enhance Landscape FDOT Improvement | \$ 1,777,147 | \$ 460,621 |
| CRA Downtown Drainage | 236,976 | 465,924 |
| CRA Pier Street West Street | 856,785 | 1,200,259 |
| GOB AIA Improvement | 9,698,412 | 8,504,658 |
| GOB Palm Aire Improvement | 1,787,362 | 3,105,298 |
| GOB McNair Pk Improvement | 15,718,220 | 1,033,087 |
| GOB Dixie HWY Improvement | 9,798,277 | 825,786 |
| GOB Youth Sports | 4,860,418 | 2,442,098 |
| GOB Fire Emergency Operations | 1,158,477 | 424,737 |
| GOB Fire Station 114 | 5,854,646 | 370,359 |
| GOB Fire Station 52 | 1,196,469 | 5,244,707 |
| GOB Public Safety Complex | 563,839 | 385,762 |
| GOB Lifeguard Tower | 2,107,119 | 1,146,057 |
| GOB Kester Park Improvement | 205,804 | 2,999,425 |
| | <u>\$ 55,819,951</u> | <u>\$ 28,608,778</u> |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Significant projects that were ongoing as of September 30, 2022 for business-type activities with significant commitments were as follows:

| Project | Expended through September 30, 2022 | Remaining Commitment |
|--------------------------------------|---|-------------------------|
| Lyons Improvement Series 2021 | \$ 9,087,182 | \$ 9,366,813 |
| Hurricane Prep Water Treatment Plant | 3,314,359 | 1,000,689 |
| | <u>\$ 12,401,541</u> | <u>\$ 10,367,502</u> |

(D) Leases

Lessor

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The City entered into 13 building leases and 1 land lease. An initial lease receivable was recorded in the amount of \$1,318,306. As of September 30, 2022, the value of the lease receivable is \$1,085,023. The lessees are required to make annual fixed payments of \$240,369. The leases have interest rates from 0.43% - 3.00%. The value of the deferred inflow of resources as of September 30, 2022 was \$1,064,087, and the City recognized lease revenue of \$254,218 during the fiscal year.

| Classification | Term Range In Months | Governmental Activities | |
|-------------------------|----------------------|--|--|
| | | Lease Receivable as of Commencement Date | Lease Receivable as of September 30, 2022 |
| Buildings | 24 - 120 | \$ 1,217,541 | \$ 984,258 |
| Land | 60 | 100,765 | 100,765 |
| Total lease receivables | | <u>\$ 1,318,306</u> | <u>\$ 1,085,023</u> |

1. Receipts Forecast

| Year Ending September 30 | Governmental Activities | | |
|-----------------------------|-------------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2023 | \$ 248,222 | \$ 24,537 | \$ 272,759 |
| 2024 | 231,212 | 14,924 | 246,136 |
| 2025 | 177,185 | 31,532 | 208,717 |
| 2026 | 134,099 | 12,501 | 146,600 |
| 2027 | 96,758 | 8,952 | 105,710 |
| 2028-2032 | 197,547 | 10,380 | 207,927 |
| Total | <u>\$ 1,085,023</u> | <u>\$ 102,826</u> | <u>\$ 1,187,849</u> |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Lessee

For the year ended September 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings 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. For additional information, refer to the disclosures below.

The City has entered into 78 leases related to Governmental Activities for the use of various vehicles, buildings, and land. The terms range from 60 months to 619 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$14,468,011. As of September 30, 2022, the value of the lease liability is \$13,794,421. The City is required to make annual payments ranging from \$241 to \$43,298 through the terms of the leases. The leases have interest rates ranging from 1.18% to 3.24%. The value of the right to use asset as of September 30, 2022 of \$14,468,010 with accumulated amortization of \$712,122 and is included with vehicles, buildings, and land on the Lease Class activities table found below.

The City has entered into 1 vehicle lease related to Business-type Activities. The term is 60 months beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$6,931. As of September 30, 2022, the value of the lease liability is \$10,154. The City is required to make annual payments of \$6,931 through the terms of the lease. The lease interest rate is 3.24%. The value of the right to use asset as of September 30, 2022 of \$16,715 with accumulated amortization of \$6,686 and is included with equipment on the Lease Class activities table found below for Business activities.

The following is a summary of leased asset activity for the year ended September 30, 2022:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--------------------------------|------------------------------|----------------------|------------------|---------------------------|
| Governmental activities: | | | | |
| Leased assets | | | | |
| Land - right to use | \$ - | \$ 12,167,141 | \$ - | \$ 12,167,141 |
| Buildings - rights to use | - | 490,187 | - | 490,187 |
| Equipment - right to use | - | 1,810,682 | - | 1,810,682 |
| Total leased assets | <u>-</u> | <u>14,468,010</u> | <u>-</u> | <u>14,468,010</u> |
| Accumulated Amortization | | | | |
| Land - right to use | - | 249,305 | - | 249,305 |
| Buildings - rights to use | - | 84,319 | - | 84,319 |
| Equipment - right to use | - | 378,498 | - | 378,498 |
| Total accumulated amortization | <u>-</u> | <u>712,122</u> | <u>-</u> | <u>712,122</u> |
| Total leased assets, net | <u>\$ -</u> | <u>\$ 13,755,888</u> | <u>\$ -</u> | <u>\$ 13,755,888</u> |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

The following is a summary of leased asset activity for the year ended September 30, 2022:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--------------------------------|------------------------------|------------------|------------------|---------------------------|
| Business-type activities: | | | | |
| Leased assets | | | | |
| Equipment - right to use | \$ - | \$ 16,715 | \$ - | \$ 16,715 |
| Total leased assets | <u>-</u> | <u>16,715</u> | <u>-</u> | <u>16,715</u> |
| Accumulated Amortization | | | | |
| Equipment - right to use | - | 6,686 | - | 6,686 |
| Total accumulated amortization | <u>-</u> | <u>6,686</u> | <u>-</u> | <u>6,686</u> |
| Total leased assets, net | <u>\$ -</u> | <u>\$ 10,029</u> | <u>\$ -</u> | <u>\$ 10,029</u> |

Amortization Expense Governmental Activities

Amortization expense was charged to functions/programs as follows:

| | |
|----------------------------|-------------------|
| Governmental activities: | |
| General government | \$ 613,319 |
| Community development | 98,803 |
| Total amortization expense | <u>\$ 712,122</u> |

Amortization Expense Business-Type Activities

Amortization expense was charged to functions/programs as follows:

| | |
|----------------------------|-----------------|
| Business-type activities: | |
| Sanitation | \$ 6,686 |
| Total amortization expense | <u>\$ 6,686</u> |

Lease Liability Governmental Activities

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|-------------------------------|------------------------------|----------------------|-------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| Lease liability | \$ - | \$ 14,468,011 | \$ 673,590 | \$ 13,794,421 | \$ 544,956 |
| Total governmental activities | <u>\$ -</u> | <u>\$ 14,468,011</u> | <u>\$ 673,590</u> | <u>\$ 13,794,421</u> | <u>\$ 544,956</u> |

Lease Liability Business-type Activities

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|--------------------------------|------------------------------|------------------|------------------|---------------------------|--------------------------------|
| Business-type Activities: | | | | | |
| Lease liability | \$ - | \$ 16,715 | \$ 6,561 | \$ 10,154 | \$ 6,719 |
| Total business-type activities | <u>\$ -</u> | <u>\$ 16,715</u> | <u>\$ 6,561</u> | <u>\$ 10,154</u> | <u>\$ 6,719</u> |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Total future minimum lease payments under lease agreements are as follows:

| Year Ending September 30 | Governmental Activities | | | Business-type Activities | | |
|-----------------------------|-------------------------|----------------------|----------------------|--------------------------|---------------|------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 2023 | \$ 544,956 | \$ 430,047 | \$ 975,003 | \$ 6,719 | \$ 212 | \$ 6,931 |
| 2024 | 473,107 | 417,993 | 891,100 | 3,435 | 30 | 3,465 |
| 2025 | 419,338 | 406,671 | 826,009 | - | - | - |
| 2026 | 292,938 | 399,060 | 691,998 | - | - | - |
| 2027 | 136,745 | 394,886 | 531,631 | - | - | - |
| 2028-2032 | 343,194 | 1,937,306 | 2,280,500 | - | - | - |
| 2033-2037 | 411,614 | 1,881,033 | 2,292,647 | - | - | - |
| 2038-2042 | 602,103 | 1,801,745 | 2,403,848 | - | - | - |
| 2043-2047 | 832,423 | 1,687,668 | 2,520,091 | - | - | - |
| 2048-2052 | 1,124,840 | 1,532,966 | 2,657,806 | - | - | - |
| 2053-2057 | 1,460,496 | 1,326,223 | 2,786,719 | - | - | - |
| 2058-2062 | 1,861,492 | 1,059,984 | 2,921,476 | - | - | - |
| 2063-2067 | 2,358,961 | 722,165 | 3,081,126 | - | - | - |
| 2068-2072 | 2,932,214 | 298,359 | 3,230,573 | - | - | - |
| Total | <u>\$ 13,794,421</u> | <u>\$ 14,296,106</u> | <u>\$ 28,090,527</u> | <u>\$ 10,154</u> | <u>\$ 242</u> | <u>\$ 10,396</u> |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(E) Unearned/Unavailable Revenue

Unearned/Unavailable revenue at fiscal year end for the City's governmental individual major funds and non-major governmental funds in the aggregate are as follows:

| Governmental Activities | General Fund | NW CRA | East CRA | EMS Fund | Capital Projects 2018 GO Bonds | American Rescue Plan | Non Major Gov't'l Funds | Total |
|---|---------------------|-------------------|-------------------|------------------|---------------------------------------|-----------------------------|--------------------------------|----------------------|
| Unearned revenue: | | | | | | | | |
| Local Business Taxes | \$ 1,195,833 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 1,195,833 |
| Law Enforcement Trust Fund | - | - | - | - | - | - | 619,038 | 619,038 |
| Unredeemed Gift Cards | 65,307 | - | - | - | - | - | - | 65,307 |
| Prepaid Rent | - | 4,500 | - | - | - | - | - | 4,500 |
| Cultural Foundation | 15,884 | - | - | - | - | - | - | 15,884 |
| American Rescue Plan Act | - | - | - | - | - | 7,369,717 | - | 7,369,717 |
| SHIP Grant Funds | - | - | - | - | - | - | 1,359,288 | 1,359,288 |
| Health Foundation FL | - | - | - | - | 48,097 | - | - | 48,097 |
| Total unearned revenue | \$ 1,277,024 | \$ 4,500 | \$ - | \$ - | \$ 48,097 | \$ 7,369,717 | \$ 1,978,326 | \$ 10,677,664 |
| Unavailable revenue: | | | | | | | | |
| FEMA-Hurricane Irma Grant | - | - | - | - | - | - | 180,152 | 180,152 |
| Broward County - Ad Valorem | 87,801 | - | - | 13,326 | - | - | 11,919 | 113,046 |
| State of Florida - Division of Emergency Mgmt | - | - | - | - | - | - | 48,891 | 48,891 |
| ETA Nu | - | 50,000 | - | - | - | - | - | 50,000 |
| Deferred Lease Revenue | - | 847,461 | 216,626 | - | - | - | - | 847,461 |
| Total unavailable revenue | \$ 87,801 | \$ 897,461 | \$ 216,626 | \$ 13,326 | \$ - | \$ - | \$ 240,962 | \$ 1,456,176 |

(F) Interfund Loans and Transfers

The composition of interfund balances as of September 30, 2022, is as follows:

Advances to/from other funds:

| Advances to Fund | Advances From Fund | Amount |
|-----------------------------|---------------------------|---------------|
| Northwest CRA District Fund | General Fund | \$ 1,189,955 |

This amount represents a long-term receivable and payable to cover the purchase of two (2) properties that would enable the development of a 30 acre Commerce Park at the northeast quadrant of Atlantic Boulevard and Interstate 95. The loan has a fixed annual interest rate of 2.91%, amortized over a 20 year term.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

The annual requirements to pay on the advance from the General Fund to the NW CRA District Fund are as follows.

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------|---------------------|------------------|---------------------|
| 2023 | \$ 343,824 | \$ 36,568 | \$ 380,392 |
| 2024 | 353,829 | 26,562 | 380,391 |
| 2025 | 364,125 | 16,266 | 380,391 |
| 2026 | 128,177 | 5,670 | 133,847 |
| | <u>\$ 1,189,955</u> | <u>\$ 85,066</u> | <u>\$ 1,275,021</u> |

In the government-wide statement of net position, interfund balances between governmental activities and business-type activities have been summarized and reported on a single line called “internal balances” (net amount of \$1,947,846), which includes a short-term loan from the General Fund to the Sanitation Fund and the internal service fund look-back adjustment to enterprise funds.

Transfers in/out are as follows:

| <u>Transfers out</u> | <u>Transfers In:</u> | | | | | | | <u>Total</u> |
|--------------------------------|----------------------|---------------------|-------------------------|-------------------------------|------------------------------------|---------------------|----------------------------------|----------------------|
| | <u>General Fund</u> | <u>EMS</u> | <u>Capital Projects</u> | <u>Nonmajor Gov't'l Funds</u> | <u>Subtotal Gov't'l Activities</u> | <u>Parking Fund</u> | <u>Nonmajor Enterprise Funds</u> | |
| General Fund | - | \$ 7,391,309 | \$ 15,659,544 | \$ 154,199 | \$ 23,205,052 | - | \$ 450,000 | \$ 23,655,052 |
| 2021 GO Bonds Capital Projects | 6,414,415 | - | - | - | 6,414,415 | - | - | 6,414,415 |
| East District Fund | - | - | - | - | - | 650,000 | - | 650,000 |
| American Rescue Plan | 10,326,612 | - | 2,400,000 | - | 12,726,612 | - | - | 12,726,612 |
| Nonmajor Gov't'l Funds | 1,200,000 | - | 1,259,314 | - | 2,459,314 | - | - | 2,459,314 |
| Stormwater | 243,048 | - | - | - | 243,048 | - | - | 243,048 |
| Total | <u>\$18,184,075</u> | <u>\$ 7,391,309</u> | <u>\$ 19,318,858</u> | <u>\$ 154,199</u> | <u>\$ 45,048,441</u> | <u>\$ 650,000</u> | <u>\$ 450,000</u> | <u>\$ 46,148,441</u> |

- 1) The \$1,200,000 transfer from the Law Enforcement Trust Fund to the General Fund was to cover a portion of the School Resource Officers Program.
- 2) The \$10,326,612 transfer from the American Rescue Act Plan to the General Fund was to support public safety expenditures.
- 3) The \$6,414,415 transfer from the 2021 GO Bonds Capital Projects Fund to the General Fund to fund the following projects: Centennial Park, Mitchell Moore Park, N Pompano Park and the Youth Sports Complex.
- 4) The \$7,391,309 transfer from the General Fund to the Emergency Management Services (EMS) Fund was required to support operating costs as the General Fund subsidizes the EMS Fund.
- 5) The \$15,659,544 transfer from General Fund to Capital Project Fund is due to the funding of capital improvement projects for the fiscal year. The projects funded include McNair Park Improvements, North Ocean Rescue, Palm Aire Neighborhood Project, and

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Fire Station #114 Project.

6) The \$1,259,314 transfer from Special Purpose to Capital Projects Fund is due to the funding of capital improvement projects. The projects are McNair Park Improvements, Palm Aire Neighborhood Project and Dixie/Atlantic Highway.

7) The \$2,400,000 transfer from the American Rescue Plan Act to the Capital Projects Fund is due to funding for the Fire/EOC project and the Mitchell Moore Annex Building.

8) The \$450,000 transfer from General Fund to Airpark Fund is due to a matching grant award for the planning, design and construction of an access road and utility infrastructure for Parcel Y.

9) The \$650,000 transfer from East CRA to the Parking Fund was required due to an Interlocal Agreement between the City and the CRA to contribute to the Oceanside Project located at 109 North Ocean Boulevard, Pompano Beach.

(G) Long-term Obligations

Summarized below are the City's debt issued to finance the acquisition of properties for community development and capital projects, which were outstanding at September 30, 2022.

Governmental Activities Debt:

- On June 26, 2018 the City Commission authorized the issuance of General Obligation Bonds, Series 2018 (the "Series 2018 Bonds"), per City Ordinance No 2018-58. The Series 2018 Bonds were subsequently issued on October 2, 2018. The Series 2018 Bonds were issued in order to (i) finance certain capital projects of the City, and (ii) pay costs of issuance on the bonds. The Series 2018 Bonds were issued in the par amount of \$99,375,000.

The Series 2018 Bonds are payable solely from Ad Valorem Taxes levied each year by the City and payable through 2048. Interest on the Series 2018 Bonds ranges from 4% to 5% with a true interest cost of 3.65% through July 1, 2048, the scheduled maturity of the bonds.

- On September 14, 2021 the City Commission authorized the public sale of the General Obligation Bonds, Series 2021 (the "Series 2021 Bonds"), per City Ordinance No 2021-75. The Series 2021 Bonds were subsequently issued on October 13, 2021. The Series 2021 Bonds were issued in order to finance, reimburse the cost of constructing, equipping, renovating, replacing and improving certain capital projects of the City. The Series 2021 Bonds were issued in the par amount of \$68,195,000.

The Series 2021 Bonds are payable solely from Ad Valorem Taxes levied each year by the City and payable through 2051. Interest on the Series 2021 Bonds ranges from 4% to 5% with a true interest cost of 2.72% through July 1, 2051, the scheduled maturity of the bonds.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

At September 30, 2022, the City had \$157,985,000 principal outstanding related to both obligations. Principal and interest paid for the current fiscal year and total tax revenues were \$9,575,404 and \$10,368,552, respectively. At September 30, 2022, total principal and interest remaining on the bonds is \$265,049,950 payable through July 1, 2051.

- On April 23, 2013 the Pompano Beach Community Redevelopment Agency Board authorized the issuance of tax increment revenue bonds – Series 2013A and B (collectively known as the Series 2013 bonds). The Series 2013 bonds were subsequently issued on June 20, 2013. The Series 2013A bonds were issued at a fixed rate of 3.48%, with a final maturity of February 1, 2030, for the purpose of refunding and redeeming the Agency's outstanding tax increment revenue bonds, Series 2010A, which bore an interest rate of 5.13% and had an outstanding balance of \$9,055,000. As a result of the refunding, the Series 2010A bonds are considered fully refunded and the outstanding balance has been removed from the financial statements. The Series 2013B bonds were issued at a fixed interest rate of 2.83% and a final maturity of February 1, 2030, to finance the cost of community projects in the East District Redevelopment Area and to cover related costs of issuance in the original aggregate principal amount of \$5,000,000. This Bond and the interest hereon is payable solely from and secured by a lien upon a pledge of the Pledged Tax Increment Revenues.

At September 30, 2022, the City had \$7,670,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax increment revenues were \$1,101,184 and \$4,044,293, respectively. At September 30, 2022, total principal and interest remaining on the bonds is \$8,786,906 payable through February 2030.

- On June 28, 2022 the Pompano Beach Community Redevelopment Agency Board authorized the issuance of tax increment revenue bonds – Series 2022. The Series 2022 bonds were subsequently issued on July 6, 2022. The Series 2022 bonds were issued at a fixed rate of 3.00%, with a final maturity of August 1, 2037. The Series 2022 Bonds were issued in order to finance the improvements to Dixie Highway from SW 2nd Street to NE 10th Street and along Atlantic Boulevard from NW 7th Avenue to Cypress Road within the public rights of-way. This Bond and the interest hereon is payable solely from and secured by a lien upon a pledge of the Pledged Tax Increment Revenues.

At September 30, 2022, the City had \$15,000,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax increment revenues were \$- and \$5,148,986, respectively. At September 30, 2022, total principal and interest remaining on the bonds is \$18,883,850 payable through August 1, 2037.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Business-type Activities Debt:

- On April 14, 2015 the City Commission authorized the issuance of Taxable Certificates of Participation (Parking Garage Project) – Series 2015 (the "Certificates"), per City Ordinance No. 2015-30. The Certificates were subsequently issued on June 10, 2015. The Certificates were issued for the purpose of providing funds to finance the acquisition, construction and installation of a new public garage structure and surrounding public improvements, pay capitalized interest on the Certificates through July 1, 2018 and pay costs of issuance on the Certificates. The Certificates were issued in the par amount of \$23,875,000.

The City refunded Taxable Certificate of Participation, Series 2015 by placing the proceeds of new Taxable Certificate of Participation, Series 2022 in an irrevocable trust to provide for all future lease payments of the old Certificate. Accordingly, the trust account assets and liabilities for the defeased certificate is not included in the City's general purpose financial statements. The gross savings of the refunding was approximately \$4,225,298 with a net present value savings of approximately \$2,709,809. The refinancing reduced the average rate from 5.489% to 3.400%. At September 30, 2022, \$22,775,000 of certificate is considered defeased.

The Certificates are payable solely from legally available revenues as budgeted and appropriated each year by the City to make rent payments under the lease agreement and are payable through 2040. Interest on the Certificates is 3.400% through January 1, 2040, the scheduled maturity of the Certificates. The total principal and interest remaining to be paid on the Certificates is \$33,377,049.

- On June 22, 2021, the City Commission authorized the issuance of Water and Wastewater Revenue Bond - Series 2021(Series 2021 Bonds) per City Ordinance 2021-62 and 2021-63. The Water and Wastewater Series 2021 bonds were issued for the purpose of financing the acquisition, construction, and equipping of projects relating to the City's Water and Wastewater Utility System.

The City has pledged certain net revenues of the water and wastewater revenue bonds. The interest on the Water and Wastewater Series 2021 bonds is 2.57% through March 2041, the scheduled maturity of the bonds. Principal and interest payment on the Series 2021 bonds are due semi-annually through maturity.

At September 30, 2022, the City had \$10,015,000 outstanding relating to this obligation. Principal and interest paid for the current fiscal year were \$624,764. At September 30, 2022, the total principal and interest remaining on the bonds is \$12,647,001.

- On June 22, 2021, the City Commission authorized the issuance of Stormwater Utility Revenue Bond - Series 2021(Stormwater Series 2021 Bonds) per City Ordinance 2021-64 and 2021-65. The Stormwater Series 2021 bonds were issued

CITY OF POMPANO BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS SEPTEMBER 30, 2022

for the purpose of financing the acquisition, construction, and equipping of projects relating to the City's Stormwater Utility System.

The City has pledged certain net revenues of the stormwater utility system. The interest on the Stormwater Series 2021 bonds is 2.57% through March 2041, the scheduled maturity of the bonds. Principal and interest payment on the Series 2021 bonds are due semi-annually through maturity.

At September 30, 2022, the City had \$8,825,000 outstanding relating to this obligation. Principal and interest paid for the current fiscal year was \$548,283. At September 30, 2022, the total principal and interest remaining on the bonds is \$11,141,791.

Governmental/Business-type Activities Obligation:

The City contracted with Siemens Industry, Inc. (Siemens) under an energy performance contract to perform an audit of City facilities in order to identify energy performance projects which, if implemented, would result in energy savings to the City. As a mechanism to finance the projects identified by Siemens, the City entered into a loan agreement with Chase Equipment Finance on November 12, 2010 for the purchase of energy efficiency equipment for various City facilities. It is anticipated that the savings from these projects will be utilized to cover the obligation for the note. At September 30, 2022, total principal and interest remaining related to Governmental Activities was \$292,073 and \$1,057,506 was related to Business-type Activities. Interest on the loan is fixed at 2.72%, with a final maturity date of August 12, 2023. Principal and interest is due and payable quarterly.

Conduit Debt:

- On January 13, 2015 the City Commission authorized the issuance of Revenue Bonds, Series 2015, in an amount not exceeding \$40 million, for the purpose of loaning the proceeds to John Knox Village of Florida, Inc. (the Village) in order to finance or reimburse the costs of certain capital improvements to the senior living and healthcare facilities owned and operated by the Village, fund any necessary reserves, and pay the costs of issuance of the bonds. The 2015 Series bonds were subsequently issued on February 12, 2015 in the amount of \$29,470,000. The bonds are limited obligations of the City payable from the loan payments due from the Village. The City is not obligated to pay the principal or interest on the bonds except from the loan payments made by the Village, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal and interest on the bonds. At September 30, 2022, total principal and interest outstanding related to this debt issue was \$25,215,000 and \$15,749,450 respectively.
- On September 8, 2020 the City Commission authorized the issuance of Revenue and Revenue Refunding Bonds, Series 2020 (the "2020 Bonds"), in an amount not exceeding \$90,000,000, for the purpose of loaning the proceeds to the Village for the purposes of (i) refunding the Health Facilities Revenue Refunding Bonds,

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Series 2010 Bonds that were outstanding as of the date of issuance of the 2020 Bonds and refinancing certain previous draws on a line of credit of the Village had outstanding that was issued by Northern Trust Company (the "Line"), the proceeds of which 2010 Bonds and Line financed and refinanced various capital improvements to the Village Community; (ii) financing, or reimbursing the Village for, the cost of certain capital improvements for or to the Village Community, including, without limitation, a new community pavilion and related amenities, dining facilities and other improvements; (iii) funding a debt service reserve fund and capitalized interest, and (iv) paying costs associated with the issuance of the 2020 Bonds. The Series 2020 Bonds were subsequently issued on October 29, 2020 in the PAR amount of \$77,605,000. The bonds are limited obligations of the City payable from the loan payments due from the Village. The City is not obligated to pay the principal or interest on the bonds except from the loan payments made by the Village, and neither the faith and credit nor the taxing power of the City is pledged to the payment of the principal and interest on the bonds. At September 30, 2022, total principal and interest outstanding related to this debt issue was \$75,545,000 and \$55,764,376, respectively.

At September 30, 2022, the aggregate principal amount of conduit debt outstanding is \$100,760,000. Since the bonds do not constitute a debt or pledge of the faith and credit of the City, the debt is not reported in the accompanying financial statements.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Changes in long-term liabilities

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---|------------------------------|-----------------------|-----------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| General Obligation Bonds | | | | | |
| Series 2018 | \$ 93,380,000 | \$ - | \$ 1,840,000 | \$ 91,540,000 | \$ 1,925,000 |
| Series 2021 | - | 68,195,000 | 1,750,000 | 66,445,000 | 1,170,000 |
| Add: Bond premiums | 5,834,042 | 13,427,190 | 254,107 | 19,007,125 | 340,392 |
| Total GO bonds payable | <u>99,214,042</u> | <u>81,622,190</u> | <u>3,844,107</u> | <u>176,992,125</u> | <u>3,435,392</u> |
| Direct borrowings and direct placements | | | | | |
| Bonds payable CRA: | | | | | |
| Tax increment bonds-East District | 8,490,000 | - | 820,000 | 7,670,000 | 845,000 |
| Tax increment bonds-NW District | - | 15,000,000 | - | 15,000,000 | 780,000 |
| Total bonds payable | <u>8,490,000</u> | <u>15,000,000</u> | <u>820,000</u> | <u>22,670,000</u> | <u>1,625,000</u> |
| Notes payable: | 4,075,672 | - | 494,496 | 3,581,176 | 510,176 |
| Financing arrangements payable: | <u>5,596,788</u> | <u>4,017,097</u> | <u>2,572,035</u> | <u>7,041,850</u> | <u>2,018,560</u> |
| Total direct borrowings | <u>18,162,460</u> | <u>19,017,097</u> | <u>3,886,531</u> | <u>33,293,026</u> | <u>4,153,736</u> |
| Claims and judgments | 17,175,000 | 4,343,757 | 3,469,757 | 18,049,000 | 3,090,617 |
| Net pension liability: | | | | | |
| PFRS | 82,022,990 | 87,191,352 | 16,661,385 | 152,552,957 | - |
| GERS | <u>62,462,818</u> | <u>21,561,182</u> | <u>47,526,465</u> | <u>36,497,535</u> | <u>-</u> |
| Total net pension liability | <u>144,485,808</u> | <u>108,752,534</u> | <u>64,187,850</u> | <u>189,050,492</u> | <u>-</u> |
| Total OPEB liability | 11,409,146 | 1,094,625 | 2,546,088 | 9,957,683 | - |
| Compensated absences | 9,445,732 | 7,243,335 | 7,111,281 | 9,577,786 | 372,193 |
| Long-term liabilities | <u>\$ 299,892,188</u> | <u>\$ 222,073,538</u> | <u>\$ 85,045,614</u> | <u>\$ 436,920,112</u> | <u>\$ 11,051,938</u> |
| Business-type activities: | | | | | |
| Direct borrowings and direct placements | | | | | |
| Water & Wastewater Revenue Bonds | | | | | |
| Series 2021 | \$ 10,375,000 | \$ - | \$ 360,000 | \$ 10,015,000 | \$ 425,000 |
| Stormwater Utility Bond Revenue Series | | | | | |
| 2021 | 9,140,000 | - | 315,000 | 8,825,000 | 380,000 |
| Certificates of Participation | 23,275,000 | 24,370,000 | 23,275,000 | 24,370,000 | 1,015,000 |
| Financing arrangements payable | 1,022,968 | - | 265,402 | 757,566 | 249,095 |
| Notes Payable | 7,081,561 | 2,405,913 | 1,370,869 | 8,116,605 | 1,312,798 |
| Total direct borrowings and direct placements | <u>50,894,529</u> | <u>26,775,913</u> | <u>25,586,271</u> | <u>52,084,171</u> | <u>3,381,893</u> |
| Net pension liability (GERS) | 23,499,253 | 8,408,417 | 17,674,384 | 14,233,286 | - |
| Total OPEB liability | 2,420,632 | 232,243 | 540,192 | 2,112,683 | - |
| Compensated absences | 1,893,904 | 991,335 | 1,083,756 | 1,801,483 | 118,864 |
| Long-term liabilities | <u>78,708,318</u> | <u>36,407,908</u> | <u>44,884,603</u> | <u>70,231,623</u> | <u>3,500,757</u> |
| Total long-term liabilities | <u>\$ 378,600,506</u> | <u>\$ 258,481,446</u> | <u>\$ 129,930,217</u> | <u>\$ 507,151,735</u> | <u>\$ 14,552,695</u> |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Direct borrowings and direct placements

The City's outstanding liabilities from direct borrowings and direct placements related to governmental activities was \$33,293,026 as of September 30, 2022.

The tax increment bonds are secured by a gross lien on tax increment revenues generated within the Agency's East District's Redevelopment Area on parity with the 2013A Bonds. The bond resolution contains events of default provisions such as payment defaults; and breaches of bond covenant, agreements and provisions in the bonds. The occurrence of a material adverse effect and certain bankruptcy events provides the bondholders the authority to pursue action in court to enforce collection, however it is not construed as granting the Bondholder a lien on any real property of the City.

The tax increment bonds are secured solely by the Pledged Revenues generated within the Agency's Northwest District Redevelopment Area. The bond resolution contains events of default provisions such as payment defaults; and breaches of bond covenant, agreements and provisions in the bonds. The occurrence of a material adverse effect and certain bankruptcy events provides the bondholders the authority to pursue action in court to enforce collection, however it is not construed as granting the Bondholders a lien on any real property of the City.

The energy, and fleet equipment financing arrangements/note obligations are subject to annual appropriation by the City. The financing arrangement agreement contains events of default provisions such as payment defaults and breach of terms in the agreement. In the event of a default the lender may demand immediate possession of any and all equipment in the agreement.

The HUD Section 108 note is secured by grant allocations made by the US Department of Housing and Urban Development (HUD) for the Community Development Block Grant to the City. The note agreement contains events of default provisions such as payment defaults and breach of terms in the agreement. In the event of a default, HUD may withhold future funding and pursue action in court to enforce collection.

The City's outstanding liabilities from direct borrowings and direct placements related to business-type activities was \$52,084,171 as of September 30, 2022.

The Certificates of Participation are payable solely from legally available revenues as budgeted and appropriated each year by the City. The lease-purchase agreement contains events of default provisions such as payment defaults; and breaches of bond covenant, agreements and a provision that in the event of any default all outstanding amounts would be due and payable immediately upon written request of the majority of the owners of the certificates. In the event of a default the City would be required to return possession of the parking garage to the Pompano Beach Finance Corporation.

The energy, and fleet equipment financing arrangements/note obligations are subject to annual appropriation by the City. The financing arrangements agreement contains events of default provisions such as payment defaults and breach of terms in the agreement. In the event of a default the lender may demand immediate possession of any and all equipment in the agreement.

The City has pledged future stormwater revenues, net of specified operating expenses (net

CITY OF POMPANO BEACH, FLORIDA

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

revenues), to repay the State Revolving Fund (SRF) loan. The loan agreement contains events of default provisions such as payment defaults and breach of terms in the agreement. In the event of a default the lender has several remedies available which include establishing rates, collecting fees, accelerating the repayment schedule and pursuing action in court to enforce collection.

The City has pledged future water and wastewater revenues, net of specified operating expenses (net revenues), to repay the Water and Wastewater Revenue Bond 2021 loan. The loan agreement contains events of default provisions such as payment defaults and breach of terms in the agreement. In the event of a default, the lender has several remedies available which include establishing rates, collecting fees, accelerating the repayment schedule and pursuing action in court to enforce collection.

The City has pledged future stormwater utility revenues, net of specified operating expenses (net revenues), to repay the Stormwater Utility Revenue Bond 2021. The loan agreement contains events of default provisions, such as payment defaults and breach of terms in the agreement. In the event of a default, the lender has several remedies available which include establishing rates, collecting fees, accelerating the repayment schedule and pursuing action in court to enforce collection.

The City has no lines of credit. Debt service requirements on long-term debt at September 30, 2022, are as follows:

| Fiscal Year | Governmental Activities | | | | Business-type Activities | |
|-------------|-------------------------|-----------------------|---|---------------------|---|----------------------|
| | Bonds | | Direct Borrowings and Direct Placements | | Direct Borrowings and Direct Placements | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2023 | \$ 3,095,000 | \$ 6,615,400 | \$ 4,153,736 | \$ 827,373 | \$ 3,381,892 | \$ 1,049,097 |
| 2024 | 3,260,000 | 6,460,650 | 3,873,396 | 707,442 | 2,040,715 | 1,259,997 |
| 2025 | 3,410,000 | 6,297,650 | 3,685,512 | 625,450 | 2,088,071 | 1,211,845 |
| 2026 | 3,590,000 | 6,127,150 | 2,988,749 | 547,294 | 2,055,515 | 1,161,498 |
| 2027 | 3,770,000 | 5,947,650 | 2,525,633 | 477,559 | 2,074,193 | 1,110,132 |
| 2028 - 2032 | 21,820,000 | 26,761,050 | 9,403,000 | 1,486,746 | 11,915,370 | 4,675,717 |
| 2033 - 2037 | 26,830,000 | 21,745,200 | 6,663,000 | 528,450 | 15,002,765 | 2,886,218 |
| 2038 - 2042 | 32,650,000 | 15,931,400 | - | - | 11,205,907 | 660,631 |
| 2043 - 2047 | 39,710,000 | 9,498,400 | - | - | 2,319,743 | - |
| 2048 - 2051 | 19,850,000 | 1,680,400 | - | - | - | - |
| | <u>\$157,985,000</u> | <u>\$ 107,064,950</u> | <u>\$ 33,293,026</u> | <u>\$ 5,200,314</u> | <u>\$ 52,084,171</u> | <u>\$ 14,015,135</u> |

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities.

For the governmental activities; pension liabilities, compensated absences and OPEB liabilities are generally liquidated by the General Fund and EMS Funds. Pension contributions are paid by the General Fund and EMS Funds as actuarially determined by the actuaries of the pension plans.

Bond indentures for the water and sewer bonds contain provisions relating to annual debt service

CITY OF POMPANO BEACH, FLORIDA

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

payments, restricted account transactions, minimum sinking fund requirements, and minimum revenue levels. The City believes that it is in compliance with all bond provisions and maintained reserves totaling \$3,824,452 at September 30, 2022.

The City Charter limits the amount of net general obligation bonded debt to 15% of the assessed property valuation. At September 30, 2022, the statutory limit for the City was approximately \$2.3 billion providing a legal debt margin of approximately \$2.1 billion, as the City had approximately \$177 million in general obligation debt outstanding at September 30, 2022.

The Tax Reform Act of 1986 arbitrage rebate regulations require earnings from investment of tax-exempt debt proceeds which exceed the yield on the debt to be remitted to the federal government every five years. As of September 30, 2022 the City had negative arbitrage related to all outstanding bond issues. Amounts to be rebated, if any, depend on net results of arbitrage calculations in future years.

The annual requirements to pay principal and interest on bonds and notes at September 30, 2022 are as follows:

GO Bonds Series 2018

| | Governmental Activities | | |
|-------------|-------------------------|----------------------|----------------------|
| | Principal | Interest | Total |
| 2023 | \$ 1,925,000 | \$ 3,845,850 | \$ 5,770,850 |
| 2024 | 2,025,000 | 3,749,600 | 5,774,600 |
| 2025 | 2,125,000 | 3,648,350 | 5,773,350 |
| 2026 | 2,235,000 | 3,542,100 | 5,777,100 |
| 2027 | 2,350,000 | 3,430,350 | 5,780,350 |
| 2028 - 2032 | 13,580,000 | 15,297,750 | 28,877,750 |
| 2033 - 2037 | 16,705,000 | 12,175,800 | 28,880,800 |
| 2038 - 2042 | 20,325,000 | 8,556,200 | 28,881,200 |
| 2043 - 2047 | 24,720,000 | 4,153,400 | 28,873,400 |
| 2048 - | 5,550,000 | 222,000 | 5,772,000 |
| | <u>\$ 91,540,000</u> | <u>\$ 58,621,400</u> | <u>\$150,161,400</u> |

GO Bonds Series 2021

| | Governmental Activities | | |
|-------------|-------------------------|----------------------|----------------------|
| | Principal | Interest | Total |
| 2023 | \$ 1,170,000 | \$ 2,769,550 | \$ 3,939,550 |
| 2024 | 1,235,000 | 2,711,050 | 3,946,050 |
| 2025 | 1,285,000 | 2,649,300 | 3,934,300 |
| 2026 | 1,355,000 | 2,585,050 | 3,940,050 |
| 2027 | 1,420,000 | 2,517,300 | 3,937,300 |
| 2028 - 2032 | 8,240,000 | 11,463,300 | 19,703,300 |
| 2033 - 2037 | 10,125,000 | 9,569,400 | 19,694,400 |
| 2038 - 2042 | 12,325,000 | 7,375,200 | 19,700,200 |
| 2043 - 2047 | 14,990,000 | 5,345,000 | 20,335,000 |
| 2048 - 2051 | 14,300,000 | 1,458,400 | 15,758,400 |
| | <u>\$ 66,445,000</u> | <u>\$ 48,443,550</u> | <u>\$114,888,550</u> |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

CRA Bonds:

| | Governmental Activities | | | | | | Total Governmental Activities |
|-------------|---|---------------------|----------------------|--------------------------|---------------------|---------------------|--|
| | Northwest (NW) CRA District | | | East CRA District | | | |
| | Series 2022 Tax Increment Revenue Bond | | | Series 2013 Bonds | | | |
| | Principal | Interest | Total | Principal | Interest | Total | |
| 2023 | \$ 780,000 | \$ 481,250 | \$ 1,261,250 | \$ 845,000 | \$ 252,213 | \$ 1,097,213 | \$ 2,358,463 |
| 2024 | 835,000 | 426,600 | 1,261,600 | 875,000 | 222,285 | 1,097,285 | 2,358,885 |
| 2025 | 855,000 | 401,550 | 1,256,550 | 905,000 | 191,313 | 1,096,313 | 2,352,863 |
| 2026 | 885,000 | 375,900 | 1,260,900 | 940,000 | 159,210 | 1,099,210 | 2,360,110 |
| 2027 | 910,000 | 349,350 | 1,259,350 | 975,000 | 125,889 | 1,100,889 | 2,360,239 |
| 2028 - 2032 | 4,975,000 | 1,320,750 | 6,295,750 | 3,130,000 | 165,996 | 3,295,996 | 9,591,746 |
| 2033 - 2037 | 5,760,000 | 528,450 | 6,288,450 | - | - | - | 6,288,450 |
| | <u>\$ 15,000,000</u> | <u>\$ 3,883,850</u> | <u>\$ 18,883,850</u> | <u>\$ 7,670,000</u> | <u>\$ 1,116,906</u> | <u>\$ 8,786,906</u> | <u>\$ 27,670,756</u> |

Water & Wastewater Revenue Bond Series 2021

| | Business-type Activities | | |
|-------------|---------------------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2023 | \$ 425,000 | \$ 254,687 | \$ 679,687 |
| 2024 | 440,000 | 243,636 | 683,636 |
| 2025 | 455,000 | 232,264 | 687,264 |
| 2026 | 465,000 | 220,506 | 685,506 |
| 2027 | 475,000 | 208,491 | 683,491 |
| 2028 - 2032 | 2,565,000 | 851,698 | 3,416,698 |
| 2033 - 2037 | 2,915,000 | 502,371 | 3,417,371 |
| 2038 - 2041 | 2,275,000 | 118,348 | 2,393,348 |
| | <u>10,015,000</u> | <u>2,632,001</u> | <u>12,647,001</u> |

Stormwater Utility Revenue Bond Series 2021

| | Business-type Activities | | |
|-------------|---------------------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2023 | \$ 380,000 | \$ 224,425 | \$ 604,425 |
| 2024 | 390,000 | 214,595 | 604,595 |
| 2025 | 400,000 | 204,508 | 604,508 |
| 2026 | 410,000 | 194,164 | 604,164 |
| 2027 | 420,000 | 183,562 | 603,562 |
| 2028 - 2032 | 2,260,000 | 749,733 | 3,009,733 |
| 2033 - 2037 | 2,565,000 | 441,719 | 3,006,719 |
| 2038 - 2041 | 2,000,000 | 104,085 | 2,104,085 |
| | <u>8,825,000</u> | <u>2,316,791</u> | <u>11,141,791</u> |

CITY OF POMPANO BEACH, FLORIDA
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Notes:

On November 12, 2010 the City entered into a loan agreement which allowed the City to be reimbursed for the purchase of energy equipment up to a maximum of \$13,500,000. At September 30, 2022, the City's obligation under the note, inclusive of accrued interest was \$1,349,579 and allocated between Governmental and Business-type Activities was as follows:

| | <u>Governmental Activities</u> | | | <u>Business-type Activities</u> | | |
|------|--------------------------------|-----------------|-------------------|---------------------------------|------------------|---------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2023 | \$ 287,176 | \$ 4,897 | \$ 292,073 | \$ 1,039,769 | \$ 17,737 | \$ 1,057,506 |
| | <u>\$ 287,176</u> | <u>\$ 4,897</u> | <u>\$ 292,073</u> | <u>\$ 1,039,769</u> | <u>\$ 17,737</u> | <u>\$ 1,057,506</u> |

On November 23, 2015 the City received a \$4,308,000 loan commitment from the US Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program. HUD will raise the funds via a public offering of its trust certificates at a future date. In the interim the City may elect to be advanced funds via interim financing from a financial institution selected by HUD. As of September 30, 2022, the City has received \$4,308,000 in interim financing related to the \$4,308,000 loan commitment from HUD. The balance on the loan as of September 30, 2022 is \$3,294,000. The purpose of this loan is to maximize existing right-of-ways to add sidewalks where they may be missing or widen existing sidewalks wherever possible to provide a better pedestrian experience; improve and upgrade existing water, sewer and drainage facilities that promote opportunities for future growth and encourage private investment; add lush landscaping features and pedestrian-friendly light fixtures; and, implement traffic calming features to inspire a safer environment. The project will expand on recent improvements carried out by the Pompano Beach Community Redevelopment Agency (CRA) in Downtown Pompano and will span the following areas:

- NE 1st Street
- Flagler Ave
- NE 3rd Street
- NE 4th Street
- NE 2nd Ave
- NE 3rd Ave

The interest rate is variable (3 month Libor plus 20 basis points) until the date HUD converts it into a permanent loan or the redemption date, whichever is earlier. These dates have not been determined. During the interim period, interest will be billed to the City on the first day of each February, May, August and November. A schedule of principal and interest will be provided by HUD after the conversion of the loan.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

Certificates of Participation

The annual requirements to pay principal and interest on certificates of participation at September 30, 2022 are as follows:

| | Business-type Activities | | |
|-----------|---------------------------------|-----------------|---------------|
| | Principal | Interest | Total |
| 2023 | \$ 1,015,000 | \$ 540,879 | \$ 1,555,879 |
| 2024 | 700,000 | 794,070 | 1,494,070 |
| 2025 | 765,000 | 770,270 | 1,535,270 |
| 2026 | 830,000 | 744,260 | 1,574,260 |
| 2027 | 905,000 | 716,040 | 1,621,040 |
| 2028-2032 | 5,715,000 | 3,066,290 | 8,781,290 |
| 2033-2037 | 8,140,000 | 1,937,830 | 10,077,830 |
| 2038-2040 | 6,300,000 | 437,410 | 6,737,410 |
| | \$ 24,370,000 | \$ 9,007,049 | \$ 33,377,049 |

| Description of Obligation | Year Defeased | Final Payment/ Call Date | Original Issue | Amount Defeased |
|-----------------------------------|----------------------|-------------------------------------|-----------------------|----------------------------|
| 2015 Certificate of Participation | 2022 | 01/2040 | \$ 23,875,000 | \$ 22,775,000 |

State Revolving Loan

On October 10, 2016 the City adopted Resolution No. 2017-25 approving a construction loan to the City in the amount of \$2,685,932 from the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Program. The construction loan was provided for the Avondale Stormwater Improvements project. The annual interest rate on the loan is 0%.

The annual requirements to pay principal on the loan at September 30, 2022 are as follows:

| | Principal |
|-----------|------------------|
| 2023 | \$ 134,890 |
| 2024 | 134,890 |
| 2025 | 134,890 |
| 2026 | 134,890 |
| 2027 | 134,890 |
| 2028-2032 | 674,450 |
| 2033-2037 | 674,450 |
| 2038-2039 | 202,335 |
| | \$ 2,225,685 |

CITY OF POMPANO BEACH, FLORIDA
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On May 9, 2017 the City adopted Resolution No. 2017-240 approving a construction loan to the City in the amount of \$2,807,597 from the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Program. The construction loan was provided for Esquire Lake Neighborhood Drainage Improvement project. The annual interest rate on the loan is .105%.

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------|---------------------|------------------|---------------------|
| 2023 | \$ 138,139 | \$ 2,622 | \$ 140,761 |
| 2024 | 138,429 | 2,477 | 140,906 |
| 2025 | 138,720 | 2,331 | 141,051 |
| 2026 | 139,011 | 2,185 | 141,196 |
| 2027 | 139,303 | 2,039 | 141,342 |
| 2028-2032 | 700,920 | 7,996 | 708,916 |
| 2033-2037 | 708,315 | 4,298 | 712,613 |
| 2037-2040 | 428,571 | 788 | 429,359 |
| | <u>\$ 2,531,408</u> | <u>\$ 24,736</u> | <u>\$ 2,556,144</u> |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Financing Arrangements

The City entered into several financing agreements to purchase equipment to be used for Fire, Parks and Recreation, Solid Waste and Public Works operations. The agreements are for no more than five (5) years. The annual requirements to pay principal and interest on these financing agreements at September 30, 2022 are as follows:

| | <u>Governmental Activities</u> | | | <u>Business-type Activities</u> | | |
|------|--------------------------------|-------------------|---------------------|---------------------------------|------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2023 | \$ 2,018,560 | \$ 89,013 | \$ 2,107,573 | \$ 249,095 | \$ 8,747 | \$ 257,842 |
| 2024 | 1,958,396 | 58,557 | 2,016,953 | 237,396 | 5,218 | 242,614 |
| 2025 | 1,712,512 | 32,590 | 1,745,102 | 194,461 | 2,472 | 196,933 |
| 2026 | 941,749 | 12,184 | 953,933 | 76,615 | 383 | 76,998 |
| 2027 | 410,633 | 2,320 | 412,953 | - | - | - |
| | <u>\$ 7,041,850</u> | <u>\$ 194,664</u> | <u>\$ 7,236,514</u> | <u>\$ 757,567</u> | <u>\$ 16,820</u> | <u>\$ 774,387</u> |

(H) Governmental Funds - Fund Balance

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Please refer to Note (I)(S) for a description of these categories.

The City Commission has adopted a formal minimum unassigned fund balance policy for the General Fund via Resolution No. 2013-358, whereby a target equal to at least 17% of that fund's annual appropriation budget must be maintained. The City has met this requirement for the fiscal year ending September 30, 2022.

CITY OF POMPANO BEACH, FLORIDA
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Below is a table of fund balance categories and classifications at September 30, 2022 for the City's governmental funds:

| | General | NW CRA District | East CRA District | Emergency Medical Services | American Rescue Plan | Capital Projects | Capital Project 2018 GO Bonds | Capital Project 2021 GO Bonds | Non-major Gov't'l Funds |
|---|----------------------|----------------------|----------------------|----------------------------------|-------------------------|----------------------|-------------------------------------|-------------------------------------|----------------------------|
| Fund Balances: | | | | | | | | | |
| Non-spendable | | | | | | | | | |
| Inventories | \$ 414,807 | \$ - | \$ - | \$ 456,940 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Leased assets | - | 49,047 | - | - | - | - | - | - | - |
| Prepays | 1,432,603 | - | 280,000 | - | 37,398 | 445,827 | - | - | - |
| Advances to other funds | 1,189,955 | - | - | - | - | - | - | - | - |
| Restricted: | | | | | | | | | |
| Building Permit Function | - | - | - | - | - | - | - | - | 21,766,367 |
| Emergency Medical Services | - | - | - | 2,961,165 | - | - | - | - | - |
| GO Bonds Debt Service | - | - | - | - | - | - | - | - | 943,065 |
| Transportation | - | - | - | - | - | - | - | - | 110,482 |
| Community Parks | - | - | - | - | - | 1,264,786 | - | - | - |
| Cultural Arts | - | - | - | - | - | - | - | - | 495 |
| Economic Environment | - | - | - | - | 1,086,645 | - | - | - | 3,061,272 |
| Streets, Sidewalks, Bridges and Streetscaping | - | - | - | - | - | - | 7,967,057 | 35,256,600 | - |
| Public Safety | - | - | - | - | - | - | 1,699,740 | 29,875,444 | - |
| Parks, Recreation and Leisure | - | - | - | - | - | - | 1,583,566 | 5,654,087 | - |
| Community Redevelopment | - | 75,099,607 | 10,608,226 | - | - | - | - | - | - |
| Committed: | | | | | | | | | |
| Cemetery Care | - | - | - | - | - | - | - | - | 969,720 |
| Disaster Relief | - | - | - | - | - | - | - | - | 379,436 |
| Affordable Housing | - | - | - | - | - | - | - | - | 2,208,188 |
| Tree Canopy Landscape/Tricentennial/Nautica Flea Mkt. | - | - | - | - | - | - | - | - | 644,011 |
| Beach Area Parking | - | - | - | - | - | - | - | - | 5,542 |
| Emergency Medical Services | - | - | - | - | - | - | - | - | 26,565 |
| Assigned: | | | | | | | | | |
| Fire Stations | - | - | - | - | - | 5,487,821 | - | - | - |
| Culture, Recreation & Leisure | - | - | - | - | - | 11,134,655 | - | - | - |
| Canal Dredging/Seawall Repairs | - | - | - | - | - | 71,441 | - | - | - |
| Seawall Repairs | - | - | - | - | - | 1,009,005 | - | - | - |
| General Government Bldg. Improvs. | - | - | - | - | - | 2,120,398 | - | - | - |
| City Landscaping\Signage\Lighting | - | - | - | - | - | 2,429,123 | - | - | - |
| Bridge Repairs\Enhancements | - | - | - | - | - | 2,284,349 | - | - | - |
| Traffic Signals | - | - | - | - | - | 4,029 | - | - | - |
| Underground Utilities/Traffic Signals | - | - | - | - | - | 818,264 | - | - | - |
| Railroad Crossing Repairs | - | - | - | - | - | 50,855 | - | - | - |
| Road/Sidewalks/Parking Lots | - | - | - | - | - | 1,348,701 | - | - | - |
| Capital Reserves | - | - | - | - | - | 787,368 | - | - | - |
| General Government (Encumbrances) | 2,190,809 | - | - | - | - | - | - | - | - |
| Public Safety (Encumbrances) | 762,059 | - | - | - | - | - | - | - | - |
| Physical Environment (Encumbrances) | 1,120,571 | - | - | - | - | - | - | - | - |
| Culture & Recreation (Encumbrances) | 935,099 | - | - | - | - | - | - | - | - |
| Subsequent Year's Expenditures | 1,900,000 | - | - | - | - | - | - | - | - |
| Unassigned (deficit) | | | | | | | | | |
| General Government | 56,653,688 | - | - | - | - | - | - | - | - |
| Total Fund | | | | | | | | | |
| Balances | \$ 66,599,591 | \$ 75,148,654 | \$ 10,888,226 | \$ 3,418,105 | \$ 1,124,043 | \$ 29,256,622 | \$ 11,250,363 | \$ 70,786,131 | \$ 30,115,143 |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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(I) Property Taxes

The City levies property taxes each October 1, which becomes a lien on real and personal property located in the City. Property taxes are based on the assessed values determined by the Broward County Property Appraiser as of the prior January 1. The current year's levy is based on assessed property values totaling approximately \$15.3 billion. Taxes are collected directly by Broward County and remitted to the City as collected.

The State of Florida permits the City to levy taxes up to 10 mills of assessed property valuation for the General Fund. The City levied taxes at 5.1875 mills for the General Fund, .5000 mills for the EMS District and .7041 mills for Debt Service for the fiscal year ended September 30, 2022.

All taxes are due from property owners on March 31. Taxes become delinquent on April 1 and are subject to the issuance of tax sale certificates if unpaid by June 1. Gross tax collections for the year ended September 30, 2022 were approximately 88.4% of the total tax levy.

(J) Post Employment Benefits Other Than Pensions

Plan Description - The City as a single employer, maintains a Post Employment Benefits Plan, for benefits other than pension (OPEB). There are no assets accumulated in a trust that meet the criteria in paragraph 4 of GASB Statement No. 75. Pursuant to Section 112.0801, Florida Statutes, the City is mandated to permit participation in the health insurance program by eligible retirees (as defined in the City's pension plans as discussed in more detail at Note III) and their eligible dependents at a cost to the retiree that is no greater than the cost at which coverage is available for active employees.

Benefits Provided - Retirees pay 100% of the blended (active and retiree combined) equivalent premium rates. The blended rates provide an implicit subsidy for retirees because, on an actuarial basis, their current and future claims are expected to result in higher costs to the plan on average than those of active employees. The OPEB Plan does not issue a separate stand alone financial report. The City is financing the post employee benefits on a pay-as-you go basis. For fiscal year 2022, 48 retirees received health care benefits. Annual payments amounted to \$1,731,040 for the current fiscal year, towards which the City made \$680,848 (implicit subsidy) in benefit payments. Retirees made the remaining payments of \$1,050,192 for the fiscal year ended September 30, 2022.

At September 30, 2022, the following employees were covered by the benefit terms:

| | |
|--|-----|
| Inactive employees or beneficiaries currently receiving benefit payments | 48 |
| Inactive employees entitled to but not yet receiving benefit payments | - |
| Active employees | 676 |
| Total | 724 |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Total OPEB Liability

The City's total OPEB liability of \$12,070,366 was measured as of September 30, 2022, and was determined by an actuarial valuation as of October 1, 2021.

Actuarial assumptions and other inputs. The total OPEB liability as of September 30, 2022 (reporting date) was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate

4.77% per annum; this rate was used to discount all future benefit payments and is based on the return on the S&P Municipal Bond 20-year High Grade Index as of the measurement date.

Salary increases

3.00% per annum.

Cost-of-living increases

Retiree contributions, health insurance premiums, and the implied subsidy have been assumed to increase in accordance with the healthcare cost trend rates.

Healthcare cost trend rates

Increases in healthcare costs are assumed to be 8.00% for the 2022/23 fiscal year graded down by 0.50% per year to 5.00% for the 2028/29 and later fiscal years.

Age-related morbidity

Healthcare costs are assumed to increase at the rate of 3.50% for each year of age.

Implied subsidy

Because the insurance carrier charges the same monthly rate for health insurance regardless of age, an implied monthly subsidy for the retiree and his spouse of \$450 and \$500, respectively, under the HMO plan or \$650 and \$575 under the PPO plan, respectively, has been assumed at age 62 for the 2021/22 fiscal year; at other ages, the implied subsidy was developed based on the age-related morbidity assumption and, for other fiscal years, the implied subsidy was increased in accordance with the healthcare cost trend rates; the implied subsidy is assumed to disappear at age 65.

Mortality basis

Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general employees, with full generational improvements in mortality using Scale MP-2020.

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Retirement

For general employees, retirement is assumed to occur at the earlier of age 55 with 20 years of service or age 62 with three years of service, but no earlier than age 60; for firefighters and police officers, retirement is assumed to occur at age 47 with 20 years of service (if hired before May 27, 2014), age 50 with 20 years of service (if hired after May 26, 2014), or age 55 with 10 years of service, but no earlier than age 55.

Other decrements

Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability study (Class 1 for general employees and Class 4 for firefighters and police officers).

Coverage election

50% of eligible employees are assumed to elect medical coverage upon retirement or disability in accordance with their current election as to plan choice; of the future retirees assumed to elect coverage, one-third are assumed to cover their spouse as well; coverage for spouses is assumed to end upon the retiree's death.

Spouses and dependents

Husbands are assumed to be three years older than wives; retirees are not assumed to have any dependent children.

COBRA

Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

Changes

Since the prior measurement date, the discount rate was increased from 2.43% per annum to 4.77% per annum; the healthcare cost trend rates were increased from 5.50% for the 2022/23 fiscal year graded down to 5.00% for the 2023/24 and later fiscal years to 8.00% for the 2022/23 fiscal year graded down to 5.00% for the 2028/29 and later fiscal years; the monthly implied subsidy for the 2021/22 fiscal year was changed from \$512.80 for each of the retiree and his spouse under the HMO plan and \$655.24 for each of the retiree and his spouse under the PPO plan to the amounts shown above; and the mortality improvement scale was updated from Scale MP-2017 to Scale MP-2020.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Changes in the Total OPEB Liability

| | Total OPEB Liability |
|------------------------------|---------------------------------|
| Balance at 9/30/2021 | <u>\$ 13,829,778</u> |
| Changes for the year: | |
| Service cost | 652,130 |
| Expected interest growth | 674,738 |
| Demographic experience | 31,026 |
| Benefit payments | (680,848) |
| Assumption changes | <u>(2,436,458)</u> |
| Net changes | <u>(1,759,412)</u> |
| Balance at 9/30/2022 | <u>\$ 12,070,366</u> |

Since the prior measurement date, the discount rate was changed from 2.43% per annum to 4.77% per annum.

Sensitivity of Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.77 percent) or 1-percentage-point higher (5.77 percent) than the current discount rate:

| | 1% Decrease (3.77%) | Discount Rate (4.77%) | 1% Increase (5.77%) |
|----------------------|------------------------------------|----------------------------------|------------------------------------|
| Total OPEB liability | \$ 13,170,411 | \$ 12,070,366 | \$ 11,090,853 |

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 (7.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (9.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

| | 1% Decrease (7.0% decreasing to 4.0%) | Healthcare Cost Trend Rates (8.0% decreasing to 5.0%) | 1% increase (9.0% decreasing to 6.0%) |
|----------------------|--|--|--|
| Total OPEB liability | \$ 10,916,924 | \$ 12,070,366 | \$ 13,417,476 |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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For the year ended September 30, 2022, the City recognized OPEB expense of \$338,291. At September 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB as follows.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Changes of assumptions or other inputs | \$ 253,508 | \$ 2,712,225 |

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

| <u>Fiscal Year Ended September 30,</u> | | |
|---|----|-----------------------|
| 2023 | \$ | (307,729) |
| 2024 | | (307,729) |
| 2025 | | (307,729) |
| 2026 | | (307,729) |
| 2027 | | (311,844) |
| Thereafter | | (915,957) |
| | | <u>\$ (2,458,717)</u> |

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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(III) OTHER INFORMATION

(A) Employee Retirement System Police and Firefighters' Retirement System (PFRS)

1. Summary of Significant Accounting Policies

Basis of accounting – The PFRS’s financial statements are prepared using the accrual basis of accounting. Contributions from the Plan’s members are recognized as revenue in the period in which the contributions are due. Contributions from the City and the Broward Sheriff’s Office (BSO), as calculated by the System’s actuary, are recognized as revenue when due and when the entities have made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method used to value investments – Investments are reported at fair value except for the money market funds which are reported at amortized cost. Fair value is the price 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. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of specific cost. Interest and dividends are recorded as earned. Purchases and sales of investments are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. For more detail regarding the methods used to measure the fair value of investments, refer to the fair value hierarchy discussed in Note II(A).

Use of estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. Plan Description and Contribution Information

The following brief description of the Plan is provided for general information purposes only. Participants should refer to City ordinances for more complete information.

Plan description – The Pompano Beach Police and Firefighters’ Retirement System (“PFRS”) was established by ordinance of the City of Pompano Beach, Florida (“City”) on August 15, 1972 (effective October 1972), to account for the financial activity of the Pompano Beach Police and Firefighters’ Retirement Plan (“Plan”). The PFRS is a single-employer defined benefit pension plan, which is administered by a nine member Board of Trustees comprised of three members appointed by the City Commission, three members elected by/from the Firefighter members, and three members elected by/from the Police members. Ordinance Section No. 34.047 provides the Board of Trustees sole and exclusive responsibility for the administration and operation of the PFRS, including the authority to establish and amend benefit terms and contribution requirements.

All full time employees of the Police and Fire departments, who are classified as sworn police officers and firefighters are covered by this single employer defined benefit pension plan. In August 1999, the City contracted with the Broward County Sheriff’s Office

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO THE FINANCIAL STATEMENTS
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("BSO") whereby the BSO would provide policing services in Pompano Beach. As a result, all of the City's police officers were employed by the BSO. Participating police officers were given the option to either remain in the Plan or switch to the BSO's retirement plan and the Plan was closed to new police officers. The PFRS is an integral part of the primary government of the City and is included as a pension trust fund in the City's basic financial statements. However, the PFRS also issues a stand alone financial report that may be obtained by writing to the Pension Board, P.O. Box 610489, Pompano Beach, Florida 33061-0489.

The PFRS provides retirement, death and disability benefits for its members. Benefit provisions are established and may be amended by the City of Pompano Beach, in conjunction with the members' collective bargaining units. A member may retire with normal benefits after reaching age 47 and accumulating 20 or more years of credited service or age 55 and accumulating 10 or more years of credited service. Pursuant to Ordinance 2014-61, firefighters hired on or after May 27, 2014, may retire with normal benefits after reaching age 50 and accumulating 20 or more years of credited service or age 55 and accumulating 10 or more years of credited service. Pursuant to Ordinance 2008-54, a police officer with 25 years of credited service may elect to purchase unreduced normal retirement benefits regardless of age. Normal retirement benefits are stipulated in Section 34.055 of the City's Code of Ordinances and are contingent upon a member's employment classification, separation date, length of service and average monthly earnings. In general, normal retirement benefits are the member's average monthly earnings times the number of years of service multiplied by a factor ranging from 2.0% to 4.0%. Members with 20 or more years of service may receive an early retirement benefit at age 47 or an immediate benefit at a reduced amount. Members who have attained age 50 and have completed 10 years of service are also eligible for an early retirement benefit.

Each October 1, an automatic cost of living adjustment (COLA) of 2% is provided to those retirees who have been retired at least 5 years. An additional increase of up to 1% may be paid to those same retirees under certain circumstances.

A member attaining age 47 with 20 or more years of credited service is eligible for delayed retirement. These benefits begin upon application and are computed in the same manner as the normal retirement benefit.

Disability benefits for service related disabilities are paid to the member for at least 10 years or until recovery. Benefits are calculated as 75% of the member's final earnings in effect at the date the benefit is approved. Disability benefits for non-service related disabilities for members with 10 or more years of credited service are paid to a member for at least 10 years or until recovery. Benefits are calculated as 3% of the member's average monthly earnings times the number of credited service years, up to a maximum of 60% of the member's salary, plus 2% of average monthly earnings times the number of credited service years in excess of 25 years.

Pre-retirement death benefits for service related deaths are payable to the member's surviving spouse until death or remarriage (for life if the member was killed in the line of duty). Benefits are calculated as \$5,000 lump sum payment plus 75% of the member's final earnings. In addition, eligible children each receive 7.5% of the member's final earnings. If no eligible surviving spouse exists, eligible children each receive 15% of the

CITY OF POMPANO BEACH, FLORIDA
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member’s final earnings not to exceed 50%. Pre-retirement death benefits for non-service related deaths of members with more than 10 years of credited service are payable to a designated beneficiary. The designated beneficiary may elect to receive a return of the member’s contribution plus interest or an accrued benefit payable at normal retirement or early retirement. In addition, the designated beneficiary may elect the pre-retirement death benefit for non-service related deaths of members with 5 to 10 years of credited service. Pre-retirement death benefits for non-service related deaths of members with 5 to 10 years of credited service are paid to the member’s surviving spouse for life. Benefits are computed as a \$5,000 lump sum plus 65% of the member’s accrued benefits at the date of death, subject to a minimum of 20% of the member’s average monthly salary. In addition, eligible children each receive 7.5% of the member’s final earnings. If no eligible surviving spouse exists, eligible children each receive 15% of the member’s final earnings. The pre-retirement death benefit for members with 1 to 5 years of credited service is a \$5,000 lump sum payment to the member’s designated beneficiary. Post retirement death benefits are payable to the member’s beneficiary in accordance with the terms of the payment method selected.

A member with less than 10 years of credited service who terminates employment is refunded his or her contributions, plus interest of 3%. A member with 10 or more years who terminates employment may receive his or her accrued benefit or a refund of contributions plus 3% interest.

Membership consisted of the following at October 1, 2021, the date of the latest actuarial valuation:

| | |
|---|-----|
| Inactive plan members or beneficiaries currently receiving benefits | 408 |
| Inactive plan members entitled but not yet receiving benefits | 6 |
| Active plan members | 186 |
| Total | 600 |

Deferred Retirement Option Plan (Drop) Plan - Any member who is eligible to receive a normal retirement pension and prior to attaining 25 years of service may elect to participate in a deferred retirement option plan (“DROP”) while continuing his or her active employment as a police officer or firefighter. The maximum DROP participation period is five years for police officers and eight years for firefighters. A member with 25 years of credited service, who is not yet eligible for normal retirement may elect to participate in the DROP upon reaching normal retirement. Upon participation in the DROP, the member becomes a retiree for all PFRS purposes so that he or she ceases to accrue any further benefits under the pension plan. Normal retirement payments that would have been payable to the member as a result are accumulated and invested in the DROP plan to be distributed to the member upon his or her termination of employment. Participation in the DROP plan ceases for a member after 5 years for police officers and 8 years for firefighters. As of September 30, 2022, the balance in the DROP account was \$12,545,134 with 52 DROP participants. These amounts are included in the total investment balance presented on the statement of fiduciary net position.

Drop Loan Program - The PFRS allowed participants to borrow from their DROP account. The loan limit is up to 50% of participant’s account balance, subject to a minimum of

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\$5,000 and a maximum of \$50,000. The interest rate charged is the "prime rate" in effect on the day of loan application and the repayment schedule and maturity date may not exceed five years. At September 30, 2022, the balance of DROP loans outstanding was \$264,536.

Share Plan - A Supplemental Retirement Benefit Plan was established for firefighter members who were employed on October 1, 2010. Firefighters who were actively employed on that date were given a share, based on completed months of service, of the existing Chapter 175 reserves. Annually thereafter, Chapter 175 contributions exceeding \$821,230 are also allocated to members who are employed at the end of each fiscal year. In addition, earnings are posted to the share plan accounts each January 1. Firefighters become vested in their accounts at the rate of 50% after 10 years of service, 75% after 15 years of service and 100% after 20 years of service. As of September 30, 2022, the balance in the share plan account was \$9,183,007. This amount is included in the total investment balance presented on the statement of fiduciary net position.

Effective February 28, 2017, a Supplemental Retirement Benefit Plan for police officer members was established in accordance with Chapter 185, Florida Statutes. Under this Plan, a portion of monies received from the Chapter 185 contributions is set aside to provide special benefits to eligible police officer members. Annually, Chapter 185 contributions exceeding \$876,088 are allocated 50% to a Police Share Plan and 50% to reduce the unfunded actuarial liability of the Plan. In accordance with a policy adopted on July 10, 2018, police officer members who were vested with a minimum of ten years of service as of February 28, 2017 were each given a share. The Share Plan funds are allocated to all eligible police members at the end of each fiscal year and distributed to retired police officers annually on December 1. Share Plan funds are held in an account with posted earnings for the remaining active police members until retirement pay status is attained. As of September 30, 2022, the balance in the police officers' Share Plan account was \$267,831. This amount is included in the total investment balance presented on the statement of fiduciary net position.

Contributions – Contribution requirements are established and may be amended by the City in conjunction with the Broward County Police Benevolent Association and the Pompano Beach Professional Firefighters Local 1549. The contribution requirements are determined based on the benefit structure established by the City. The City is required to contribute amounts necessary to finance the benefits through periodic contributions at actuarially determined rates. Police officers are required to contribute 8.6% and firefighters 11.6% of their annual covered salary. Pursuant to Chapters 175 and 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts written on Pompano Beach properties is collected by the State and is remitted to the City for the PFRS. The City and BSO are required to contribute the remaining amounts necessary to fund the benefits through periodic contributions at actuarially determined rates. Administrative costs are funded through investment earnings.

In accordance with Florida Statutes, and in the absence of mutual consent, additional premium tax revenues in excess of a base amount are reserved 50%, to fund minimum benefits or benefits in excess of minimums, and 50% to fund a Share Plan. As of the October 1, 2021 actuarial valuation, the cumulative balance of additional premium tax revenues reserved to provide Share Plan benefits to firefighter members (Chapter 175 funds) totaled \$617,262 and was allocated to the members' Share Plan accounts on

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January 1, 2022. As of the October 1, 2021 actuarial valuation, the cumulative balance of additional premium tax revenues used to provide Share Plan benefits to police officer members (Chapter 185 funds) totaled 252,770.

Chapter 185 premium tax funds in excess of the minimum received in 2022 totaled \$505,540 of which \$252,770 was allocated to reduce the unfunded actuarial liability of the Plan and \$252,770 was allocated to the members' Share Plan accounts on September 30, 2022.

(B) Employee Retirement System General Employees' Retirement System

1. Summary of Significant Accounting Policies

Basis of Accounting – The GERS's financial statements are prepared using the accrual basis of accounting. Member contributions are recognized as revenues in the period in which employee contributions are due.

Use of Estimates – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

City and County contributions are recognized as revenues when due pursuant to actuarial valuations. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments – Plan investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. (Please refer to Note (II)(A) for discussion of fair value measurements).

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net (depreciation) appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

2. Plan Description

Organization – The City of Pompano Beach General Employees' Retirement System (the GERS) is a single employee defined benefit pension plan established by the City of Pompano Beach, Florida (the City), on December 8, 1972. The GERS reflects the provisions and requirements of Ordinance Section No. 34.010 through 34.040, as amended. In September 1991, the City contracted with Broward County for the operation of the Pompano Beach Public Library. As part of this agreement, all City employees who chose to remain in the library system became employees of Broward County. These employees were given the option of remaining in the GERS, in which case Broward County would make the required annual employer contributions as determined by the Plan actuary. In August 1999, the City also contracted with the Broward County Sheriff's Office ("BSO") whereby the BSO would provide policing services in Pompano Beach. As

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a result, certain code enforcement officers were employed by the BSO. Participating code enforcement officers were given the option to either remain in the Plan or switch to the BSO's retirement plan.

The GERS is administered by a seven member Board of Trustees comprised of three persons elected directly by the members, three persons who are not members appointed by the City Commission and one person elected by the other six trustees. Ordinance Section No. 34.012 provides the Board of Trustees sole and exclusive responsibility for the administration and operation of the GERS, including the authority to establish and amend benefit terms and contribution requirements.

Since the GERS is sponsored by the City, the GERS is included as a pension trust fund in the City's annual comprehensive financial report, as part of the City's financial reporting entity. The GERS issues a stand alone financial report that may be obtained by writing to the Pension Board, 555 S. Andrews Avenue, Suite 106, Pompano Beach, Florida 33069.

The following brief description of the GERS is provided for general information purposes only. Participants should refer to the Plan document for more detailed and comprehensive information.

Participants

Participants are all general employees with full-time status, elected officials and appointees and senior managers of the City of Pompano Beach who have met the requirements of the City's merit system. Members are further divided in the following two tiers:

Tier One members are those members hired prior to June 8, 2011 and all members participating in the Plan on or after December 17, 2020.

Tier Two is now closed for new service. Tier Two members are those members hired on or after June 8, 2011 through December 16, 2020. Tier Two members who fully pay to convert their Tier Two service to Tier One service within the allowable timeframe will receive Tier One service credit for that time. Otherwise they retain their Tier Two service credit for service while in Tier Two and will receive a bifurcated benefit at retirement.

Membership

At September 30, 2022, pension plan membership consisted of the following:

| | |
|---|---|
| Inactive members or their beneficiaries currently receiving benefits | 483 |
| Inactive members entitled to but not yet receiving benefits | 26 |
| Active members | 549 |
| Total | <hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/> 1,058 |

Pension Benefits

Normal retirement is at the earlier of attainment of age 55 and 20 completed years of credited service or age 62 and 3 completed years of credited service. Several benefit

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options are available to members that are elected at time of retirement. Early retirement, disability, death and other benefits are also provided. General employees have vested benefits after 7 years of creditable service in accordance with qualifications under the plan. Elected officials, appointees, and senior management have vested benefits after 5 years of creditable service in accordance with qualifications under the plan.

Tier One members

Normal retirement benefit is calculated using 2.75% of the Average Monthly Salary multiplied by the years of credited service. Average Monthly Salary is the average of the highest completed 78 bi-weekly pay periods times 1.0048.

Tier Two members

Normal retirement benefit is calculated using 2.00% of the Average Monthly Salary multiplied by the years of credited service. Average Monthly Salary is the average of the highest completed 130 bi-weekly pay periods times 1.0048.

Deferred Retirement Option Plan (DROP)

Any member who is eligible to receive a normal retirement pension may freeze their accrued benefits and elect to participate in a DROP while continuing their active employment. For members electing participation in the DROP, an individual DROP account shall be created. Payment shall be made by the Plan into the employee's DROP account in an amount equal to the regular monthly retirement benefit which the participant would have received had the participant separated from service and commenced receipt of pension benefits plus interest. Interest shall be at the same rate as the investment earnings assumption for the Plan. Participation in the DROP is limited to sixty months for members entering the DROP with less than 20 years of credited service. For members entering the DROP with 20 or more years of credited service, then the DROP is limited to ninety-six months.

Cost of Living Adjustment (COLA)

Tier One members

The Plan allows for an annual guaranteed Cost of Living Adjustment (COLA) equal to two percent (2%) payable on October 1, plus an additional variable COLA equal to up to one percent (1%) if Plan earnings are sufficient (as certified by the Plan's actuary). The COLA is payable to each Retiree who has been retired for at least one year at the time of COLA payment (October 1). All retirees and their beneficiaries are eligible for the COLA once they have been retired for one year.

Tier Two members

The Plan allows for an annual guaranteed Cost of Living Adjustment (COLA) for eligible Retirees over the age of 55, payable to each Retiree who has been retired for five years at the time of the COLA payment (October 1). The amount is determined by the Retirees' age on October 1. The COLA amount is one percent (1%) for Retirees between the ages of 55 and 64. For Retirees age 65 and older, the COLA amount is two percent (2%). In addition, eligible Retirees may receive an additional variable COLA equal to up to one percent (1%) if Plan earnings are sufficient (as certified by the Plan's actuary).

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Funding Requirements and Funding Status of Plan

Member Contributions:

All members are required to contribute 10% of their earnings to the Plan. Tier Two members contributed 7% of their earnings to the Plan. If a member terminates their employment before they become eligible to receive benefits, the accumulated contributions will be returned to the members plus interest at 3% per year.

City Contributions:

The City is to contribute such amounts as are necessary to maintain the actuarial soundness of the Plan and to provide the Plan with assets sufficient to meet the benefits to be paid to the participants. For the year ended September 30, 2022, the Plan's actuary determined that the required City and Broward County Sheriff's Office total contribution was \$11,109,716. This amount was contributed in full.

County Contributions:

The County is to contribute such amounts as determined by the actuary to cover Broward Sheriff's Office employees.

Investments

The Plan contracts with investment managers who supervise and direct the investment of the assets. In addition, the Plan utilizes an investment monitor to evaluate and report on a quarterly basis, compliance by the investment managers with the investment policy of the Board and investment performance of the Plan. The investment policy statement was last amended on May 18, 2021.

(C) Other Pension Information

1. Contribution Rates and Actual Contributions

| | <u>Police and Firefighters'</u> | <u>General Employees</u> |
|---------------------|-------------------------------------|------------------------------|
| Contributions: | | |
| Plan members: | | |
| General Employees | - | 10.00% ⁽¹⁾ |
| Police | 8.60% | - |
| Fire | 11.60% | - |
| Contributions made: | | |
| Employer | \$ 12,061,640 | \$ 11,119,868 |
| Plan members | 2,210,960 | 5,076,325 |
| State | 2,813,294 ⁽²⁾ | - |

⁽¹⁾ 7% for Tier two members of the General Employees' Plan.

⁽²⁾The Police and Firefighters' Plan is also funded by contributions from the State of Florida under Chapters 175 (Firefighter Pensions) and 185 (Municipal Police Pensions) of Florida Statutes. This contribution consists of excise taxes collected on fire and casualty

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insurance premiums on policies written within the City.

Beginning in fiscal year 1998, the State, by passage of Chapters 175 and 185 of Florida Statutes, limited the allowable premium tax credit to the base amount received by the Plan in 1997 plus any fire supplemental payments received from the State subsequent to 1997. The City is allowed to take an additional credit for any improved benefits (approved by City Ordinance) provided to the firefighters resulting in additional costs to the Plan. The annual credit taken, which is equal to the sum of the 1997 base amount plus additional fire supplemental payments received and additional costs incurred from improved benefits cannot exceed the actual premium taxes received for that fiscal year. For the fiscal year ended September 30, 2022 the Plan received \$2,813,294 for the Police and Firefighters Plan. This amount is recorded as intergovernmental revenue and public safety expenditures (on behalf payments) in the City's General Fund and as operating grants and contributions and public safety expenses for governmental activities in the government-wide financial statements.

2. Net Pension Liability

Police and Firefighters

The City's net pension liability was measured as of October 1, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2021. Update procedures were used to roll forward the total pension liability to the measurement date. The components of the net pension liability of the City at September 30, 2022 were as follows:

| | |
|---|----------------------|
| Total pension liability | \$385,338,540 |
| Plan fiduciary net position * | <u>232,785,583</u> |
| Net pension liability | <u>\$152,552,957</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 60.41% |

* Plan fiduciary net position noted above does not include an investment adjustment in the amount of \$484,370 recorded by the Plan and included in the Statement of Net Position subsequent to the production of the actuarial GASB Statement Nos. 67-68 Report.

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General Employees

The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020. Updated procedures were used to roll forward the total pension liability to the measurement date. The components of the net pension liability of the City at September 30, 2022 were as follows:

| | |
|---|----------------------|
| Total pension liability | \$302,223,121 |
| Plan fiduciary net position | <u>251,492,300</u> |
| Net pension liability | <u>\$ 50,730,821</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 83.21% |

Actuarial Methods and Assumptions

Police and Firefighters

The total pension liability was determined by an actuarial valuation as of October 1, 2021 updated to September 30, 2022 using the following actuarial assumptions applied to all measurement periods:

| | |
|---|------------------------|
| Actuarial cost method | Entry Age Normal |
| Asset method | Market Value of Assets |
| Interest rates: | |
| Discount rate | 7.2% |
| Expected long-term rate of return | 7.2% |
| Municipal bond rate | N/A |
| Inflation | 2.0% |
| Annual salary increases, excluding inflation | 0.99%-9.03% |
| Ad-hoc cost of living increases | none |

Mortality rates were based on Pub-2010 Generational using scale MP-2018. Mortality rates for the disabled were based on Pub-2010.

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The long-term expected rate of return on Plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|--------------------------------|--------------------------|---|
| Equity | 55.00% | 6.26% |
| Fixed income | 22.50% | 1.43% |
| Real estate | 7.50% | 4.54% |
| Hedge funds and private equity | 10.00% | 5.37% |
| Short-term investments | -% | 1.14% |
| Infrastructure | 5.00% | 3.39% |
| Cash | -% | 0.74% |
| Total | 100.00% | |

General Employees

The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2022 using the following actuarial assumptions applied to all measurement periods:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Dollar Closed |
| Remaining amortization period | 1 to 30 years |
| Asset valuation method | 5 year smoothed market |
| Inflation | 2.50% |
| Salary increase | 4.25 - 7.50% |
| Investment rate of return | 7.55 percent, net of pension plan investment expense |

Mortality rates were based on PUB-2010 Headcount Weighted General Below Median Employee Tables for males and females.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022 are summarized in the following table:

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| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------------------|--------------------------|---|
| US Large Cap Equity | 35.00% | 5.72% |
| US Small/Mid Cap Equity | 15.00% | 6.77% |
| International Equity | 10.00% | 6.55% |
| US Direct Real Estate | 15.00% | 5.41% |
| Absolute Return | 10.00% | 3.47% |
| US Fixed Income | 15.00% | 1.14% |
| Total | <u>100.00%</u> | |

Discount Rate:

Police and Firefighters

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

General Employees

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

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Changes in the Net Pension Liability:

Changes in the City's net pension liability for the Police and Firefighters and General Employees Plans for the fiscal year ended September 30, 2022 is as follows:

| | Police and Firefighters | | | General Employees | | |
|---|-------------------------------|---------------------------------------|-----------------------------|-------------------------------|-----------------------------------|-----------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position (a) | Net Pension Liability | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Beginning Balances | \$ 368,490,183 | \$ 286,467,193 | \$ 82,022,990 | \$ 286,678,495 | \$ 200,716,424 | \$ 85,962,071 |
| Changes for the year: | | | | | | |
| Service cost | 5,302,505 | - | 5,302,505 | 5,768,934 | - | 5,768,934 |
| Interest | 26,404,237 | - | 26,404,237 | 21,417,150 | - | 21,417,150 |
| Changes of benefit terms | - | - | - | 5,239,968 | - | 5,239,968 |
| Changes of assumptions | 3,648,376 | - | 3,648,376 | - | - | - |
| Differences between expected and actual experience | 5,674,870 | - | 5,674,870 | (3,110,567) | - | (3,110,567) |
| Contributions - employer | - | 12,061,640 | (12,061,640) | - | 10,864,448 | (10,864,448) |
| Contributions - member | - | 2,210,960 | (2,210,960) | - | 4,517,442 | (4,517,442) |
| Contributions - nonemployer contributing member | - | 2,813,294 | (2,813,294) | - | - | - |
| Net investment income (loss) | - | (45,410,998) | 45,410,998 | - | 49,818,959 | (49,818,959) |
| Benefit payments, including refunds of member contributions | (24,181,631) | (24,181,631) | - | (13,457,378) | (13,457,378) | - |
| Refunds of contributions | - | - | - | (313,481) | (313,481) | - |
| Administrative expense | - | (750,366) | 750,366 | - | (654,114) | 654,114 |
| Other changes | - | (424,509) | 424,509 | - | - | - |
| Net changes | <u>16,848,357</u> | <u>(53,681,610)</u> | <u>70,529,967</u> | <u>15,544,626</u> | <u>50,775,876</u> | <u>(35,231,250)</u> |
| Ending Balances | <u>\$ 385,338,540</u> | <u>\$ 232,785,583</u> | <u>\$ 152,552,957</u> | <u>\$ 302,223,121</u> | <u>\$ 251,492,300</u> | <u>\$ 50,730,821</u> |

The City's aggregate net pension liability for the Police and Firefighters Plan measured at September 30, 2022 and General Employees Plan measured at September 30, 2021 was \$203,283,778 for the fiscal year ended September 30, 2022.

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Sensitivity of the net pension liability to changes in the discount rate:

Police and Firefighters

The following presents the net pension liability, calculated using the discount rate of 7.20%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

| | 1% Decrease (6.20%) | Current Discount Rate (7.20%) | 1% Increase (8.20%) |
|------------------------------|------------------------------------|--|------------------------------------|
| City's net pension liability | \$ 192,914,524 | \$ 152,552,957 | \$ 118,777,845 |

General Employees

The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the 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 Discount Rate (7.50%) | 1% Increase (8.50%) |
|------------------------------|------------------------------------|--|------------------------------------|
| City's net pension liability | \$ 85,645,540 | \$ 50,730,821 | \$ 21,881,727 |

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2022, the City recognized pension expense related to the pension plans as follows:

| | Police and Firefighters | General Employees | Total |
|-----------------|------------------------------------|--------------------------|---------------|
| Pension expense | \$ 23,999,367 | \$ 11,123,947 | \$ 35,123,314 |

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At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pension plans from the following sources:

| | <u>Police and Firefighters</u> | | <u>General Employees</u> | | <u>Total</u> | |
|--|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between expected and actual experience | \$ 5,263,827 | \$ - | \$ 1,113,432 | \$ 3,262,279 | \$ 6,377,259 | \$ 3,262,279 |
| Changes of assumptions | 2,432,251 | 353,024 | 1,747,541 | 626,540 | 4,179,792 | 979,564 |
| Net difference between projected and actual earnings on pension plan investments | 39,426,431 | - | - | 22,571,347 | 39,426,431 | 22,571,347 |
| Employer contributions subsequent to the measurement date | - | - | 11,109,716 | - | 11,109,716 | - |
| Total | \$ 47,122,509 | \$ 353,024 | \$ 13,970,689 | \$ 26,460,166 | \$ 61,093,198 | \$ 26,813,190 |

The City reported \$11,109,716 as part of the deferred outflows of resources relating to pensions. This amount resulted from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the subsequent fiscal year. 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: | Police and Firefighters | General Employees |
|---|--------------------------------|--------------------------|
| 2023 | \$ 14,230,646 | \$ (4,015,755) |
| 2024 | 11,463,111 | (4,973,739) |
| 2025 | 7,872,542 | (7,318,213) |
| 2026 | 13,203,186 | (7,291,486) |
| | <u>\$ 46,769,485</u> | <u>\$ (23,599,193)</u> |

**(D) Employee Retirement System
Defined Contribution Retirement System (Contribution Plan)**

Plan Description – The defined contribution retirement system (“DCRS”) is a defined contribution pension plan established by the City in 1996 by Ordinance 96-84. to provide benefits at retirement to certain professional and managerial employees of the City that were not part of the General Employees Retirement System (GERS). Contribution Plan provisions and contribution requirements are established and may be amended by City Commission Ordinance. In 2008 Ordinance 2008-16 provided for the inclusion of these same employees in the GERS plan.

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NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

The Mission Square Retirement (formerly International City Management Association Retirement Corporation) acts as agent for the City in administering the Contribution Plan. As a result of Ordinance 2008-16, there are no required contributions to the plan. For fiscal year 2022 employer contributions totaled \$0 and employee contributions also totaled \$0.

(E) Risk Management

The City is exposed to various risks and losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and group health. The City is self-insured except for commercial insurance purchased for airport liability and group health insurance, and purchases of excess commercial insurance beyond the self-insured retention for general liability, auto liability, property damage and workers' compensation. The City has not incurred a reduction in insurance coverage. No workers' compensation settlements exceeded the City's self-insured retention in fiscal year 2022.

There have been no settlements in excess of insurance coverage for the past three years.

All funds, except for the capital projects fund, participate in the program and make premium payments to the risk management fund based on actuarial estimates of the amounts needed to ultimately settle claims. The total estimated claims payable at September 30, 2022 reflect management's loss estimate of \$18,049,000, which includes reported claims and claims incurred but not reported (IBNR).

Changes in the fund's estimated claims payable amount in fiscal years 2022 and 2021 were:

| Fiscal Year | Liability October 1 | New Claims and Changes in Estimates | Claims Payments | Liability September 30 |
|-------------|------------------------|---|-----------------|---------------------------|
| 2022 | \$ 17,175,000 | \$ 4,343,757 | \$ 3,469,757 | \$ 18,049,000 |
| 2021 | \$ 14,905,000 | \$ 5,088,745 | \$ 2,818,745 | \$ 17,175,000 |

(F) Contingencies/Risks/Uncertainties

There are several pending claims and lawsuits in which the City is involved. The estimated liabilities related to all known pending claims have been accrued in the City's risk management fund. In the opinion of City management, the ultimate resolution of these claims will not materially exceed the amounts recorded in the financial statements.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, might constitute a liability of the applicable funds. It is management's opinion that there are not any significant contingent liabilities relating to these grants.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

The City's pension plans (PFRS and GERS - the Plans) invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investment securities will occur in the near term, and those changes could materially affect the amounts reported in the statement of net position for each Plan. The Plans, through investment advisors, monitor plan investments and the risks associated therewith on a regular basis, which the Plans believe serve to minimize these risks.

The Plans' contributions are made and the net pension liability is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the Plans' financial statements.

(G) New Accounting Pronouncements

The GASB has issued several Statements not yet implemented by the City. The Statements which might impact the City are as follows:

GASB Statement No. 91, *Conduit Debt Obligations*, was issued in May 2019. This Statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice related to commitments extended by issues, arrangements associated with conduit debt obligations, and related note disclosures. This Statement will also clarify the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional/voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The provisions for this Statement are effective for fiscal year ending September 30, 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*, was issued in March 2020. This Statement will improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. In addition, the Statement provides guidance for accounting and financial reporting for availability payment arrangements. The provisions for this Statement are effective for fiscal year ending September 30, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued in May 2020. This Statement will provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments) by defining a SBITA; establishing the asset as an intangible asset with a corresponding subscription liability; providing capitalization criteria; and requiring certain note disclosures related to a SBITA. To the extent relevant, the standards for SBITA, are based on the standards established in *Statement No. 87, Leases*, as amended. The provisions for this Statement are effective for fiscal year ending September 30, 2023.

CITY OF POMPANO BEACH, FLORIDA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

GASB Statement No. 99, *Omnibus 2022*, was issued in April 2022. This Statement will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Some provisions of this Statement are effective immediately, and others will take effect for fiscal years ending September 30, 2023, and 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections- an amendment of GASB Statement No. 62*, was issued in June 2022. This Statement will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this Statement are effective for fiscal year ending September 30, 2024.

GASB Statement No. 101, *Compensated Absences*, was issued in June 2022. This Statement will aim to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this Statement are effective for fiscal year ending September 30, 2025.

The City's management has not yet determined the effect these Statements will have on the City's financial statements.

(H) Net Position Restatement

Prior Period Adjustment

Effective October 01, 2021, the City adopted GASB Statement No. 87, *Leases*, using the facts and circumstances that existed at the beginning of the period of implementation. The standard requires that it is applied retroactively unless it is impractical to do so. Due to the sheer number of leases, the City considered it impractical to do so. As a result, there was no impact to the City's beginning net position upon adoption of the new accounting standard.

(I) Deficit Fund Balance Equity

At September 30, 2022, the following funds had deficit fund equity:

| | <u>Amount</u> |
|--------------------------------|---------------|
| Internal Service Funds: | |
| Risk Management General | \$ 2,801,827 |

The Risk Management General Fund activities will be adjusted to charge user funds accordingly to reduce the deficit fund equity position noted.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2022

(J) Excess of Expenditures over Appropriations

Expenditures of the General Fund Capital Outlay exceeded the final approved budget of \$14,041,225 by \$3,076,030 with the implementation of GASB Statement No. 87, *Leases*. Additional information on these leases is located in Notes (II D) Lessee.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | | | | | |
| Service cost | \$ 3,645,948 | \$ 3,645,948 | \$ 3,703,207 | \$ 4,117,315 | \$ 4,342,954 | \$ 4,367,560 | \$ 4,762,331 | \$ 4,955,805 | \$ 5,302,505 |
| Interest | 21,340,649 | 21,555,235 | 21,977,143 | 24,421,412 | 25,088,027 | 25,340,433 | 25,509,361 | 25,732,847 | 26,404,237 |
| Changes of benefit terms | - | (6,900) | - | - | - | - | - | - | - |
| Differences between expected and actual experience (1) | (1,213,699) | 2,419,307 | (983,846) | 3,702,653 | 742,156 | (3,449,843) | 10,857,184 | 4,441,742 | 5,674,870 |
| Changes of assumptions | - | - | 29,606,755 | - | 3,537,718 | - | (8,917,944) | (1,059,072) | 3,648,376 |
| Benefit payments, including refunds of member contributions | (20,678,837) | (21,144,686) | (22,946,120) | (21,308,109) | (25,849,524) | (25,758,878) | (22,981,366) | (26,260,144) | (24,181,631) |
| Net change in total pension liability | 3,094,061 | 6,468,904 | 31,357,139 | 10,933,271 | 7,861,331 | 499,272 | 9,229,566 | 7,811,178 | 16,848,357 |
| Total pension liability - beginning | 291,235,461 | 294,329,522 | 300,798,426 | 332,155,565 | 343,088,836 | 350,950,167 | 351,449,439 | 360,679,005 | 368,490,183 |
| Total pension liability - ending (a) | <u>294,329,522</u> | <u>300,798,426</u> | <u>332,155,565</u> | <u>343,088,836</u> | <u>350,950,167</u> | <u>351,449,439</u> | <u>360,679,005</u> | <u>368,490,183</u> | <u>385,338,540</u> |
| Plan fiduciary net position | | | | | | | | | |
| Contributions - employer | 9,722,948 | 8,129,211 | 8,154,934 | 8,142,644 | 10,775,021 | 11,050,554 | 10,943,984 | 11,136,794 | 12,061,640 |
| Contributions - employee | 1,422,685 | 1,453,342 | 1,492,330 | 1,632,948 | 1,708,166 | 1,857,469 | 1,995,263 | 2,176,133 | 2,210,960 |
| Contributions - nonemployer contributing member | 2,219,537 | 2,255,095 | 2,273,774 | 2,336,040 | 2,501,946 | 2,559,937 | 2,750,611 | 2,737,886 | 2,813,294 |
| Net investment income (loss) | 22,149,737 | (3,955,004) | 16,233,979 | 23,717,202 | 19,886,454 | 9,533,689 | 15,361,708 | 44,638,537 | (45,410,998) |
| Benefit payments, including refunds of member contributions | (20,678,837) | (21,144,686) | (22,946,120) | (21,308,109) | (25,849,524) | (25,758,878) | (22,981,366) | (26,260,144) | (24,181,631) |
| Administrative expenses | (581,767) | (563,224) | (604,460) | (530,291) | (626,768) | (623,074) | (604,803) | (617,141) | (750,366) |
| Other | 17,738 | 43,955 | 10,775 | 75,815 | 18,569 | 92,615 | 66,752 | 59,041 | (424,509) |
| Net change in plan fiduciary net position | 14,272,041 | (13,781,311) | 4,615,212 | 14,066,249 | 8,413,864 | (1,287,688) | 7,532,149 | 33,871,106 | (53,681,610) |
| Plan fiduciary net position - beginning | 218,765,571 | 233,037,612 | 219,256,301 | 223,871,513 | 237,937,762 | 246,351,626 | 245,063,938 | 252,596,087 | 286,467,193 |
| Plan fiduciary net position - ending (b) (2) | <u>233,037,612</u> | <u>219,256,301</u> | <u>223,871,513</u> | <u>237,937,762</u> | <u>246,351,626</u> | <u>245,063,938</u> | <u>252,596,087</u> | <u>286,467,193</u> | <u>232,785,583</u> |
| City's net pension liability - ending (a) - (b) | <u>\$ 61,291,910</u> | <u>\$ 81,542,125</u> | <u>\$108,284,052</u> | <u>\$105,151,074</u> | <u>\$104,598,541</u> | <u>\$106,385,501</u> | <u>\$108,082,918</u> | <u>\$ 82,022,990</u> | <u>\$152,552,957</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 79.18% | 72.89% | 67.40% | 69.35% | 70.20% | 69.73% | 70.03% | 77.74% | 60.41% |
| Covered payroll | \$ 12,948,557 | \$ 13,065,752 | \$ 13,061,612 | \$ 13,527,197 | \$ 14,353,623 | \$ 14,705,355 | \$ 16,107,844 | \$ 16,818,135 | \$ 18,466,842 |
| City's net pension liability as a percentage of covered payroll | 473.35% | 624.09% | 829.03% | 777.33% | 728.73% | 723.45% | 671.00% | 487.71% | 826.09% |
| Measurement date | 9/30/2014 | 9/30/2015 | 9/30/2016 | 9/30/2017 | 9/30/2018 | 9/30/2019 | 9/30/2020 | 9/30/2021 | 9/30/2022 |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

(1) Differences between expected and actual experience for the year ending 9/30/2020 include an adjustment to reflect the liabilities associated with \$6,734,593 in allocated Share Plan balances as of 9/30/2020 (\$287,189 for the Police Share Plan and \$6,447,404 for the fire Share Plan). We consider this to be an individually significant change, according to the language of GASB 67 paragraph 32 and GASB 68 paragraph 44.

(2) Plan fiduciary net position noted in 2021 does not include an investment adjustment in the amount of \$445,295 at 9/30/2021 and \$484,370 at 9/30/2022, recorded by the Plan and included in the Statement of Net Position subsequent to the production of the actuarial GASB Nos. 67-68 Report.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CITY CONTRIBUTIONS
POLICE AND FIREFIGHTERS' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Actuarially determined contribution | \$ 8,121,441 | \$ 9,722,948 | \$ 8,129,211 | \$ 8,154,934 | \$ 8,142,644 | \$ 10,775,021 | \$ 11,050,554 | \$ 10,943,984 | \$ 11,136,794 | \$ 12,061,640 |
| Contributions in relation to the actuarially determined contribution | <u>8,121,441</u> | <u>9,722,948</u> | <u>8,129,211</u> | <u>8,154,934</u> | <u>8,142,644</u> | <u>10,775,021</u> | <u>11,050,554</u> | <u>10,943,984</u> | <u>11,136,794</u> | <u>12,061,640</u> |
| Covered payroll | \$ 13,137,295 | \$ 12,948,557 | \$ 13,065,752 | \$ 13,061,612 | \$ 13,527,197 | \$ 14,353,623 | \$ 14,705,355 | \$ 16,107,844 | \$ 16,818,135 | \$ 18,466,842 |
| Contributions as a percentage of covered payroll | 61.82% | 75.09% | 62.22% | 62.43% | 60.19% | 75.07% | 75.15% | 67.94% | 66.22% | 65.32% |

Actuarially determined contribution rates for the year ended September 30, are calculated as of October 1, two years prior to the end of the year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

| | |
|------------------------------------|--|
| Actuarial cost method | Individual Entry Age Normal Cost Method |
| Amortization method | All new bases are to be amortized over 20 years from date established using a level dollar amortization for police and a level percentage of pay amortization, with 2.75% payroll growth, for firefighters |
| Amortization period | 30 years |
| Asset valuation method | 20%(5-year) Phase-In Method with a 20% asset corridor. |
| Interest rates | 7.2% compounded annually, net of investment expenses |
| Annual pay increases | 2.0% compounded annually for inflation plus a seniority/merit scale ranging from .99 to 9.03% |
| Expense and/or contingency loading | One year cost method; average of prior two years' expenses |
| Mortality rates: | |
| Healthy | Pub-2010 Generational using scale MP-2018. |
| Disabled | Pub-2010 Generational using scale MP-2018. |

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS
GENERAL EMPLOYEES' RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total pension liability | | | | | | | | |
| Service cost | \$ 4,002,187 | \$ 3,971,996 | \$ 4,065,485 | \$ 4,125,985 | \$ 4,718,048 | \$ 5,005,369 | \$ 5,595,991 | \$ 5,768,934 |
| Interest | 15,228,081 | 15,876,511 | 16,453,581 | 17,193,735 | 19,113,699 | 20,253,594 | 21,083,676 | 21,417,150 |
| Benefit changes | - | - | 62,449 | - | - | - | - | 5,239,968 |
| Difference between actual & expected experience | - | 372,468 | 1,438,845 | (1,530,189) | 5,838,209 | 1,394,230 | (1,467,357) | (3,110,567) |
| Assumption changes (1) | - | - | - | 19,985,869 | 2,726,764 | 4,333,704 | (1,090,644) | - |
| Benefit payments | (10,047,279) | (12,286,072) | (12,536,330) | (12,997,314) | (13,342,113) | (16,084,009) | (14,559,767) | (13,457,378) |
| Refunds | (362,250) | (238,755) | (198,760) | (122,787) | (224,969) | (285,177) | (341,802) | (313,481) |
| Net change in total pension liability | 8,820,739 | 7,696,148 | 9,285,270 | 26,655,299 | 18,829,638 | 14,617,711 | 9,220,097 | 15,544,626 |
| Total pension liability - beginning | 191,553,593 | 200,374,332 | 208,070,480 | 217,355,750 | 244,011,049 | 262,840,687 | 277,458,398 | 286,678,495 |
| Total pension liability - ending (a) | <u>200,374,332</u> | <u>208,070,480</u> | <u>217,355,750</u> | <u>244,011,049</u> | <u>262,840,687</u> | <u>277,458,398</u> | <u>286,678,495</u> | <u>302,223,121</u> |
| Plan fiduciary net position | | | | | | | | |
| Contributions - employer | 6,697,862 | 6,669,132 | 6,545,407 | 6,755,068 | 8,301,969 | 9,330,496 | 10,130,579 | 10,864,448 |
| Contributions - member | 2,515,665 | 2,562,901 | 2,593,355 | 2,617,652 | 2,663,296 | 2,880,798 | 3,104,113 | 4,517,442 |
| Net investment income | 12,478,865 | (235,039) | 14,289,309 | 21,126,562 | 17,035,198 | 5,374,056 | 11,092,521 | 49,818,959 |
| Benefit payments | (10,047,279) | (12,286,072) | (12,536,330) | (12,997,314) | (13,342,113) | (16,084,009) | (14,559,767) | (13,457,378) |
| Refunds of contributions | (362,250) | (238,755) | (198,760) | (122,787) | (224,969) | (285,177) | (341,802) | (313,481) |
| Administrative expenses | (491,959) | (530,248) | (526,236) | (475,674) | (539,529) | (572,997) | (572,044) | (654,114) |
| Net change in plan fiduciary net position | 10,790,904 | (4,058,081) | 10,166,745 | 16,903,507 | 13,893,852 | 643,167 | 8,853,600 | 50,775,876 |
| Plan fiduciary net position - beginning | 143,522,730 | 154,313,634 | 150,255,553 | 160,422,298 | 177,325,805 | 191,219,657 | 191,862,824 | 200,716,424 |
| Plan fiduciary net position - ending (b) | <u>154,313,634</u> | <u>150,255,553</u> | <u>160,422,298</u> | <u>177,325,805</u> | <u>191,219,657</u> | <u>191,862,824</u> | <u>200,716,424</u> | <u>251,492,300</u> |
| City's net pension liability - ending (a) - (b) | <u>\$ 46,060,698</u> | <u>\$ 57,814,927</u> | <u>\$ 56,933,452</u> | <u>\$ 66,685,244</u> | <u>\$ 71,621,030</u> | <u>\$ 85,595,574</u> | <u>\$ 85,962,071</u> | <u>\$ 50,730,821</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 77.01% | 72.21% | 73.81% | 72.67% | 72.75% | 69.15% | 70.01% | 83.21% |
| Covered payroll | \$ 26,048,410 | \$ 27,015,680 | \$ 27,957,210 | \$ 28,647,136 | \$ 31,178,459 | \$ 32,795,343 | \$ 36,094,711 | \$ 36,074,168 |
| City's net pension liability as a percentage of covered payroll | 176.83% | 214.01% | 203.64% | 232.78% | 229.71% | 261.00% | 238.16% | 140.63% |
| Measurement date | 9/30/2013 | 9/30/2014 | 9/30/2015 | 9/30/2016 | 9/30/2017 | 9/30/2018 | 9/30/2019 | 9/30/2020 |

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

(1) **Changes in Assumptions:** For fiscal year 2017 the assumption for mortality rates was changed due to a Florida legislative change which mandated that local governments utilize the State of Florida's mortality tables to measure pension liabilities. Commencing on the October 1, 2017 actuarial valuation assumed rate of investment return will be lowered from 7.90% to 7.50% in increments of 0.10% per year over the course of a five-year phase-in.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF CITY CONTRIBUTIONS
GENERAL EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|
| Actuarially determined contribution | \$ 5,801,971 | \$ 6,632,731 | \$ 6,697,862 | \$ 6,669,132 | \$ 6,545,407 | \$ 6,755,068 | \$ 8,301,969 | \$ 9,330,496 | \$ 10,130,579 | \$ 10,864,448 |
| Contributions in relation to the actuarially determined contribution | <u>5,801,971</u> | <u>6,632,731</u> | <u>6,697,862</u> | <u>6,669,132</u> | <u>6,545,407</u> | <u>6,755,068</u> | <u>8,301,969</u> | <u>9,330,496</u> | <u>10,130,579</u> | <u>10,864,448</u> |
| Covered payroll | \$ 25,833,472 | \$ 25,922,708 | \$ 26,048,410 | \$ 27,015,680 | \$ 27,957,210 | \$ 28,647,136 | \$ 31,178,459 | \$ 32,795,343 | \$ 36,094,711 | \$ 36,074,168 |
| Contributions as a percentage of covered payroll | 22.46% | 25.59% | 25.71% | 24.69% | 23.41% | 23.58% | 26.63% | 28.45% | 28.07% | 30.12% |

Actuarially determined contribution rates for the year ended September 30, are calculated as of October 1, two years prior to the end of the year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry age normal |
| Remaining amortization method | Level of percentage payroll, closed |
| Amortization period | 1 to 30 years |
| Asset valuation method | 5-year smoothed market |
| Inflation | 2.50 percent |
| Salary increase | 4.25 - 7.50 percent, including inflation |
| Investment rate of return | 7.50 percent, net of plan investment expense, including inflation |
| Mortality rates: | PUB-2010 Headcount Weighted General Below Median Employee Tables for males and females |

CITY OF POMPANO BEACH, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST FIVE FISCAL YEARS

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total OPEB liability | | | | | |
| Service cost | \$ 739,573 | \$ 747,137 | \$ 1,012,407 | \$ 964,667 | \$ 652,130 |
| Interest | 440,274 | 455,448 | 292,293 | 343,908 | 674,738 |
| Benefit payments | (541,412) | (580,510) | (611,781) | (652,486) | (680,848) |
| Assumption Changes | - | 65,752 | (353,532) | (338,550) | (2,478,831) |
| Demographic experience | - | - | 222,445 | - | 73,399 |
| Net change in total OPEB liability | 638,435 | 687,827 | 561,832 | 317,539 | (1,759,412) |
| Total OPEB liability - beginning | 11,624,145 | 12,262,580 | 12,950,407 | 13,512,239 | 13,829,778 |
| Total OPEB liability - ending | <u>\$ 12,262,580</u> | <u>\$ 12,950,407</u> | <u>\$ 13,512,239</u> | <u>\$ 13,829,778</u> | <u>\$ 12,070,366</u> |
| Covered-employee payroll | \$ 45,542,532 | \$ 45,542,532 | \$ 52,126,434 | \$ 52,126,434 | \$ 51,190,619 |
| Total OPEB liability as a percentage of covered-employee payroll | 26.9% | 28.4% | 25.9% | 26.5% | 23.6% |

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual (Budgetary Basis)</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|------------------------|-------------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes | \$ 93,161,886 | \$ 93,161,886 | \$ 95,344,459 | \$ 2,182,573 |
| Judgments, fines and forfeitures | 701,900 | 701,900 | 674,580 | (27,320) |
| Permits, fees and special assessments | 30,078,404 | 30,078,404 | 31,673,351 | 1,594,947 |
| Intergovernmental | 11,660,254 | 14,713,548 | 19,019,752 | 4,306,204 |
| Charges for services | 20,139,421 | 20,139,421 | 23,523,635 | 3,384,214 |
| Pari-mutuel | 1,900,000 | 1,900,000 | 2,031,215 | 131,215 |
| Donations | 33,400 | 33,400 | 10,000 | (23,400) |
| Investment earnings (loss) | 879,765 | 879,765 | (2,113,060) | (2,992,825) |
| Other revenue | 1,240,310 | 1,000,310 | 1,023,721 | 23,411 |
| Total revenues | <u>159,795,340</u> | <u>162,608,634</u> | <u>171,187,653</u> | <u>8,579,019</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 12,253,172 | 13,030,455 | 12,279,048 | 751,407 |
| Finance | 3,827,986 | 3,867,828 | 3,769,150 | 98,678 |
| Development services | 6,254,026 | 6,648,013 | 6,037,580 | 610,433 |
| Public safety | 79,871,161 | 83,447,826 | 83,436,978 | 10,848 |
| Public works | 25,266,155 | 25,670,571 | 25,609,436 | 61,135 |
| Culture and recreation | 13,737,649 | 14,395,366 | 13,383,553 | 1,011,813 |
| Non departmental | 11,574,686 | 13,147,778 | 12,268,791 | 878,987 |
| Capital outlay | 616,904 | 14,041,225 | 17,117,255 | (3,076,030) |
| Debt Service: | | | | |
| Principal | 2,565,943 | 2,565,943 | 2,461,839 | 104,104 |
| Interest & other charges | 133,922 | 133,922 | 351,966 | (218,044) |
| Total expenditures | <u>156,101,604</u> | <u>176,948,927</u> | <u>176,715,596</u> | <u>233,331</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,693,736</u> | <u>(14,340,293)</u> | <u>(5,527,943)</u> | <u>8,812,350</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from financing related to leases | - | - | 13,923,526 | 13,923,526 |
| Proceeds from financing arrangements | - | 4,100,000 | 4,017,097 | (82,903) |
| Transfers in | 11,769,660 | 18,184,075 | 18,184,075 | - |
| Transfers out | (17,888,768) | (23,655,052) | (23,655,052) | - |
| Total other financing sources (uses) | <u>(6,119,108)</u> | <u>(1,370,977)</u> | <u>12,469,646</u> | <u>13,840,623</u> |
| Net change in fund balance | <u>\$ (2,425,372)</u> | <u>\$ (15,711,270)</u> | <u>6,941,703</u> | <u>\$ 22,652,973</u> |
| FUND BALANCE - BEGINNING | | | <u>50,755,486</u> | |
| FUND BALANCE - ENDING | | | <u>\$ 57,697,189</u> | |

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
NORTHWEST COMMUNITY REDEVELOPMENT DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual (Budgetary Basis)</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|------------------------|-------------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes | \$ 5,154,932 | \$ 5,154,932 | \$ 5,148,986 | \$ (5,946) |
| Intergovernmental | 3,300,000 | 3,300,000 | 3,300,000 | - |
| Charges for services | 57,447 | 57,447 | 118,269 | 60,822 |
| Investment earnings (loss) | 12,500 | 12,500 | (176,686) | (189,186) |
| Other revenue | 20,000 | 21,000 | 44,321 | 23,321 |
| Total revenues | <u>8,544,879</u> | <u>8,545,879</u> | <u>8,434,890</u> | <u>(110,989)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Economic environment | 3,425,035 | 4,219,992 | 3,208,464 | 1,011,528 |
| Capital outlay | 7,957,500 | 28,758,158 | 4,381,925 | 24,376,233 |
| Debt service: | | | | |
| Principal | 1,489,101 | 1,489,101 | 133,229 | 1,355,872 |
| Interest & other charges | 46,291 | 46,291 | 49,772 | (3,481) |
| Total expenditures | <u>12,917,927</u> | <u>34,513,542</u> | <u>7,773,390</u> | <u>26,740,152</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(4,373,048)</u> | <u>(25,967,663)</u> | <u>661,500</u> | <u>26,629,163</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of capital assets | 1,475,000 | 1,475,000 | - | (1,475,000) |
| Issuance of debt | - | - | 15,000,000 | 15,000,000 |
| Issuance of debt for leases | - | - | 544,485 | 544,485 |
| Total other financing sources (uses) | <u>1,475,000</u> | <u>1,475,000</u> | <u>15,544,485</u> | <u>14,069,485</u> |
| Net change in fund balance | <u>\$ (2,898,048)</u> | <u>\$ (24,492,663)</u> | <u>16,205,985</u> | <u>\$ 40,698,648</u> |
| FUND BALANCE - BEGINNING | | | <u>53,288,966</u> | |
| FUND BALANCE - ENDING | | | <u>\$ 69,494,951</u> | |

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
EAST COMMUNITY REDEVELOPMENT DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual (Budgetary Basis)</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|-----------------------|-------------------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes | \$ 4,026,858 | \$ 4,026,858 | \$ 4,044,293 | \$ 17,435 |
| Charges for services | 78,090 | 78,090 | 57,466 | (20,624) |
| Investment earnings (loss) | 26,100 | 26,100 | (26,595) | (52,695) |
| Other revenue | - | - | 7,975 | 7,975 |
| Total Revenues | <u>4,131,048</u> | <u>4,131,048</u> | <u>4,083,139</u> | <u>(47,909)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Economic environment | 1,427,953 | 1,622,846 | 1,030,014 | 592,832 |
| Debt service: | | | | |
| Principal | 820,000 | 820,000 | 820,000 | - |
| Interest & other charges | 281,184 | 281,184 | 281,184 | - |
| Capital outlay | <u>1,745,000</u> | <u>5,434,596</u> | <u>1,774,774</u> | <u>3,659,822</u> |
| Total expenditures | <u>4,274,137</u> | <u>8,158,626</u> | <u>3,905,972</u> | <u>4,252,654</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(143,089)</u> | <u>(4,027,578)</u> | <u>177,167</u> | <u>4,204,745</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | <u>(650,000)</u> | <u>(650,000)</u> | <u>(650,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(650,000)</u> | <u>(650,000)</u> | <u>(650,000)</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (793,089)</u> | <u>\$ (4,677,578)</u> | <u>(472,833)</u> | <u>\$ 4,204,745</u> |
| FUND BALANCE - BEGINNING | | | <u>9,403,419</u> | |
| FUND BALANCE - ENDING | | | <u>\$ 8,930,586</u> | |

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
EMERGENCY MEDICAL SERVICES DISTRICT FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual</u> <u>(Budgetary Basis)</u> | <u>Variance with Final</u> <u>Budget -</u> <u>Positive (Negative)</u> |
|--|-------------------------|---------------------|---|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Taxes | \$ 7,370,907 | \$ 7,370,907 | \$ 7,381,561 | \$ 10,654 |
| Intergovernmental | 1,496,371 | 1,496,371 | 1,376,591 | (119,780) |
| Charges for services | 3,500,000 | 3,500,000 | 4,720,434 | 1,220,434 |
| Investment earnings (loss) | 48,757 | 48,757 | (40,772) | (89,529) |
| Total revenues | <u>12,416,035</u> | <u>12,416,035</u> | <u>13,437,814</u> | <u>1,021,779</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 20,258,005 | 20,635,399 | 20,635,399 | - |
| Capital outlay | - | 20,689 | 20,689 | - |
| Total expenditures | <u>20,258,005</u> | <u>20,656,088</u> | <u>20,656,088</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(7,841,970)</u> | <u>(8,240,053)</u> | <u>(7,218,274)</u> | <u>1,021,779</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | <u>7,391,309</u> | <u>7,391,309</u> | <u>7,391,309</u> | <u>-</u> |
| Total other financing sources (uses) | <u>7,391,309</u> | <u>7,391,309</u> | <u>7,391,309</u> | <u>-</u> |
| Net change in fund balance | <u>\$ (450,661)</u> | <u>\$ (848,744)</u> | <u>173,035</u> | <u>\$ 1,021,779</u> |
| FUND BALANCE - BEGINNING | | | <u>3,099,157</u> | |
| FUND BALANCE - ENDING | | | <u>\$ 3,272,192</u> | |

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE (UNAUDITED) - BUDGETARY BASIS
AMERICAN RESCUE PLAN FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Budgeted Amounts</u> | | Actual (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-----------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ 4,774,820 | \$ 16,196,553 | \$ 11,421,733 |
| Investment earnings (loss) | - | - | 36,888 | 36,888 |
| Total revenues | - | 4,774,820 | 16,233,441 | 11,458,621 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | - | 107,403 | 92,930 | 14,473 |
| Economic environment | - | 7,967,851 | 2,289,856 | 5,677,995 |
| Capital outlay | - | 100,000 | - | 100,000 |
| Total expenditures | - | 8,175,254 | 2,382,786 | 5,792,468 |
| Excess (deficiency) of revenues over (under) expenditures | - | (3,400,434) | 13,850,655 | 17,251,089 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | (12,726,612) | (12,726,612) | - |
| Total other financing sources (uses) | - | (12,726,612) | (12,726,612) | - |
| Net change in fund balance | \$ - | \$ (16,127,046) | 1,124,043 | \$ 17,251,089 |
| FUND BALANCE - BEGINNING | | | - | |
| FUND BALANCE - ENDING | | | \$ 1,124,043 | |

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)**

SEPTEMBER 30, 2022

Budgetary Information

The City Commission adopted these procedures to establish the budgetary data reflected in the financial statements.

Prior to July 10, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.

The City Commission holds public workshops on the proposed budget. In September, formal public hearings are conducted to obtain taxpayers' comments. Prior to October 1, the budget is legally adopted.

Expenditures may not exceed the budget and are controlled at the departmental level. The City Manager can approve budget transfers within operating departments and divisions of the same fund. Individual transfers exceeding \$10,000 are reported to the City Commission on a quarterly basis. Unencumbered balances of appropriations lapse at year end. Purchase orders outstanding at year end are carried forward.

Budgets have been legally adopted for all governmental and proprietary fund types, except for the Special Purpose, Law Enforcement Trust, Affordable Housing Trust, Cultural Arts Foundation, Capital Projects, American Rescue Plan, Capital Project 2018 GO Bonds, and the Capital Project 2021 GO Bond funds. Budgets are adopted for capital outlay expenditures on a project basis. Presentation of this information on an annual basis is not considered meaningful.

Budgets have been adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for the inclusion of encumbrances as the equivalent of expenditures. Budgets for the general fund and major special revenue funds are disclosed as part of required supplementary information. The reported budgetary data represents the final approved budget after amendments adopted by the City Commission.

The City does not budget for revenues and expenditures related to State contributions to the Police and Firefighters Retirement Plan (the Plan), recorded in the General Fund, as these payments are on behalf of the City and are received by the Plan directly.

CITY OF POMPANO BEACH, FLORIDA

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)**

SEPTEMBER 30, 2022

Adjustments necessary to convert the General Fund and the major special revenue funds results of operations and changes in fund balances at September 30, 2022 from the accounting principles generally accepted in the United States of America basis of accounting to the budgetary basis are as follows:

| | Revenues/ Other Financing Sources | Expenditures/ Other Financing Uses | Changes in Fund Balances |
|---|--|---|-------------------------------------|
| <u>General Fund</u> | | | |
| GAAP Basis | \$ 203,295,254 | \$ 195,362,113 | \$ 7,933,141 |
| Encumbrances | - | 5,008,535 | (5,008,535) |
| Budgetary Basis | <u>\$ 203,295,254</u> | <u>\$ 200,370,648</u> | <u>\$ 2,924,606</u> |
| <u>Northwest Community Redevelopment District Fund</u> | | | |
| GAAP Basis | \$ 23,979,375 | \$ 6,037,566 | \$ 17,941,809 |
| Encumbrances | - | 1,735,824 | (1,735,824) |
| Budgetary Basis | <u>\$ 23,979,375</u> | <u>\$ 7,773,390</u> | <u>\$ 16,205,985</u> |
| <u>East Community Redevelopment District Fund</u> | | | |
| GAAP Basis | \$ 4,083,139 | \$ 3,114,576 | \$ 968,563 |
| Encumbrances | - | 1,441,396 | (1,441,396) |
| Budgetary Basis | <u>\$ 4,083,139</u> | <u>\$ 4,555,972</u> | <u>\$ (472,833)</u> |
| <u>Emergency Medical Services District Fund</u> | | | |
| GAAP Basis | \$ 20,829,123 | \$ 20,620,023 | \$ 209,100 |
| Encumbrances | - | 36,065 | (36,065) |
| Budgetary Basis | <u>\$ 20,829,123</u> | <u>\$ 20,656,088</u> | <u>\$ 173,035</u> |
| <u>American Rescue Plan</u> | | | |
| GAAP Basis | 16,233,441 | 15,109,398 | 1,124,043 |
| Encumbrances | - | - | - |
| Budgetary Basis | <u>\$ 16,233,441</u> | <u>\$ 15,109,398</u> | <u>\$ 1,124,043</u> |

**COMBINING AND INDIVIDUAL FUND
STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

Building Permit Fund - accounts for specific revenues that are restricted to particular purposes per Florida Statute, such as costs incurred to enforce the Florida Building Code.

Special Purpose Fund - accounts for specific revenues that are restricted to particular purposes per City Ordinance, such as tree canopy landscaping, beach area master parking, nautical flea market, disaster recovery, emergency medical service, tri-centennial celebration and building certification/education maintenance.

Law Enforcement Trust Fund (LETf) - accounts for confiscated monies and property awarded to the City for law enforcement related expenditures in accordance with Florida Statutes and Federal guidelines.

SHIP Fund - accounts for the activities of the State Housing Initiative Partnership Grant Program.

Other Grants Fund - accounts for federal, state and local government program grants and other restricted sources.

Affordable Housing Fund - accounts for various fees and contributions for the preservation of the existing affordable housing neighborhoods.

Cultural Arts Foundation Fund - accounts for gifts and contributions to provide for the promotion of diverse cultural arts in the City.

Cemetery Perpetual Care Fund - accounts for the proceeds from the sale of certain cemetery plots and certain service charges. Capital improvements expenditures are not allowed.

GO Bonds Debt Service Fund - accounts for property taxes collected for the repayment of principal and interest on the City's 2018 and 2021 Series General Obligation Bonds.

CITY OF POMPANO BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

| | Special Revenue Funds | | | |
|---|------------------------------|----------------------------|-------------------|---------------------|
| | Building Permit | Special Purpose | LETF | SHIP |
| ASSETS | | | | |
| Cash and cash equivalents | \$ 2,777,861 | \$ 145,981 | \$ 78,180 | \$ 1,360,189 |
| Restricted cash and cash equivalents | - | - | - | - |
| Restricted investments | - | - | - | - |
| Unrestricted investments | 19,133,524 | 1,005,499 | 538,488 | - |
| Interest receivable | 85,899 | - | 2,370 | - |
| Accounts receivables, net | - | - | - | - |
| Assets held for resale and redevelopment | - | - | - | - |
| Due from other governments | - | 139,171 | - | - |
| Other assets | - | - | - | - |
| Total assets | <u>\$ 21,997,284</u> | <u>\$ 1,290,651</u> | <u>\$ 619,038</u> | <u>\$ 1,360,189</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 88,326 | \$ 124,615 | \$ - | \$ 901 |
| Accrued expenditures | 142,591 | - | - | - |
| Deposits | - | - | - | - |
| Unearned revenue | - | - | 619,038 | 1,359,288 |
| Total liabilities | <u>230,917</u> | <u>124,615</u> | <u>619,038</u> | <u>1,360,189</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | - | - | - | - |
| Fund balances: | | | | |
| Restricted | 21,766,367 | 110,482 | - | - |
| Committed | - | 1,055,554 | - | - |
| Total fund balances (deficit) | <u>21,766,367</u> | <u>1,166,036</u> | <u>-</u> | <u>-</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 21,997,284</u> | <u>\$ 1,290,651</u> | <u>\$ 619,038</u> | <u>\$ 1,360,189</u> |

| Special Revenue Funds | | | | Debt Service Fund | Total Non-major Governmental Funds |
|------------------------------|---------------------------|---------------------------------|-------------------|------------------------------|---|
| Other Grants | Affordable Housing | Cultural Arts Foundation | Cemetery | GO Bonds Debt Service | |
| \$ 2,867,915 | \$ 2,102,582 | \$ 495 | \$ 122,938 | \$ - | \$ 9,456,141 |
| - | - | - | - | 119,387 | 119,387 |
| - | - | - | - | 822,319 | 822,319 |
| - | - | - | 846,782 | - | 21,524,293 |
| - | - | - | - | - | 88,269 |
| 1,436 | - | - | - | - | 1,436 |
| - | 406,037 | - | - | - | 406,037 |
| 792,702 | - | - | - | 13,278 | 945,151 |
| 8,474 | - | - | - | - | 8,474 |
| <u>\$ 3,670,527</u> | <u>\$ 2,508,619</u> | <u>\$ 495</u> | <u>\$ 969,720</u> | <u>\$ 954,984</u> | <u>\$ 33,371,507</u> |
| | | | | | |
| \$ 372,718 | \$ 300,431 | \$ - | \$ - | \$ - | \$ 886,991 |
| 7,060 | - | - | - | - | 149,651 |
| 434 | - | - | - | - | 434 |
| - | - | - | - | - | 1,978,326 |
| <u>380,212</u> | <u>300,431</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,015,402</u> |
| | | | | | |
| <u>229,043</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,919</u> | <u>240,962</u> |
| | | | | | |
| 3,061,272 | - | 495 | - | 943,065 | 25,881,681 |
| - | 2,208,188 | - | 969,720 | - | 4,233,462 |
| <u>3,061,272</u> | <u>2,208,188</u> | <u>495</u> | <u>969,720</u> | <u>943,065</u> | <u>30,115,143</u> |
| | | | | | |
| <u>\$ 3,670,527</u> | <u>\$ 2,508,619</u> | <u>\$ 495</u> | <u>\$ 969,720</u> | <u>\$ 954,984</u> | <u>\$ 33,371,507</u> |

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | Special Revenue Funds | | | |
|---|------------------------------|----------------------------|--------------------|----------------|
| | Building Permit | Special Purpose | LETF | SHIP |
| REVENUES | | | | |
| Taxes | \$ - | \$ 143,445 | \$ - | \$ - |
| Permits, fees and special assessments | 15,702,190 | - | - | - |
| Intergovernmental | - | 452,801 | 1,237,661 | 165,996 |
| Charges for services | - | 886,511 | - | - |
| Donations | - | 145 | - | - |
| Program income | - | - | - | 78,250 |
| Investment earnings (loss) | (811,944) | (91,733) | (26,928) | 4,175 |
| Cemetery lot sales | - | - | - | - |
| Other revenue | 61,751 | - | - | - |
| Total revenues | <u>14,951,997</u> | <u>1,391,169</u> | <u>1,210,733</u> | <u>248,421</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 11,223,072 | - | 10,733 | - |
| Transportation | - | 486,453 | - | - |
| Economic environment | - | - | - | 248,421 |
| Culture and recreation | - | 6,239 | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Capital outlay | 109,436 | - | - | - |
| Total expenditures | <u>11,332,508</u> | <u>492,692</u> | <u>10,733</u> | <u>248,421</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,619,489</u> | <u>898,477</u> | <u>1,200,000</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | (1,259,314) | (1,200,000) | - |
| Total other financing sources (uses) | <u>-</u> | <u>(1,259,314)</u> | <u>(1,200,000)</u> | <u>-</u> |
| Net change in fund balances (deficit) | 3,619,489 | (360,837) | - | - |
| Fund balances - beginning | 18,146,878 | 1,526,873 | - | - |
| Fund balances (deficit)- ending | <u>\$ 21,766,367</u> | <u>\$ 1,166,036</u> | <u>\$ -</u> | <u>\$ -</u> |

| Special Revenue Funds | | | | Debt Service Fund | Total Non-major Governmental Funds |
|------------------------------|---------------------------|---------------------------------|-------------------|------------------------------|---|
| Other Grants | Affordable Housing | Cultural Arts Foundation | Cemetery | GO Bonds Debt Service | |
| \$ - | \$ - | \$ - | \$ - | \$ 10,368,552 | \$ 10,511,997 |
| - | 458,559 | - | - | - | 16,160,749 |
| 2,736,477 | - | - | - | - | 4,592,935 |
| - | - | - | 2,645 | - | 889,156 |
| - | - | - | - | - | 145 |
| 256,356 | 1,643,788 | - | - | - | 1,978,394 |
| 16,257 | 2,964 | 6 | - | 975 | (906,228) |
| - | - | - | 3,429 | - | 3,429 |
| 1,083 | - | - | - | - | 62,834 |
| <u>3,010,173</u> | <u>2,105,311</u> | <u>6</u> | <u>6,074</u> | <u>10,369,527</u> | <u>33,293,411</u> |
| 864 | - | - | - | - | 11,234,669 |
| - | - | - | - | - | 486,453 |
| 2,495,832 | 2,617,220 | - | - | - | 5,361,473 |
| - | - | - | - | - | 6,239 |
| 215,000 | - | - | - | 3,590,000 | 3,805,000 |
| 27,922 | - | - | - | 5,985,404 | 6,013,326 |
| - | - | - | 88,196 | - | 197,632 |
| <u>2,739,618</u> | <u>2,617,220</u> | <u>-</u> | <u>88,196</u> | <u>9,575,404</u> | <u>27,104,792</u> |
| <u>270,555</u> | <u>(511,909)</u> | <u>6</u> | <u>(82,122)</u> | <u>794,123</u> | <u>6,188,619</u> |
| 154,199 | - | - | - | - | 154,199 |
| - | - | - | - | - | (2,459,314) |
| <u>154,199</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,305,115)</u> |
| 424,754 | (511,909) | 6 | (82,122) | 794,123 | 3,883,504 |
| 2,636,518 | 2,720,097 | 489 | 1,051,842 | 148,942 | 26,231,639 |
| <u>\$ 3,061,272</u> | <u>\$ 2,208,188</u> | <u>\$ 495</u> | <u>\$ 969,720</u> | <u>\$ 943,065</u> | <u>\$ 30,115,143</u> |

CITY OF POMPANO BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 BUILDING PERMIT FUND - NONMAJOR
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Budgeted Amounts</u> | | Actual (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|-----------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Permits, fees and special assessments | \$ 8,934,740 | \$ 8,934,740 | \$ 15,702,190 | \$ 6,767,450 |
| Investment earnings (loss) | 45,587 | 45,587 | (811,944) | (857,531) |
| Other revenue | - | - | 61,751 | 61,751 |
| Total Revenues | <u>8,980,327</u> | <u>8,980,327</u> | <u>14,951,997</u> | <u>5,971,670</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Development services | 11,993,351 | 12,207,650 | 11,302,414 | 905,236 |
| Capital outlay | 94,632 | 128,707 | 109,732 | 18,975 |
| Debt Service: | | | | |
| Principal | <u>50,785</u> | <u>50,785</u> | - | 50,785 |
| Total expenditures | <u>12,138,768</u> | <u>12,387,142</u> | <u>11,412,146</u> | <u>974,996</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>\$ (3,158,441)</u> | <u>\$ (3,406,815)</u> | 3,539,851 | <u>\$ 6,946,666</u> |
| FUND BALANCE - BEGINNING | | | <u>18,035,082</u> | |
| FUND BALANCE - ENDING | | | <u>\$ 21,574,933</u> | |

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHIP FUND - NONMAJOR
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Budgeted Amounts</u> | | Actual (Budgetary Basis) | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------------|---|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ 1,083,957 | \$ 165,996 | \$ (917,961) |
| Program income | - | 78,250 | 78,250 | - |
| Investment earnings (loss) | - | 4,175 | 4,175 | - |
| Total revenues | <u>-</u> | <u>1,166,382</u> | <u>248,421</u> | <u>(917,961)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Economic environment | - | <u>2,077,875</u> | <u>282,391</u> | <u>1,795,484</u> |
| Total expenditures | - | <u>2,077,875</u> | <u>282,391</u> | <u>1,795,484</u> |
| Excess (deficiency) of revenues over (under) expenditures | \$ - | \$ <u>(911,493)</u> | (33,970) | \$ <u>877,523</u> |
| FUND BALANCE - BEGINNING | | | - | |
| FUND BALANCE - ENDING | | | <u>\$ (33,970)</u> | |

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 OTHER GRANTS FUND - NONMAJOR
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Budgeted Amounts</u> | | <u>Actual (Budgetary Basis)</u> | <u>Variance with Final Budget - Positive (Negative)</u> |
|--|-------------------------|-----------------------|---|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 1,518,185 | \$ 4,466,959 | \$ 2,736,477 | \$ (1,730,482) |
| Program income | - | 456,355 | 256,356 | (199,999) |
| Investment earnings (loss) | - | 13,415 | 16,257 | 2,842 |
| Other revenue | - | 1,083 | 1,083 | - |
| Total Revenues | <u>1,518,185</u> | <u>4,937,812</u> | <u>3,010,173</u> | <u>(1,927,639)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Economic environment | 1,518,185 | 7,332,147 | 3,325,021 | 4,007,126 |
| Public safety | - | 315,466 | 315,466 | - |
| Debt service | | | | |
| Interest and other charges | - | 15,108 | 13,707 | 1,401 |
| Capital outlay | - | 221,864 | 221,864 | - |
| Total expenditures | <u>1,518,185</u> | <u>7,884,585</u> | <u>3,876,058</u> | <u>4,008,527</u> |
| Excess (deficiency) of revenues over (under) expenditures | - | <u>(2,946,773)</u> | <u>(865,885)</u> | <u>2,080,888</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 154,199 | 154,199 | - |
| Total other financing sources (uses) | - | 154,199 | 154,199 | - |
| Net change in fund balance | <u>\$ -</u> | <u>\$ (2,792,574)</u> | <u>(711,686)</u> | <u>\$ 2,080,888</u> |
| FUND BALANCE - BEGINNING | | | <u>1,153,180</u> | |
| FUND BALANCE - ENDING | | | <u>\$ 441,494</u> | |

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 CEMETERY FUND - NONMAJOR
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------|---------------|--|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Charges for services | \$ - | \$ - | \$ 2,645 | \$ 2,645 |
| Cemetery lot sales | - | - | 3,429 | 3,429 |
| Total revenues | - | - | 6,074 | 6,074 |
| EXPENDITURES | | | | |
| Capital outlay | - | 99,256 | 99,246 | 10 |
| Total expenditures | - | 99,256 | 99,246 | 10 |
| Excess (deficiency) of revenues over (under) expenditures | - | (99,256) | (93,172) | 6,084 |
| Net change in fund balance | \$ - | \$ (99,256) | (93,172) | \$ 6,084 |
| FUND BALANCE - BEGINNING | | | 1,051,842 | |
| FUND BALANCE - ENDING | | | \$ 958,670 | |

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

CITY OF POMPANO BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GO BONDS DEBT SERVICE FUND - NONMAJOR
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|-------------------|-------------------|--|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| REVENUES | | | | |
| Taxes | \$ 10,248,749 | \$ 10,248,749 | \$ 10,368,552 | \$ 119,803 |
| Investment earnings | - | - | 975 | 975 |
| Total Revenues | <u>10,248,749</u> | <u>10,248,749</u> | <u>10,369,527</u> | <u>120,778</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal | 5,350,576 | 4,263,407 | 3,590,000 | 673,407 |
| Interest | 4,898,234 | 5,985,403 | 5,985,404 | (1) |
| Total expenditures | <u>10,248,810</u> | <u>10,248,810</u> | <u>9,575,404</u> | <u>673,406</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(61)</u> | <u>(61)</u> | <u>794,123</u> | <u>794,184</u> |
| Net change in fund balances | <u>\$ (61)</u> | <u>\$ (61)</u> | <u>794,123</u> | <u>\$ 794,184</u> |
| FUND BALANCE - BEGINNING | | | <u>148,942</u> | |
| FUND BALANCE - ENDING | | | <u>\$ 943,065</u> | |

The above schedule reflects certain adjustments to actual expenditures to present data on a basis comparable to the adopted budget. See notes to required supplementary information.

NONMAJOR ENTERPRISE FUNDS

Airpark Fund - accounts for administration, operation, and maintenance of the City's airpark.

Sanitation Fund - accounts for the provision of solid waste disposal services to City residents.

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2022

| | <u>Airpark</u> | <u>Sanitation</u> | <u>Total</u> |
|--|----------------------|---------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | \$ 147,880 | \$ 599,764 | \$ 747,644 |
| Interest receivable | 4,987 | 15,608 | 20,595 |
| Accounts receivables, net | - | 1,043,463 | 1,043,463 |
| Due from other governments | 443,872 | 235,612 | 679,484 |
| Total current assets | <u>596,739</u> | <u>1,894,447</u> | <u>2,491,186</u> |
| Noncurrent Assets | | | |
| Unrestricted investments | 1,018,576 | 4,110,532 | 5,129,108 |
| Leased assets receivables, net | - | 10,029 | 10,029 |
| Capital assets | | | |
| Land | 934 | - | 934 |
| Construction in progress | 1,945,288 | - | 1,945,288 |
| Buildings | 1,656,670 | 149,199 | 1,805,869 |
| Infrastructure | 4,222,359 | - | 4,222,359 |
| Improvements | 22,097,595 | - | 22,097,595 |
| Machinery and equipment | 680,058 | 1,848,452 | 2,528,510 |
| Less accumulated depreciation | <u>(16,899,462)</u> | <u>(1,014,708)</u> | <u>(17,914,170)</u> |
| Total capital assets (net of accumulated depreciation) | <u>13,703,442</u> | <u>982,943</u> | <u>14,686,385</u> |
| Total noncurrent assets | <u>14,722,018</u> | <u>5,103,504</u> | <u>19,825,522</u> |
| Total assets | <u>15,318,757</u> | <u>6,997,951</u> | <u>22,316,708</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to pensions | 133,297 | 404,937 | 538,234 |
| Deferred outflows related to OPEB | 1,551 | 6,516 | 8,067 |
| Total deferred outflows of resources | <u>134,848</u> | <u>411,453</u> | <u>546,301</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 104,904 | 778,240 | 883,144 |
| Accrued expenses | 10,881 | 36,740 | 47,621 |
| Accrued interest payable | - | 3,370 | 3,370 |
| Compensated absences | - | 6,747 | 6,747 |
| Financing arrangements payable | - | 249,095 | 249,095 |
| Lease liability (current) | - | 6,719 | 6,719 |
| Total current liabilities | <u>115,785</u> | <u>1,080,911</u> | <u>1,196,696</u> |
| Noncurrent liabilities: | | | |
| Compensated absences | 111,553 | 221,691 | 333,244 |
| Total OPEB liability | 73,870 | 310,254 | 384,124 |
| Financing arrangements payable | - | 508,471 | 508,471 |
| Lease liability, (non current) | - | 3,435 | 3,435 |
| Net pension liability | 490,327 | 1,489,540 | 1,979,867 |
| Total noncurrent liabilities | <u>675,750</u> | <u>2,533,391</u> | <u>3,209,141</u> |
| Total liabilities | <u>791,535</u> | <u>3,614,302</u> | <u>4,405,837</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to pensions | 255,744 | 776,914 | 1,032,658 |
| Deferred inflows related to OPEB | 16,599 | 69,714 | 86,313 |
| Total deferred inflows of resources | <u>272,343</u> | <u>846,628</u> | <u>1,118,971</u> |
| NET POSITION | | | |
| Net investment in capital assets | 13,599,877 | 771,907 | 14,371,784 |
| Unrestricted | 789,850 | 2,176,567 | 2,966,417 |
| Total net position | <u>\$ 14,389,727</u> | <u>\$ 2,948,474</u> | <u>\$ 17,338,201</u> |

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Airpark</u> | <u>Sanitation</u> | <u>Total</u> |
|---|----------------------|---------------------|----------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 1,136,309 | \$ 9,556,290 | \$ 10,692,599 |
| Miscellaneous | 265,975 | 1,957,147 | 2,223,122 |
| Total operating revenues | <u>1,402,284</u> | <u>11,513,437</u> | <u>12,915,721</u> |
| OPERATING EXPENSES | | | |
| Personnel services | 562,952 | 1,972,248 | 2,535,200 |
| Other current expenses | 546,776 | 7,915,742 | 8,462,518 |
| Depreciation expense | 1,437,958 | 240,699 | 1,678,657 |
| Amortization expense | - | 6,686 | 6,686 |
| Total operating expenses | <u>2,547,686</u> | <u>10,135,375</u> | <u>12,683,061</u> |
| Operating income (loss) | <u>(1,145,402)</u> | <u>1,378,062</u> | <u>232,660</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment earnings (loss) | (52,360) | (159,560) | (211,920) |
| Interest expense | - | (11,569) | (11,569) |
| Gain or (loss) from disposition of capital assets | - | (751) | (751) |
| Total nonoperating revenues (expenses) | <u>(52,360)</u> | <u>(171,880)</u> | <u>(224,240)</u> |
| Income (loss) before contributions and transfers | (1,197,762) | 1,206,182 | 8,420 |
| Capital grants and contributions | 523,511 | - | 523,511 |
| Transfers in | 450,000 | - | 450,000 |
| Change in net position | <u>(224,251)</u> | <u>1,206,182</u> | <u>981,931</u> |
| Total net position - beginning | <u>14,613,978</u> | <u>1,742,292</u> | <u>16,356,270</u> |
| Total net position - ending | <u>\$ 14,389,727</u> | <u>\$ 2,948,474</u> | <u>\$ 17,338,201</u> |

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | <u>Airpark</u> | <u>Sanitation</u> | <u>Total</u> |
|---|--------------------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$ 1,866,483 | \$ 11,592,244 | \$ 13,458,727 |
| Payments to suppliers/Insurer | (912,359) | (7,948,728) | (8,861,087) |
| Payments to employees | (543,431) | (1,839,998) | (2,383,429) |
| Net cash provided (used) by operating activities | <u>410,693</u> | <u>1,803,518</u> | <u>2,214,211</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers from other funds | 450,000 | - | 450,000 |
| Net cash provided (used) by noncapital financing activities | <u>450,000</u> | <u>-</u> | <u>450,000</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition and construction of capital assets | (762,202) | (541,543) | (1,303,745) |
| Capital grants and contributions | 523,520 | - | 523,520 |
| Proceeds from the sale of surplus materials/capital assets | - | (751) | (751) |
| Principal paid on financing arrangements | - | (245,622) | (245,622) |
| Interest paid on bonds/notes | - | (2,433) | (2,433) |
| Net cash provided (used) by capital and related financing activities | <u>(238,682)</u> | <u>(790,349)</u> | <u>(1,029,031)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of investments | (532,654) | (976,123) | (1,508,777) |
| Interest earnings | (54,643) | (167,252) | (221,895) |
| Net cash provided (used) by investing activities | <u>(587,297)</u> | <u>(1,143,375)</u> | <u>(1,730,672)</u> |
| Net increase (decrease) in cash and cash equivalents | <u>34,714</u> | <u>(130,206)</u> | <u>(95,492)</u> |
| Cash and cash equivalents beginning of the year | 113,166 | 729,970 | 843,136 |
| Cash and cash equivalents at end of the year | <u>\$ 147,880</u> | <u>\$ 599,764</u> | <u>\$ 747,644</u> |
| Non-cash transactions (investing activities): | | | |
| Change in fair value of investments | <u>\$ (81,429)</u> | <u>\$ (228,540)</u> | <u>\$ (309,969)</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income(loss) | \$ (1,145,402) | \$ 1,378,062 | \$ 232,660 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation and amortization expense | 1,437,958 | 247,385 | 1,685,343 |
| Changes in assets and liabilities: | | | |
| (Increase decrease in assets): | | | |
| Accounts receivable | 41,770 | 77,673 | 119,443 |
| Due from other governments | 422,429 | 1,134 | 423,563 |
| Deferred outflows and inflows pensions | 123,930 | 346,070 | 470,000 |
| Increase (decrease) in liabilities | | | |
| Deferred outflows and inflows related to OPEB | 222,626 | 716,435 | 939,061 |
| Accounts and other payables | (354,816) | 12,239 | (342,577) |
| Accrued expenses | 1,479 | 2,550 | 4,029 |
| Net pension liability | (317,815) | (937,082) | (1,254,897) |
| Other post employment benefits (OPEB) | (10,767) | (45,224) | (55,991) |
| Compensated absences | (10,699) | 4,276 | (6,423) |
| Net cash provided (used) by operating activities: | <u>\$ 410,693</u> | <u>\$ 1,803,518</u> | <u>\$ 2,214,211</u> |

INTERNAL SERVICE FUNDS

Central Stores Fund - accounts for the costs of providing a central inventory to other departments. The other departments are charged for inventory plus a fee to cover overhead.

Information Technology Fund - accounts for the costs of providing information processing services to other City departments. The other departments are charged a direct fee for the initial purchase of equipment and a usage fee to cover operating costs of the fund.

Central Services Fund - accounts for the costs of providing goods and services, primarily printing and duplicating, to other City departments. The other departments are billed based on their historical frequency of use.

Risk Management Fund (Health) - accounts for the City's share of health insurance premiums. Other funds are billed to cover actual costs of premiums and claims.

Risk Management Fund (General) - accounts for the costs of insuring the City for property damage, general liability, auto liability, and worker's compensation. Other funds are billed to cover actual costs of premiums and claims.

Vehicle Services Fund - accounts for the costs of operating a maintenance facility for City vehicles. Other City departments are billed to cover operating costs, fuel consumption, and vehicle repairs.

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2022

| | Central Stores | Information Technology | Central Services |
|--|-----------------------|-----------------------------------|-------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 268,607 | \$ 107,851 | \$ 113,216 |
| Interest receivable | 984 | 3,305 | 3,534 |
| Due from other governments | - | - | - |
| Inventories | 790,404 | - | 78,317 |
| Total current assets: | <u>1,059,995</u> | <u>111,156</u> | <u>195,067</u> |
| Noncurrent assets | | | |
| Investments | - | 742,862 | 779,813 |
| Capital assets | | | |
| Construction in progress | - | 47,708 | - |
| Buildings | 247,163 | - | 7,373 |
| Improvements | - | - | - |
| Machinery and equipment | 84,774 | 3,279,443 | 126,458 |
| Less accumulated depreciation | <u>(330,727)</u> | <u>(2,652,477)</u> | <u>(84,979)</u> |
| Total capital assets (net of accumulated depreciation) | <u>1,210</u> | <u>674,674</u> | <u>48,852</u> |
| Total noncurrent assets | <u>1,210</u> | <u>1,417,536</u> | <u>828,665</u> |
| Total assets | <u>1,061,205</u> | <u>1,528,692</u> | <u>1,023,732</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows related to OPEB | <u>931</u> | <u>3,723</u> | <u>2,172</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 63,565 | 148,559 | 16,886 |
| Accrued expenses | 8,248 | 29,827 | 13,751 |
| Claims and judgments | - | - | - |
| Compensated absences | - | - | 35,099 |
| Total current liabilities: | <u>71,813</u> | <u>178,386</u> | <u>65,736</u> |
| Noncurrent liabilities | | | |
| Compensated absences | 66,538 | 247,562 | 76,130 |
| Total OPEB liability | 44,322 | 177,288 | 103,418 |
| Claims and judgments | - | - | - |
| Total noncurrent liabilities | <u>110,860</u> | <u>424,850</u> | <u>179,548</u> |
| Total liabilities | <u>182,673</u> | <u>603,236</u> | <u>245,284</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows related to OPEB | <u>9,959</u> | <u>39,837</u> | <u>23,238</u> |
| NET POSITION | | | |
| Net investment in capital assets | 1,210 | 674,674 | 48,852 |
| Unrestricted | <u>868,294</u> | <u>214,668</u> | <u>708,530</u> |
| Total net position (deficit) | <u>\$ 869,504</u> | <u>\$ 889,342</u> | <u>\$ 757,382</u> |

| Risk Management Health | Risk Management General | Vehicle Services | Total |
|-------------------------------|--------------------------------|-------------------------|---------------------|
| \$ 600,777 | \$ 1,962,425 | \$ 97,611 | \$ 3,150,487 |
| 16,803 | 60,484 | 4,583 | 89,693 |
| - | - | 39,549 | 39,549 |
| - | - | 140,774 | 1,009,495 |
| <u>617,580</u> | <u>2,022,909</u> | <u>282,517</u> | <u>4,289,224</u> |
| 4,138,066 | 13,516,913 | 672,328 | 19,849,982 |
| - | - | - | 47,708 |
| - | - | - | 254,536 |
| - | - | 423,838 | 423,838 |
| - | 10,221 | 870,793 | 4,371,689 |
| - | (9,288) | (1,154,980) | (4,232,451) |
| - | 933 | 139,651 | 865,320 |
| <u>4,138,066</u> | <u>13,517,846</u> | <u>811,979</u> | <u>20,715,302</u> |
| <u>4,755,646</u> | <u>15,540,755</u> | <u>1,094,496</u> | <u>25,004,526</u> |
| - | 1,551 | 3,103 | 11,480 |
| 56,922 | 119,895 | 2,804 | 408,631 |
| - | 10,025 | 18,192 | 80,043 |
| - | 3,090,617 | - | 3,090,617 |
| - | 3,091 | 18,639 | 56,829 |
| <u>56,922</u> | <u>3,223,628</u> | <u>39,635</u> | <u>3,636,120</u> |
| - | 71,653 | 117,512 | 579,395 |
| - | 73,870 | 147,740 | 546,638 |
| - | 14,958,383 | - | 14,958,383 |
| - | 15,103,906 | 265,252 | 16,084,416 |
| <u>56,922</u> | <u>18,327,534</u> | <u>304,887</u> | <u>19,720,536</u> |
| - | 16,599 | 33,197 | 122,830 |
| - | 933 | 139,651 | 865,320 |
| <u>4,698,724</u> | <u>(2,802,760)</u> | <u>619,864</u> | <u>4,307,320</u> |
| <u>\$ 4,698,724</u> | <u>\$ (2,801,827)</u> | <u>\$ 759,515</u> | <u>\$ 5,172,640</u> |

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | Central Stores | Information Technology | Central Services |
|---|-----------------------|-----------------------------------|-------------------------|
| OPERATING REVENUES | | | |
| Charges for services - internal | \$ 900,837 | \$ 2,877,480 | \$ 1,810,699 |
| Charges for services - other | - | - | 4 |
| Miscellaneous | - | 58 | - |
| Total operating revenues | <u>900,837</u> | <u>2,877,538</u> | <u>1,810,703</u> |
| OPERATING EXPENSES | | | |
| Personnel services | 235,032 | 1,520,288 | 805,975 |
| Other current expenses | 220,460 | 1,112,753 | 617,828 |
| Depreciation | 5,680 | 376,787 | 20,532 |
| Total operating expenses | <u>461,172</u> | <u>3,009,828</u> | <u>1,444,335</u> |
| Operating income (loss) | <u>439,665</u> | <u>(132,290)</u> | <u>366,368</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment earnings (loss) | (10,592) | (36,830) | (34,734) |
| Gain or (loss) from disposition of capital assets | - | (3,064) | - |
| Total nonoperating revenues (expenses) | <u>(10,592)</u> | <u>(39,894)</u> | <u>(34,734)</u> |
| Changes in net position | 429,073 | (172,184) | 331,634 |
| Net position (deficit) - beginning | <u>440,431</u> | <u>1,061,526</u> | <u>425,748</u> |
| Net position (deficit) - ending | <u>\$ 869,504</u> | <u>\$ 889,342</u> | <u>\$ 757,382</u> |

| Risk Management Health | Risk Management General | Vehicle Services | Total |
|-----------------------------------|------------------------------------|-------------------------|---------------------|
| \$ 9,621,839 | \$ 5,054,917 | \$ 3,749,222 | \$ 24,014,994 |
| 2,929,930 | - | - | 2,929,934 |
| 100,000 | 203,570 | 51,318 | 354,946 |
| <u>12,651,769</u> | <u>5,258,487</u> | <u>3,800,540</u> | <u>27,299,874</u> |
| - | 547,994 | 891,553 | 4,000,842 |
| 13,383,716 | 6,705,655 | 2,975,204 | 25,015,616 |
| - | 1,399 | 73,686 | 478,084 |
| <u>13,383,716</u> | <u>7,255,048</u> | <u>3,940,443</u> | <u>29,494,542</u> |
| <u>(731,947)</u> | <u>(1,996,561)</u> | <u>(139,903)</u> | <u>(2,194,668)</u> |
| (166,143) | (608,145) | (45,260) | (901,704) |
| - | - | 22,120 | 19,056 |
| <u>(166,143)</u> | <u>(608,145)</u> | <u>(23,140)</u> | <u>(882,648)</u> |
| (898,090) | (2,604,706) | (163,043) | (3,077,316) |
| <u>5,596,814</u> | <u>(197,121)</u> | <u>922,558</u> | <u>8,249,956</u> |
| <u>\$ 4,698,724</u> | <u>\$ (2,801,827)</u> | <u>\$ 759,515</u> | <u>\$ 5,172,640</u> |

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | Central Stores | Information Technology | Central Services |
|---|--------------------|---------------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from other funds for charges for services | \$ 900,837 | \$ 2,877,538 | \$ 1,810,699 |
| Receipts from customers | - | - | 4 |
| Payments to suppliers/Insurer | (214,209) | (1,052,499) | (699,508) |
| Payments to employees | (229,680) | (1,561,472) | (806,801) |
| Claims Paid | - | - | - |
| Net cash provided (used) by operating activities | <u>456,948</u> | <u>263,567</u> | <u>304,394</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Advances from (to) other funds | (219,869) | - | - |
| Net cash provided (used) by noncapital financing activities | <u>(219,869)</u> | <u>-</u> | <u>-</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition and construction of capital assets | - | (167,103) | - |
| Proceeds from the sale of surplus materials/capital assets | - | - | - |
| Net cash provided (used) by capital and related financing activities | <u>-</u> | <u>(167,103)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of investments | - | (100,675) | (273,328) |
| Interest earnings | (13,159) | (37,496) | (35,805) |
| Net cash provided (used) by investing activities | <u>(13,159)</u> | <u>(138,171)</u> | <u>(309,133)</u> |
| Net increase (decrease) in cash and cash equivalents | <u>223,920</u> | <u>(41,707)</u> | <u>(4,739)</u> |
| Cash and cash equivalents at beginning of the year | 44,687 | 149,558 | 117,955 |
| Cash and cash equivalents at end of the year | <u>\$ 268,607</u> | <u>\$ 107,851</u> | <u>\$ 113,216</u> |
| Non-cash transactions (investing activities): | | | |
| Change in fair value of investments | <u>\$ (23,635)</u> | <u>\$ (43,689)</u> | <u>\$ (46,713)</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | |
| Operating income(loss) | \$ 439,665 | \$ (132,290) | \$ 366,368 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Cash flows reported in other categories | | | |
| Depreciation and amortization expense | 5,680 | 376,787 | 20,532 |
| Changes in assets and liabilities: | | | |
| Due from other governments | - | - | - |
| Inventories | (31,038) | - | (36,709) |
| Deferred outflows and inflows pensions | (170) | (575) | (215) |
| Increase (decrease) in liabilities: | | | |
| Deferred outflows and inflows related to OPEB | 7,829 | 31,320 | 18,269 |
| Accounts and other payables | 43,750 | 86,095 | (29,896) |
| Accrued expenses | 3,600 | 3,243 | 308 |
| Other post employment benefits (OPEB) | (6,461) | (25,842) | (15,075) |
| Compensated absences | (5,907) | (75,171) | (19,188) |
| Estimated claims payable | - | - | - |
| Net cash provided (used) by operating activities: | <u>\$ 456,948</u> | <u>\$ 263,567</u> | <u>\$ 304,394</u> |

| | Risk Management Health | Risk Management General | Vehicle Services | Total |
|----|---------------------------|----------------------------|--------------------|-----------------------|
| \$ | 9,621,839 | \$ 5,054,917 | \$ 3,749,222 | \$ 24,015,052 |
| | 3,029,930 | 203,570 | 23,804 | 3,257,308 |
| | (13,350,295) | (4,315,005) | (3,050,546) | (22,682,062) |
| | - | (521,882) | (883,342) | (4,003,177) |
| | - | (1,565,364) | - | (1,565,364) |
| | <u>(698,526)</u> | <u>(1,143,764)</u> | <u>(160,862)</u> | <u>(978,243)</u> |
| | - | - | - | (219,869) |
| | - | - | - | <u>(219,869)</u> |
| | - | - | (31,821) | (198,924) |
| | - | - | 22,125 | 22,125 |
| | - | - | <u>(9,696)</u> | <u>(176,799)</u> |
| | 406,508 | 462,086 | 128,089 | 622,680 |
| | <u>(165,588)</u> | <u>(611,457)</u> | <u>(46,329)</u> | <u>(909,834)</u> |
| | <u>240,920</u> | <u>(149,371)</u> | <u>81,760</u> | <u>(287,154)</u> |
| | <u>(457,606)</u> | <u>(1,293,135)</u> | <u>(88,798)</u> | <u>(1,662,065)</u> |
| | <u>1,058,383</u> | <u>3,255,560</u> | <u>186,409</u> | <u>4,812,552</u> |
| \$ | <u>600,777</u> | <u>\$ 1,962,425</u> | <u>\$ 97,611</u> | <u>\$ 3,150,487</u> |
| \$ | <u>(222,092)</u> | <u>\$ (799,437)</u> | <u>\$ (60,572)</u> | <u>\$ (1,196,138)</u> |
| \$ | (731,947) | \$ (1,996,561) | (139,903) | \$ (2,194,668) |
| | - | 1,399 | 73,686 | 478,084 |
| | - | - | (27,512) | (27,512) |
| | - | - | (43,672) | (111,419) |
| | - | (249) | (445) | (1,654) |
| | - | 13,050 | 26,100 | 96,568 |
| | 33,421 | (37,945) | (10,137) | 85,288 |
| | - | (281) | 1,677 | 8,547 |
| | - | (10,768) | (21,535) | (79,681) |
| | - | 13,591 | (19,121) | (105,796) |
| | - | 874,000 | - | 874,000 |
| | <u>(698,526)</u> | <u>(1,143,764)</u> | <u>(160,862)</u> | <u>(978,243)</u> |

FIDUCIARY FUNDS

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

General Employees' Retirement System Fund - accounts for the accumulation of resources to be used for retirement benefit payments to the majority of City employees. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial valuation.

Police and Firefighters' Retirement System Fund - accounts for the accumulation of resources to be used for retirement benefit payments to City police officers and firefighters. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial valuation.

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
SEPTEMBER 30, 2022

| | General Employees' Retirement System | Police and Firefighters' Retirement System | Total |
|---|---|---|-----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 26,325 | \$ 34,399 | \$ 60,724 |
| Receivables: | | | |
| Accrued interest and dividends | 166,741 | 405,455 | 572,196 |
| Due from brokers | - | 1,436,526 | 1,436,526 |
| Other | - | 265,739 | 265,739 |
| Total receivables | <u>166,741</u> | <u>2,107,720</u> | <u>2,274,461</u> |
| Investments: | | | |
| US Government obligations | 9,028,325 | 13,325,706 | 22,354,031 |
| Mortgage backed securities | - | 19,707,433 | 19,707,433 |
| Municipal obligations | - | 264,883 | 264,883 |
| Corporate obligations | 8,816,933 | 17,822,699 | 26,639,632 |
| Equity securities | 113,398,078 | 110,498,671 | 223,896,749 |
| Hedge funds and private equity funds | 28,537,417 | 57,964,413 | 86,501,830 |
| Real estate funds | 51,237,368 | - | 51,237,368 |
| Money market funds | 16,147,903 | 12,322,107 | 28,470,010 |
| Total investments | <u>227,166,024</u> | <u>231,905,912</u> | <u>459,071,936</u> |
| Prepayments and other assets | 3,415 | 1,878,996 | 1,882,411 |
| Property & equipment, net of accumulated depreciation | - | 315,142 | 315,142 |
| Total assets | <u>227,362,505</u> | <u>236,242,169</u> | <u>463,604,674</u> |
| LIABILITIES | | | |
| Accounts payable and accrued expenses | 233,290 | 246,870 | 480,160 |
| Due to brokers | - | 3,431,051 | 3,431,051 |
| Due in more than one year | - | 263,035 | 263,035 |
| Total liabilities | <u>233,290</u> | <u>3,940,956</u> | <u>4,174,246</u> |
| NET POSITION | | | |
| Restricted for pension benefits | <u>\$ 227,129,215</u> | <u>\$ 232,301,213</u> | <u>\$ 459,430,428</u> |

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

| | General Employees' Retirement System | Police and Firefighters' Retirement System | Total |
|--|---|---|-----------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Employer | \$ 10,930,384 | \$ 7,302,092 | \$ 18,232,476 |
| Employee buybacks | 1,272,887 | - | 1,272,887 |
| Broward County Sheriff's Office | 179,332 | 4,759,548 | 4,938,880 |
| Broward County - Library | 10,152 | - | 10,152 |
| Members | 3,803,438 | 2,210,960 | 6,014,398 |
| State | - | 2,813,294 | 2,813,294 |
| Total contributions | <u>16,196,193</u> | <u>17,085,894</u> | <u>33,282,087</u> |
| Investment income: | | | |
| Net appreciation (depreciation) in fair value of investments | (27,630,039) | (49,634,577) | (77,264,616) |
| Interest and dividends | 5,578,308 | 5,120,876 | 10,699,184 |
| Other | 33,465 | 20,786 | 54,251 |
| Total investment income (loss) | <u>(22,018,266)</u> | <u>(44,492,915)</u> | <u>(66,511,181)</u> |
| Less: investment expenses | 1,464,356 | 1,381,667 | 2,846,023 |
| Net investment income (loss) | <u>(23,482,622)</u> | <u>(45,874,582)</u> | <u>(69,357,204)</u> |
| Total additions | <u>(7,286,429)</u> | <u>(28,788,688)</u> | <u>(36,075,117)</u> |
| DEDUCTIONS | | | |
| Participant benefit payments | 13,672,035 | 24,146,027 | 37,818,062 |
| Benefits paid from DROP | 2,199,415 | - | 2,199,415 |
| Refunds of participant contributions | 321,573 | 35,604 | 357,177 |
| Administrative expenses | 883,633 | 750,366 | 1,633,999 |
| Total deductions | <u>17,076,656</u> | <u>24,931,997</u> | <u>42,008,653</u> |
| Net increase (decrease) in net position | <u>(24,363,085)</u> | <u>(53,720,685)</u> | <u>(78,083,770)</u> |
| Net position restricted for pension benefits | | | |
| Beginning of the year | <u>251,492,300</u> | <u>286,021,898</u> | <u>537,514,198</u> |
| End of the year | <u>\$ 227,129,215</u> | <u>\$ 232,301,213</u> | <u>\$ 459,430,428</u> |

STATISTICAL SECTION

STATISTICAL SECTION SUMMARY

This part of the City of Pompano Beach, Florida's annual comprehensive financial report presents additional information to assist users in understanding how the information provided in the financial statements, note disclosures, and required supplementary information impacts the City's overall financial health.

| Schedules | <u>Page</u> |
|--|--------------------|
| <u>Financial Trends</u> These schedules provide financial trend information, which shows how the City's financial performance has changed over time. | 163 |
| <u>Revenue Capacity</u> These schedules provide additional information about Property Tax, the City's most significant local revenue source | 169 |
| <u>Debt Capacity</u> These schedules provide detailed information about the City's current levels of outstanding debt, and can help the financial statement user assess the City's ability to issue additional debt in the future. | 176 |
| <u>Demographic and Economic Information</u> These schedules present demographic and economic indicators to assist the financial statement user in understanding the environment in which the City's financial activities occur. | 182 |
| <u>Operating Information</u> These schedules contain service and infrastructure data to help the financial statement user understand how the information in the City's financial statements relates to the services the City provides | 184 |

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF POMPANO BEACH, FLORIDA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities | | | | | |
| Net investment in capital assets | \$ 207,256,104 | \$ 215,941,575 | \$ 225,969,080 | \$ 270,890,727 | \$ 287,768,399 |
| Restricted | 48,000,383 | 39,320,526 | 40,980,733 | 42,731,241 | 49,064,248 |
| Unrestricted | <u>124,388,694</u> | <u>128,134,327</u> | <u>25,217,951</u> | <u>5,078,645</u> | <u>(33,588,535)</u> |
| Total governmental-type activities net position | <u>\$ 379,645,181</u> | <u>\$ 383,396,428</u> | <u>\$ 292,167,764</u> | <u>\$ 318,700,613</u> | <u>\$ 303,244,112</u> |
| | | | | | |
| Business-type activities | | | | | |
| Net investment in capital assets | \$ 117,178,114 | \$ 114,647,356 | \$ 113,532,397 | \$ 113,914,818 | \$ 113,231,147 |
| Restricted | 4,660,462 | 3,871,104 | 3,843,804 | 4,943,714 | 5,740,804 |
| Unrestricted | <u>48,877,564</u> | <u>52,140,506</u> | <u>47,700,594</u> | <u>47,852,883</u> | <u>58,853,706</u> |
| Total business-type activities net position | <u>\$ 170,716,140</u> | <u>\$ 170,658,966</u> | <u>\$ 165,076,795</u> | <u>\$ 166,711,415</u> | <u>\$ 177,825,657</u> |
| | | | | | |
| Primary Government | | | | | |
| Net investment in capital assets | \$ 324,434,218 | \$ 330,588,931 | \$ 339,501,477 | \$ 384,805,545 | \$ 400,999,546 |
| Restricted | 52,660,845 | 43,191,630 | 44,824,537 | 47,674,955 | 54,805,052 |
| Unrestricted | <u>173,266,258</u> | <u>180,274,833</u> | <u>72,918,545</u> | <u>52,931,528</u> | <u>25,265,171</u> |
| Total primary government net position | <u>\$ 550,361,321</u> | <u>\$ 554,055,394</u> | <u>\$ 457,244,559</u> | <u>\$ 485,412,028</u> | <u>\$ 481,069,769</u> |

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities | | | | | |
| Net investment in capital assets | \$ 296,451,107 | \$ 203,060,029 | \$ 308,830,055 | \$ 311,774,743 | \$ 292,954,375 |
| Restricted | 54,222,664 | 150,770,747 | 76,077,314 | 82,795,340 | 112,754,190 |
| Unrestricted | <u>(58,192,514)</u> | <u>(52,626,874)</u> | <u>(62,840,498)</u> | <u>(68,104,705)</u> | <u>(65,370,514)</u> |
| Total governmental-type activities net position | <u>\$ 292,481,257</u> | <u>\$ 301,203,902</u> | <u>\$ 322,066,871</u> | <u>\$ 326,465,378</u> | <u>\$ 340,338,051</u> |
| | | | | | |
| Business-type activities | | | | | |
| Net investment in capital assets | \$ 127,840,934 | \$ 141,661,961 | \$ 133,354,593 | \$ 134,315,024 | \$ 143,456,639 |
| Restricted | 4,187,391 | 4,283,219 | 4,287,555 | 4,287,677 | 3,824,452 |
| Unrestricted | <u>51,444,887</u> | <u>36,888,112</u> | <u>33,626,904</u> | <u>40,508,627</u> | <u>39,880,173</u> |
| Total business-type activities net position | <u>\$ 183,473,212</u> | <u>\$ 182,833,292</u> | <u>\$ 171,269,052</u> | <u>\$ 179,111,328</u> | <u>\$ 187,161,264</u> |
| | | | | | |
| Primary Government | | | | | |
| Net investment in capital assets | \$ 424,292,041 | \$ 344,721,990 | \$ 442,184,648 | \$ 446,089,767 | \$ 436,411,014 |
| Restricted | 58,410,055 | 155,053,966 | 80,364,869 | 87,083,017 | 116,578,642 |
| Unrestricted | <u>(6,747,627)</u> | <u>(15,738,762)</u> | <u>(29,213,594)</u> | <u>(27,596,078)</u> | <u>(25,490,341)</u> |
| Total primary government net position | <u>\$ 475,954,469</u> | <u>\$ 484,037,194</u> | <u>\$ 493,335,923</u> | <u>\$ 505,576,706</u> | <u>\$ 527,499,315</u> |

CITY OF POMPANO BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (accrual basis of accounting)

Schedule 2

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 33,052,054 | \$ 32,924,493 | \$ 29,660,009 | \$ 33,406,774 | \$ 33,740,533 | \$ 31,953,414 | \$ 35,577,198 | \$ 37,978,927 | \$ 38,881,709 | \$ 38,842,307 |
| Public safety | 76,932,640 | 79,092,062 | 81,641,409 | 96,143,601 | 103,714,272 | 106,755,628 | 111,695,017 | 107,901,370 | 109,029,994 | 128,840,214 |
| Physical environment | 17,508,638 | 19,107,230 | 15,385,811 | 16,674,345 | 18,460,060 | 21,206,645 | 21,377,901 | 24,979,725 | 25,313,761 | 26,197,893 |
| Transportation | 3,328,609 | 3,682,005 | 3,876,869 | 3,876,869 | 3,935,837 | 4,129,271 | 4,469,527 | 4,628,526 | 5,130,383 | 5,119,776 |
| Economic environment | - | - | 6,076,489 | 7,442,683 | 8,709,265 | 9,949,169 | 6,826,343 | 7,744,963 | 19,773,046 | 10,989,198 |
| Culture and recreation | 8,202,728 | 8,996,206 | 9,378,496 | 9,772,473 | 13,743,089 | 14,715,289 | 15,737,373 | 16,715,211 | 17,413,137 | 18,777,022 |
| Interest on long-term debt | 1,090,325 | 989,882 | 908,278 | 866,593 | 758,984 | 633,223 | 4,656,611 | 4,568,201 | 4,363,496 | 7,468,849 |
| Total governmental activities expenses | 140,114,994 | 144,791,878 | 146,927,361 | 168,242,306 | 183,255,474 | 189,682,895 | 200,498,969 | 205,018,780 | 219,865,176 | 236,235,259 |
| Business-type activities: | | | | | | | | | | |
| Utility | 38,967,528 | 40,065,154 | 39,253,188 | 41,282,490 | 38,092,853 | 41,733,935 | 48,476,314 | 47,070,652 | 48,292,635 | 50,287,493 |
| Sanitation | 4,225,019 | 4,315,686 | 4,225,411 | 4,645,492 | 5,863,604 | 8,214,578 | 9,724,021 | 9,101,133 | 10,002,862 | 10,242,715 |
| Stormwater | 1,904,435 | 1,879,494 | 2,108,833 | 2,305,273 | 1,858,645 | 2,062,874 | 2,180,894 | 2,923,971 | 3,113,004 | 3,260,372 |
| Pier | 349,096 | 260,103 | 273,574 | 238,055 | 110,149 | 191,798 | 179,121 | - | - | - |
| Airpark | 1,430,544 | 2,167,927 | 2,211,600 | 2,206,241 | 2,217,302 | 2,254,140 | 2,461,896 | 2,825,625 | 2,630,534 | 2,577,612 |
| Golf course | 4,239,802 | 4,732,472 | 4,750,326 | 4,030,947 | - | - | - | - | - | - |
| Parking | - | 735,163 | 1,640,739 | 1,958,910 | 3,087,170 | 3,239,261 | 3,418,600 | 3,660,441 | 3,942,380 | 3,832,582 |
| Total business-type activities expenses | 51,116,424 | 54,155,999 | 54,463,671 | 56,667,408 | 51,229,723 | 57,696,586 | 66,440,846 | 65,581,822 | 67,981,415 | 70,200,774 |
| Total primary government expenses | \$ 191,231,418 | \$ 198,947,877 | \$ 201,391,032 | \$ 224,909,714 | \$ 234,485,197 | \$ 247,379,481 | \$ 266,939,815 | \$ 270,600,602 | \$ 287,846,591 | \$ 306,436,033 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 9,939,823 | \$ 10,269,011 | \$ 10,850,914 | \$ 12,933,022 | \$ 13,341,101 | \$ 15,049,463 | \$ 16,654,780 | \$ 17,153,700 | \$ 18,083,787 | \$ 19,256,420 |
| Public safety | 23,469,809 | 25,504,703 | 27,233,712 | 27,441,872 | 25,943,671 | 32,187,477 | 37,862,409 | 36,590,137 | 38,906,164 | 45,732,410 |
| Physical environment | 106,076 | 81,640 | 102,780 | 126,380 | 139,948 | 174,051 | 156,286 | 198,304 | 258,295 | 249,295 |
| Transportation | 813,641 | - | - | - | - | - | - | - | - | - |
| Economic environment | - | - | 128,319 | 116,975 | 108,172 | 232,585 | 205,575 | 127,760 | 137,763 | 175,735 |
| Culture and recreation | 1,584,673 | 1,849,242 | 1,744,145 | 1,832,901 | 4,044,516 | 4,244,712 | 4,171,782 | 3,597,721 | 3,879,040 | 5,719,065 |
| Operating grants and contributions | 3,021,158 | 3,551,981 | 3,487,028 | 3,374,362 | 3,981,238 | 3,699,270 | 2,950,496 | 3,740,302 | 11,099,519 | 22,138,181 |
| Capital grants and contributions | 8,016,883 | 3,763,722 | 3,886,738 | 4,107,045 | 5,508,176 | 6,046,134 | 40,830,735 | 12,396,198 | 14,833,978 | 9,052,083 |
| Total governmental activities program revenues | 43,395,429 | 47,194,010 | 49,805,274 | 86,232,381 | 59,713,908 | 59,533,815 | 70,176,307 | 70,811,444 | 87,198,546 | 102,323,189 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Utility | 40,113,717 | 39,795,045 | 42,673,872 | 41,695,146 | 42,425,662 | 43,239,985 | 45,786,936 | 48,026,838 | 49,692,572 | 54,346,034 |
| Sanitation | 5,708,478 | 5,797,028 | 5,899,635 | 6,956,161 | 7,912,850 | 8,362,125 | 8,736,057 | 8,611,428 | 8,960,856 | 9,556,290 |
| Stormwater | 2,399,107 | 2,621,597 | 2,843,950 | 2,973,219 | 3,153,355 | 3,474,493 | 3,740,653 | 3,897,360 | 4,245,359 | 4,368,925 |
| Pier | 134,660 | 99,231 | 17,869 | - | - | - | - | - | - | - |
| Airpark | 977,911 | 1,032,154 | 1,052,145 | 1,090,762 | 1,116,171 | 1,374,695 | 1,338,836 | 1,325,267 | 1,356,781 | 1,402,284 |
| Golf course | 2,746,380 | 2,638,276 | 2,865,570 | 2,569,108 | - | - | - | - | - | - |
| Parking | - | 1,641,003 | 2,067,899 | 1,983,567 | 1,928,136 | 2,361,774 | 2,705,005 | 2,606,977 | 4,601,824 | 6,077,644 |
| Operating grants and contributions | - | - | - | - | - | - | 27,639 | 112,724 | 14,418 | - |
| Capital grants and contributions | 732,036 | 1,643,613 | 575,691 | 2,019,095 | 1,102,648 | 1,139,355 | 256,261 | 1,912,263 | 1,180,983 | 1,585,639 |
| Total business-type activities program revenues | 54,099,348 | 54,726,982 | 58,560,295 | 57,551,863 | 58,561,161 | 63,276,866 | 63,491,012 | 65,431,092 | 70,052,793 | 77,336,816 |
| Total primary government program revenues | \$ 97,494,777 | \$ 101,920,992 | \$ 108,365,569 | \$ 143,784,244 | \$ 118,275,069 | \$ 122,810,681 | \$ 133,667,319 | \$ 136,242,536 | \$ 157,251,339 | \$ 179,660,005 |

Note: Certain amounts have been reclassified in prior years due to changes in classification guidelines mandated by the Florida Department of Financial Services, for comparative purposes.

CITY OF POMPANO BEACH, FLORIDA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (accrual basis of accounting)

Schedule 2 (continued)

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|-------------------------|
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental activities | \$ (96,719,565) | \$ (97,597,868) | \$ (97,122,087) | \$ (82,009,925) | \$ 123,541,566 | \$ 130,149,080 | \$ 130,322,662 | \$ 134,207,336 | \$ (132,666,630) | \$ (133,912,070) |
| Business-type activities | 2,982,924 | 570,983 | 4,096,624 | 884,455 | 7,331,438 | 5,580,280 | (2,949,834) | (150,730) | 2,071,378 | 7,136,042 |
| Total Primary Government Net Expense | <u>\$ (93,736,641)</u> | <u>\$ (97,026,885)</u> | <u>\$ (93,025,463)</u> | <u>\$ (81,125,470)</u> | <u>\$ 116,210,128)</u> | <u>\$ 124,568,800)</u> | <u>\$ 133,272,496)</u> | <u>\$ 134,358,066)</u> | <u>\$ (130,595,252)</u> | <u>\$ (126,776,028)</u> |
| General revenues and other changes in net position | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes, levied for general purposes | \$ 46,061,223 | \$ 46,147,415 | \$ 47,922,298 | \$ 53,776,846 | \$ 57,018,570 | \$ 57,018,570 | \$ 75,636,605 | \$ 80,403,039 | \$ 84,920,635 | \$ 94,144,717 |
| Sales and use taxes | 1,870,051 | 1,958,903 | 2,016,087 | 2,050,699 | 1,963,183 | 1,963,183 | 2,001,987 | 1,753,141 | 1,829,174 | 1,953,646 |
| Business tax receipts | 2,092,722 | 2,151,110 | 2,134,279 | 2,184,088 | 2,167,235 | 2,232,173 | 2,181,550 | 2,120,326 | 1,911,717 | 2,055,377 |
| Utility taxes | 10,371,991 | 11,209,858 | 11,487,684 | 11,987,773 | 12,317,208 | 12,773,367 | 13,057,418 | 12,798,580 | 13,156,076 | 14,064,725 |
| Communication service taxes | 5,378,539 | 9,732,176 | 4,999,534 | 5,222,681 | 4,671,936 | 4,436,062 | 4,222,546 | 4,152,264 | 3,881,633 | 3,970,031 |
| Tax increment fees - Community Redevelopment Agency | 7,218,355 | 7,542,276 | 8,114,172 | 8,968,096 | 9,827,906 | 11,146,362 | 12,433,633 | 13,893,061 | 8,566,340 | 9,193,279 |
| Pari Mutuel | 2,171,040 | 2,267,089 | 2,520,242 | 2,428,142 | 2,310,138 | 2,148,790 | 2,066,464 | 1,273,349 | 1,828,827 | 2,031,215 |
| Franchise fees | 7,402,812 | 8,005,447 | 8,164,658 | 8,112,380 | 8,403,793 | 8,226,917 | 8,426,808 | 7,944,147 | 8,297,885 | 9,840,903 |
| State revenue sharing | 8,549,198 | 9,215,154 | 9,852,996 | 10,504,444 | 10,528,661 | 11,108,883 | 11,284,676 | 10,257,422 | 12,190,762 | 14,436,774 |
| Gain on sale of capital assets | 36,906 | 49,006 | 107,077 | 164,726 | 129,159 | 1,764,202 | - | 1,015,017 | 227,345 | 714,527 |
| Investment earnings | 426,002 | 826,960 | 1,339,969 | 1,660,595 | 918,763 | 744,672 | 6,747,746 | 5,233,458 | 570,508 | (4,625,299) |
| Miscellaneous revenue | 1,096,266 | 1,099,493 | 800,707 | 800,824 | 946,223 | 817,412 | 772,893 | 717,449 | 1,262,977 | 861,790 |
| Transfers | 1,533,855 | 1,162,173 | (42,796) | 681,480 | (3,117,710) | 218,123 | 212,981 | 13,509,052 | (1,578,741) | (856,952) |
| Total Governmental activities | <u>94,208,960</u> | <u>101,367,060</u> | <u>99,416,907</u> | <u>108,542,774</u> | <u>108,085,065</u> | <u>121,171,060</u> | <u>139,045,307</u> | <u>155,070,305</u> | <u>137,065,138</u> | <u>147,784,733</u> |
| Business-type activities: | | | | | | | | | | |
| Gain on sale of capital assets | 73,659 | (145,266) | 54,796 | 133,890 | 106,380 | 77,647 | 52,904 | 99,710 | 18,663 | 15,303 |
| Investment earnings | 92,380 | 296,748 | 530,059 | 767,787 | 485,291 | 448,343 | 2,384,101 | 1,883,328 | (67,066) | (2,109,210) |
| Miscellaneous revenue | 431,101 | 446,197 | 37,307 | 529,968 | 73,423 | 54,469 | 85,890 | 112,504 | 4,240,559 | 2,150,849 |
| Transfers | (1,533,855) | (1,162,173) | 42,796 | (681,480) | 3,117,710 | (218,123) | (212,981) | (13,509,052) | 1,578,741 | 856,952 |
| Total Business-type activities: | <u>(936,715)</u> | <u>(564,494)</u> | <u>664,958</u> | <u>750,165</u> | <u>3,782,804</u> | <u>362,336</u> | <u>2,309,914</u> | <u>(11,413,510)</u> | <u>5,770,897</u> | <u>913,894</u> |
| Total Primary Government | <u>\$ 93,272,245</u> | <u>\$ 100,802,566</u> | <u>\$ 100,081,865</u> | <u>\$ 109,292,939</u> | <u>\$ 111,867,869</u> | <u>\$ 114,961,052</u> | <u>\$ 141,355,221</u> | <u>\$ 143,656,795</u> | <u>\$ 142,836,035</u> | <u>\$ 148,698,627</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | (2,510,605) | 3,769,192 | 2,294,820 | 26,532,849 | (15,456,501) | (8,978,020) | 8,722,645 | 20,862,969 | 4,398,508 | 13,872,673 |
| Business-type activities: | 2,046,209 | 6,489 | 4,761,582 | 1,634,620 | 11,114,242 | 5,942,616 | (639,920) | (11,564,240) | 7,842,275 | 8,049,936 |
| Total Primary Government | <u>\$ (464,396)</u> | <u>\$ 3,775,681</u> | <u>\$ 7,056,402</u> | <u>\$ 28,167,469</u> | <u>\$ (4,342,259)</u> | <u>\$ (3,035,404)</u> | <u>\$ 8,082,725</u> | <u>\$ 9,298,729</u> | <u>\$ 12,240,783</u> | <u>\$ 21,922,609</u> |

Note: Certain amounts have been reclassified in prior years due to changes in classification guidelines mandated by the Florida Department of Financial Services, for comparative purposes.

CITY OF POMPANO BEACH, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Schedule 3

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 328,490 | \$ 194,404 | \$ 2,725,821 | \$ 2,747,561 | \$ 3,049,485 | \$ 3,502,685 | \$ 2,683,491 | \$ 3,417,379 | \$ 2,472,233 | \$ 3,037,365 |
| Restricted | 6,682,395 | 8,129,626 | 7,906,567 | 7,345 | 7,500 | - | - | - | - | - |
| Assigned | 1,427,818 | 2,933,852 | 1,404,213 | 2,619,233 | 7,654,999 | 3,508,214 | 4,980,796 | 5,334,837 | 13,187,971 | 6,908,538 |
| Unassigned | 56,647,635 | 50,801,700 | 49,817,419 | 49,735,754 | 28,647,748 | 28,424,188 | 47,649,253 | 48,949,331 | 38,989,149 | 56,653,688 |
| Total General Fund | \$ 65,086,338 | \$ 62,059,582 | \$ 61,854,020 | \$ 55,109,893 | \$ 39,359,732 | \$ 35,435,087 | \$ 55,313,540 | \$ 57,701,547 | \$ 54,649,353 | \$ 66,599,591 |
| All Other Governmental Funds | | | | | | | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Nonspendable | 311,520 | 1,375,605 | 1,169,430 | 508,810 | 848,999 | 314,917 | 3,348,851 | 3,480,252 | 3,628,353 | 1,269,212 |
| Restricted | 68,627,168 | 60,073,486 | 52,933,586 | 62,928,794 | 61,731,777 | 64,934,445 | 160,043,227 | 85,357,314 | 126,034,742 | 198,938,604 |
| Committed | 3,638,917 | 3,607,864 | 3,958,008 | 2,750,561 | 2,942,003 | 3,757,238 | 4,392,873 | 80,947,291 | 5,298,078 | 4,233,462 |
| Assigned | 30,766,597 | 33,363,539 | 33,441,396 | 27,167,689 | 25,238,277 | 26,589,229 | 19,022,172 | 19,066,769 | 23,663,569 | 27,546,009 |
| Unassigned | (176,494) | - | - | - | - | (2,509,896) | (112,283) | (1) | (202,646) | - |
| Total - All Other Governmental Funds | \$ 103,167,708 | \$ 98,420,494 | \$ 91,502,420 | \$ 93,355,854 | \$ 90,761,056 | \$ 93,085,933 | \$ 186,694,840 | \$ 188,851,625 | \$ 158,422,096 | \$ 231,987,287 |

CITY OF POMPANO BEACH, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Schedule 4

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|---------------------|------------------------|----------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 73,182,138 | \$ 74,245,212 | \$ 77,169,918 | \$ 84,964,417 | \$ 88,681,421 | \$ 96,894,056 | \$ 110,298,838 | \$ 115,456,067 | \$ 114,799,248 | \$ 125,562,012 |
| Judgments, fines and forfeitures | 1,200,681 | 983,420 | 1,055,782 | 967,783 | 833,271 | 827,619 | 858,789 | 749,169 | 525,889 | 674,580 |
| Permits, fees and special assessments | 24,855,651 | 27,540,501 | 31,500,484 | 29,405,962 | 28,531,878 | 35,348,219 | 41,916,908 | 40,047,698 | 41,968,564 | 48,721,886 |
| Intergovernmental | 15,288,736 | 17,355,904 | 15,786,752 | 21,228,057 | 23,197,460 | 20,581,371 | 18,167,743 | 24,219,491 | 37,866,160 | 44,685,831 |
| Charges for services | 16,986,200 | 16,128,244 | 16,953,246 | 18,966,483 | 22,159,041 | 23,891,583 | 25,353,424 | 23,740,389 | 27,193,492 | 30,934,165 |
| Pari-Mutuel | 2,171,040 | 2,267,089 | 2,520,242 | 2,428,142 | 2,310,138 | 2,148,790 | 2,066,464 | 1,273,349 | 1,828,827 | 2,031,215 |
| Donations | 49,880 | 42,705 | 99,446 | 9,376 | 503,602 | 26,504 | 30,514 | 46,547 | 10,487 | 11,145 |
| Investment earnings | 365,238 | 683,361 | 1,131,172 | 1,407,957 | 918,764 | 744,673 | 6,747,746 | 5,233,458 | 570,507 | (4,625,299) |
| Cemetery lot sales | 47,288 | 2,641 | 760 | 167,348 | 135,968 | - | - | - | - | 3,429 |
| Recaptured funds | 14,523 | 1,581 | 27,677 | 522 | - | - | - | - | - | - |
| Program income | 488,589 | 1,647,617 | 1,206,314 | 845,008 | 371,729 | 886,144 | 884,042 | 882,584 | 3,425,309 | 1,978,394 |
| Other revenue | 1,062,012 | 559,355 | 671,666 | 651,627 | 946,225 | 817,411 | 772,893 | 488,440 | 1,262,977 | 1,137,851 |
| Total revenues | 135,711,976 | 141,457,630 | 148,123,459 | 161,042,682 | 168,589,497 | 182,166,370 | 207,097,361 | 212,137,192 | 229,451,460 | 251,115,209 |
| Expenditures | | | | | | | | | | |
| Current | | | | | | | | | | |
| General government | 24,023,015 | 23,613,044 | 24,445,400 | 23,171,303 | 24,218,567 | 22,493,184 | 25,793,700 | 25,864,034 | 28,072,468 | 29,776,329 |
| Public safety | 74,361,660 | 75,218,105 | 76,913,019 | 82,736,275 | 88,228,536 | 93,596,219 | 99,400,748 | 103,692,314 | 111,152,533 | 114,746,766 |
| Physical environment | 16,508,394 | 17,233,486 | 16,641,857 | 15,227,179 | 15,342,560 | 19,917,457 | 21,179,602 | 22,252,348 | 22,659,837 | 24,271,477 |
| Transportation | 2,644,438 | 2,667,389 | 2,831,914 | 2,844,640 | 2,913,704 | 3,189,245 | 3,299,985 | 3,449,987 | 3,468,363 | 3,747,274 |
| Economic environment | - | - | - | 7,442,686 | 8,720,541 | 9,625,650 | 6,806,837 | 7,598,419 | 19,664,200 | 10,871,195 |
| Culture and recreation | 6,507,050 | 6,987,124 | 7,505,320 | 7,630,233 | 11,413,322 | 12,188,833 | 13,251,805 | 13,417,891 | 13,841,878 | 15,699,707 |
| Debt service: | | | | | | | | | | |
| Principal | 11,766,150 | 3,007,167 | 3,058,871 | 3,427,966 | 3,804,900 | 3,845,102 | 4,697,429 | 4,099,376 | 4,411,230 | 7,191,581 |
| Interest | 1,106,701 | 1,009,691 | 928,222 | 882,005 | 780,368 | 653,880 | 3,700,441 | 4,670,073 | 4,533,293 | 6,696,248 |
| Capital outlay | 18,363,850 | 20,712,118 | 24,425,999 | 26,063,169 | 22,529,749 | 20,108,893 | 27,151,664 | 27,358,558 | 55,991,915 | 66,678,465 |
| Total expenditures | 155,281,258 | 150,448,124 | 156,750,602 | 169,425,456 | 177,952,247 | 185,618,463 | 205,282,211 | 212,403,000 | 263,795,717 | 279,679,042 |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | (19,569,282) | (8,990,494) | (8,627,143) | (8,382,774) | (9,362,750) | (3,452,093) | 1,815,150 | (265,808) | (34,344,257) | (28,563,833) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Issuance of debt | 14,100,000 | - | - | 388,000 | - | - | 109,423,246 | - | - | 100,468,203 |
| Capital lease proceeds | - | - | 1,428,088 | 2,257,875 | - | - | 1,913,511 | 4,009,050 | 1,770,846 | - |
| Proceeds from sale of capital assets | 100,210 | 54,351 | 118,221 | 164,726 | 129,159 | 1,634,202 | 122,472 | 1,015,017 | 1,016,278 | - |
| Issuance of debt for leases | - | - | - | - | - | - | - | - | - | 14,468,011 |
| Transfers in | 24,133,274 | 27,448,016 | 22,726,691 | 22,388,163 | 18,832,131 | 9,729,676 | 27,001,903 | 10,833,681 | 18,875,867 | 45,048,441 |
| Transfers out | (22,599,419) | (26,285,843) | (22,769,487) | (21,706,683) | (27,943,499) | (9,511,553) | (26,788,922) | (11,047,147) | (20,800,471) | (45,905,393) |
| Total other financing sources (uses) | 15,734,065 | 1,216,524 | 1,503,513 | 3,492,081 | (8,982,209) | 1,852,325 | 111,672,210 | 4,810,601 | 862,520 | 114,079,262 |
| Net Changes in Fund Balances | \$ (3,835,217) | \$ (7,773,970) | \$ (7,123,630) | \$ (4,890,693) | \$ (18,344,959) | \$ (1,599,768) | \$ 113,487,360 | \$ 4,544,793 | \$ (33,481,737) | \$ 85,515,429 |
| Debt Service as a Percentage of Non-Capital Expenditures | 9.4% | 3.1% | 3.0% | 3.0% | 3.0% | 2.7% | 4.7% | 4.7% | 4.3% | 6.5% |

Note: Certain amounts have been reclassified in prior years due to changes in classification guidelines mandated by the Florida Department of Financial Services, for comparative purposes.

CITY OF POMPANO BEACH, FLORIDA
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

| FISCAL YEAR | TAX ROLL * | REAL PROPERTY ** | PERSONAL PROPERTY ** |
|--------------------|-------------------|-------------------------|-----------------------------|
| 2013 | 2012 | \$ 10,369,667,015 | \$ 584,836,613 |
| 2014 | 2013 | 10,583,449,362 | 605,640,437 |
| 2015 | 2014 | 11,071,856,244 | 624,292,615 |
| 2016 | 2015 | 11,705,297,867 | 647,982,593 |
| 2017 | 2016 | 12,671,325,306 | 719,966,161 |
| 2018 | 2017 | 13,608,731,216 | 789,632,653 |
| 2019 | 2018 | 14,550,228,111 | 807,827,271 |
| 2020 | 2019 | 15,310,960,839 | 807,577,948 |
| 2021 | 2020 | 16,218,095,467 | 798,138,979 |
| 2022 | 2021 | 17,076,305,408 | 804,000,180 |

Source: Broward County Property Appraiser

* Assessed values as certified on October 22, 2021.

** Florida Statutes require assessments at just valuation.

Note: The basis of assessed value is approximately 86% of actual value.

Tax rates are per \$1,000 of assessed value.

| | TOTAL ASSESSED VALUE | ALLOWABLE EXEMPTIONS | TAXABLE VALUE FOR OPERATIONS AND DEBT | TOTAL DIRECT TAX RATE |
|----|-------------------------------------|---------------------------------|--|--|
| \$ | 10,954,503,628 | \$ 2,233,639,420 | \$ 8,720,864,208 | 5.4700 |
| | 11,189,089,799 | 2,195,810,716 | 8,993,279,083 | 5.3712 |
| | 11,696,148,859 | 2,199,203,025 | 9,496,945,834 | 5.2470 |
| | 12,353,280,460 | 2,221,119,655 | 10,132,160,805 | 5.4865 |
| | 13,391,291,467 | 2,261,846,480 | 11,129,444,987 | 5.3252 |
| | 14,398,363,869 | 2,342,845,048 | 12,055,518,821 | 5.4865 |
| | 15,358,055,382 | 2,429,831,776 | 12,928,223,607 | 6.1024 |
| | 16,118,538,787 | 2,467,056,328 | 13,651,482,459 | 6.1326 |
| | 17,016,234,446 | 2,547,612,658 | 14,468,621,788 | 6.1069 |
| | 17,880,305,588 | 2,583,928,010 | 15,296,377,578 | 6.3916 |

CITY OF POMPANO BEACH, FLORIDA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(RATE PER \$1,000 OF ASSESSED VALUE)

| Fiscal Year Ended Sept 30 | Tax Roll | City of Pompano Beach | | | | Overlapping Rates | |
|---------------------------|----------|-----------------------|----------------------|--------------|--------------|-------------------|--------------|
| | | General Fund | Special Tax District | Debt Service | Direct Total | Broward County | School Board |
| 2013 | 2012 | 4.9700 | 0.5000 | - | 5.4700 | 5.5530 | 7.4560 |
| 2014 | 2013 | 4.8712 | 0.5000 | - | 5.3712 | 5.7230 | 7.4800 |
| 2015 | 2014 | 4.7470 | 0.5000 | - | 5.2470 | 5.7230 | 7.4380 |
| 2016 | 2015 | 4.9865 | 0.5000 | - | 5.4865 | 5.7230 | 7.2740 |
| 2017 | 2016 | 4.8252 | 0.5000 | - | 5.3252 | 5.6690 | 6.9063 |
| 2018 | 2017 | 4.9865 | 0.5000 | - | 5.4865 | 5.6690 | 4.9740 |
| 2019 | 2018 | 5.1361 | 0.5000 | 0.4663 | 6.1024 | 5.6690 | 6.4029 |
| 2020 | 2019 | 5.1875 | 0.5000 | 0.4451 | 6.1326 | 5.6690 | 6.7393 |
| 2021 | 2020 | 5.1875 | 0.5000 | 0.4194 | 6.1069 | 5.6690 | 6.5052 |
| 2022 | 2021 | 5.1875 | 0.5000 | 0.7041 | 6.3916 | 5.6690 | 6.4621 |

Source: Broward County Revenue Collection Division
 *Pompano Tax District Code 1521 only
 (all property located east of Federal Highway)

Note: Overlapping rates are those of local and County governments that apply to property owners within the City of Pompano Beach.

| Overlapping Rates | | | | | |
|--|--|-------------------------------------|---|---|---|
| South Florida Water Management District | North Broward Hospital District | Children SVS Council | Hillsboro Inlet Improvement District * | Florida Inland Navigation District | Direct and Overlapping Total |
| 0.4289 | 1.8564 | 0.4902 | 0.0860 | 0.0345 | 21.0844 |
| 0.4110 | 1.7554 | 0.4882 | 0.1624 | 0.0345 | 21.3750 |
| 0.3842 | 1.5939 | 0.4882 | 0.0860 | 0.0345 | 21.4257 |
| 0.3551 | 1.4425 | 0.4882 | 0.0860 | 0.0320 | 20.9948 |
| 0.3307 | 1.3462 | 0.4882 | 0.0860 | 0.0320 | 20.1836 |
| 0.3100 | 1.2483 | 0.4882 | 0.0860 | 0.0320 | 18.2940 |
| 0.2936 | 1.0855 | 0.4882 | 0.0860 | 0.0320 | 20.1596 |
| 0.2795 | 1.0324 | 0.4882 | 0.0985 | 0.2795 | 20.7190 |
| 0.2675 | 1.1469 | 0.4882 | 0.0985 | 0.0320 | 20.3142 |
| 0.2572 | 1.2770 | 0.4699 | 0.0995 | 0.0320 | 20.6583 |

CITY OF POMPANO BEACH, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Schedule 7

| TAXPAYER (Local Exposure Recognition) | 2022 | | | TAXPAYER (Local Exposure Recognition) | 2013 | | |
|---|---------------------------|------|---|---|---------------------------|------|---|
| | TAXABLE ASSESSED VALUE | Rank | PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION | | TAXABLE ASSESSED VALUE | Rank | PERCENT OF TOTAL CITY TAXABLE ASSESSED VALUATION |
| John Knox Village of Florida | \$ 89,087,810 | 1 | 0.58% | PPI Inc Isle of Capri | \$ 48,233,680 | 1 | 0.55% |
| SE Oceanside LLC | 83,457,420 | 2 | 0.55% | John Knox Village FL 451 Heritage Dr | 41,919,600 | 2 | 0.48% |
| West Atlantic Blvd Owner LLC | 78,857,270 | 3 | 0.52% | EQR Bayview LLC | 39,961,210 | 3 | 0.46% |
| City of Pompano Beach | 75,013,460 | 4 | 0.49% | John Knox Village FL 621 6th ST) | 29,716,290 | 4 | 0.34% |
| Envy Development DE LLC | 73,956,130 | 5 | 0.48% | Associate Grocers | 29,133,400 | 5 | 0.33% |
| PPF Industrial 1971-1991 NW | 58,659,850 | 6 | 0.38% | SNH/LTA Properties Trust | 22,590,000 | 6 | 0.26% |
| Bell Fund VI Pompano Beach LLC | 57,107,990 | 7 | 0.37% | TA/Western LLC | 22,055,580 | 7 | 0.25% |
| Palm Vacation Group | 50,636,590 | 8 | 0.33% | Ft Lauderdale BTS LLC | 19,779,820 | 8 | 0.23% |
| CC Pompano Beach LLC | 48,717,110 | 9 | 0.32% | Centro Heritage SPE 1 LLC | 19,657,400 | 9 | 0.23% |
| Pompano Park JV Land | <u>45,492,320</u> | 10 | <u>0.30%</u> | Archdiocese of Miami | <u>19,399,990</u> | 10 | <u>0.22%</u> |
| Total taxable assessed value of principal taxpayers | 660,985,950 | | 4.32% | Total taxable assessed value of principal taxpayers | 292,446,970 | | 3.35% |
| Total taxable assessed value of other taxpayers | <u>14,635,391,628</u> | | <u>95.68%</u> | Total taxable assessed value of other taxpayers | <u>8,428,417,238</u> | | <u>96.65%</u> |
| Total taxable assessed valuation of all taxpayers | <u>\$ 15,296,377,578</u> | | 100.00% | Total taxable assessed valuation of all taxpayers | <u>\$ 8,720,864,208</u> | | 100.00% |

Source: Broward County Property Appraiser
2021 Tax roll

CITY OF POMPANO BEACH, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

| Fiscal Year | TAX ROLL | TOTAL AMENDED TAX LEVY | CURRENT GROSS TAX COLLECTIONS * | PERCENT OF LEVY COLLECTED |
|--------------------|-----------------|-------------------------------|--|----------------------------------|
| 2013 | 2012 | \$ 47,703,127 | \$ 45,859,390 | 96.00% |
| 2014 | 2013 | 48,304,700 | 46,666,879 | 96.00 |
| 2015 | 2014 | 49,830,475 | 47,831,733 | 95.00 |
| 2016 | 2015 | 55,590,100 | 54,146,028 | 97.00 |
| 2017 | 2016 | 59,266,520 | 57,614,616 | 97.00 |
| 2018 | 2017 | 65,764,486 | 64,441,410 | 97.00 |
| 2019 | 2018 | 78,893,192 | 75,654,542 | 95.00 |
| 2020 | 2019 | 83,719,081 | 74,788,577 | 89.33 |
| 2021 | 2020 | 88,358,426 | 79,911,885 | 90.44 |
| 2022 | 2021 | 97,768,326 | 86,445,220 | 88.42 |

Source: City Finance Department

* Gross taxes exclusive of discounts, penalties and interest.

| SUBSEQUENT DELINQUENT TAX COLLECTIONS | TOTAL TAX COLLECTIONS | PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY |
|--|----------------------------------|---|
| \$ 891,130 | \$ 46,750,520 | 98.00% |
| 909,236 | 47,576,115 | 98.00 |
| 1,409,084 | 49,240,817 | 95.00 |
| 1,277,836 | 55,423,864 | 97.00 |
| 1,318,479 | 58,933,095 | 99.00 |
| 1,605,584 | 66,046,994 | 100.00 |
| 1,828,409 | 77,482,951 | 98.21 |
| 2,027,629 | 76,816,206 | 91.75 |
| 373,386 | 80,285,271 | 90.86 |
| - | 86,445,220 | 88.42 |

CITY OF POMPANO BEACH, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| Fiscal Year Ended | Governmental Activities | | | | |
|-------------------|--------------------------|---------------------|-------------------|---------------------------|---------------|
| | General Obligation Bonds | Tax Increment Bonds | Lease Liabilities | Financing Arrangements*** | Notes Payable |
| 2013 | \$ - | \$ 25,451,352 | \$ - | \$ - | 2,549,682 |
| 2014 | - | 22,669,190 | - | - | 2,324,677 |
| 2015 | - | 19,867,028 | - | 1,402,567 | 2,093,489 |
| 2016 | - | 17,039,866 | - | 3,297,179 | 2,243,948 |
| 2017 | - | 14,192,704 | - | 2,815,688 | 1,842,880 |
| 2018 | - | 11,320,542 | - | 2,324,523 | 1,361,105 |
| 2019 | 102,865,880 | 10,045,000 | - | 2,404,730 | 5,023,439 |
| 2020 | 101,105,600 | 9,280,000 | - | 5,219,150 | 4,553,693 |
| 2021 | 99,214,042 | 8,490,000 | - | 5,596,788 | 4,075,672 |
| 2022 | 176,992,125 | 22,670,000 | 13,794,421 | 7,041,850 | 3,581,176 |

Notes:

** See Schedule 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

*** Due to the implementation of GASB 87, the Capital Leases have been changed to Financing Arrangements.

| Business-Type Activities | | | | | | | | |
|--------------------------|------------------|-------------------------------|---------------|-------------------|---------------------------|--------------------------|----------------------------------|---------------|
| Water and Sewer Bonds | Stormwater Bonds | Certificates of Participation | Notes Payable | Lease Liabilities | Financing Arrangements*** | Total Primary Government | Percentage of Personal Income ** | Per Capita ** |
| \$ 20,535,000 | \$ - | \$ - | \$ 9,231,550 | - | \$ - | \$ 57,767,584 | 0.01% | \$ 559.00 |
| 17,355,000 | - | - | 8,416,881 | - | - | 50,988,011 | 0.01 | 487.00 |
| 14,440,000 | - | 23,875,000 | 7,579,826 | - | - | 69,407,171 | 0.02 | 653.00 |
| 11,650,000 | - | 23,875,000 | 6,719,769 | - | 75,179 | 64,900,941 | 0.01 | 604.00 |
| 8,815,000 | - | 23,875,000 | 5,836,080 | - | - | 57,377,352 | 0.01 | 524.00 |
| 5,925,000 | - | 23,875,000 | 4,928,107 | - | - | 49,734,277 | 0.01 | 451.00 |
| 2,990,000 | - | 23,875,000 | 3,995,185 | - | 274,072 | 151,473,306 | 0.03 | 1,351.00 |
| - | - | 23,775,000 | 8,284,671 | - | 448,483 | 152,666,597 | 0.03 | 1,351.00 |
| 10,375,000 | 9,140,000 | 23,275,000 | 7,081,561 | - | 1,022,968 | 168,271,031 | 0.03 | 1,406.00 |
| 10,015,000 | 8,825,000 | 24,370,000 | 8,116,605 | 10,154 | 757,566 | 276,173,897 | 0.04 | 2,427.07 |

CITY OF POMPANO BEACH, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Schedule 10

| Fiscal Year | <u>General Bonded Debt Outstanding</u> | | | | |
|-------------|--|-----------------------------------|-------------|--|---------------|
| | General Obligations Bonds | Amounts Available in Fund Balance | Total | Percentage of Actual Taxable Value of Property * | Per Capita ** |
| 2013 | \$ - | \$ - | \$ - | 0.00% | 0.00 |
| 2014 | - | - | - | 0.00% | 0.00 |
| 2015 | - | - | - | 0.00% | 0.00 |
| 2016 | - | - | - | 0.00% | 0.00 |
| 2017 | - | - | - | 0.00% | 0.00 |
| 2018 | - | - | - | 0.00% | 0.00 |
| 2019 | 102,865,880 | 39,366 | 102,826,514 | 0.80% | 917.62 |
| 2020 | 101,105,600 | 72,735 | 101,032,865 | 0.74% | 894.56 |
| 2021 | 99,214,042 | 148,942 | 99,065,100 | 0.68% | 875.57 |
| 2022 | 176,992,125 | 943,064 | 176,049,061 | 1.15% | 1,547.15 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

* See schedule 5 for property value data

** See schedule 14 for population data

CITY OF POMPANO BEACH, FLORIDA

Schedule 11

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (IN THOUSANDS)
AS OF SEPTEMBER 30, 2022**

| Government Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|--|-----------------------------|--|--|
| Debt repaid with property taxes: | | | |
| Broward County | \$ 68,790 | 7.00% | \$ 4,815 |
| Broward County School Board | 884,660 | 7.00% | <u>61,926</u> |
| Subtotal, overlapping debt | | | 66,741 |
| City of Pompano Beach, Florida direct debt | | | |
| City direct debt (ad valorem security) | - | | 176,992 |
| City direct debt (non ad valorem security) | | | <u>33,293</u> |
| Subtotal, direct debt | | | <u>210,285</u> |
| Total direct and overlapping debt | \$ 953,450 | 14.00 | <u>\$ 277,026</u> |

Sources: City Finance Department
Broward County Accounting Division

* Percentage of overlap debt determined by dividing the assessed value of property in the City of Pompano Beach by the assessed value of property for Broward County.

CITY OF POMPANO BEACH, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Schedule 12

| Fiscal Year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Debt limit | \$ 1,308,129,631 | \$ 1,348,991,862 | \$ 1,424,541,875 | \$ 1,519,824,121 | \$ 1,669,416,748 | \$ 1,797,990,164 | \$ 1,939,233,541 | \$ 2,047,722,369 | \$ 2,170,293,268 | \$ 2,294,456,637 |
| Legal debt margin | <u>\$ 1,308,129,631</u> | <u>\$ 1,348,991,862</u> | <u>\$ 1,424,541,875</u> | <u>\$ 1,519,824,121</u> | <u>\$ 1,669,416,748</u> | <u>\$ 1,797,990,164</u> | <u>\$ 1,836,367,661</u> | <u>\$ 1,946,616,769</u> | <u>\$ 2,071,079,226</u> | <u>\$ 2,117,464,512</u> |
| Legal Debt Margin Calculation for Fiscal Year 2022 | | | | | | | | | | |
| Assessed Value | \$ 15,296,377,578 | | | | | | | | | |
| Debt Limit (15% of assessed value) | 2,294,456,637 | | | | | | | | | |
| Debt applicable to limit: | | | | | | | | | | |
| General obligation bonds | <u>176,992,125</u> | | | | | | | | | |
| Legal debt margin | <u>\$ 2,117,464,512</u> | | | | | | | | | |

Source: Broward County Property Appraiser
City Finance Department

Note: Article XVIII, Section 158 of the City Charter provides authorization to issue bonds not exceeding fifteen percent (15%) of assessed valuation of the taxable property in the City at the time of issue. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF POMPANO BEACH, FLORIDA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Schedule 13

UTILITY

| FISCAL YEAR ENDED | (1) GROSS REVENUES | (2) OPERATING EXPENSES | NET REVENUE AVAILABLE FOR DEBT SERVICE | | DEBT SERVICE CASH REQUIREMENTS | | | COVERAGE (3):(4) |
|-------------------|--------------------|------------------------|--|--------------|--------------------------------|--------------|-----------|------------------|
| | | | (1)-(2)=(3) | | PRINCIPAL | INTEREST | (4) TOTAL | |
| 2013 | \$ 40,073,305 | \$ 23,882,921 | \$ 16,190,384 | \$ 3,370,000 | \$ 1,013,206 | \$ 4,383,206 | 3.69% | |
| 2014 | 39,365,370 | 23,951,731 | 15,413,639 | 2,590,000 | 876,218 | 3,466,218 | 4.45% | |
| 2015 | 42,343,075 | 23,764,781 | 18,578,294 | 2,915,000 | 222,723 | 3,137,723 | 5.92% | |
| 2016 | 42,137,548 | 25,251,052 | 16,886,496 | 2,790,000 | 242,592 | 3,032,592 | 5.57% | |
| 2017 | 42,287,977 | 25,702,146 | 16,585,831 | 2,835,000 | 195,720 | 3,030,720 | 5.47% | |
| 2018 | 43,268,774 | 28,408,312 | 14,860,462 | 2,890,000 | 148,092 | 3,038,092 | 4.89% | |
| 2019 | 45,745,931 | 30,918,627 | 14,827,304 | 2,935,000 | 99,540 | 3,034,540 | 4.89% | |
| 2020 | 48,167,930 | 31,022,005 | 17,145,925 | 2,990,000 | 50,232 | 3,040,232 | 4.89% | |
| 2021 | 49,533,894 | 32,154,542 | 17,379,352 | 140,000 | 50,294 | 190,294 | 91.33% | |
| 2022 | 53,544,183 | 34,164,186 | 19,379,997 | 360,000 | 264,774 | 624,774 | 31.02% | |

STORMWATER (5)

| FISCAL YEAR ENDED | (1) GROSS REVENUES | (2) OPERATING EXPENSES | NET REVENUE AVAILABLE FOR DEBT SERVICE | | DEBT SERVICE CASH REQUIREMENTS | | | COVERAGE (3):(4) |
|-------------------|--------------------|------------------------|--|------------|--------------------------------|------------|-----------|------------------|
| | | | (1)-(2)=(3) | | PRINCIPAL | INTEREST | (4) TOTAL | |
| 2021 | \$ 4,433,645 | \$ 1,356,608 | \$ 3,077,037 | \$ 125,000 | \$ 44,315 | \$ 169,315 | 18.17% | |
| 2022 | 4,642,724 | 1,449,415 | 3,193,309 | 315,000 | 233,292 | 548,292 | 5.82% | |

Source: City Finance Department

(1) Gross revenues include operating revenues and interest income. Excludes impact fees per City Ordinance 92-74

(2) Operating expenses include personal services and current expenses. Excludes depreciation and administrative service charges per City Ordinance 92-74

(5) The Stormwater Utility Revenue Bonds were issued in FY 2021. This schedule is presented to show up to the required 10 years of information.

| Year | <u>Broward County</u> | | | | | | |
|------|-----------------------|---|----------------------------|------------|---|--------------------------|----------------------------------|
| | Population | Personal Income (thousands of dollars) | Per Capita Personal Income | Median Age | Education Level in Years of Schooling (High School or Higher) | School Enrollment (K-12) | Unemployment Rate Broward County |
| 2013 | 103,189 | \$ 4,229,614 | \$ 40,989 | 42.4 | 82.8 % | 11,974 | 7.0% |
| 2014 | 104,662 | 4,514,491 | 43,134 | 44.2 | 83.6 | 11,150 | 5.0 |
| 2015 | 106,260 | 4,899,224 | 46,106 | 40.2 | 88.2 | 11,821 | 4.7 |
| 2016 | 107,425 | 5,038,877 | 46,906 | 39.4 | 82.8 | 11,611 | 4.8 |
| 2017 | 109,441 | 5,327,588 | 48,680 | 41.7 | 83.2 | 11,259 | 3.3 |
| 2018 | 110,227 | 5,541,001 | 50,269 | 42.0 | 82.7 | 11,256 | 2.8 |
| 2019 | 112,058 | 5,861,529 | 52,308 | 42.8 | 82.4 | 11,084 | 2.8 |
| 2020 | 112,941 | 6,325,655 | 55,908 | 42.8 | 82.4 | 10,804 | 7.3 |
| 2021 | 113,144 | 7,334,042 | 64,453 | 42.8 | 83.9 | 10,483 | 3.8 |
| 2022 | 113,789 | * | * | * | * | 10,607 | 2.6 |

Sources: City of Pompano Development Services Department via:
 1-3, 7 US Census, American Facts
 4 Broward County School Board, School Enrollment Counts, Historic Benchmark Day Figures
 5 Florida Chamber of Commerce, US Dept Labor, Bureau Labor Statistics

Note: * Indicates information not available

CITY OF POMPANO BEACH, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Schedule 15

| Employer | 2022 | | | Employer | 2013 | | |
|-----------------------------|------------------|-------------|--|-------------------------------|------------------|-------------|---------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | | Employees | Rank | Percentage of Total Employment |
| City of Pompano Beach | 1,257 | 1 | 2.30% | PPI Inc (Isle Capri) | 1,190 | 1 | 1.19% |
| Point Blank Enterprises | 1,093 | 2 | 2.00% | City of Pompano Beach | 1,140 | 2 | 1.14% |
| WalMart (3) | 702 | 3 | 1.28% | WalMart | 726 | 3 | 0.73% |
| Broward County Correctional | 655 | 4 | 1.20% | Broward County Correctional | 700 | 4 | 0.70% |
| Associated Grocers | 615 | 5 | 1.12% | John Knox Village | 660 | 5 | 0.66% |
| Publix (4) | 589 | 6 | 1.08% | Point Blank Solutions | 643 | 6 | 0.64% |
| John Knox Village | 501 | 7 | 0.92% | Publix | 563 | 7 | 0.56% |
| Palm Aire Country Club | 455 | 8 | 0.83% | Fresh Point Produce/Dairy | 397 | 8 | 0.40% |
| FedEx & FedEx Ground | 452 | 9 | 0.83% | Latite Roofing & Sheet Metal | 315 | 9 | 0.32% |
| Freshpoint Produce & Dairy | 420 | 10 | 0.77% | Associated Grocers of Florida | 300 | 10 | 0.30% |

Source: City of Pompano Beach BTR Division:
Listed Companies

CITY OF POMPANO BEACH, FLORIDA
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Schedule 16

| <u>Function/Program</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | | | | | | | | | | |
| City Commissioners | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| City Manager | 4 | 4 | 4 | 5 | 5 | 7 | 7 | 7 | 7 | 7 |
| Public Information Office | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 4 |
| City Attorney | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| City Clerk | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 |
| Human Resources | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 6 | 7 |
| Internal Audit | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Cultural Affairs | - | - | - | - | - | 1 | 8 | 11 | 9 | 11 |
| Economic Development | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Northwest CRA | 2 | 2 | 2 | 2 | 5 | 5 | 8 | 8 | 8 | 7 |
| East CRA | 1 | 1 | 1 | 1 | 1 | 1 | 3 | 3 | 4 | 3 |
| Office of Housing and Social Services | - | - | - | - | - | 2 | 3 | 3 | 3 | 3 |
| Tourism and Marketing | - | - | - | 2 | 2 | 2 | 2 | 2 | 5 | 5 |
| Performance Management | - | - | - | - | - | 1 | 1 | 1 | 1 | 1 |
| Finance | 22 | 22 | 22 | 24 | 24 | 26 | 26 | 27 | 27 | 28 |
| Fire & EMS | 217 | 217 | 217 | 217 | 232 | 232 | 239 | 247 | 249 | 252 |
| Development Services | 69 | 71 | 74 | 25 | 27 | 27 | 28 | 28 | 31 | 31 |
| Building Inspections | - | - | - | 50 | 51 | 53 | 54 | 62 | 62 | 62 |
| Office of Housing & Urban Improvement | 7 | 6 | 6 | 2 | 6 | 6 | 6 | 6 | 6 | 6 |
| Public Works | 136 | 141 | 143 | 142 | 141 | 135 | 136 | 137 | 137 | 139 |
| Parks & Recreation | 53 | 52 | 50 | 50 | 50 | 50 | 55 | 58 | 58 | 65 |
| Project Administration | - | - | - | 5 | 5 | 5 | 6 | 6 | 7 | 10 |
| Utilities | 114 | 114 | 115 | 116 | 117 | 118 | 118 | 118 | 121 | 125 |
| Stormwater | 8 | 8 | 11 | 11 | 11 | 10 | 10 | 10 | 12 | 12 |
| Airpark | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Golf | 9 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Solid Waste | 3 | 3 | 3 | 3 | 14 | 21 | 21 | 21 | 21 | 22 |
| Internal Services | 33 | 31 | 31 | 32 | 33 | 34 | 34 | 34 | 34 | 33 |
| Parking | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Total | 711 | 715 | 722 | 731 | 768 | 780 | 812 | 836 | 848 | 870 |

Source: City Budget Office

CITY OF POMPANO BEACH, FLORIDA
OPERATING INDICATORS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Schedule 17

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Function/Program | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| Fire | | | | | | | | | | |
| Emergency responses | 17,753 | 18,541 | 20,430 | 19,987 | 21,262 | 20,645 | 29,337 | 27,326 | 27,627 | 20,200 |
| Fires Extinguished | 354 | 332 | 328 | 360 | 363 | 345 | 292 | 292 | 293 | 326 |
| Inspections | 6,551 | 6,113 | 4,209 | 6,868 | 10,640 | 7,707 | 6,288 | 4,492 | 4,721 | 5,058 |
| Uniformed Employees | 185 | 185 | 186 | 182 | 197 | 198 | 212 | 236 | 214 | 210 |
| Non-Uniformed Employees | 8 | 8 | 7 | 7 | 7 | 7 | 9 | 11 | 13 | 12 |
| Building Permits | | | | | | | | | | |
| Permits Issued | 12,323 | 13,213 | 14,283 | 12,599 | 12,434 | 19,665 | 21,769 | 18,263 | 18,946 | 20,394 |
| Estimated Value | 148,673,496 | 241,292,153 | 255,772,560 | 280,308,330 | 159,808,992 | 459,493,609 | 413,496,733 | 319,049,483 | 370,904,231 | 539,573,711 |
| City Clerk | | | | | | | | | | |
| No. of Registered Voters | 61,263 | 61,496 | 55,964 | 55,964 | 62,449 | 61,143 | 61,671 | 67,648 | 68,124 | 68,124 |
| No. of Ballots Cast | 6,346 | - | 26,171 | - | 44,323 | - | - | 14,648 | 50,577 | - |
| Districts Voting | 2,4 | - | -1,2,3,4,5 | - | 5 | - | -1,2,3,4,5 | 1,2,3,4,5 | 1,2,3,4,5 | 0 |
| Recreation Centers-Attendance | | | | | | | | | | |
| Emma Lou Olson | 88,696 | 61,811 | 61,775 | 60,428 | 53,099 | 66,675 | 60,986 | 19,383 | 20,461 | 35,056 |
| McNair | 40,338 | 42,464 | 44,364 | 40,421 | 40,199 | 48,926 | 43,958 | 12,680 | 6,500 | 23,383 |
| Mitchell/Moore | 41,449 | 26,698 | 34,252 | 36,147 | 43,952 | 45,580 | 62,500 | 12,631 | 53,120 | 75,000 |
| Skolnick | 38,225 | 32,728 | 38,975 | 41,127 | 39,203 | 48,192 | 36,569 | 16,479 | 6,971 | 13,904 |
| Pompano Highlands | 20,057 | 24,489 | 21,130 | 11,862 | 13,193 | 18,695 | 15,410 | 7,074 | 4,130 | 9,941 |
| North Pompano | 60,629 | 28,347 | 32,000 | 25,277 | 30,169 | 32,287 | 32,483 | 5,917 | 16,122 | 25,688 |
| E. Pat Larkins | 47,011 | 19,874 | 39,411 | 44,532 | 53,863 | 45,910 | 42,819 | 19,526 | 22,389 | 35,868 |
| Charlotte Burrie | - | - | - | - | - | - | - | - | 2,479 | 13,250 |
| Utility | | | | | | | | | | |
| Municipal Water System | | | | | | | | | | |
| Active Water Accounts | 18,312 | 18,489 | 18,721 | 18,802 | 18,870 | 18,977 | 19,014 | 19,135 | 19,281 | 19,296 |
| New Active Accounts | 112 | 165 | 154 | 113 | 53 | 57 | 37 | 50 | 47 | 142 |
| Active Reclaimed Water Accounts | 671 | 782 | 882 | 1,016 | 1,096 | 1,187 | 1,664 | 1,685 | 1,710 | 1,815 |
| Metered Sales (Billion Gallons) | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Average Gallons (1,000) Billed Per Day | 12,841 | 12,219 | 12,823 | 12,967 | 13,158 | 12,677 | 13,074 | 12,596 | 12,387 | 12,541 |
| Reclaimed Water (Million Gals.) | 720 | 794 | 877 | 764 | 751 | 747 | 889 | 889 | 848 | 872 |
| Water Main Breaks | 229 | 107 | 64 | 64 | 59 | - | 3 | 1 | 2 | 4 |
| Plant Capacity Million Gals./Day | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Municipal Sewer System | | | | | | | | | | |
| Active Accounts | 16,312 | 16,434 | 16,637 | 16,713 | 16,798 | 16,892 | 16,904 | 17,018 | 17,135 | 17,124 |
| General Government | | | | | | | | | | |
| Tax Rates | | | | | | | | | | |
| Utility Services: | | | | | | | | | | |
| Electric | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Water | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Communication Service | 5 | 5 | 5 | 5 | 5 | 7 | 7 | 7 | 7 | 7 |
| Gas | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Franchises: | | | | | | | | | | |
| Electric | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Gas | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |

CITY OF POMPANO BEACH, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Schedule 18

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Function / Program | | | | | | | | | | |
| Area | | | | | | | | | | |
| Land excluding airport (sq miles) | 23.570 | 23.570 | 23.570 | 23.570 | 23.570 | 23.570 | 23.570 | 23.570 | 23.570 | 23.570 |
| Airport land (sq.miles) | 1.016 | 1.016 | 1.016 | 1.016 | 1.016 | 1.016 | 1.016 | 1.016 | 1.016 | 1.016 |
| Water (sq.miles) | 0.924 | 0.924 | 0.924 | 0.924 | 0.924 | 0.924 | 0.924 | 0.924 | 0.924 | 0.924 |
| Infrastructure | | | | | | | | | | |
| Paved streets | 271 | 271 | 271 | 267 | 279 | 279 | 279 | 279 | 279 | 279 |
| Unpaved streets | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Sidewalks | 171 | 171 | 173 | 200 | 200 | 200 | 202 | 202 | 202 | 202 |
| Canals & waterways | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 |
| Storm drainage | 100 | 102 | 103 | 117 | 119 | 120 | 121 | 122 | 123 | 123 |
| City-owned streetlights | 1,176 | 1,058 | 1,248 | 1,398 | 1,398 | 1,398 | 1,222 | 1,222 | 1,222 | 1,222 |
| FP&L owned streetlights | 5,399 | 5,392 | 5,376 | 5,377 | 5,355 | 5,355 | 5,355 | 5,355 | 5,463 | 5,756 |
| Fire | | | | | | | | | | |
| Stations | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Recreation | | | | | | | | | | |
| Public beach (miles) | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 |
| Municipal parks | 49 | 49 | 49 | 49 | 49 | 50 | 50 | 50 | 52 | 52 |
| Municipal swimming pool | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 36-hole municipal golf course | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| 977 foot municipal pier | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Recreational areas (acres) | 263.17 | 263.17 | 263.17 | 263.17 | 270.17 | 270.17 | 270.17 | 270.17 | 270.17 | 270.17 |
| Golf course (acres) | 307 | 340 | 340 | 340 | 340 | 340 | 340 | 340 | 340 | 340 |
| Recreation centers | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 8 | 8 |
| Municipal water system | | | | | | | | | | |
| Water mains (miles) | 281 | 275 | 280 | 279 | 274 | 274 | 273 | 273 | 273 | 274 |
| Reuse water mains (miles) | 24.0 | 29.0 | 29.6 | 29.6 | 29.6 | 27.6 | 30.6 | 30.7 | 32.4 | 32.0 |
| Fire hydrants | 2,025 | 2,025 | 2,018 | 2,045 | 2,033 | 2,034 | 2,038 | 2,042 | 2,054 | 2,056 |
| Fire hydrants (reuse water) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Municipal sewer systems | | | | | | | | | | |
| Gravity sewer (miles) | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 195 | 196 | 196 |
| Wastewater force main (miles) | 59 | 59 | 59 | 59 | 59 | 61 | 59 | 59 | 59 | 59 |
| Wastewater lift stations | 77 | 77 | 77 | 77 | 78 | 77 | 80 | 80 | 80 | 80 |