

CITY OF POMPANO BEACH, FL

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

2021
FY ENDING
SEPTEMBER 30



Annual Comprehensive Financial Report

City Of
Pompano Beach,
Florida

Fiscal Year Ended September 30, 2021

Prepared by the
Finance Department

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CITY OF POMPANO BEACH, FLORIDA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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CITY OF POMPANO BEACH, FLORIDA

Commission-Manager Form of Government

CITY COMMISSION

Rex Hardin
Beverly Perkins
Andrea McGee
Rhonda Eaton
Tom McMahon
Cyndy Floyd

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

APPOINTED OFFICIALS

Greg Harrison
Mark Berman
Asceleta Hammond
Deusededit "DC" Kiyemba

City Manager
City Attorney
City Clerk
Internal Auditor



April 19, 2022

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, 2021. This report, presented in conformity with accounting principles generally accepted in the United States of America (GAAP), 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, 2021.

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 113,144 residents. During the peak season (September through March), this number increases to nearly 150,000. 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 through 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 the thirty-second year and is committed to enhancing its tree canopy and providing shade and fresh air to residents and guests. 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.

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), the Herb Skolnick Cultural Arts Foundation, Inc. (the CAF), 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 CAF and 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 CAF and 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

As 2020 closed, nationally there were nine (9) million fewer workers employed than at the end of 2019; however, in late 2020 vaccinations were introduced to the general public and that seemed to start to turn the tide. As of mid-January 2021 there were six (6) million people vaccinated against Covid-19. It certainly was not a straight line, but as the year progressed and vaccination rates increased, hospitalization and death rates due to Covid-19 decreased and America slowly started to reopen.

After the *CARES Act (2020)*, the Federal government felt the need for further assistance and passed a second stimulus package; the *American Rescue Plan Act (ARPA)* that offered another round of relief to individuals and businesses. The City Commission approved the programming of the ARPA funding in June 2021 and City staff started accepting applications by July-August. By December, City staff had redistributed \$1.63 million to 82 local businesses after reviewing 100+ completed applications. This funding definitely helped those in the local business community that were hit the hardest by the pandemic. The majority of these applications were businesses trying to stay afloat, those looking to rehire employees laid off by the pandemic and those that were looking to reopen responsibly. The ARPA funds further allowed the City to provide emergency rental and utility payment assistance to its residents.

CoStar News reported "Expectations were high for the April jobs report. Forecasters anticipated 1 million new jobs created," but the numbers showed a cumulative rise of only 266,000 jobs. However, those "April job gains were led by a 331,000 increase in leisure and hospitality jobs, with 187,000 jobs added at restaurants and bars, 90,000 added in arts, entertainment and recreation businesses, and 54,000 new hires at hotels." In light of this report, "Many employers have been reporting labor shortages recently, placing blame on current generous unemployment benefits. But the U.S. economy is still placing employees in jobs at previously unseen rates. More than 1 million new jobs have been created in each of the last three months... which has never happened until this particular recovery."

Also reported by *Costar News*, "Employers in lower-wage industries may well be competing with higher unemployment benefits than usual, but potential employees still see less desirable work conditions, including lingering Covid fears, or they are having to manage children at home who are typically at school. This apparent tightness in some sectors has indeed led employers of low-wage workers to fight for labor and, as a consequence, offer higher wages. This was evident in the leisure and hospitality sector and retail trade."

CNN Business News reported, "One of the more insidious myths this year was that young people didn't want to work because they were getting by just fine on government aid. People had too much money, went the narrative. Only trouble is, the numbers don't back it up. Instead, early retirement is playing a big role in America's evolving labor market. In assessing the jobs recovery, economists have pointed out that while the unemployment rate has come down, the labor force participation rate hasn't improved at the same pace. But *Jared Bernstein, a member of President*

Joe Biden's Council of Economic Advisers, said that once 'non-prime age' workers – those over 55 – are excluded from the metrics a much clearer picture of how the labor recovery is doing emerges because it strips out the retirement narrative. Last month (November '21), there were 3.6 million more Americans who had left the labor force and said they didn't want a job compared with November '19... older Americans, age 55 and up, accounted for a whopping 90% of that increase."

In another complication of the pandemic-era labor force, from July through December 2021 over four (4) million Americans quit their jobs each month in what is now being referred to as 'the Great Resignation.' "Part of it is a job quality shortage," says *Aaron Sojourner, a labor economist and professor at the University of Minnesota's Carlson School of Management*. "It's a bit of a puzzle why employers aren't raising wages and improving working conditions fast enough to draw people back in. They say they want to hire people but they're not creating job openings that people want. To be sure, some companies have been raising wages to attract and retain their staff. Some businesses also offer signing bonuses to get workers in the door. But economists aren't sure whether these incentives are here to stay and will improve conditions for workers in the long term."

"I can tell you, most corporations really don't care. What they care about is their bottom line. They can tell you they care, but at the end of the day, they're having trouble getting goods on shelves, and it's costing them money. They can condition the warehouse, but on a long-term basis they will get rid of those employees and they will replace them with automation," *Sean Dalfen, President of Dalfen Industrial*, said. "That's the risk nobody's talking about right now."

One company that has had an almost instant effect on wages in every market it has entered is Amazon. "Business experts have long researched what is known as 'the Amazon effect' in disrupting traditional retailers. Now Amazon's every move is causing ripple effects well beyond the retail space in local markets throughout America, including inflation, regional job markets and labor standards... The effect is magnified because Amazon churns through hundreds of thousands of employees each year, creating an even more voracious appetite for labor that often compels the company to push up compensation or improve recruitment in other ways... Amazon has economies of scale," said *Jesse McCree, a workforce development official in Harrisburg, PA.*, an area of the country where Amazon is competing heavily with other large logistics and warehouse companies. "They are influencing the market because of scale and name recognition and can afford to pay more than the smaller guys. As they go, even the big companies are going to pay attention."

"To fight off Amazon, competitors have tried to offer lighter workloads, more flexible schedules, bonus pay and other perks. But Amazon is rolling out new plans to compete in those areas as well. Amazon wants to use its size and scale to make its jobs as flexible as possible," *J. Ofori Agboka, an Amazon senior human-resources executive*, said in an interview. "Having hundreds of thousand employees makes it easier to offer workers different work hours, a perk many have requested, he said. Amazon recently broadened a program that allows some employees to switch schedules and pick their own work hours, or cancel a shift at the last minute. The company also offers child-care network to employees and flexible hours for a few weeks for employees transitioning back to work."

"If they are not leading (a wage increase), they are reinforcing it," said *Lynn Reaser, a professor at Point Loma Nazarene University* and longtime economist at financial institutions that include Bank of America Corp. "Everyone is comparing job offers, and they always have Amazon as a benchmark... Even Amazon's own internal employee challenges ripple through the market. The company's turnover rate has exceeded more than 100% across many of its facilities... Amazon has recorded higher injury rates than the national average, and its speedy delivery requirements can quickly burn workers out." Pompano Beach will feel these effects, both good and bad, as Amazon has acquired multiple locations with plans to hire hundreds locally. They also have plans to automate facilities; however, they tell local officials that any automation will be complementary to the local employees.

Broward County's year end jobs report stated a December 2021 *unemployment rate of 3.6%* while *Miami-Dade* finished the year at *1.4%*, and *Palm Beach* finished at *3.3%*. The *State* ended off 2021 with an unemployment rate of *4.4%*.

Industrial Market

The Pompano Beach industrial submarket, which makes up approximately a quarter of the Broward County industrial market, remains the county's largest submarket. Once again, the industrial "boom" that started in 2013, still continues today. Pompano Beach position in the market remains strong with its location in the middle of 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.

"Although the Covid-19 pandemic brought on new challenges for the industrial market, with port congestion, materials shortages, and commodity pricing skyrocketing, the market has and will continue to excel," said *Carolyn Salzer, Cushman Wakefield's Head of Logistics and Industrial Research for the Americas* stated. "While we're seeing some pressure come off the supply side, the truth is the industrial market is red hot, and any kind of cooling will take substantial time," Salzer said. "Industrial will remain the most sought-after asset class for the foreseeable future. Industrial is not slowing down," These sentiments were echoed across many articles and research throughout the year.

"I've always tried to [forecast] the end of cycle, and in the past, I would usually say, 'We've got another year, and that's it,' but in this cycle, I don't see an end approaching," *Colliers International Executive Vice President Mike Senner* said. "...the good times for logistics should last long after Covid-19 recedes. Shoppers found out how easy it was to order goods and deliveries online with a few clicks, permanently altering consumer behavior and sustaining the long term need for modern warehouses."

The primary concern is lack of vacant industrial land in the City and the prices associated with it. "We're all fighting over the same pieces of dirt," said *Stephanie Rodriguez, Senior Vice President for Duke Realty*. "So instead of maybe 5 to 10 competitors, it's up to 20 vying for the same little spots peppered all over the tri-county area." "It's not just Class-A," *Mitchell Property Realty President Ed Mitchell* said. "...It gets down to the Class-C property, and that's made it so much more difficult to find these properties, because [institutional investors] are willing to put their money in anything at this point." *Miller Construction Co. Senior Vice President Traci Miller* predicted it wouldn't be long before developers start building multi-story industrial spaces." In November a five-level cargo hub was proposed at Miami International Airport (MIA).

These factors and others have contributed to the double-digit percentage increases in industrial rents over the past year. Other factors pushing rents up include the growth of e-commerce, including the rise in the importance of cold storage facilities, which goes hand in hand with the rise of grocery delivery services, and supply chain snarls, which has led to reshoring of manufacturing and other services.

According to the *Colliers Broward County Industrial Q4 2021* report, the Northeast Broward submarket (which also includes Deerfield Beach) includes 1,008 buildings (795 warehouse/distribution, 75 manufacturing and 138 flex), an inventory of 41,254,278 square feet of space and a total vacancy rate of 4.6%. The County finished the year with a vacancy rate of 4.4%.

The 150,000 sf of industrial space currently under construction in Pompano Beach is the lowest construction count in more than three years. This is a continuation of new development in the submarket, which had already seen 2.0 million square feet delivered over the past three years, representing an inventory expansion of 6.5%.

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

- *LIVE! Resorts Pompano (Pompano Park Holdings/ Isle Capri)* is developing the first phase of its 232-acre development at 1800 SW 3rd Street/ Racetrack Road, which will ultimately include 4,100 residential units, a 1.5 acre *Crystal Lagoon*, a high-quality hotel and one million square feet of industrial product adjacent to the CSX RR. *Phase 1* will include 450 multi-family residential units, a golfing facility, an expanded casino, 1,500 structured parking spaces, and 50,000 square feet of LIVE! Entertainment district. *Phase 1* represents more than \$400 million of new development.
- *NE 8th Street Warehouses* gained approvals to construct 25,000 sf warehouses on 0.7 acres at 621 NE 1st Avenue.
- *IMECA Hardware* gained approvals to construct a 9,200 sf mixed-use warehouse, including 2,000 sf of retail on 0.54 acres at 2429 NW 4th Street.
- *Banyan Environmental* gained approvals to construct a 3,300 sf mixed-use addition and a new 10,400 sf warehouse on 1.78 acres at 1550 NW 24th Avenue.
- *Lambretta South, Inc. (Riva Motorsports)* gained approvals to construct a 12,006 sf warehouse at 5100 NE 13th Way.
- UHaul North Pompano gained approvals to construct a 18,892 sf mixed-use industrial facility on 1.62 acres at 1120 NE 48th Street that will include 15,922 sf warehouse, 1,485 sf office and 1,485 sf retail.
- *IPT Dixie Highway Industrial Park DC* is constructing a 4 building 822,158 sf industrial complex on 48.76 acres at 1380 NE 48th Street called *Pompano Crossings*.

Commercial – Office Market

According to the *Colliers Broward County Office Q4 2021* report, the Pompano Beach submarket (which also includes Deerfield Beach & Lighthouse Point) includes 177 buildings (7 Class A, 115 Class B and 55 Class C), an inventory of 5,715,396 square feet of space and a total vacancy rate of 7.5%. The County finished the year with a vacancy rate of 12.5%.

No office buildings were planned or approved in Pompano Beach in 2021. *LIVE! Resorts Pompano (Pompano Park Holdings/ Isle Capri)* still has entitlements of 1,350,000 sf of office space in hopes of recruiting a corporate office and the City is also hoping its proposed Innovation District (new Downtown) will ultimately improve this disparity and help to elevate Pompano Beach into the corporate headquarter location discussion regionally.

Commercial – Retail Market

At the *Greater Fort Lauderdale Alliance's January 2022 Partners Council* meeting, *Ken Krasnow, Vice Chairman, Institutional Investor Services for Colliers Florida* gave an update on the local retail market in his Broward County Q4 Market Update and 2022 Forecast presentation. He stated that the local retail market was "generally strong with some challenges." The one big takeaway from his presentation was that "Colliers estimates that by 2025, 30.5% (almost a third) of all digital transactions will be fulfilled by a physical location (pick ups, returns, etc...)." That supports the transition back to brick-and-mortar locations and it shows what retailers have learned over the past few years with the emergence of e-commerce.

Mr. Krasnow's presentation also covered Broward County statistics, including a retail inventory of 87.2 million square feet of space with 328,000 sf under construction, a positive net absorption of 1.1 million square feet and a year ending 4.9% vacancy rate." According to *Colliers International*, Pompano Beach has an inventory of 320 buildings and 13,095,452 square feet of retail space (2020 figures).

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

- The *Pompano Beach Fishing Village* on the Barrier Island is almost completed on the old Pier parking lot site. The approximate 4.16 acre site includes a combined *Hilton* product – *Home2Suites* and *Tru* that includes a rooftop bar and lounge area; a *BurgerFi*, an *Alvin's Island*, and a *Kilwins* in 48,500 sf and two stand-alone restaurants, the *Beach House* and *Oceanic* directly north of the pier. A 2,852 sf *Lucky Fish Tiki* bar has opened just south of the pier and a 6,714 sf stand-alone Mexican restaurant is planned on the last remaining vacant parcel (R3), just west across Pompano Beach Blvd from *Lucky Fish*.
- *Taha Marine Center* gained approvals for a 5,681 sf restaurant to be constructed to their existing plaza at 3109-3231 E Atlantic Blvd.
- *Dorwes LLC* gained approvals to construct a 16,438 sf facility on 1.45 acres at 101 NW 12th Street that will include medical offices, a pharmacy and a senior center.

Residential Market

Pompano Beach approved three (3) residential projects and five (5) mixed-use residential projects over the past year. These projects will add 1,125 units to the City. Viewing recent trend, the majority of the mixed-use projects have between 2,500 and 4,500 sf of retail space on the ground floor to service in-house residents. *Harbourside* bucked that trend as it also plans to add a restaurant to its ground floor commercial space.

Quality of life, Florida's tax policies, and sunshine continue to be the primary reasons people keep moving to South Florida. With the continued influx of northern and international residents, the constraints of the Florida peninsula cannot help but to push residential densities higher. In Pompano Beach, that continues to be along our primary transit corridors.

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

- *Sonata* gained approvals to construct a mixed-use 121 unit residential project on the 600 block of N Dixie Hwy on 6.72 acres containing 3,443 sf of commercial space.
- *Atlantic 3350* gained approvals to construct a mixed-use residential hotel containing 77 multi-family units, 110 hotel units along with restaurant and retail space on 2.08 acres at 3500 E Atlantic Blvd.
- *1307 Wabash LLC* gained approvals to construct a 285 unit mixed-use residential project including 4,164 sf of commercial space on 6.2 acres at 3151-3251 N Federal Highway.
- *900 N Ocean Blvd LLC* gained approvals to construct 119 units on 3.19 acres at 900 N Ocean Blvd.
- *Ocean 723 LLC* gained approvals to construct 12 multi-family units on 0.47 acres at 723 N Ocean Blvd.
- *400 E Atlantic LLC* gained approvals to construct a mixed-use residential project containing 204 units & 2,723 sf of commercial/retail/leasing office on 1.57 acres at 400 E Atlantic Blvd.
- *The Residences at Palm Aire* gained approvals to construct 22 townhomes on 1.63 acres at 700 Cypress Grove Drive.
- *Harbourside at Hidden Harbour* gained approvals to construct a mixed-use residential project containing 285 dwelling units and 11,825 sf of commercial and restaurant space on 6.21 acres at 1490 Federal Hwy.

Major City Initiatives

The most significant project/ programs/ improvements for the fiscal year ending September 30, 2021 included:

- Construction of *Fire Station #61*, a 11,564 sf facility on 2.14 acres at 2121 NW 3rd Avenue.
- Construction of *Fire Station #114*, a 9,514 sf facility on 1.01 acres at the NW corner of SW 36th Avenue & W McNab Road.
- Construction of a 8,528 sf *Senior Center* on 4.93 acres at 2005 NW 9th Street.
- Approval to construct a 11,553 sf *Fire Station #52* on 1.09 acres at 10 SW 27th Avenue.
- Ongoing construction at several City Parks or Cultural venues to include McNair Park, Mitchell Moore Park, North Pompano Park and the Amphitheater.

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 Comprehensive Annual Financial Report for the fiscal year ended September 30, 2020. The City has received the GFOA’s prestigious Certificate of Achievement for Excellence in Financial Reporting award for thirty-seven 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 and to the City’s Budget Officer, Erjeta Diamanti for providing insight into economic factors likely to have an impact on the City’s fiscal year 2022 budget.

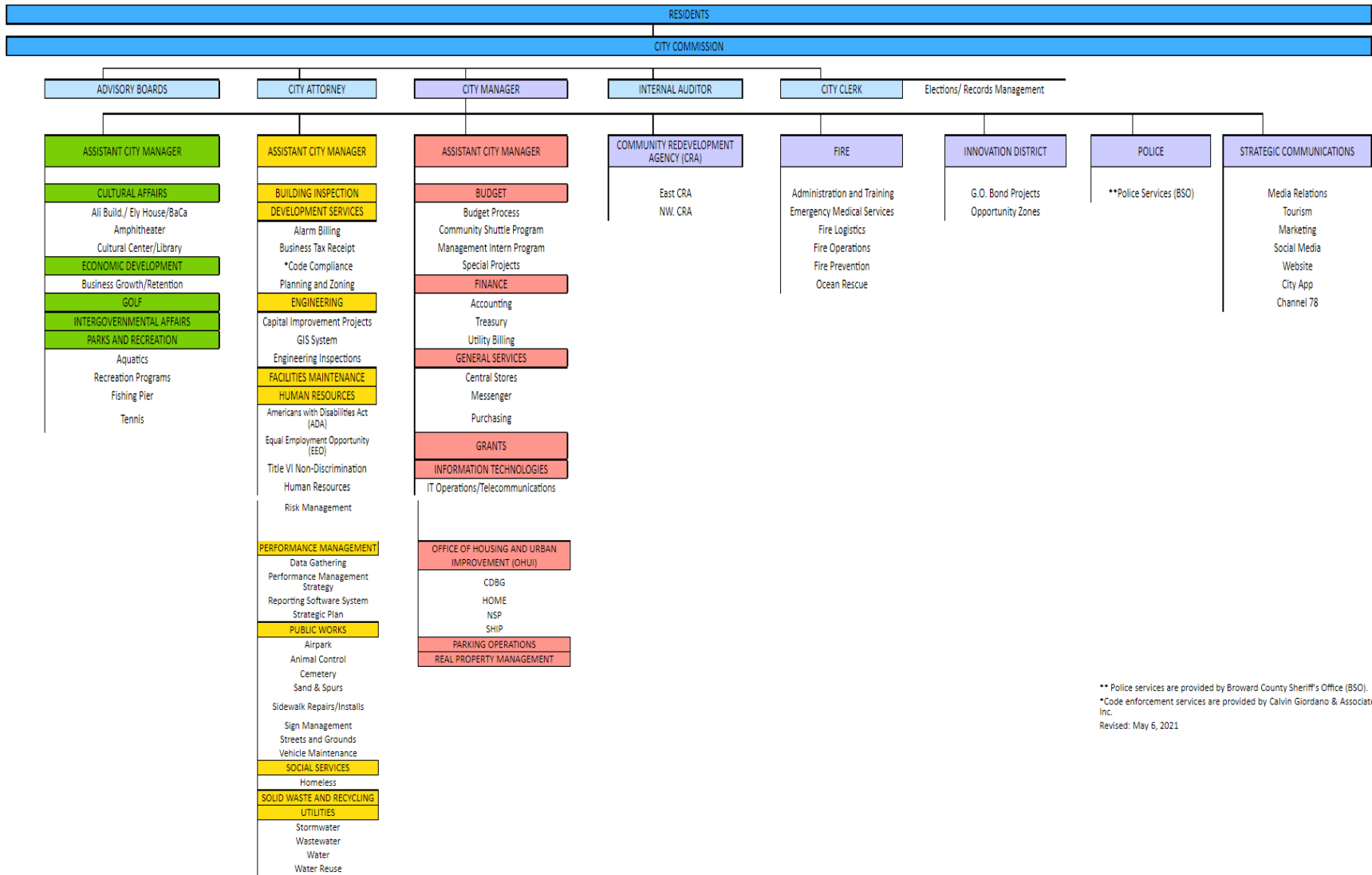
Sincerely,



Allison Feurtado
Acting Finance Director



Greg Harrison
City Manager



** Police services are provided by Broward County Sheriff's Office (BSO).
 *Code enforcement services are provided by Calvin Giordano & Associates, Inc.
 Revised: May 6, 2021



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, 2020

Christopher P. Morrill

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 fiscal year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Pompano Beach General Employees' and the Police & Firefighters' Retirement Systems, which represents 91%, 93% and 74%, respectively, of the assets, net position/fund balance, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Pompano Beach General Employees' and Police & Firefighters' Retirement Systems, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

City of Pompano Beach, Florida

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages as identified in the table of contents, 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. 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards and state financial assistance is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Chapter 10.550, Rules of the Florida Auditor General, and is also not a required part of the basic financial statements.

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

City of Pompano Beach, Florida

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

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



KEEFE McCULLOUGH

Fort Lauderdale, Florida
April 19, 2022

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2021
(Unaudited)

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, 2021. We encourage readers to consider the information presented here in conjunction with the letter of transmittal and financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

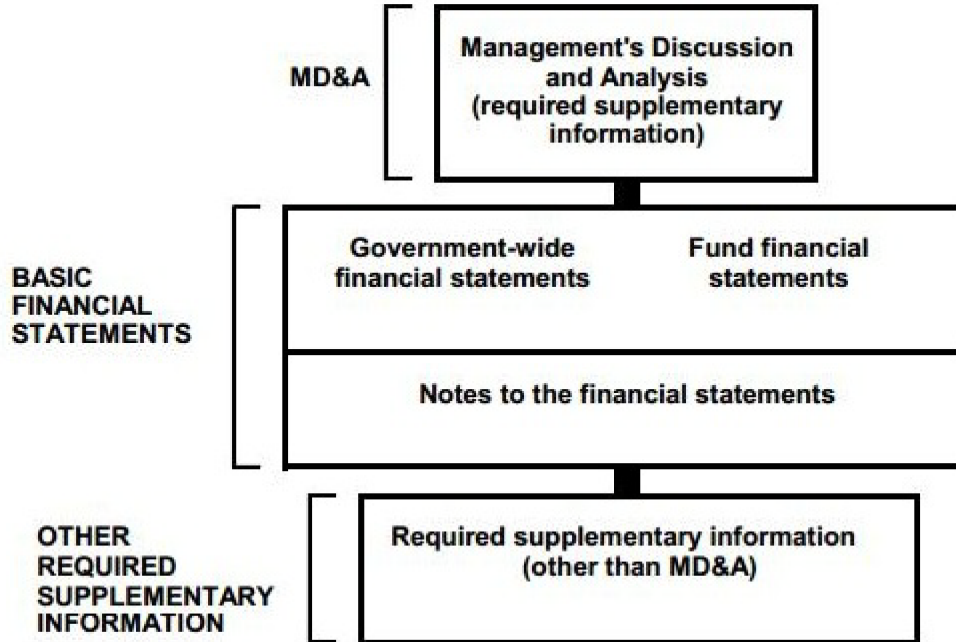
This annual report follows a format consisting of four parts – Management’s Discussion and Analysis (this section), the Basic Financial Statements, Required Supplementary Information, and an additional section that presents combining statements for non-major governmental funds, non-major enterprise funds, 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 tell how general government services like public safety were financed in the short-term, as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses, such as the water and sewer utility.
- Fiduciary fund statements provide information about the financial relationships – such as the retirement plans for the City’s employees, in which the City acts solely as 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 Discussion and Analysis for the Fiscal Year Ended September 30, 2021
(Unaudited)

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 \$505.6 million. The City's total net position increased by \$12.2 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 \$213.1 million, representing a decrease of \$33.5 million from the previous fiscal year. The decrease noted was primarily due to a decrease of \$41.6 million in the Capital Project 2018 GO Bonds Fund balances primarily due to the timing of capital outlays related to the General Obligation Bonds – Series 2018 funded projects.

At the close of the current fiscal year the City's enterprise funds reported combined ending net position of \$180.3 million. This represents an increase of \$8.3 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 \$4.4 million primarily due to increases in utility rates, and an increase in stormwater fees.
- an increase in miscellaneous revenue of \$4.1 million due to the receipt of insurance proceeds reimbursed to the City for costs incurred for the damage to utility infrastructure caused by a subcontractor working for the Florida Department of Transportation.

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2021
(Unaudited)

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 includes 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 \$505.6 million at September 30, 2021. The City's net position increased by \$12.2 million during the current fiscal year. The largest portion of the City's net position, 88.2%, 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

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2021
(Unaudited)

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 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 17.2% or \$87.1 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, 2021 and 2020

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 270,235,048	\$ 289,124,815	\$ 92,372,591	\$ 64,030,396	\$ 362,607,639	\$ 353,155,211
Capital assets	384,377,387	346,458,716	165,501,355	165,399,644	549,878,742	511,858,360
Total assets	<u>654,612,435</u>	<u>635,583,531</u>	<u>257,873,946</u>	<u>229,430,040</u>	<u>912,486,381</u>	<u>865,013,571</u>
Deferred outflows of resources	<u>27,153,581</u>	<u>32,354,099</u>	<u>7,605,428</u>	<u>7,665,056</u>	<u>34,759,009</u>	<u>40,019,155</u>
Long-term liabilities	299,892,188	324,854,023	78,708,318	60,072,515	378,600,506	384,926,538
Other liabilities	<u>30,346,839</u>	<u>13,253,023</u>	<u>6,204,553</u>	<u>5,572,788</u>	<u>36,551,392</u>	<u>18,825,811</u>
Total liabilities	<u>330,239,027</u>	<u>338,107,046</u>	<u>84,912,871</u>	<u>65,645,303</u>	<u>415,151,898</u>	<u>403,752,349</u>
Deferred inflows of resources	<u>25,061,610</u>	<u>7,763,713</u>	<u>1,455,175</u>	<u>180,741</u>	<u>26,516,785</u>	<u>7,944,454</u>
Net position:						
Net investment in capital assets	311,774,743	308,830,055	134,315,024	133,354,593	446,089,767	442,184,648
Restricted	82,795,340	76,077,314	4,287,677	4,287,555	87,083,017	80,364,869
Unrestricted	<u>(68,104,705)</u>	<u>(62,840,498)</u>	<u>40,508,627</u>	<u>33,626,904</u>	<u>(27,596,078)</u>	<u>(29,213,594)</u>
Total net position	<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>

At September 30, 2021, the City's governmental activities reported a negative balance 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 \$37.9 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 18) and the recognition of current fiscal year depreciation expense.

The decrease of \$5.2 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

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2021
(Unaudited)

earnings exceeding actual earnings on pension plan investments, changes in assumptions). Refer to Note (III)(C)(2) for additional information.

The decrease of \$25.0 million in long-term liabilities is primarily the result of the following activity:

- A decrease 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.

The increase of \$17.1 million in other liabilities is primarily the result of the City's receipt of its first allocation of the ARPA funding from the US Department of Treasury in May 2021 and not having incurred or expended funds by fiscal year end, as well as the implementation of **Statement No. 84, Fiduciary Activities**, which resulted in collapsing the Agency Fund into the General Fund/Governmental Activities.

Business-type Activities – The increase of \$28.3 million in current and other assets is primarily as a result of current year operations, as discussed in detail starting on page 10.

The increase of \$18.6 million in long-term liabilities is primarily the result of the issuance of direct placement Water and Wastewater Revenue Bond Series 2021 and the Stormwater Revenue Bond Series 2021.

The increase of \$0.6 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 the Stormwater Fund.

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2021
(Unaudited)

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, 2021.

TABLE 2
SUMMARY OF CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for services	\$ 61,265,049	\$ 57,667,622	\$ 68,857,392	\$ 64,467,870	\$ 130,122,441	\$ 122,135,492
Operating grants and contribs.	11,099,519	8,261,718	14,418	115,174	11,113,937	8,376,892
Capital grants and contributions	14,833,978	4,882,104	1,180,983	848,048	16,014,961	5,730,152
General Revenues						
Taxes	114,265,574	115,120,411	-	-	114,265,574	115,120,411
Pari Mutuel	1,828,827	1,273,349	-	-	1,828,827	1,273,349
Franchise fees	8,297,885	7,944,147	-	-	8,297,885	7,944,147
State revenue sharing	12,190,762	10,257,422	-	-	12,190,762	10,257,422
Gain from sale of capital assets	227,345	1,015,017	18,663	99,710	246,008	1,114,727
Investment earnings	570,508	5,233,458	(67,065)	1,883,328	503,443	7,116,786
Miscellaneous	1,262,977	717,449	4,240,559	112,504	5,503,536	829,953
Total revenues	<u>225,842,424</u>	<u>212,372,697</u>	<u>74,244,950</u>	<u>67,526,634</u>	<u>300,087,374</u>	<u>279,899,331</u>
Expenses						
General government	38,881,709	37,978,927	-	-	38,881,709	37,978,927
Public safety	109,029,994	107,901,370	-	-	109,029,994	107,901,370
Physical environment	25,313,761	24,979,725	-	-	25,313,761	24,979,725
Transportation	5,090,033	5,130,383	-	-	5,090,033	5,130,383
Economic environment	19,773,046	7,744,963	-	-	19,773,046	7,744,963
Culture and recreation	17,413,137	16,715,211	-	-	17,413,137	16,715,211
Interest costs	4,363,496	4,568,201	-	-	4,363,496	4,568,201
Utility	-	-	48,292,635	47,070,652	48,292,635	47,070,652
Sanitation	-	-	10,002,862	9,101,133	10,002,862	9,101,133
Stormwater	-	-	3,113,004	2,923,971	3,113,004	2,923,971
Airpark	-	-	2,630,534	2,825,625	2,630,534	2,825,625
Parking	-	-	3,942,380	3,660,441	3,942,380	3,660,441
Total expenses	<u>219,865,176</u>	<u>205,018,780</u>	<u>67,981,415</u>	<u>65,581,822</u>	<u>287,846,591</u>	<u>270,600,602</u>
Increase (decrease) in net position before transfers	5,977,248	7,353,917	6,263,535	1,944,812	12,240,784	9,298,729
Transfers	<u>(1,578,741)</u>	<u>13,509,052</u>	<u>1,578,741</u>	<u>(13,509,052)</u>	-	-
Increase (decrease) in net position	4,398,507	20,862,969	7,842,276	(11,564,240)	12,240,783	9,298,729
Net position - beginning	<u>322,066,871</u>	<u>301,203,902</u>	<u>171,269,052</u>	<u>182,833,292</u>	<u>493,335,923</u>	<u>484,037,194</u>
Net position - ending	<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>

City of Pompano Beach, Florida
Management Discussion and Analysis for the Fiscal Year Ended September 30, 2021
(Unaudited)

Governmental Activities – Governmental activities increased the City’s net position by \$4.4 million.

Operating grants and contributions increased by approximately \$2.8 million, primarily due to an increase in public assistance grant funds from the CARES Act through a subaward from Broward County and the American Rescue Plan Act funds received from the US Department of Treasury.

Capital Grants and Contributions increased by approximately \$10.0 million, primarily due to the following transactions:

- In the current fiscal year the City received approximately \$2.3 million from Broward County as a subaward from CARES Act funding for the reimbursement of expenditures relating to the COVID 19 pandemic.
- In the current fiscal year the City received approximately \$5.2 million related to a July 2018 Interlocal Agreement between the City and Broward County.

Pari-Mutuel revenues increased by \$0.6 million primarily due to the re-opening and return of normal operation after the unprecedented impact of Covid-19 on our local and state economy which resulted in the closure of the casino from April 2020 to June 2020.

State revenue sharing revenue increased by \$1.9 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 \$4.7 million primarily due to the spend down of funds from the General Obligation Bond Series 2018 funding projects in the current fiscal year as well as of the timing of amortization of premiums and discounts relating to the purchase of investments and a decrease in interest rates.

Gain from sale of capital assets decreased by \$0.8 million primarily due the sale of the BSO Substation (441 NW 27th Avenue) in the prior fiscal year.

Economic environment expenses increased by \$12.0 million primarily due to COVID 19 impact related expenses. These expenses assisted residents and small business operators, and additionally the City also provided vaccination incentives for residents.

The variance in net transfers of \$15.1 million is primarily due to the transfer of residual equity associated with accounting for the activities of the Pier from a separate enterprise fund to the General Fund in the prior fiscal year.

Business-type Activities - Business-type activities increased the City’s net position by \$7.8 million. Charges for services increased by \$4.4 million primarily due to an increase in utility rates, and an increase in stormwater fees in the fiscal year.

Capital grants and contributions increased by \$0.3 million, primarily due to capital grants for utility projects, and grants for airpark projects.

Investment earnings decreased by \$2.0 million primarily as a result of the timing of amortization of premiums and discounts relating to the purchase of investments and a decrease in interest rates.

Miscellaneous revenues increased by \$4.1 million due to the receipt of insurance proceeds reimbursed

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to the City for costs incurred for the damage to Utility Infrastructure caused by a subcontractor working for the Florida Department of Transportation and a rebate from Waste Management.

The variance in net transfers of \$15.1 million is primarily due to the transfer of residual equity associated with accounting for the activities of the Pier Fund from a separate enterprise fund to the General Fund in the prior fiscal year.

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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

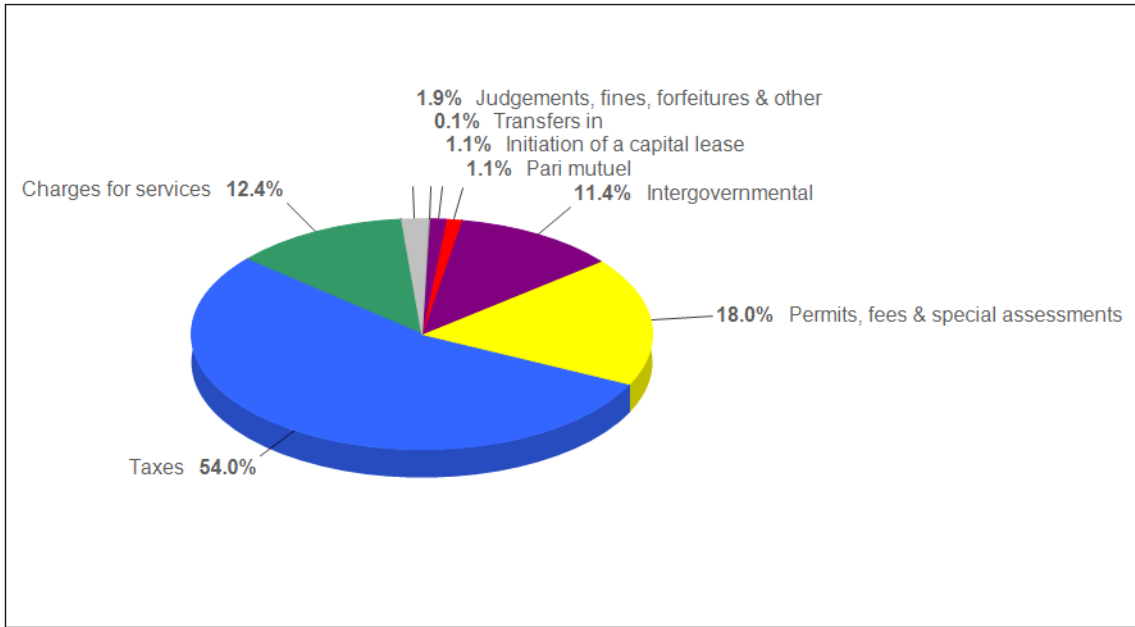
Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash 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.

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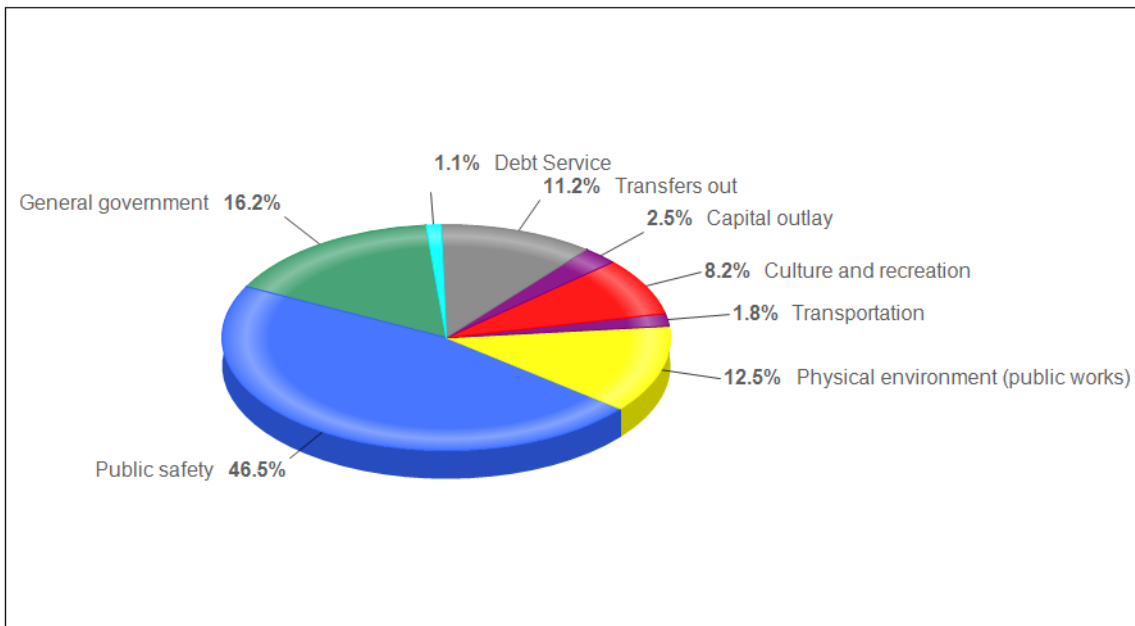
The General Fund

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, 2021:

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 \$39.0 million, while total fund balance was \$54.6 million. The fund balance for the City's General Fund decreased by \$3.1 million during the current fiscal year.

Compared to the prior fiscal year, there was an increase of \$4.7 million in taxes 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, changes in personal incomes and the City's operating millage rates.

The increase of \$3.4 million in intergovernmental revenue is primarily due to an increase in the half cent sales tax and state revenue sharing revenue from the State of Florida and receipt of CARES Act funding from Broward County to cover costs associated with the impacts of COVID 19. The half cent sales tax is a function of the City's population compared to Broward County's population and multiplying this factor by total half cent sales taxes collected by the State of Florida within Broward County. State revenue sharing is primarily a function of municipal population and municipal sales tax receipts.

The increase of \$2.4 million in charges for services revenue is primarily due to an increase in engineering fees collected, an increase in golf green fees collected, an increase in lien research fees collected, an increase in emergency transport fees collected, and an increase in internal administrative service charges to other funds. The majority of these fees increased to normal levels from previously being impacted by the Covid-19 pandemic.

The decrease of \$1.8 million in investment earnings revenue is primarily due to the draw down of the General Obligation Bond 2018 funds for projects in the current fiscal year and the timing of amortization of premiums and discounts relating to the purchase of investments and decreasing interest rates.

The decrease of \$1.3 million in initiation of a capital lease is due to receiving less lease purchase financing for the acquisition of certain equipment for the Fire, Parks & Recreation, Development Services and Public Works functions in the current fiscal year.

The decrease of \$1.0 million in transfers-in is primarily due to the transfer of residual equity from the Pier Fund to the General Fund in the prior year and the reimbursement of expenditures from the Law Enforcement Trust Fund (LETF) due to the increase in operating expenses for the COPS School Resource Officers (SRO) program in the prior year.

The increase of \$2.0 million in general government expenditures is primarily the result of an increase in tax increment payments to the Northwest and East Community Redevelopment Districts (a function of the increase in the assessed values within those districts from the base year formation of the districts and the City's operating millage rate). There was also an increase in professional services expenses relating to re-opening of the schools (school crossing guards) and businesses as a result of COVID 19.

The \$1.2 million decrease in capital outlay expenditures is primarily due to the purchase of the Pompano Ford Lincoln property, and the acquisition of fleet equipment in the prior year.

The increase of \$9.2 million in transfers out is primarily due to funding of GO Bond capital projects to be reimbursed by the second phase of GO Bonds to be issued in the following fiscal year. The projects funded include Mitchell Moore Improvements, North Pompano Park Improvements, Youth Sports Complex Improvements, and Centennial Park Improvements. Other operating transfers contributing to the increase were transfers to the Sanitation and Airpark Fund, to support their operations,

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improvements to the Ocean Rescue building and the installation of a fuel tank at the site just North of Fire Station #52.

The Northwest Community Redevelopment Agency Northwest District Fund

The fund balance of the Northwest CRA District Fund increased by \$3.2 million primarily due to the timing of capital outlay compared to prior fiscal year.

The East Community Redevelopment Agency East District Fund

The fund balance of the East CRA District Fund increased by \$0.3 million primarily due to an increase in tax increment revenue (a function of the increase in the assessed values within the districts from the base year formation and each taxing districts operating millage rate).

Economic environment expenditures increased by \$0.2 million primarily due to an increase in management costs.

Emergency Medical Services District Fund

Charges for services increased by \$1.0 million primarily due to increases in EMS transport activities back to pre COVID 19 levels.

Expenditures increased by \$2.2 million to cover the personnel costs resulting from overtime pay, supplies and equipment expenditures.

Capital Projects Fund

The increase in capital outlay expenditures of \$1.1 million is primarily due to the timing of capital outlays.

Transfers in increased by \$7.4 million primarily due to funding of GO Bonds capital projects to be reimbursed by the second phase of GO Bonds to be issued in the following fiscal year. The projects funded include Mitchell Moore Improvements, North Pompano Park Improvements, Youth Sports Complex Improvement, and Centennial Park Improvements.

Capital Project 2018 GO Bonds Fund

The fund balance of the Capital Project 2018 GO Bonds Fund decreased by \$41.6 million primarily due to the timing of capital outlays related to expenditures for the General Obligation Bonds – Series 2018 funded projects.

American Rescue Plan Fund

Intergovernmental increased by \$2.1 million due the City's receipt of its first allocation of the ARPA funding from the US Department of Treasury.

Building Permit Fund

Permits, fees and special assessments revenue increased by \$1.2 million due to an increase in the number of permits issued, as well the construction value associated with those permits.

Other Grants Fund

The fund balance of the Other Grants Fund increased by \$1.0 million due to cost reimbursement grants for which the City has received reimbursement from the grantor at fiscal year end.

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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 activities in the Government-wide financial statements.

Utility Fund

Investment earnings decreased by \$1.5 million primarily a result of the timing of amortization of premiums and discounts relating to the purchase of investments and decreasing interest rates.

Miscellaneous non-operating revenue increased by \$2.4 as a result of insurance proceeds reimbursed to the City for costs incurred for the damage to our utility infrastructure caused by a subcontractor working for the Florida Department of Transportation.

Parking Fund

The net position of the Parking Fund increased by \$1.3 million primarily due to the net effect of the following:

- An increase in parking revenues primarily as a result of the re-opening of City facilities closed due to COVID-19 closures, as well as an increase in parking rates.
- The recognition of depreciation expense and interest expense.
- Transfers in increased by \$0.2 million primarily due a transfer from the East CRA per an Interlocal Agreement between the City and the CRA to contribute to the Oceanside Project located at 109 North Ocean Boulevard, Pompano Beach.

Stormwater Fund

The net position of the Stormwater Fund increased by \$0.9 million primarily due to an increase in charges from services due to an increase in stormwater rates.

Airpark Fund

Capital grants and contributions increased by \$0.8 million primarily due to the timing for the recognition of capital grants for various airpark improvement projects.

Sanitation Fund

The increase in miscellaneous revenue of \$1.8 million was primarily due to receipt of rebate proceeds from Waste Management.

Transfers in increased by \$0.8 million primarily due to a transfer from the General Fund to subsidize operating costs.

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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 \$31.8 million.

The increase of \$4.8 million in the Public Safety expenditure budget was the result of establishing the fiscal year budget to cover the costs for additional SRO officers under the City's police services contract with the Broward Sheriff's Office (BSO). A portion for the cost of the SRO program is offset by the transfer to the General Fund from Local Law Enforcement Trust Fund (LETF).

The increase of \$13.3 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 a capital lease for the Fire, Parks & Recreation, Development Services and Public Works functions.

The transfers out budget increased by approximately \$10.0 million primarily related to transfers to the GO Bond Capital Project Fund to be reimbursed by the second phase of GO Bonds to be issued in the following fiscal year. The projects funded include Mitchell Moore Improvements, North Pompano Park Improvements, Youth Sports Complex Improvement, and Centennial Park Improvements. Other operating transfers contributing to the increase were transfers to the Sanitation and Airpark Funds to support their operations, improvements to the Ocean Rescue building and the installation of a fuel tank at the site just North of Fire Station #52

Final budget compared to actual

Intergovernmental revenue was \$3.3 million higher than the final budget due to the result of 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. Both sources are a function of sales and the City's population compared to other jurisdictions which participate in these State of Florida revenue sources.

Investment earnings were \$0.5 million lower than the final budget primarily as a result of the timing of amortization of premiums and discounts relating to the purchase of investments and the actual earnings relating to investments underperforming due to lower than anticipated interest rates.

Capital outlay expenditures were \$9.0 million lower than the final budget primarily due to the timing of the acquisition of certain real property and equipment relating to a capital lease for the Fire, Parks & Recreation, Development Services and Public Works functions.

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Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounted to \$549.9 million, net of accumulated depreciation. This investment in capital assets includes land, building, equipment, improvements, infrastructure and construction in progress.

TABLE 3
CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)
September 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 77,535,541	\$ 76,530,588	\$ 468,659	\$ 468,659	\$ 78,004,200	\$ 76,999,247
Construction in Progress	70,027,553	26,504,512	7,255,122	6,319,366	77,282,675	32,823,878
Buildings	49,135,675	49,837,494	39,026,812	41,010,382	88,162,487	90,847,876
Infrastructure	72,582,521	77,588,091	42,579,170	45,241,128	115,161,691	122,829,219
Improvements	105,670,208	106,225,404	69,336,520	65,497,366	175,006,728	171,722,770
Machinery & Equipment	9,233,568	9,685,024	6,816,570	6,838,243	16,050,138	16,523,267
Art Work	192,321	87,603	18,500	24,500	210,821	112,103
TOTALS	\$ 384,377,387	\$ 346,458,716	\$ 165,501,353	\$ 165,399,644	\$ 549,878,740	\$ 511,858,360

Major capital assets events during the fiscal year included:

Governmental Activities

- Capital projects under construction in governmental activities had a net increase of \$43.5 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).

Business-type activities

- Capital projects under construction in business-type activities increased by \$0.9 million as a result of the completion of several projects in the current fiscal year, the Water Treatment Plant Transfer Station Rehab, TIDEFLX Stormwater Valve, and Water Meter Replacement.
- Improvements increased by approximately \$3.8 million primarily due to the net effect of the completion of various projects including SWR Gravity Main 04, Reclaimed Water Plant Improvement, Stormwater Pipe Lining and 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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Outstanding Debt

At the end of the current fiscal year the City had total debt (bonds and notes) of \$168,271,031 outstanding compared to \$152,666,597 last year, a 10% increase.

TABLE 4 - OUTSTANDING DEBT
September 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenue Bonds	\$ -	\$ -	\$ 19,515,000	\$ -	\$ 19,515,000	\$ -
Certificates of Participation	-	-	23,275,000	23,775,000	23,275,000	23,775,000
General Obligation Bonds (Series 2018)	99,214,042	101,105,600	-	-	99,214,042	101,105,600
Tax increment bonds	8,490,000	9,280,000	-	-	8,490,000	9,280,000
Notes payable	4,075,672	4,553,693	7,081,561	8,284,671	11,157,233	12,838,364
Capital lease payable	5,596,788	5,219,150	1,022,968	448,483	6,619,756	5,667,633
Total	<u>\$ 117,376,502</u>	<u>\$ 120,158,443</u>	<u>\$ 50,894,529</u>	<u>\$ 32,508,154</u>	<u>\$ 168,271,031</u>	<u>\$ 152,666,597</u>

At September 30, 2021, 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 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 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 (F).

ECONOMIC FACTORS AND 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.

In FY 2021, the City adjusted its revenue streams in the anticipation of revenue losses due to the Covid-19 Pandemic. Those major revenue streams such as state revenue sharing, pari-mutual, local option gas tax, have bounced back to pre-pandemic levels. The City has continuously pursued federal assistance through the CARES Act, the American Rescue Plan Act (ARPA) and other grant sources. Other fiscal and financial challenges in the preparation of FY 2022 budget include aging infrastructure and other capital needs, sea level rise and the sunset of the COPS Grant which partially covers the School Resource Officer's Program. Despite these funding challenges, the City, through prudent fiscal management, maintains a healthy financial position ensuring that our residents and businesses will

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continue to receive the value and quality services from the City.

The City received a total of \$25.69M from ARPA and in June 2021, the City Commission approved staff's two-year ARPA allocation (inclusive of interest income on proceeds), which laid out the proposed major expenditure categories of the projected ARPA funding as listed below. The first distribution of the proceeds \$12.84M was received in May, 2021 and the second half is anticipated to be received in May, 2022. In FY 2022, approximately \$10.3M of ARPA funds was used to account for public safety expenditures in the General Fund.

Public Health Emergency Response Expenditures	\$ 5,750,000
Community Response and Resilience Program Expenditures	5,842,445
Economic Stabilization and Recovery Program Expenditures	3,350,000
General Government Services Expenditures	10,901,612

The City's tax base for the upcoming fiscal year (FY) increased by \$824M; for a total of \$15,313,447,100, including new construction of \$177M. 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 2022 are as follows: General Fund operating millage 5.1875, Emergency Medical Services District (EMS) millage rate 0.5000, and voted debt service millage rate 0.3969 (Series 2018) and 0.3072 (Series 2021). When compared to FY 2021 adopted millage rates, the FY 2022 adopted operating and EMS millage rates remain unchanged. The adopted aggregate millage rate (Operating and EMS) of 5.6875 is approximately 4.16% above the rollback rate of 5.4602. 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 \$75.5M in property taxes to support and maintain service levels for the City's residents. Property taxes support about 43% of the total General Fund budget of \$175,065,000. The FY 2022 adopted debt service millage rate of 0.3969 represents a decrease of -0.0225 mills, or -5.36% when compared to the FY 2021 adopted debt service millage rate of 0.4194. It is anticipated that in the fall of 2021, the City will sell Phase II of the General Obligation Bonds (G.O. Bonds) voted for by the City's residents in March, 2018. Therefore, the 2021 series debt service millage rate was added on the 2021 tax roll. The adopted debt service 2021 Series millage rate is 0.3072. FY 2022 aggregate millage rate of 6.3916 represents an increase of 0.2847 mills or 4.7% when compared to the FY 2021 adopted aggregate millage rate (City, EMS, and Voted Debt Service) of 6.1069.

The total City of Pompano Beach adopted budget for FY 2022 is \$433,510,744; this represents a 39.4% increase or a \$122.5M increase over the FY 2021 adopted budget of \$310,987,988. The major reason for this increase is to account for three G.O. Bond Capital Improvement Projects Funds of \$79.39M; G.O. Bond 2021 Services Operating Fund (for debt principal and interest) of \$4.74M; General Capital Improvement Fund of \$11M, General Fund \$20M, of which \$10.3M of ARPA funds will cover public safety expenditures.

The General Fund budget of \$175,065,000 accounts for approximately 40% of the total FY 2022 citywide adopted budget of \$433,510,744. This is the fund where the majority of tax dollars are appropriated and it is where some of the most visible and vital governmental services are funded such

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as: public safety services, finance, development services, public works, parks and recreation, tourism, marketing, and cultural affairs.

FY 2022 General Fund adopted budget is approximately \$20.1M or 13% higher than the FY 2021 adopted budget of \$154,932,071. The increases in the General Fund budget for FY 2022 can primarily be attributed to personnel expenditures of (\$3.8M) due to the increase in pension contributions for fire fighters (\$516K) and general employees (\$170K); adjustments in salaries and benefits (\$2M) to include cola, merit, FICA and VEBA; six (6) new full-time/part time personnel to staff the new Senior Citizen Center and Youth Sports Complex (\$450K); and addition of full-time personnel in various departments (\$615K).

The increase in operating expenses (\$5.7M) is primarily attributed to the addition of two new facilities approved by voters in 2018, the Senior Center and the Youth Sports Complex (\$81K); utility and maintenance accounts (\$1.2M) primarily due to the addition of new street lights; internal service charges decrease of \$232K; BSO budget which includes sixteen (16) School Resource Officers (SRO) and the normal annual contract adjustments (\$3.69M). A portion for the cost of the SRO program is offset by the transfer to the General Fund from the Local Law Enforcement Trust Fund (LETF) of \$1.2M. Other operating expenses include: studies and programs, such as the utilities underground strategy for developers and revisions to future land use maps (\$563K).

Other expenses (\$1.4M) increase is mostly associated with debt service for a capital lease (capital replacement plan) (\$814K) and Tax Increment Financing (TIF) allocation to the Community Redevelopment Agency (CRA) Districts (\$567K).

Capital expenses increase (\$366K) is due to the increase in capital outlay (pay-as-you-go) items based on the Capital Replacement Plan for FY 2022. Finally, the transfers increase (\$8.7M) is due to the net effect increase in transfers from the General Fund to the General Capital Project Fund (\$10.2M) and the reduction in EMS transfer (-\$158K) due to the increase in property valuation; and Sanitation and Airpark Funds (-\$1.1M) transfers allocated in FY 2021.

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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.

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities	Business- type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 42,781,284	\$ 14,108,167	\$ 56,889,451
Unrestricted investments	121,519,164	68,445,615	189,964,779
Restricted cash and cash equivalents	11,267,597	1,939,969	13,207,566
Restricted investments	37,684,077	463,225	38,147,302
Interest receivable	546,310	198,319	744,629
Accounts receivables (net)	4,112,444	6,802,705	10,915,149
Notes Receivable	70,000	-	70,000
Internal balances	1,205,662	(1,205,662)	-
Due from other governments	5,022,467	1,347,491	6,369,958
Inventories	1,797,813	269,689	2,067,502
Prepays	3,676,795	3,074	3,679,869
Other assets	109,669	-	109,669
Assets held for resale and redevelopment	40,441,766	-	40,441,766
Capital assets:			
Land and construction in progress	147,563,094	7,723,781	155,286,875
Other capital assets net of accumulated depreciation	236,814,293	157,777,572	394,591,865
Total capital assets net of accumulated depreciation	<u>384,377,387</u>	<u>165,501,353</u>	<u>549,878,740</u>
Total assets	<u>654,612,435</u>	<u>257,873,945</u>	<u>912,486,380</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	26,972,472	7,567,638	34,540,110
Deferred outflows related to OPEB	181,109	37,790	218,899
Total deferred outflows of resources	<u>27,153,581</u>	<u>7,605,428</u>	<u>34,759,009</u>

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

CITY OF POMPANO BEACH, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
LIABILITIES			
Accounts payable	\$ 5,552,925	\$ 3,594,461	\$ 9,147,386
Accrued expenses	1,416,454	270,476	1,686,930
Accrued interest payable	1,051,984	358,768	1,410,752
Customer deposits payable	47,839	-	47,839
Unearned revenue	14,218,267	-	14,218,267
Liabilities payable from restricted assets:			
Customer deposits payable	707,300	1,980,847	2,688,147
Accounts payable	7,352,070	-	7,352,070
Noncurrent liabilities:			
Due within one year:			
Long term obligations	2,853,347	675,000	3,528,347
Notes Payable	494,496	1,284,700	1,779,196
Claims and judgments	2,711,478	-	2,711,478
Compensated absences	359,224	27,467	386,691
Capital lease payable	1,210,125	252,205	1,462,330
Certificates of participation payable	-	500,000	500,000
Due in more than one year:			
Long term obligations	104,850,695	18,840,000	123,690,695
Notes Payable	3,581,176	5,796,861	9,378,037
Claims and judgments	14,463,522	-	14,463,522
Compensated absences	9,086,508	1,866,437	10,952,945
Total OPEB liability	11,409,146	2,420,632	13,829,778
Capital lease payable	4,386,663	770,763	5,157,426
Certificates of participation payable	-	22,775,000	22,775,000
Net pension liability	144,485,808	23,499,253	167,985,061
Total liabilities	<u>330,239,027</u>	<u>84,912,870</u>	<u>415,151,897</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	24,583,200	1,353,673	25,936,873
Deferred inflows related to OPEB	478,410	101,502	579,912
Total deferred inflows of resources	<u>25,061,610</u>	<u>1,455,175</u>	<u>26,516,785</u>
NET POSITION			
Net investment in capital assets	311,774,743	134,315,024	446,089,767
Restricted for:			
Renewal and replacement/rate stabilization	-	3,824,452	3,824,452
Capital projects	576,225	463,225	1,039,450
Building permit function	18,130,848	-	18,130,848
Community Redevelopment	61,342,344	-	61,342,344
Cultural Arts	489	-	489
Public Safety	2,595,758	-	2,595,758
Debt Service	148,942	-	148,942
Transportation	734	-	734
Unrestricted	(68,104,705)	40,508,627	(27,596,078)
Total net position	<u>\$ 326,465,378</u>	<u>\$ 179,111,328</u>	<u>\$ 505,576,706</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, 2021

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental Activities:				
General government	\$ 38,881,709	\$ 18,083,787	\$ 10,487	\$ -
Public safety	109,029,994	38,906,164	8,297,756	1,710,646
Physical environment	25,313,761	258,295	171,349	1,995,576
Transportation	5,090,033	-	444,345	-
Economic environment	19,773,046	137,763	2,127,787	11,127,756
Culture and recreation	17,413,137	3,879,040	47,795	-
Interest on long-term debt	4,363,496	-	-	-
Total governmental activities	<u>219,865,176</u>	<u>61,265,049</u>	<u>11,099,519</u>	<u>14,833,978</u>
Business-Type Activities:				
Utility	48,292,635	49,692,572	-	339,098
Sanitation	10,002,862	8,960,856	-	-
Stormwater	3,113,004	4,245,359	-	-
Airpark	2,630,534	1,356,781	14,418	841,885
Parking	3,942,380	4,601,824	-	-
Total business-type activities	<u>67,981,415</u>	<u>68,857,392</u>	<u>14,418</u>	<u>1,180,983</u>
Total government	<u>\$ 287,846,591</u>	<u>\$ 130,122,441</u>	<u>\$ 11,113,937</u>	<u>\$ 16,014,961</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 (loss)
- 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 (Expense) Revenue and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (20,787,435)	\$ -	\$ (20,787,435)
(60,115,428)	-	(60,115,428)
(22,888,541)	-	(22,888,541)
(4,645,688)	-	(4,645,688)
(6,379,740)	-	(6,379,740)
(13,486,302)	-	(13,486,302)
(4,363,496)	-	(4,363,496)
<u>(132,666,630)</u>	<u>-</u>	<u>(132,666,630)</u>
-	1,739,035	1,739,035
-	(1,042,006)	(1,042,006)
-	1,132,355	1,132,355
-	(417,450)	(417,450)
-	659,444	659,444
-	<u>2,071,378</u>	<u>2,071,378</u>
<u>(132,666,630)</u>	<u>2,071,378</u>	<u>(130,595,252)</u>
84,920,634	-	84,920,634
1,829,174	-	1,829,174
1,911,717	-	1,911,717
13,156,076	-	13,156,076
3,881,633	-	3,881,633
8,566,340	-	8,566,340
1,828,827	-	1,828,827
8,297,885	-	8,297,885
12,190,762	-	12,190,762
227,345	18,663	246,008
570,508	(67,066)	503,442
1,262,977	4,240,559	5,503,536
<u>(1,578,741)</u>	<u>1,578,741</u>	<u>-</u>
<u>137,065,137</u>	<u>5,770,897</u>	<u>142,836,034</u>
4,398,507	7,842,276	12,240,783
322,066,871	171,269,052	493,335,923
<u>\$ 326,465,378</u>	<u>\$ 179,111,328</u>	<u>\$ 505,576,706</u>

CITY OF POMPANO BEACH, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	<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	\$ 7,899,643	\$ 13,879,266	\$ 1,665,336	\$ 308,124
Restricted cash and cash equivalents	1,052,531	-	11,281	-
Restricted investments	-	-	-	-
Unrestricted investments	43,007,320	10,815,148	2,987,824	1,323,050
Interest receivable	154,505	2,051	571	3,284
Accounts receivables, net	2,878,738	-	-	1,019,093
Notes receivable	-	70,000	-	-
Assets held for resale and redevelopment	-	34,067,817	5,045,235	-
Advances to other funds	1,524,056	-	-	-
Due from other funds	219,869	-	-	-
Due from other governments	2,710,991	-	-	673,130
Inventories	291,455	-	-	608,280
Prepays	656,722	32,063	292,051	4,967
Other assets	101,195	-	-	-
Total assets	<u>\$ 60,497,025</u>	<u>\$ 58,866,345</u>	<u>\$ 10,002,298</u>	<u>\$ 3,939,928</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 3,402,729	\$ 31,320	\$ 76,030	\$ 105,478
Accrued expenditures	914,943	-	-	276,445
Advances from other funds	-	1,524,056	-	-
Deposits	11,176	29,624	6,605	-
Unearned revenue	1,377,547	4,500	-	-
Total liabilities:	<u>5,706,395</u>	<u>1,589,500</u>	<u>82,635</u>	<u>381,923</u>
Deferred inflows of resources:				
Unavailable revenue	<u>141,277</u>	<u>70,000</u>	<u>-</u>	<u>349,000</u>
Fund balances:				
Nonspendable	2,472,233	32,063	292,051	613,247
Restricted	-	57,174,782	9,627,612	2,595,758
Committed	-	-	-	-
Assigned	13,187,971	-	-	-
Unassigned (deficit)	<u>38,989,149</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>54,649,353</u>	<u>57,206,845</u>	<u>9,919,663</u>	<u>3,209,005</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,497,025</u>	<u>\$ 58,866,345</u>	<u>\$ 10,002,298</u>	<u>\$ 3,939,928</u>

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

<u>Capital Projects</u>	<u>Capital Project 2018 GO Bonds</u>	<u>American Rescue Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 4,180,237	\$ -	\$ 2,049,397	\$ 7,986,729	\$ 37,968,732
570,054	9,604,944	-	28,787	11,267,597
4,276,535	32,623,786	-	783,756	37,684,077
16,120,662	-	8,799,873	17,992,625	101,046,502
80,979	155,625	-	67,729	464,744
209,863	-	-	4,750	4,112,444
-	-	-	-	70,000
-	-	-	1,328,714	40,441,766
-	-	-	-	1,524,056
-	-	-	-	219,869
106,345	-	-	1,519,964	5,010,430
-	-	-	-	899,735
2,674,962	-	-	16,030	3,676,795
-	-	-	8,474	109,669
<u>\$ 28,219,637</u>	<u>\$ 42,384,355</u>	<u>\$ 10,849,270</u>	<u>\$ 29,737,558</u>	<u>\$ 244,496,416</u>
\$ 1,277,467	\$ 7,193,424	\$ 123,950	\$ 371,260	\$ 12,581,658
27,414	-	6,078	120,077	1,344,957
-	-	-	-	1,524,056
-	-	-	707,734	755,139
-	48,097	10,719,242	2,068,881	14,218,267
<u>1,304,881</u>	<u>7,241,521</u>	<u>10,849,270</u>	<u>3,267,952</u>	<u>30,424,077</u>
-	-	-	440,613	1,000,890
2,674,962	-	-	16,030	6,100,586
576,225	35,142,834	-	20,917,531	126,034,742
-	-	-	5,298,078	5,298,078
23,663,569	-	-	-	36,851,540
-	-	-	(202,646)	38,786,503
<u>26,914,756</u>	<u>35,142,834</u>	<u>-</u>	<u>26,028,993</u>	<u>213,071,449</u>
<u>\$ 28,219,637</u>	<u>\$ 42,384,355</u>	<u>\$ 10,849,270</u>	<u>\$ 29,737,558</u>	<u>\$ 244,496,416</u>

CITY OF POMPANO BEACH, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

Fund Balances - total governmental funds \$ 213,071,449

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	\$ 632,446,813	
Less accumulated depreciation	<u>(249,216,964)</u>	383,229,849

Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenue in the governmental funds financial statements:

EMS transport fees	310,114	
FL. Division of Emergency Management	48,891	
FEMA - Hurricane IRMA	293,272	
Broward County - Ad Valorem	180,163	
ETA NU Education Foundation	70,000	
US Dept of Justice-COVID 19 Emergency	<u>98,450</u>	1,000,890

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	(107,704,042)	
Net pension liability	(144,485,808)	
Deferred outflows of resources related to pensions	26,972,472	
Deferred outflows of resources related to OPEB	171,283	
Deferred inflows of resources related to pensions	(24,583,200)	
Deferred inflows of resources related to OPEB	(452,148)	
Total OPEB liability	(10,782,827)	
Notes payable	(4,075,672)	
Compensated absences	(8,703,713)	
Capital lease payable	(5,596,788)	
Accrued interest payable	<u>(1,051,984)</u>	(280,292,427)

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	27,434,259	
Liabilities and Deferred Inflows	<u>(19,184,303)</u>	8,249,956

Adjustment for Internal Service Funds look-back 1,205,662

Net position of governmental activities \$ 326,465,378

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, 2021

	<u>General</u>	<u>Northwest Community Redevelopment District</u>	<u>East Community Redevelopment District</u>	<u>Emergency Medical Services District</u>
Revenues				
Taxes	\$ 90,148,929	\$ 4,653,166	\$ 3,913,174	\$ 6,976,758
Judgments, fines and forfeitures	525,889	-	-	-
Permits, fees and special assessments	30,000,979	-	-	-
Intergovernmental	18,944,610	5,200,000	-	1,456,389
Charges for services	20,728,960	46,053	91,710	4,295,832
Pari-Mutuel	1,828,827	-	-	-
Donations	10,377	-	-	-
Program income	-	-	-	-
Investment earnings (loss)	420,241	(43,169)	(22,534)	70,589
Other revenue	<u>1,186,085</u>	<u>45,848</u>	<u>361</u>	<u>683</u>
Total revenues	<u>163,794,897</u>	<u>9,901,898</u>	<u>3,982,711</u>	<u>12,800,251</u>
EXPENDITURES				
Current:				
General government	27,776,117	-	-	-
Public safety	78,922,393	-	-	20,267,743
Physical environment	21,192,035	-	-	-
Transportation	3,032,352	-	-	-
Economic environment	-	6,606,115	973,339	-
Culture and recreation	13,841,878	-	-	-
Debt Service:				
Principal	1,665,230	-	790,000	-
Interest	126,409	56,869	309,198	-
Capital outlay	<u>4,258,694</u>	<u>26,688</u>	<u>942,270</u>	<u>193,726</u>
Total expenditures	<u>150,815,108</u>	<u>6,689,672</u>	<u>3,014,807</u>	<u>20,461,469</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,979,789</u>	<u>3,212,226</u>	<u>967,904</u>	<u>(7,661,218)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	976,637	18,185	-	-
Initiation of a capital lease	1,770,846	-	-	-
Transfers in	235,969	-	-	8,636,995
Transfers out	<u>(19,015,435)</u>	<u>-</u>	<u>(650,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(16,031,983)</u>	<u>18,185</u>	<u>(650,000)</u>	<u>8,636,995</u>
Net change in fund balances	(3,052,194)	3,230,411	317,904	975,777
Fund balances - beginning	<u>57,701,547</u>	<u>53,976,434</u>	<u>9,601,759</u>	<u>2,233,228</u>
Fund Balances - ending	<u>\$ 54,649,353</u>	<u>\$ 57,206,845</u>	<u>\$ 9,919,663</u>	<u>\$ 3,209,005</u>

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

<u>Capital Projects</u>	<u>Capital Project 2018 GO Bonds</u>	<u>American Rescue Plan</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,121,384	\$ -	\$ -	\$ 5,985,837	\$ 114,799,248
-	-	-	-	525,889
267,050	-	-	11,700,535	41,968,564
15,000	-	2,127,787	10,122,374	37,866,160
1,621,348	-	-	409,589	27,193,492
-	-	-	-	1,828,827
-	-	-	110	10,487
-	-	-	3,425,309	3,425,309
90,557	83,631	-	(28,801)	570,514
30,000	-	-	-	1,262,977
<u>5,145,339</u>	<u>83,631</u>	<u>2,127,787</u>	<u>31,614,953</u>	<u>229,451,467</u>
65,556	28,147	-	202,646	28,072,466
-	-	-	11,962,394	111,152,530
1,467,802	-	-	-	22,659,837
-	-	-	436,010	3,468,362
-	-	2,127,787	9,956,959	19,664,200
-	-	-	-	13,841,878
-	-	-	1,956,000	4,411,230
-	-	-	4,040,817	4,533,293
8,759,611	41,689,382	-	121,544	55,991,915
<u>10,292,969</u>	<u>41,717,529</u>	<u>2,127,787</u>	<u>28,676,370</u>	<u>263,795,711</u>
<u>(5,147,630)</u>	<u>(41,633,898)</u>	<u>-</u>	<u>2,938,583</u>	<u>(34,344,244)</u>
-	-	-	21,456	1,016,278
-	-	-	-	1,770,846
8,921,953	-	-	1,080,950	18,875,867
-	-	-	(1,135,036)	(20,800,471)
<u>8,921,953</u>	<u>-</u>	<u>-</u>	<u>(32,630)</u>	<u>862,520</u>
3,774,323	(41,633,898)	-	2,905,953	(33,481,724)
23,140,433	76,776,732	-	23,123,040	246,553,173
<u>\$ 26,914,756</u>	<u>\$ 35,142,834</u>	<u>\$ -</u>	<u>\$ 26,028,993</u>	<u>\$ 213,071,449</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, 2021

Net change in fund balances - total governmental funds \$ (33,481,724)

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 assets	\$ 55,991,915	
Less depreciation	<u>(17,136,977)</u>	38,854,938

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	(3,885,581)	
Loss disposal of capital assets	(788,931)	
Donation of land	29,200	
Change in compensated absences liability	(808,104)	
Change in accrued interest	<u>28,239</u>	(5,425,177)

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 G.O. Bond premiums	141,558	
Proceeds from capital lease	(1,770,846)	
Principal payments	<u>4,411,230</u>	2,781,942

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 deferred outflows of resources related to pensions	(5,175,040)	
Change in deferred outflows of resources related to OPEB	(24,097)	
Change in net pension liability	25,618,641	
Change in OPEB liability	(247,580)	
Change in deferred inflows of resources related to pensions	(17,080,979)	
Change in deferred inflows of resources related to OPEB	<u>(205,010)</u>	2,885,935

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. (1,695,811)

Adjustment for Internal Service Funds look-back		478,404
Change in Net Position - Governmental Activities		<u>\$ 4,398,507</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, 2021

	Business-type Activities - Enterprise Funds					Governmental
	Utility	Parking	Stormwater	Nonmajor Enterprise Funds	Total	Activities Internal Service Funds
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 8,501,835	\$ 877,577	\$ 3,885,619	\$ 843,136	\$ 14,108,167	\$ 4,812,552
Restricted cash and cash equivalents	1,939,969	-	-	-	1,939,969	-
Interest receivable	139,734	12,490	35,476	10,619	198,319	81,566
Accounts receivables, net	5,178,987	80,807	380,001	1,162,910	6,802,705	-
Due from other governments	93,330	-	151,114	1,103,047	1,347,491	12,037
Inventories	252,082	-	17,607	-	269,689	898,078
Prepays	3,074	-	-	-	3,074	-
Total current assets:	<u>16,109,011</u>	<u>970,874</u>	<u>4,469,817</u>	<u>3,119,712</u>	<u>24,669,414</u>	<u>5,804,233</u>
Noncurrent assets:						
Unrestricted investments	44,835,897	3,304,991	16,684,396	3,620,331	68,445,615	20,472,662
Restricted investments	-	463,225	-	-	463,225	-
Capital assets:						
Land	467,725	-	-	934	468,659	-
Construction in progress	1,070,419	-	4,978,884	1,205,819	7,255,122	-
Buildings	50,717,305	22,355,752	-	1,805,869	74,878,926	254,536
Infrastructure	110,016,812	-	8,912,136	4,222,359	123,151,307	-
Improvements	94,693,080	-	17,809,188	22,078,982	134,581,250	423,838
Machinery and equipment	28,501,278	115,828	2,045,606	2,035,917	32,698,629	4,384,333
Art Work	30,000	-	-	-	30,000	-
Less accumulated depreciation	(175,552,420)	(3,831,055)	(11,926,975)	(16,252,090)	(207,562,540)	(3,915,169)
Total capital assets (net of accumulated depreciation)	<u>109,944,199</u>	<u>18,640,525</u>	<u>21,818,839</u>	<u>15,097,790</u>	<u>165,501,353</u>	<u>1,147,538</u>
Total noncurrent assets:	<u>154,780,096</u>	<u>22,408,741</u>	<u>38,503,235</u>	<u>18,718,121</u>	<u>234,410,193</u>	<u>21,620,200</u>
Total assets	<u>170,889,107</u>	<u>23,379,615</u>	<u>42,973,052</u>	<u>21,837,833</u>	<u>259,079,607</u>	<u>27,424,433</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	6,322,265	59,233	176,177	1,009,963	7,567,638	-
Deferred outflows related to OPEB	29,606	216	1,630	6,338	37,790	9,826
Total deferred outflows of resources	<u>6,351,871</u>	<u>59,449</u>	<u>177,807</u>	<u>1,016,301</u>	<u>7,605,428</u>	<u>9,826</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, 2021

	Business-type Activities - Enterprise Funds				Total	Governmental Activities Internal Service Funds
	Utility	Parking	Stormwater	Nonmajor Enterprise Funds		
LIABILITIES						
Current liabilities, unrestricted:						
Accounts payable	1,433,849	116,349	818,549	1,225,714	3,594,461	323,336
Accrued expenses	211,645	2,212	13,028	43,591	270,476	71,497
Accrued interest payable	29,527	304,100	20,753	4,388	358,768	-
Due to other funds	-	-	-	-	-	219,869
Compensated absences	27,467	-	-	-	27,467	4,673
Claims and judgments	-	-	-	-	-	2,711,478
Current portion of long-term debt	360,000	-	315,000	-	675,000	-
Notes payable	1,011,961	-	272,739	-	1,284,700	-
Capital lease payable	-	-	-	252,205	252,205	-
Certificates of participation payable	-	500,000	-	-	500,000	-
Total current liabilities, unrestricted	<u>3,074,449</u>	<u>922,661</u>	<u>1,440,069</u>	<u>1,525,898</u>	<u>6,963,077</u>	<u>3,330,853</u>
Current liabilities payable from restricted assets:						
Deposits payable	<u>1,939,969</u>	<u>40,878</u>	-	-	<u>1,980,847</u>	-
Total current liabilities payable from restricted assets	<u>1,939,969</u>	<u>40,878</u>	-	-	<u>1,980,847</u>	-
Total current liabilities	<u>5,014,418</u>	<u>963,539</u>	<u>1,440,069</u>	<u>1,525,898</u>	<u>8,943,924</u>	<u>3,330,853</u>
Noncurrent liabilities:						
Compensated absences	1,410,291	9,318	100,414	346,414	1,866,437	737,347
Total OPEB liability	1,862,027	16,927	101,563	440,115	2,420,632	626,319
Claims and judgments	-	-	-	-	-	14,463,522
Notes payable	1,039,769	-	4,757,092	-	5,796,861	-
Revenue bonds payable	10,015,000	-	8,825,000	-	18,840,000	-
Capital lease payable	-	-	-	770,763	770,763	-
Certificates of participation payable	-	22,775,000	-	-	22,775,000	-
Net pension liability	<u>19,515,338</u>	<u>225,254</u>	<u>523,897</u>	<u>3,234,764</u>	<u>23,499,253</u>	-
Total noncurrent liabilities	<u>33,842,425</u>	<u>23,026,499</u>	<u>14,307,966</u>	<u>4,792,056</u>	<u>75,968,946</u>	<u>15,827,188</u>
Total liabilities	<u>38,856,843</u>	<u>23,990,038</u>	<u>15,748,035</u>	<u>6,317,954</u>	<u>84,912,870</u>	<u>19,158,041</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	1,151,413	5,277	35,528	161,455	1,353,673	-
Deferred inflows related to OPEB	<u>78,079</u>	<u>710</u>	<u>4,258</u>	<u>18,455</u>	<u>101,502</u>	<u>26,262</u>
Total deferred inflows of resources	<u>1,229,492</u>	<u>5,987</u>	<u>39,786</u>	<u>179,910</u>	<u>1,455,175</u>	<u>26,262</u>
NET POSITION						
Net investment in capital assets	107,497,529	(4,171,250)	16,109,774	14,878,971	134,315,024	1,147,538
Restricted:						
Renewal & replacement/rate stabilization	3,824,452	-	-	-	3,824,452	-
Capital Projects	-	463,225	-	-	463,225	-
Unrestricted	<u>25,832,662</u>	<u>3,151,064</u>	<u>11,253,264</u>	<u>1,477,299</u>	<u>41,714,289</u>	<u>7,102,418</u>
Total net position (deficit)	<u>\$ 137,154,643</u>	<u>\$ (556,961)</u>	<u>\$ 27,363,038</u>	<u>\$ 16,356,270</u>	<u>\$ 180,316,990</u>	<u>\$ 8,249,956</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, 2021

Net Position - Enterprise Funds	\$ 180,316,990
Adjustment to Enterprise Funds for Internal Service Funds look-back	<u>(1,205,662)</u>
Net Position - Business-type Activities	<u>\$ 179,111,328</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, 2021

	Business-type Activities - Enterprise Funds					Governmental Activities
	Utility	Parking	Stormwater	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 49,692,572	\$ 3,958,609	\$ 4,169,059	\$ 10,317,637	\$ 68,137,877	\$ 27,043,124
Fines and forfeitures	-	290,921	-	-	290,921	-
Miscellaneous	-	367,524	-	1,824,729	2,192,253	235,022
Total operating revenues	<u>49,692,572</u>	<u>4,617,054</u>	<u>4,169,059</u>	<u>12,142,366</u>	<u>70,621,051</u>	<u>27,278,146</u>
OPERATING EXPENSES						
Personnel services	12,972,087	146,346	810,567	2,701,608	16,630,608	4,299,490
Other current expenses	26,684,137	1,807,917	1,209,145	8,162,021	37,863,220	24,554,288
Depreciation and amortization	8,112,537	748,654	921,052	1,674,019	11,456,262	464,573
Total operating expenses	<u>47,768,761</u>	<u>2,702,917</u>	<u>2,940,764</u>	<u>12,537,648</u>	<u>65,950,090</u>	<u>29,318,351</u>
Operating income (loss)	<u>1,923,811</u>	<u>1,914,137</u>	<u>1,228,295</u>	<u>(395,282)</u>	<u>4,670,961</u>	<u>(2,040,205)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment earnings (loss)	(65,185)	(19,136)	9,079	8,176	(67,066)	(6,568)
Miscellaneous revenue	2,400,000	-	-	-	2,400,000	-
Interest expense and fiscal agent fees	(158,643)	(1,234,591)	(67,598)	(15,188)	(1,476,020)	-
Operating grants and contributions	-	-	-	14,418	14,418	-
Gain or (loss) from disposition of capital assets	12,339	-	6,300	24	18,663	5,100
Total nonoperating revenues (expenses)	<u>2,188,511</u>	<u>(1,253,727)</u>	<u>(52,219)</u>	<u>7,430</u>	<u>889,995</u>	<u>(1,468)</u>
Income (loss) before contributions and transfers	4,112,322	660,410	1,176,076	(387,852)	5,560,956	(2,041,673)
Capital grants and contributions	339,098	-	-	841,885	1,180,983	-
Transfers in	-	650,000	14,222,608	1,164,710	16,037,318	345,863
Transfers out	-	-	(14,458,577)	-	(14,458,577)	-
Change in net position	4,451,420	1,310,410	940,107	1,618,743	8,320,680	(1,695,810)
Total net position (deficit) - beginning	132,703,223	(1,867,371)	26,422,931	14,737,527	171,996,310	9,945,766
Total net position (deficit) - ending	<u>\$ 137,154,643</u>	<u>\$ (556,961)</u>	<u>\$ 27,363,038</u>	<u>\$ 16,356,270</u>	<u>\$ 180,316,990</u>	<u>\$ 8,249,956</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, 2021**

Net change in Net Position - Enterprise Funds	\$ 8,320,680
Adjustment to Enterprise Funds for Internal Service Funds look-back	<u>(478,404)</u>
Change in Net Position - Business-type Activities	<u>\$ 7,842,276</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, 2021

	Business-type Activities - Enterprise Funds				Governmental
	Utility	Parking	Stormwater	Nonmajor Enterprise Funds	Internal Service Funds
CASH FROM OPERATING ACTIVITIES					
Receipts from other funds for charges for services	\$ -	\$ -	\$ -	\$ -	\$ 23,832,130
Receipts from customers	49,468,875	4,538,690	4,112,452	12,032,552	3,443,394
Payments to suppliers/insurer	(26,685,902)	(1,810,103)	(553,247)	(7,864,182)	(22,285,309)
Payments to employees	(12,079,062)	(145,518)	(740,783)	(2,567,297)	(4,308,244)
Claims Paid	-	-	-	-	107,267
Net cash provided (used) by operating activities	10,703,911	2,583,069	2,818,422	1,601,073	789,238
CASH FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	-	-	(14,458,577)	-	-
Transfers from other funds	-	650,000	14,222,608	1,164,710	345,863
Interest paid on utility deposits	(17,213)	-	-	-	(17,213)
Advances from (to) other funds	-	-	-	-	(407,272)
Net cash provided (used) by noncapital financing activities	(17,213)	650,000	(235,969)	1,164,710	(61,409)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(7,237,765)	-	(2,402,011)	(655,509)	(10,295,285)
Capital grants and contributions	-	-	-	18,759	18,759
Proceeds from capital debt	10,515,000	-	9,265,000	751,111	20,531,111
Proceeds from the sale of surplus materials/capital assets	25,250	-	6,300	24	31,574
Principal paid on bonds/notes	(1,124,898)	-	(343,212)	-	(1,468,110)
Principal Payment (COPS)	-	(500,000)	-	-	(500,000)
Proceeds from Insurance	2,400,000	-	-	-	2,400,000
Principal paid on capital lease	-	-	-	(176,626)	(176,626)
Payments to fiscal agents	-	(1,250)	-	-	(1,250)
Interest paid on bonds/notes/certificates	(221,848)	(1,238,334)	(46,845)	(10,800)	(1,517,827)
Net cash provided (used) by capital and related financing activities	4,355,739	(1,739,584)	6,479,232	(73,041)	9,022,346
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(11,623,343)	(1,152,652)	(7,209,598)	(2,162,831)	(22,148,424)
Interest earnings	(87,099)	(23,170)	5,262	1,218	(103,789)
Net cash provided (used) by investing activities	(11,710,442)	(1,175,822)	(7,204,336)	(2,161,613)	(22,252,213)
Net increase (decrease) in cash and cash equivalents	3,331,995	317,663	1,857,349	531,129	6,038,136
Cash and cash equivalents, beginning of the year	7,109,809	559,914	2,028,270	312,007	10,010,000
Cash and cash equivalents, end of the year	\$ 10,441,804	\$ 877,577	\$ 3,885,619	\$ 843,136	\$ 16,048,136
Cash and cash equivalents, unrestricted	\$ 8,501,835	\$ 877,577	\$ 3,885,619	\$ 843,136	\$ 14,108,167
Cash and cash equivalents, restricted	1,939,969	-	-	-	1,939,969
Cash and cash equivalents, end of the year	\$ 10,441,804	\$ 877,577	\$ 3,885,619	\$ 843,136	\$ 16,048,136
Non-cash transactions (capital & related financing activities):					
Changes in fair value in investments	(633,323)	(56,608)	(160,789)	(48,131)	(898,851)
Total non-cash activities	\$ (633,323)	\$ (56,608)	\$ (160,789)	\$ (48,131)	\$ (898,851)

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, 2021

	Business-type Activities - Enterprise Funds				Total	Governmental
	Utility	Parking	Stormwater	Nonmajor Enterprise Funds		Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income(loss)	\$ 1,923,811	\$ 1,914,137	\$ 1,228,295	\$ (395,282)	\$ 4,670,961	\$ (2,040,205)
Depreciation and amortization expense	8,112,537	748,654	921,052	1,674,019	11,456,262	464,573
Changes in assets and liabilities:						
Accounts receivable	(313,091)	(54,307)	(44,259)	589,059	177,402	-
Due from other governments	(525)	-	(12,348)	(698,873)	(711,746)	(2,619)
Inventories	(62,187)	-	(6,266)	-	(68,453)	56,158
Other assets and prepaids	5,480	-	-	-	5,480	-
Deferred outflows and inflows pensions	69,080	(666)	(4,986)	(3,800)	59,628	1,381
Increase (decrease) in liabilities						
Deferred outflows and inflows related to OPEB	1,076,062	5,599	32,692	160,081	1,274,434	11,908
Accounts and other payables	12,188	(2,574)	714,852	287,735	1,012,201	35,702
Accrued expenses	(321,448)	(3,587)	(20,709)	(84,222)	(429,966)	(120,726)
Due to other governments	-	-	(55,018)	-	(55,018)	-
Customer deposits payable	89,919	(24,057)	-	-	65,862	-
Net pension liability	(144,773)	(4,090)	48,092	25,981	(74,790)	-
Other post employment benefits (OPEB)	42,754	388	2,330	10,105	55,577	14,382
Compensated absences	214,104	3,572	14,695	36,270	268,641	98,684
Estimated claims payable	-	-	-	-	-	2,270,000
Net cash provided (used) by operating activities:	<u>\$ 10,703,911</u>	<u>\$ 2,583,069</u>	<u>\$ 2,818,422</u>	<u>\$ 1,601,073</u>	<u>\$ 17,706,475</u>	<u>\$ 789,238</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, 2021

	Employee Retirement Plans
ASSETS	
Cash and cash equivalents	\$ 44,796
Receivables:	
Accrued interest and dividends	545,460
Due from brokers	175,950
Other	178,929
Total receivables	<u>900,339</u>
Investments:	
US Government obligations	33,532,883
Mortgage backed securities	18,485,075
Municipal obligations	333,011
Corporate obligations	37,616,878
Equity securities	312,358,054
Hedge funds & private equity funds	87,068,541
Real estate funds	33,685,865
Money market funds	16,018,267
Total investments	<u>539,098,574</u>
Prepayments and other assets	1,840,632
Property & equipment, net of accumulated depreciation	77,332
Total assets	<u>541,961,673</u>
LIABILITIES	
Accounts payable and accrued expenses	440,820
Due to brokers	4,006,655
Total liabilities	<u>4,447,475</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 537,514,198</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, 2021

	Employee Retirement Plans
ADDITIONS	
Contributions:	
Employer	\$ 17,055,070
Employee Buybacks	752,553
Broward County Sheriff's Office	4,929,749
Broward County - Library	16,423
Members	5,941,022
State	2,737,886
Total contributions:	<u>31,432,703</u>
Investment income	
Net appreciation in fair value of investments	86,890,399
Interest and dividends	9,495,491
Other	67,701
Total investment income	<u>96,453,591</u>
Less: investment expenses	<u>2,382,349</u>
Net Investment Income	<u>94,071,242</u>
Total	<u>125,503,945</u>
DEDUCTIONS	
Participant benefit payments	39,381,415
Benefits paid from DROP	242,034
Refunds of participant contributions	407,554
Administrative expenses	1,271,255
Total	<u>41,302,258</u>
Net change in net position	84,201,687
Net position restricted for pension benefits	
Beginning of the year	<u>453,312,511</u>
End of the year	<u>\$ 537,514,198</u>

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

**CITY OF POMPANO BEACH, FLORIDA
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NOTES TO THE FINANCIAL STATEMENTS
FISCAL YEAR ENDED SEPTEMBER 30, 2021**

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CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(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) The 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, 2021

(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.

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.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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.

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

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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 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.

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 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), CARES Act Fund, Other Grants Fund, Cultural Arts Foundation, Cemetery, Affordable Housing Fund, 2018 GO Bonds, Capital Project 2021 GO Bonds , 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,

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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.

(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

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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 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.

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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) Deferred Inflows & Outflows of Resources

The statement of net position and balance sheet includes a separate section for deferred inflows of resources and deferred outflows of resources. Deferred Inflows of resources represent an acquisition of net assets that applies to future accounting periods and will not be recognized as revenue until the future period to which it applies. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as expenditures or expenses until the future period to which it applies.

(K) 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 primary liability insurance coverage for the airpark. In 2003/2004, the City's retention for workers' compensation claims increased from \$200,000 per occurrence to \$350,000 per occurrence. This was reduced to \$250,000 effective March 1, 2013. Florida Statute 768.28 limits general liability and automobile liability claims to \$100,000 per person/\$200,000 per occurrence. Effective October 1, 2011, however, the statutory limit increased to \$200,000 per person/\$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.

(L) 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. A liability for those amounts is reported in governmental funds only if they

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have matured, as a result of employee resignations or retirements.

(M) 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.

(N) 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 an optional defined contribution pension plan created in accordance with Internal Revenue Code Section 401(a) for certain employees. The defined contribution plan is not included in the City's financial statements. The City also offers an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The 457 Plan is 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 each year, despite its contract with BSO.

At September 30, 2021 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

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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.

(O) 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.

(P) 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.
- 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.

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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, 2021.

(Q) 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.

(R) 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 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.
- 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 formal action.
- 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

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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's. 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.

(S) 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, 2021, the Government-wide statement of net position reports \$87,083,017 in restricted net position. Of this amount, \$82,795,340 is restricted as a result of enabling legislation.

(T) 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.

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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, 2021:

	Unrestricted		Restricted		Total cash, cash equivalents and investments
	Cash and cash equivalents	Investments	Cash and cash equivalents	Investments	
Governmental activities:					
General	\$ 7,899,643	\$ 43,007,320	\$ 1,052,531	\$ -	\$ 51,959,494
Northwest Community					
Redevelopment District	13,879,266	10,815,148	-	-	24,694,414
East Community					
Redevelopment District	1,665,336	2,987,824	11,281	-	4,664,441
Emergency Medical Services					
District	308,124	1,323,050	-	-	1,631,174
Capital Projects	4,180,237	16,120,662	570,054	4,276,535	25,147,488
Capital Project 2018 GO Bonds	-	-	9,604,944	32,623,786	42,228,730
American Rescue Plan	2,049,397	8,799,873	-	-	10,849,270
Nonmajor Governmental Funds	7,986,729	17,992,625	28,787	783,756	26,791,897
Internal Service Funds	4,812,552	20,472,662	-	-	25,285,214
Total governmental	42,781,284	121,519,164	11,267,597	37,684,077	213,252,122
Business-type activities:					
Utility	8,501,835	44,835,897	1,939,969	-	55,277,701
Parking	877,577	3,304,991	-	463,225	4,645,793
Stormwater	3,885,619	16,684,396	-	-	20,570,015
Nonmajor Enterprise Funds	843,136	3,620,331	-	-	4,463,467
Total business-type	14,108,167	68,445,615	1,939,969	463,225	84,956,976
Fiduciary Funds	44,796	539,098,574	-	-	539,143,370
Total	\$ 56,934,247	\$ 729,063,353	\$ 13,207,566	\$ 38,147,302	\$ 837,352,468

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 market value equal to 50 percent of the average daily balance for

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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 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 Plan's 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.

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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.

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
U.S. Government Securities	100% (1)	NA	NA
U.S. Government Agencies	50%	10%	NA
U.S. 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.

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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%

Authorized Investments	July 16, 2020 - April 14, 2021	
	Allowable Range %	Target %
Fixed Income Securities	17.5% - 30%	22.5%
Equity Securities	40% - 60%	50.0%
Real Estate	0% - 10%	7.5%
Funds of hedge funds	0% - 10%	10.0%
Master limited partnerships	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.

The City has the following recurring fair value measurements as of September 30, 2021:

	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)
Investments by fair value level				
U.S. Treasury Notes	\$ 66,767,547	\$ -	\$ 66,767,547	\$ -
U.S. Sponsored Agencies	101,838,883	-	101,838,883	-
Asset Backed Securities	9,661,148	-	9,661,148	-
Corporate Bonds	41,489,825	-	41,489,825	-
Municipal Bonds	8,354,677	-	8,354,677	-
Total investments by fair value level	228,112,080	\$ -	\$ 228,112,080	\$ -
Demand Deposits	38,954,385			
Money Market Mutual Funds	31,142,633			
Total Government-wide	<u>\$ 298,209,098</u>			

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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 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 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.

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.

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The following table presents the Plan's fair value hierarchy for investments at fair value as of September 30, 2021:

Investments by fair value level	Reported Value	Fair Value Hierarchy		
		(Level 1)	(Level 2)	(Level 3)
Equity securities:				
Common stocks	\$ 42,790,758	\$ 42,790,758	\$ -	\$ -
Mutual funds	120,719,127	120,719,127	-	-
Total equity securities	163,509,885	163,509,885	-	-
Debt securities:				
U.S. treasury securities	9,900,468	9,900,468	-	-
U.S. agency securities	4,140,457	-	4,140,457	-
Corporate bonds	12,777,217	-	12,777,217	-
Total debt securities	26,818,142	9,900,468	16,917,674	-
Total investments by fair value level	190,328,027	\$ 173,410,353	\$ 16,917,674	\$ -
Investments measured at the net asset value (NAV) (1)				
Real estate	33,685,865			
Private equity	14,284,528			
Hedge fund	7,010,656			
Total investments measured at NAV	54,981,049			
Money market funds (exempt)	6,120,697			
Total investments	\$ 251,429,773			

(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 the NAV	Fair Value	Unfunded Commitment	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Real estate (1)	\$ 25,705,168	\$ -	Quarterly	45 Days
Real estate (2)	7,980,697	-	Quarterly	10 Days
Private equity (3)	4,387,000	136,594	N/A	N/A
Private equity (4)	9,897,528	-	N/A	N/A
Hedge fund (5)	7,010,656	-	Quarterly	90 Days
Total investments measured at the NAV	\$ 54,981,049	\$ 136,594		

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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) 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.

(4) Private equity fund: This fund seeks to acquire and structure private equity portfolios of private equity partnerships and underlying portfolio companies. These 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 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 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.

Debt securities are valued using pricing inputs that reflect the assumptions market

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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 U.S. Treasury bonds and notes, inflation-indexed bonds, U.S. 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.

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The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2021:

Investments by fair value level	Reported Value	Fair Value Hierarchy		
		(Level 1)	(Level 2)	(Level 3)
Debt securities:				
U.S. Government agency obligations	\$ 19,491,958	\$ 1,188,059	\$ 18,303,899	\$ -
Mortgage backed securities	18,485,075	-	18,485,075	-
Municipal obligations	333,011	-	333,011	-
Corporate obligations	24,839,661	-	24,839,661	-
Total debt securities	63,149,705	1,188,059	61,961,646	-
Equity securities:				
Common stock	91,152,114	91,152,114	-	-
ADR's and Foreign Stock	51,713,050	28,496,701	23,216,349	-
Mutual fund equities	4,959,172	4,959,172	-	-
Preferred stock	1,023,833	1,023,833	-	-
Total equity securities	148,848,169	125,631,820	23,216,349	-
Total investments by fair value level	211,997,874	\$ 126,819,879	\$ 85,177,995	\$ -
Investments measured at the net asset value (NAV)				
Fund of hedge funds	18,711,190			
Real estate fund	20,273,948			
Infrastructure fund	14,179,207			
Private equity fund of funds	12,609,012			
Total investments measured at NAV	65,773,357			
Money market funds (exempt)	9,897,570			
Total investments	\$ 287,668,801			

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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 the (NAV)	Reported Value	Unfunded Commitment	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Fund of hedge funds - multi strategy (1)	\$ 15,402,830	\$ -	Semi-Annual	95 Days
Core real estate fund (2)	20,273,948	-	Quarterly	45 Days
Private equity fund of funds (3)	3,899,930	1,725,000	N/A	N/A
Private equity fund of funds (3)	3,685,401	870,000	N/A	N/A
Private equity fund of funds (4)	838,062	146,421	N/A	N/A
Private equity fund of funds (5)	778,258	758,838	N/A	N/A
Liquid Alternative - Multi Strategy (6)	3,407,361	-	N/A	N/A
Liquid Alternative - Global Long/Short Credit (6)	3,308,360	-	N/A	N/A
Global Listed Infrastructure Fund (7)	14,179,207	-	N/A	N/A
Total investments measured at the NAV	<u>\$ 65,773,357</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. The 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) Liquid Alternative – Multi Strategy and Global Long/Short Credit Funds. The multi-strategy fund is a multi-manager vehicle that seeks to provide a lower risk profile than traditional stock and bond markets by investing in hedged strategies including equity hedged, event driven, relative value, managed futures and global macro. The global long/short credit fund combines directional allocations to investment grade and high yield corporate bonds, bank loans, structured credit with tactical long/short strategies and may include smaller allocations to sovereign bonds, asset-backed securities and equities.

(7) Global Listed Infrastructure Fund. The Fund seeks to achieve total return through

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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.

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, 2021:

Investment Type	Reported Value	Less than 1	Remaining Maturity (in years)				
			1 to 2	2 to 3	3 to 4	4 to 5	5+ Years
U.S. Treasury Notes	\$ 66,767,547	\$11,501,321	\$27,516,104	\$21,036,488	\$ 6,713,634	\$ -	\$ -
U.S. Sponsored Agencies	101,838,883	62,159,774	6,304,051	5,987,401	6,727,812	1,993,402	18,666,443
Asset Backed Securities	9,661,148	421,851	781,708	3,524,279	2,306,258	2,627,052	-
Corporate Bonds	41,489,825	16,966,697	13,602,610	7,307,777	3,612,741	-	-
Municipal Bonds	8,354,677	-	3,449,201	4,905,476	-	-	-
	<u>\$ 228,112,080</u>	<u>\$91,049,643</u>	<u>\$51,653,674</u>	<u>\$42,761,421</u>	<u>\$19,360,445</u>	<u>\$ 4,620,454</u>	<u>\$18,666,443</u>
Breakdown Government-wide Investments --							
(subject to interest rate risk)	\$ 228,112,080						
Deposits --							
(not subject to interest rate risk)							
Money Market Savings	9,882,479						
Cash & Cash Equivs. (other deposits)	<u>60,214,539</u>						
Total Government-wide	<u>\$ 298,209,098</u>						

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

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 6.25% 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, 2021:

Investment Type	Remaining Maturity (in years)				
	Reported Value	Less than 1	1 to 5	6 to 10	More than 10
Corporate Bonds	\$ 12,777,217	\$ 479,041	\$ 6,597,895	\$ 3,995,568	\$ 1,704,713
US Treasuries	9,900,468	-	6,243,830	3,656,638	-
US Agencies	4,140,457	-	300,947	228,358	3,611,152
	<u>26,818,142</u>	<u>\$ 479,041</u>	<u>\$ 13,142,672</u>	<u>\$ 7,880,564</u>	<u>\$ 5,315,865</u>
Investment types not subject to interest rate risk:					
Equity Securities	163,509,885				
Real Estate	33,685,865				
Private Equity	14,284,528				
Hedge fund	7,010,656				
Money Market funds	6,120,697				
Total Investments	<u>\$ 251,429,773</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.

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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, 2021:

Investment Type	Remaining Maturity (in years)				
	Reported Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasuries, notes and bonds	\$ 19,491,958	\$ 867,401	\$ 13,336,232	\$ 276,644	\$ 5,011,681
US Mortgage backed securities	12,688,043	-	12,268	465,914	12,209,861
Municipal obligations	333,011	-	10,412	94,153	228,446
Corporate obligations	24,782,344	279,985	9,192,814	8,589,217	6,720,328
Collateralized mortgage obligations	5,797,032	-	1,283,428	1,574,153	2,939,451
Foreign obligations	57,317	-	-	57,317	-
	<u>63,149,705</u>	<u>\$ 1,147,386</u>	<u>\$ 23,835,154</u>	<u>\$ 11,057,398</u>	<u>\$ 27,109,767</u>
Investment types not subject to interest rate risk:					
Equity securities	148,848,169				
Hedge funds & Private equity	65,773,357				
Money market funds	<u>9,897,570</u>				
Total Investments	<u>\$ 287,668,801</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 U.S. Agencies and U.S. 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.

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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, 2021:

Investment Type	Rating at September 30, 2021				
	Reported Value	AAAm	P-1	Aaa/AAA/Aa1/ Aa2/Aa3/A1/ A2/A3	AAAf/S2
U.S. Treasury Notes	\$ 66,767,547	\$ -	\$ -	\$ 66,767,547	\$ -
U.S. Sponsored Agencies	101,838,883	-	21,732,018	80,106,865	-
Asset Backed Securities	9,661,148	-	127,452	9,533,696	-
Corporate Bonds	41,489,825	-	-	41,489,825	-
Municipal Bonds	8,354,677	-	-	8,354,677	-
Money Market Mutual Funds	31,142,633	31,142,633	-	-	-
Total Investments with Credit Risk	<u>259,254,713</u>	<u>\$ 31,142,633</u>	<u>\$ 21,859,470</u>	<u>\$ 206,252,610</u>	<u>\$ -</u>
Demand Deposits	38,954,385				
Total City Portfolio	<u><u>\$ 298,209,098</u></u>				

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 U.S. Government and its agencies, to no more than 5% of fiduciary net position. The Plan had no such investments as of September 30, 2021.

The following table discloses credit ratings by investment type for the General Employees Retirement Plan at September 30, 2021, as applicable:

	Reported Value	Percentage of Portfolio
Quality rating of credit risk debt securities		
A1	\$ 1,397,874	5.21%
A2	4,507,932	16.81%
A3	1,370,002	5.11%
AA1	-	0.00%
AA2	411,664	1.54%
AA3	-	-%
AAA	11,255,773	41.97%
BAA1	2,102,002	7.84%
BAA2	1,277,272	4.76%
BAA3	155,041	0.58%
WR	-	-%
Not rated	<u>4,340,582</u>	<u>16.18%</u>
Total credit risk debt securities	<u>26,818,142</u>	<u>100.00%</u>
Total fixed income securities	<u><u>\$ 26,818,142</u></u>	<u><u>100.00%</u></u>

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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, 2021 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, 2021 met the ratings requirements of the investment policy or an approved exception thereto.

	<u>Reported Value</u>	<u>Corporate</u>	<u>CMO</u>	<u>Municipal</u>	<u>U.S. Government</u>
U.S. government guaranteed*	\$32,180,001	\$ -	\$ -	\$ -	\$ 32,180,001
Quality rating of credit risk debt securities:					
Aaa	2,884,911	743,458	2,141,453	-	-
Aa1	420,876	285,767	119,206	15,903	-
Aa2	858,042	458,387	255,456	144,199	-
Aa3	633,746	525,238	-	108,508	-
A1	2,988,833	2,988,833	-	-	-
A2	3,657,848	3,657,848	-	-	-
A3	4,423,529	4,359,128	-	64,401	-
Baa1 and Below	11,466,361	11,466,361	-	-	-
Not rated	<u>3,635,558</u>	<u>354,641</u>	<u>3,280,917</u>	<u>-</u>	<u>-</u>
Total credit risk debt securities	<u>30,969,704</u>	<u>24,839,661</u>	<u>5,797,032</u>	<u>333,011</u>	<u>-</u>
Total fixed income securities	<u>\$63,149,705</u>	<u>\$24,839,661</u>	<u>\$5,797,032</u>	<u>\$ 333,011</u>	<u>\$ 32,180,001</u>

*Obligations are backed by the full faith and credit of the U.S. 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 U.S. government and investments in mutual funds, external investment pools, and other pooled investments) at September 30, 2021.

The investment policy of the General Employees' Retirement Plan includes limitations on the amount that can be invested in any one issuer, as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more

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of plan net position (excluding investments issued or explicitly guaranteed by the U.S government and investments in mutual funds, external investment pools, and other pooled investments) at September 30, 2021.

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 U.S.A. LP investment is 7.1% of the System's net position restricted for pension benefits and the Ironwood Institutional Ltd Investments was approximately 5.4% of the System's net position restricted for pension benefits.

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.

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(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 \$542,877 are as follows:

Governmental	General	NW CRA	EMS	Capital Projects	Non- Major Gov't'l	Internal Service	Total
Receivables:							
Electric franchise tax	\$ 1,676,948	\$ -	\$ -	\$ -	\$ -	\$ -	1,676,948
Electric utility tax	839,454	-	-	209,863	-	-	1,049,317
EMS transport fees	-	-	1,545,290	-	-	-	1,545,290
Utility tax	184,346	-	-	-	-	-	184,346
Slot machine revenue	150,815	-	-	-	-	-	150,815
Other	43,855	70,000	-	-	4,750	-	118,605
Less: Allowance for uncollectibles	(16,680)	-	(526,197)	-	-	-	(542,877)
Total governmental receivables (net)	<u>\$ 2,878,738</u>	<u>\$ 70,000</u>	<u>\$ 1,019,093</u>	<u>\$ 209,863</u>	<u>\$ 4,750</u>	<u>\$ -</u>	<u>\$ 4,182,444</u>
Due from other governments:							
State half cents sales tax	\$ 1,350,619	\$ -	\$ -	\$ -	\$ -	\$ -	1,350,619
State local option gas tax	185,639	-	-	106,345	141,049	-	433,033
Motor fuel tax	-	-	-	-	-	12,037	12,037
FL Communications service tax	641,204	-	-	-	-	-	641,204
Broward County court fines	6,934	-	-	-	-	-	6,934
Broward County - ad valorem taxes	176,344	-	39,860	-	433	-	216,637
Broward County - OES	59,997	-	-	-	-	-	59,997
Broward Sheriff's Office	54,376	-	-	-	-	-	54,376
State of Florida - PEMT	-	-	633,270	-	-	-	633,270
FDOT	235,878	-	-	-	40,791	-	276,669
US Dept of Justice-COVID 19 Emergency	-	-	-	-	98,450	-	98,450
LETF - BSO	-	-	-	-	176,757	-	176,757
FDEM - Wind Mitigation Grant	-	-	-	-	48,891	-	48,891
CDBG - HUD	-	-	-	-	617,605	-	617,605
Home - HUD	-	-	-	-	98,109	-	98,109
FEMA- Hurricane IRMA	-	-	-	-	297,879	-	297,879
Total due from other governments	<u>\$ 2,710,991</u>	<u>\$ -</u>	<u>\$ 673,130</u>	<u>\$ 106,345</u>	<u>\$ 1,519,964</u>	<u>\$ 12,037</u>	<u>\$ 5,022,467</u>

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Business-type	Utility	Parking	Storm Water	Nonmajor Enterprise	Total
Receivables:					
Water /sewer customer charges	\$ 5,728,147	\$ -	\$ -	\$ -	\$ 5,728,147
Solid waste service charges	-	-	-	1,256,169	1,256,169
Stormwater customer charges	-	-	560,597	-	560,597
Parking Fees	-	244,741	-	-	244,741
Less: Allowance for uncollectibles	(549,160)	(163,934)	(180,596)	(93,259)	(986,949)
Total business-type receivables (net)	<u>\$ 5,178,987</u>	<u>\$ 80,807</u>	<u>\$ 380,001</u>	<u>\$ 1,162,910</u>	<u>\$ 6,802,705</u>
Due from other governments:					
Broward County OES	\$ 10,642	\$ -	\$ -	\$ 236,746	\$ 247,388
State of Florida - Dept of Environmental Protection	82,688	-	-	-	82,688
FDOT -Aviation Grant	-	-	-	866,301	866,301
Broward County	-	-	151,114	-	151,114
Total due from other governments	<u>\$ 93,330</u>	<u>\$ -</u>	<u>\$ 151,114</u>	<u>\$ 1,103,047</u>	<u>\$ 1,347,491</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 not amortized over the 30 year period. After the 30 year period the amounts relating to these mortgages are forgiven. During fiscal year 2021, 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, 2021 the unamortized amount outstanding related to these grants was \$2,076,898. 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
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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
2022	\$ 20,000	\$ -	\$ 20,000
2023	20,000	-	20,000
2024	20,000	-	20,000
2025	10,000	-	10,000
Total	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 70,000</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 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

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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.

Assets held for resale and redevelopment activity for the year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Assets held for resale and redevelopment	\$ 44,732,659	\$ 3,399,517	\$ 7,690,410	\$ 40,441,766
Total	<u>\$ 44,732,659</u>	<u>\$ 3,399,517</u>	<u>\$ 7,690,410</u>	<u>\$ 40,441,766</u>

(C) Capital Assets and Construction Commitments

Capital asset activity for the fiscal year ended September 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 76,530,588	\$ 1,746,849	\$ 741,896	\$ 77,535,541
Construction in progress	<u>26,504,512</u>	<u>51,401,809</u>	<u>7,878,768</u>	<u>70,027,553</u>
Total capital assets, not being depreciated	<u>103,035,100</u>	<u>53,148,658</u>	<u>8,620,664</u>	<u>147,563,094</u>
Capital assets, being depreciated:				
Buildings	87,277,611	1,675,282	-	88,952,893
Infrastructure	159,137,107	97,754	-	159,234,861
Improvements other than buildings	191,224,646	6,029,949	19,566	197,235,029
Machinery and equipment	45,931,492	3,106,278	4,775,476	44,262,294
Art Work	131,349	130,000	-	261,349
Total capital assets being depreciated	<u>483,702,205</u>	<u>11,039,263</u>	<u>4,795,042</u>	<u>489,946,426</u>
Less accumulated depreciation for:				
Buildings	37,440,117	2,377,101	-	39,817,218
Infrastructure	81,549,016	5,103,324	-	86,652,340
Improvements other than buildings	84,999,242	6,576,849	11,270	91,564,821
Machinery and equipment	36,246,468	3,518,995	4,736,737	35,028,726
Art Work	43,746	25,282	-	69,028
Total accumulated depreciation	<u>240,278,589</u>	<u>17,601,551</u>	<u>4,748,007</u>	<u>253,132,133</u>
Total capital assets being depreciated, net	<u>243,423,616</u>	<u>(6,562,288)</u>	<u>47,035</u>	<u>236,814,293</u>
Governmental activities capital assets, net	<u>\$ 346,458,716</u>	<u>\$ 46,586,370</u>	<u>\$ 8,667,699</u>	<u>\$ 384,377,387</u>

CITY OF POMPANO BEACH, FLORIDA
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SEPTEMBER 30, 2021

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Utility Fund:				
Capital assets, not being depreciated:				
Land	\$ 467,725	\$ -	\$ -	\$ 467,725
Construction in progress	3,291,572	5,559,161	7,780,314	1,070,419
Total capital assets, not being depreciated	<u>3,759,297</u>	<u>5,559,161</u>	<u>7,780,314</u>	<u>1,538,144</u>
Capital assets, being depreciated:				
Buildings	50,717,305	-	-	50,717,305
Infrastructure	109,686,372	330,440	-	110,016,812
Improvement other than buildings	87,281,436	7,411,644	-	94,693,080
Machinery and equipment	28,590,578	2,154,890	2,244,190	28,501,278
Art Work	30,000	-	-	30,000
Total capital assets being depreciated	<u>276,305,691</u>	<u>9,896,974</u>	<u>2,244,190</u>	<u>283,958,475</u>
Less accumulated depreciation for:				
Buildings	29,901,018	1,344,896	-	31,245,914
Infrastructure	70,476,190	2,841,171	-	73,317,361
Improvements other than buildings	46,973,201	1,893,673	-	48,866,874
Machinery and equipment	22,315,252	2,026,797	2,231,278	22,110,771
Art Work	5,500	6,000	-	11,500
Total accumulated depreciation	<u>169,671,161</u>	<u>8,112,537</u>	<u>2,231,278</u>	<u>175,552,420</u>
Utility Fund capital assets, being depreciated, net	<u>106,634,530</u>	<u>1,784,437</u>	<u>12,912</u>	<u>108,406,055</u>
Utility Fund capital assets, net	<u><u>\$ 110,393,827</u></u>	<u><u>\$ 7,343,598</u></u>	<u><u>\$ 7,793,226</u></u>	<u><u>\$ 109,944,199</u></u>
Parking Fund:				
Capital assets, being depreciated:				
Buildings	\$ 22,355,752	\$ -	\$ -	\$ 22,355,752
Machinery and equipment	115,828	-	-	115,828
Total capital assets being depreciated	<u>22,471,580</u>	<u>-</u>	<u>-</u>	<u>22,471,580</u>
Less accumulated depreciation for:				
Buildings	2,971,987	745,191	-	3,717,178
Machinery and equipment	110,414	3,463	-	113,877
Total accumulated depreciation	<u>3,082,401</u>	<u>748,654</u>	<u>-</u>	<u>3,831,055</u>
Parking Fund capital assets, being depreciated, net	<u>19,389,179</u>	<u>(748,654)</u>	<u>-</u>	<u>18,640,525</u>
Parking Fund capital assets	<u><u>\$ 19,389,179</u></u>	<u><u>\$ (748,654)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,640,525</u></u>

CITY OF POMPANO BEACH, FLORIDA
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SEPTEMBER 30, 2021

	Beginning Balance	Increases	Decreases	Ending Balance
Stormwater:				
Capital assets, not being depreciated:				
Construction in progress	\$ 2,906,599	\$ 2,325,014	\$ 252,729	\$ 4,978,884
Capital assets, being depreciated:				
Infrastructure	8,912,136	-	-	8,912,136
Improvements other than buildings	17,556,459	252,729	-	17,809,188
Machinery and equipment	<u>1,989,696</u>	<u>76,997</u>	<u>21,087</u>	<u>2,045,606</u>
Total capital assets being depreciated	28,458,291	329,726	21,087	28,766,930
Less accumulated depreciation for:				
Infrastructure	803,235	113,529	-	916,764
Improvements other than buildings	8,716,518	645,869	-	9,362,387
Machinery and equipment	<u>1,507,257</u>	<u>161,654</u>	<u>21,087</u>	<u>1,647,824</u>
Total accumulated depreciation	<u>11,027,010</u>	<u>921,052</u>	<u>21,087</u>	<u>11,926,975</u>
Stormwater Fund capital assets, being depreciated, net	<u>17,431,281</u>	<u>(591,326)</u>	<u>-</u>	<u>16,839,955</u>
Stormwater Fund capital assets	<u>\$ 20,337,880</u>	<u>\$ 1,733,688</u>	<u>\$ 252,729</u>	<u>\$ 21,818,839</u>
Nonmajor Enterprise Funds:				
Capital assets, not being depreciated				
Land	\$ 934	\$ -	\$ -	\$ 934
Construction in progress	<u>121,195</u>	<u>1,087,839</u>	<u>3,215</u>	<u>1,205,819</u>
Total capital assets, not being depreciated	<u>122,129</u>	<u>1,087,839</u>	<u>3,215</u>	<u>1,206,753</u>
Capital assets, being depreciated:				
Buildings	1,656,670	149,199	-	1,805,869
Infrastructure	4,222,359	-	-	4,222,359
Improvements other than buildings	22,051,027	27,955	-	22,078,982
Machinery and equipment	<u>1,817,632</u>	<u>231,273</u>	<u>12,988</u>	<u>2,035,917</u>
Total capital assets being depreciated	<u>29,747,688</u>	<u>408,427</u>	<u>12,988</u>	<u>30,143,127</u>
Less accumulated depreciation for:				
Buildings	846,340	42,682	-	889,022
Infrastructure	6,300,314	37,698	-	6,338,012
Improvements other than buildings	5,701,837	1,313,632	-	7,015,469
Machinery and equipment	<u>1,742,568</u>	<u>280,007</u>	<u>12,988</u>	<u>2,009,587</u>
Total accumulated depreciation	<u>14,591,059</u>	<u>1,674,019</u>	<u>12,988</u>	<u>16,252,090</u>
Nonmajor Enterprise Funds capital assets, being depreciated, net	<u>15,156,629</u>	<u>(1,265,592)</u>	<u>-</u>	<u>13,891,037</u>
Nonmajor Enterprise Funds capital assets, net	<u>15,278,758</u>	<u>(177,753)</u>	<u>3,215</u>	<u>15,097,790</u>
Business-type activities capital assets, net	<u>\$ 165,399,644</u>	<u>\$ 8,150,879</u>	<u>\$ 8,049,170</u>	<u>\$ 165,501,353</u>

CITY OF POMPANO BEACH, FLORIDA
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 8,428,221
Public safety	3,468,523
Transportation	1,402,511
Physical environment	1,336,799
Culture and recreation	2,965,497
Total depreciation expense - governmental activities	<u>\$ 17,601,551</u>
 Business-type activities:	
Utilities	\$ 8,112,537
Parking	748,654
Stormwater	921,052
Airpark	1,439,300
Sanitation	234,719
Total depreciation expense - business-type activities	<u>\$ 11,456,262</u>

CITY OF POMPANO BEACH, FLORIDA

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

The City has active construction projects as of September 30, 2021. Significant projects that were ongoing as of September 30, 2021 for governmental activities with significant commitments, were as follows:

Project	Expended through September 30, 2021	Remaining Commitment
A1A Underground Electric	\$ 2,359,491	\$ -
Kester Park Restroom	435,354	353,621
Canal Dredging 2016	344,597	-
Enhance Landscape FDOT Improvement	298,998	-
Lifeguard Tower	211,127	-
MLK PHIL TIGER GRANT	1,449,278	-
Aquatic Center Relining	853,123	-
CRA Pier Street West Street	506,281	253,799
CRA McNab House	1,205,954	71,821
GOB AIA Improvements	6,488,019	2,655,923
GOB McNair Pk IMPV	1,133,922	-
GOB Centennial PK	664,675	736,743
GOB Mitchell Moore	1,848,885	1,348,151
GOB North Pompano PK	2,694,016	2,058,391
GOB Collier City Improvement	744,022	24,840
GOB Dixie HWY Improvement	6,738,298	5,689,978
GOB MLK BLVD Improvement	5,999,216	315,007
GOB McNab RD Improvement	606,441	559,681
GOB Palm Aire Improvement	494,028	102,092
GOB NE 33rd Street Improvements	2,123,920	1,625,711
GOB SE 5th Avenue Bridge	2,846,198	1,074,536
GOB Terra Mar Bridge	1,018,904	421,883
GOB FPL Light Conversion	1,851,210	-
GOB McNair Pk Improvement	6,014,466	4,656,499
GOB Amphitheater Renovation	3,567,400	67,760
GOB Senior Citizens	2,840,626	3,057,009
GOB Ultimate Sports Park	367,763	150,059
GOB Youth Sports	2,502,565	4,910,350
GOB Fire Emergency Operations	851,662	892,815
GOB Fire Station 114	3,743,912	1,955,736
GOB Fire Station 52	365,498	40,162
GOB Fire Station 61	3,737,873	1,956,761
GOB Public Safety Complex	419,909	437,596
GOB Lifeguard Tower	1,178,190	275,349
	<u>\$ 68,505,821</u>	<u>\$ 35,692,273</u>

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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Significant projects that were ongoing as of September 30, 2021 for business-type activities with significant commitments were as follows:

Project	Expended through September 30, 2021	Remaining Commitment
Airpark Taxi Bravo	\$ 959,786	\$ 646,066
Lyons Park Improvement	794,854	23,277
HUD Old Pompano Area	660,537	54,546
Kendall Lakes	451,685	111,736
Stormwater Getaway Drive	1,784,155	1,092,096
Hurricane Prep Water Treatment Plant	469,231	199,050
	<u>\$ 5,120,248</u>	<u>\$ 2,126,771</u>

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(D) 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	N.W. CRA	EMS Fund	Capital Projects 2018 GO Bonds	American Rescue Plan	Non Major Govt'l Funds	Total
Unearned revenue:							
Local Business Taxes	\$ 1,320,233	\$ -	\$ -	\$ -	\$ -	\$ -	1,320,233
Law Enforcement Trust Fund	-	-	-	-	-	1,687,674	1,687,674
Unredeemed Gift Cards	55,235	-	-	-	-	-	55,235
Prepaid Rent	-	4,500	-	-	-	-	4,500
Cultural Foundation	2,079	-	-	-	-	-	2,079
Florida Department of Transportation	-	-	-	-	-	40,791	40,791
American Rescue Plan Act	-	-	-	-	10,719,242	-	10,719,242
SHIP Grant Funds	-	-	-	-	-	340,416	340,416
Health Foundation FL	-	-	-	48,097	-	-	48,097
Total unearned revenue	\$ 1,377,547	\$ 4,500	\$ -	\$ 48,097	\$ 10,719,242	\$ 2,068,881	\$ 14,218,267
Unavailable revenue:							
FEMA-Hurricane Irma Grant	-	-	-	-	-	293,272	293,272
Broward County - Ad Valorem	141,277	-	38,886	-	-	-	180,163
US Dept of Justice - COVID 19 Emergency	-	-	-	-	-	98,450	98,450
EMS Transport Fees	-	-	310,114	-	-	-	310,114
State of Florida - Division of Emergency Mgmt	-	-	-	-	-	48,891	48,891
ETA Nu	-	70,000	-	-	-	-	70,000
Total unavailable revenue	\$ 141,277	\$ 70,000	\$ 349,000	\$ -	\$ -	\$ 440,613	\$ 1,000,890

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(E) Interfund Loans and Transfers

The composition of interfund balances as of September 30, 2021, is as follows:

Due to/from other funds:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General Fund	Internal Service Fund	\$ 219,869 (a)
		<u>\$ 219,869</u>

(a) This is a short-term non-interest bearing receivable and payable to cover a negative cash balance at fiscal year end in the central stores fund.

Advances to/from other funds:

<u>Advances to Fund</u>	<u>Advances From Fund</u>	<u>Amount</u>
Northwest CRA District Fund	General Fund	\$ 1,524,056

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
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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>
2022	\$ 336,041	\$ 44,350	\$ 380,391
2023	345,820	34,571	380,391
2023	355,883	24,508	380,391
2024	366,239	14,152	380,391
2025	120,073	3,494	123,567
	<u>\$ 1,524,056</u>	<u>\$ 121,075</u>	<u>\$ 1,645,131</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 \$1,205,662), 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:

Transfers out	Transfers In:									Total
	General Fund	EMS	Capital Projects	Nonmajor Govt'l Funds	Subtotal Govt'l Activities	Utility Fund	Parking Fund	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$8,636,995	\$ 8,846,953	\$ 366,777	\$17,850,725	\$ -	\$ -	\$ 1,164,710	\$ -	\$19,015,435
East District Fund	-	-	-	-	-	-	650,000	-	-	650,000
Nonmajor Govt'l Funds	-	-	75,000	714,173	789,173	-	-	-	345,863	1,135,036
Stormwater	235,969	-	-	-	235,969	-	-	-	-	235,969
	<u>\$ 235,969</u>	<u>\$8,636,995</u>	<u>\$ 8,921,953</u>	<u>\$ 1,080,950</u>	<u>\$18,875,867</u>	<u>\$ -</u>	<u>\$ 650,000</u>	<u>\$ 1,164,710</u>	<u>\$ 345,863</u>	<u>\$21,036,440</u>

The 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. Transfer from the General Fund to the Other Grant was required due to Brightline granting a CRISI grant (Consolidated Rail Infrastructure and Safety Improvements), which is administered by the Federal Railroad Administration (FRA). The purpose of the grant is to improve railroad-crossing safety within the City. Brightline requested that the City contribute 20% of the total grant of \$1,833,884. Transfers from the General Fund to the Capital Projects Fund is due to funding GO Bond capital projects to be reimbursed by the second phase of GO bonds to be issued in FY 22. Transfers from General Fund to the Sanitation Fund supported operating costs. Transfer from General Fund to Nonmajor Enterprise Funds were primarily due to funding of Capital Improvements Projects. Transfer from East CRA to the Parking Fund was due to an Interlocal Agreement between the City and the CRA to contribute to the Oceanside Project located at 109 North Ocean Boulevard. Transfers from Non-major Governmental Funds (Disaster Fund COVID- 19) to Internal Service Funds (Central Stores) was for personal protective equipment supplies distributions.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(F) 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, 2021.

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 range from 4% to 5% with a true interest cost of 3.65% through July 1, 2048, the scheduled maturity of the bonds.

At September 30, 2021, the City had \$93,380,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax revenues were \$5,775,350 and \$5,851,437, respectively. At September 30, 2021, total principal and interest remaining on the bonds is \$155,975,250 payable through July 1, 2048.

- 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.

At September 30, 2021, the City had \$8,490,000 outstanding related to this obligation. Principal and interest paid for the current fiscal year and total tax increment revenues were \$1,099,198 and \$3,913,174, respectively. At September 30, 2021, total principal and interest remaining on the bonds is \$9,888,090 payable through February 2030.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 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 range from 3.058% to 5.579% through January 1, 2040, the scheduled maturity of the Certificates. The total principal and interest remaining to be paid on the Certificates is \$38,717,230.

- 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, 2021, the City had \$10,375,000 outstanding relating to this obligation. Principal and interest paid for the current fiscal year were \$190,294. At September 30, 2021, the total principal and interest remaining on the bonds is \$13,271,776.

- 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 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, 2021, the City had \$9,140,000 outstanding relating to this

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

obligation. Principal and interest paid for the current fiscal year was \$169,315. At September 30, 2021, the total principal and interest remaining on the bonds is \$11,690,083.

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, 2021, total principal and interest remaining related to Governmental Activities was \$584,148 and \$2,115,010 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, 2021, total principal and interest outstanding related to this debt issue was \$25,900,000 and \$16,926,488 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, 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,

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021, total principal and interest outstanding related to this debt issue was \$76,840,000 and \$212,000, respectively.

At September 30, 2021, the aggregate principal amount of conduit debt outstanding is \$102,740,000. 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, 2021**

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	\$ 95,130,000	\$ -	\$ 1,750,000	\$ 93,380,000	\$ 1,840,000
Add: Bond premiums	5,975,600	-	141,558	5,834,042	193,347
Total GO bonds payable	<u>101,105,600</u>	-	<u>1,891,558</u>	<u>99,214,042</u>	<u>2,033,347</u>
Direct borrowings and direct placements					
Bonds payable CRA:					
Tax increment bonds-East District	9,280,000	-	790,000	8,490,000	820,000
Notes payable:					
Energy Equipment	838,693	-	272,021	566,672	279,496
HUD Section 108	3,715,000	-	206,000	3,509,000	215,000
Total notes payable	<u>4,553,693</u>	-	<u>478,021</u>	<u>4,075,672</u>	<u>494,496</u>
Capital lease payable:					
Fleet Equipment 2016	116,680	-	116,680	-	-
Fleet Equipment 2019	1,301,566	-	336,733	964,833	344,165
Enterprise capital lease	641,844	521,957	205,261	958,540	203,066
Fleet Equipment Series 2020	3,159,060	-	609,627	2,549,433	620,523
Fleet Equipment Series 2021	-	1,248,889	124,907	1,123,982	245,437
Total capital lease payable	<u>5,219,150</u>	<u>1,770,846</u>	<u>1,393,208</u>	<u>5,596,788</u>	<u>1,413,191</u>
Total direct borrowings	<u>19,052,843</u>	<u>1,770,846</u>	<u>2,661,229</u>	<u>18,162,460</u>	<u>2,727,687</u>
Claims and judgments	14,905,000	5,088,745	2,818,745	17,175,000	2,711,478
Net pension liability:					
PFRS	108,082,918	34,688,463	60,748,391	82,022,990	-
GERS	62,021,531	32,812,897	32,371,610	62,462,818	-
Total net pension liability	<u>170,104,449</u>	<u>67,501,360</u>	<u>93,120,001</u>	<u>144,485,808</u>	<u>-</u>
Total OPEB liability	11,147,184	1,079,535	817,573	11,409,146	-
Compensated absences	8,538,947	6,644,114	5,737,329	9,445,732	359,224
Long-term liabilities	<u>\$ 324,854,023</u>	<u>\$ 82,084,600</u>	<u>\$ 107,046,435</u>	<u>\$ 299,892,188</u>	<u>\$ 7,831,736</u>
Business-type activities:					
Direct borrowings and direct placements					
Water & Wastewater Revenue Bonds					
Series 2021	\$ -	\$ 10,515,000	\$ 140,000	\$ 10,375,000	\$ 360,000
Stormwater Utility Bond Revenue Series					
2021	-	9,265,000	125,000	9,140,000	315,000
Certificates of Participation	23,775,000	-	500,000	23,275,000	500,000
Capital lease payable:	448,483	751,110	176,625	1,022,968	251,070
Notes payable	8,284,671	-	1,203,110	7,081,561	1,284,700
Total direct borrowings and direct placements	<u>32,508,154</u>	<u>20,531,110</u>	<u>2,144,735</u>	<u>50,894,529</u>	<u>2,710,770</u>
Net pension liability (GERS)	23,574,043	5,486,397	5,561,187	23,499,253	-
Total OPEB liability	2,365,055	229,041	173,464	2,420,632	-
Compensated absences	1,625,263	964,213	695,572	1,893,904	27,467
Business-type activity					
Long-term liabilities	<u>60,072,515</u>	<u>27,210,761</u>	<u>8,574,958</u>	<u>78,708,318</u>	<u>2,738,237</u>
Total long-term liabilities	<u>\$ 384,926,538</u>	<u>\$ 109,295,361</u>	<u>\$ 115,621,393</u>	<u>\$ 378,600,506</u>	<u>\$ 10,569,973</u>

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Direct borrowings and direct placements

The City's outstanding liabilities from direct borrowings and direct placements related to governmental activities was \$18,162,460 as of September 30, 2021.

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 to lien on any real property of the City.

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

The HUD section 108 note is secured by grant allocations made by the U.S. 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 \$50,894,529 as of September 30, 2021.

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

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

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021, 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
2022	\$ 1,840,000	\$ 3,937,850	\$ 2,727,687	\$ 391,563	\$ 2,710,770	\$ 1,780,430
2023	1,925,000	3,845,850	2,789,512	333,769	2,872,341	1,711,343
2024	2,025,000	3,749,600	2,469,205	276,218	1,889,599	1,648,022
2025	2,125,000	3,648,350	2,253,621	219,849	1,928,071	1,599,709
2026	2,235,000	3,542,100	1,386,435	162,958	1,895,515	1,546,795
2027 - 2031	12,965,000	15,917,500	5,353,000	291,885	10,653,900	6,790,723
2032 - 2036	16,060,000	12,818,200	1,183,000	-	14,036,279	4,572,812
2037 - 2041	19,545,000	9,338,000	-	-	14,908,054	1,361,915
2042 - 2046	23,775,000	5,140,400	-	-	-	-
2047 - 2048	10,885,000	657,400	-	-	-	-
	<u>\$ 93,380,000</u>	<u>\$ 62,595,250</u>	<u>\$ 18,162,460</u>	<u>\$ 1,676,242</u>	<u>\$ 50,894,529</u>	<u>\$ 21,011,749</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 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, 2021.

The City Charter limits the amount of net general obligation bonded debt to 15% of the assessed property valuation. At September 30, 2021, the statutory limit for the City was approximately \$2.2 billion providing a legal debt margin of approximately \$2.1 billion, as the City had approximately \$99 million in general obligation debt outstanding at September 30, 2021.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021 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.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

The annual requirements to pay principal and interest on bonds and notes at September 30, 2021 are as follows:

GO Bonds Series 2018

	Governmental Activities		
	Principal	Interest	Total
2022	\$ 1,840,000	\$ 3,937,850	\$ 5,777,850
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 - 2031	12,965,000	15,917,500	28,882,500
2032 - 2036	16,060,000	12,818,200	28,878,200
2037 - 2041	19,545,000	9,338,000	28,883,000
2042 - 2046	23,775,000	5,140,400	28,915,400
2047 - 2048	10,885,000	657,400	11,542,400
	<u>\$ 93,380,000</u>	<u>\$ 62,595,250</u>	<u>\$155,975,250</u>

CRA Bonds:

	Governmental Activities		
	East CRA District		
	Principal	Interest	Total
2022	\$ 820,000	\$ 281,184	\$ 1,101,184
2023	845,000	252,213	1,097,213
2024	875,000	222,285	1,097,285
2025	905,000	191,313	1,096,313
2026	940,000	159,210	1,099,210
2027 - 2030	4,105,000	291,885	4,396,885
	<u>\$ 8,490,000</u>	<u>\$1,398,090</u>	<u>\$ 9,888,090</u>

Water & Wastewater Revenue Bond Series 2021

	Business-Type Activities		
	Principal	Interest	Total
2022	360,000	264,774	624,774
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 - 2031	2,505,000	916,462	3,421,462
2032 - 2036	2,835,000	575,744	3,410,744
2037 - 2041	2,890,000	188,703	3,078,703
	<u>10,375,000</u>	<u>2,896,776</u>	<u>13,271,776</u>

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Stormwater Utility Revenue Bond Series 2021

	Business-Type Activities		
	Principal	Interest	Total
2022	315,000	233,292	548,292
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 - 2031	2,200,000	806,723	3,006,723
2032 - 2036	2,510,000	506,547	3,016,547
2037 - 2041	2,535,000	165,829	2,700,829
	9,140,000	2,550,083	11,690,083

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021, the City's obligation under the note, inclusive of accrued interest was \$2,699,158 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>
2022	\$ 279,496	\$ 12,579	\$ 292,075	\$ 1,011,961	\$ 45,543	\$ 1,057,504
2023	287,176	4,897	292,073	1,039,769	17,737	1,057,506
	<u>\$ 566,672</u>	<u>\$ 17,476</u>	<u>\$ 584,148</u>	<u>\$ 2,051,730</u>	<u>\$ 63,280</u>	<u>\$ 2,115,010</u>

On November 23, 2015 the City received a \$4,308,000 loan commitment from the U.S. 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, 2021, 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, 2021 is \$3,509,000. 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, 2021

Certificates of Participation

The annual requirements to pay principal and interest on certificates of participation at September 30, 2021 are as follows:

	<u>Business-type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 500,000	\$ 1,220,700	\$ 1,720,700
2023	500,000	1,201,990	1,701,990
2024	540,000	1,181,528	1,721,528
2025	605,000	1,158,135	1,763,135
2026	670,000	1,129,557	1,799,557
2027-2031	4,575,000	5,058,807	9,633,807
2032-2036	7,310,000	3,485,480	10,795,480
2037-2040	8,575,000	1,006,033	9,581,033
	<u>\$ 23,275,000</u>	<u>\$ 15,442,230</u>	<u>\$ 38,717,230</u>

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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 City has received \$2,685,932 as of September 30, 2021. 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, 2021 are as follows:

	Principal
2022	\$ 134,890
2023	134,890
2024	134,890
2025	134,890
2026	134,890
2027-2031	674,450
2032-2036	674,450
2037-2040	337,225
	\$ 2,360,575

On May 9, 2017 the City adopted Resolution No. 2017-240 approving a construction loan to the City in the amount of \$2,750,908 from the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Program. The City has received \$2,752,579 as of September 30, 2021. The construction loan was provided for Esquire Lake Neighborhood Drainage Improvement project. The annual interest rate on the loan is .105%.

	Principal	Interest	Total
2022	\$ 137,849	\$ 2,767	\$ 140,616
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
2027-2031	699,450	8,731	708,181
2032-2036	706,829	5,041	711,870
2037-2040	570,830	1,350	572,180
	\$ 2,669,257	\$ 27,504	\$ 2,696,761

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

Capital Leases

On February 12, 2019 the City entered into a Master Lease Purchase agreement as lessee for the lease of approximately thirteen (13) vehicles of various types to be used for the City's various departments. The lease is for five (5) years with an annual interest rate on the lease based on the 3 year T-bill rate at acquisition plus 300 basis points. The lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of the future minimum lease payments as of the inception date. As of September 30, 2021, there are approximately thirty-seven (37) vehicles.

Future minimum lease obligations are as follows:

<u>Fiscal Year Ending September 30,</u>	Governmental Activities	Business-type Activities	Total
2022	\$ 229,327	\$ 6,583	\$ 235,910
2023	229,327	6,583	235,910
2024	252,092	9,451	261,543
2025	244,967	-	244,967
2026	100,156	-	100,156
Total minimum lease payments	1,055,869	22,617	1,078,486
Less: Amount represent interest	97,329	2,837	100,166
Present value of minimum lease payments	<u>\$ 958,540</u>	<u>\$ 19,780</u>	<u>\$ 978,320</u>

On May 14, 2019 the City entered into an agreement as lessee for the lease of certain equipment to be used for Fire, Parks & Recreation, Solid Waste and Public Works operations. The lease is for five (5) years with an annual interest rate of 2.19%. The lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of the future minimum lease payments as of the inception date.

Future minimum lease obligations are as follows:

<u>Fiscal Year Ending September 30,</u>	Governmental Activities	Business-type Activities	Total
2022	\$ 362,474	\$ 60,909	\$ 423,383
2023	362,474	60,909	423,383
2024	271,855	45,682	317,537
Total minimum lease payments	996,803	167,500	1,164,303
Less: Amount represent interest	31,970	5,372	37,342
Present value of minimum lease payments	<u>\$ 964,833</u>	<u>\$ 162,128</u>	<u>\$ 1,126,961</u>

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On January 31, 2020 the City entered into an agreement as lessee for the lease of equipment to be used for the City's fire services, grounds and parks maintenance, recreation activities, public works, cemetery and solid waste. The lease is for five (5) years with an annual interest rate of 1.7794%. The lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of the future minimum lease payments as of the inception date.

Future minimum lease obligations are as follows:

Year Ending September 30,	Governmental Activities	Business- type Activities	Total
2022	\$ 663,139	\$ 42,937	\$ 706,076
2023	663,139	42,937	706,076
2024	663,140	42,937	706,077
2025	663,140	42,938	706,078
Total minimum lease payments	<u>2,652,558</u>	<u>171,749</u>	<u>2,824,307</u>
Less: Amount represent interest	<u>103,125</u>	<u>6,677</u>	<u>109,802</u>
Present value of minimum lease payments	<u>\$ 2,549,433</u>	<u>\$ 165,072</u>	<u>\$ 2,714,505</u>

On February 1, 2021, the City entered into an agreement as lessee for the lease of equipment to be used for the City's fire services, grounds and parks maintenance, recreation activities, public works, cemetery and solid waste. The lease is for five (5) years with an annual interest rate of 1.274%. The lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of the future minimum lease payments as of the inception date.

Future minimum lease obligations are as follows

Year Ending September 30,	Governmental Activities	Business- type Activities	Total
2022	256,051	153,995	410,046
2023	256,051	153,995	410,046
2024	256,051	153,995	410,046
2025	256,051	153,995	410,046
2026	128,027	76,998	-
Total minimum lease payments	<u>1,152,231</u>	<u>692,978</u>	<u>1,640,184</u>
Less: Amount represent interest	<u>28,249</u>	<u>16,990</u>	<u>45,239</u>
Present value of minimum lease payments	<u>1,123,982</u>	<u>675,988</u>	<u>1,799,970</u>

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(G) Operating Leases

The City is a lessee in a long-term land lease in order to receive access to a tract of land at the Hillsboro Inlet. The lease expires in 53 years and is adjusted for changes in the Consumer Price Index every three years.

The lease payments are as follows:

Fiscal Year Ending September 30,	Governmental Activities
2022	\$ 402,567
2023	402,567
2024	402,567
2025	402,567
2026	402,567
2027 - 2031	2,012,835
2032 - 2036	2,012,835
2037 - 2041	2,012,835
2042 - 2046	2,012,835
2047 - 2051	2,012,835
2052 - 2056	2,012,835
2057 - 2061	2,012,835
2062 - 2066	2,012,835
2067 - 2071	2,012,835
2072 - 2073	402,567
Total lease payments	<u><u>\$ 20,530,917</u></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)(R) 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.

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Below is a table of fund balance categories and classifications at September 30, 2021 for the City's governmental funds:

	<u>General</u>	<u>NW CRA District</u>	<u>East CRA District</u>	<u>Emergency Medical Services</u>	<u>Capital Projects</u>	<u>Capital Project 2018 GO Bonds</u>	<u>Non-major Gov't'l Funds</u>
Fund Balances:							
Non-spendable							
Inventories	\$ 291,455	\$ -	\$ -	608,280	\$ -	\$ -	-
Prepays	656,722	32,063	292,051	4,967	2,674,962	-	16,030
Advances to other funds	1,524,056	-	-	-	-	-	-
Restricted:							
Building Permit Function	-	-	-	-	-	-	18,130,848
Emergency Medical Services	-	-	-	2,595,758	-	-	-
GO Bonds Debt Service	-	-	-	-	-	-	148,942
Transportation	-	-	-	-	-	-	734
Community Parks	-	-	-	-	576,225	-	-
Cultural Arts	-	-	-	-	-	-	489
Streets, Sidewalks, Bridges and Streetscaping	-	-	-	-	-	15,846,581	-
Public Safety	-	-	-	-	-	6,792,639	-
Parks, Recreation and Leisure	-	-	-	-	-	12,503,614	-
Community Redevelopment	-	57,174,782	9,627,612	-	-	-	2,636,518
Committed:							
Cemetery Care	-	-	-	-	-	-	1,051,842
Disaster Relief	-	-	-	-	-	-	403,689
Affordable Housing	-	-	-	-	-	-	2,720,097
Tree Canopy Landscape/Tricentennial/Nautica Flea Mkt.	-	-	-	-	-	-	1,088,445
Beach Area Parking	-	-	-	-	-	-	5,898
Emergency Medical Services	-	-	-	-	-	-	28,107
Assigned:							
Fire Stations	-	-	-	-	2,419,964	-	-
Culture, Recreation & Leisure	-	-	-	-	7,906,315	-	-
Canal Dredging/Seawall Repairs	-	-	-	-	71,441	-	-
Seawall Repairs	-	-	-	-	1,087,168	-	-
General Government Bldg. Improvs.	-	-	-	-	2,450,982	-	-
City Landscaping\Signage\Lighting	-	-	-	-	2,077,594	-	-
Bridge Repairs\Enhancements	-	-	-	-	862,347	-	-
Traffic Signals	-	-	-	-	3,923	-	-
Underground Utilities/Traffic Signals	-	-	-	-	818,265	-	-
Railroad Crossing Repairs	-	-	-	-	50,855	-	-
Road/Sidewalks/Parking Lots	-	-	-	-	2,816,517	-	-
Capital Reserves	-	-	-	-	3,098,198	-	-
General Government (Encumbrances)	1,986,684	-	-	-	-	-	-
Public Safety (Encumbrances)	791,995	-	-	-	-	-	-
Physical Environment (Encumbrances)	464,056	-	-	-	-	-	-
Culture & Recreation (Encumbrances)	651,131	-	-	-	-	-	-
Subsequent Year's Expenditures	9,294,105	-	-	-	-	-	-
Unassigned (deficit)							
General Government	38,989,149	-	-	-	-	-	-
2021 GO Bonds	-	-	-	-	-	-	(202,646)
Total Fund Balances	<u>\$ 54,649,353</u>	<u>\$ 57,206,845</u>	<u>\$ 9,919,663</u>	<u>\$ 3,209,005</u>	<u>\$ 26,914,756</u>	<u>\$ 35,142,834</u>	<u>\$ 26,028,993</u>

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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 \$14.0 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 and .5000 mills for the EMS District for the fiscal year ended September 30, 2021.

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, 2021 were approximately 89.0% 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 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 2021, 58 retirees received health care benefits. Annual payments amounted to \$1,840,584 for the current fiscal year, towards which the City made \$652,486 (implicit subsidy) in benefit payments. Retirees made the remaining payments of \$1,188,098 for the fiscal year ended September 30, 2021.

At September 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	58
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	759
Total	817

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Total OPEB Liability

The City's total OPEB liability of \$13,829,778 was measured as of September 30, 2021, and was determined by an actuarial valuation as of October 1, 2019.

Actuarial assumptions and other inputs. The total OPEB liability as of September 30, 2021 (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

2.43% 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 7.00% for the 2019/20 fiscal year graded down by 0.50% per year to 5.00% for the 2023/24 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 of \$450.00 under the HMO plan or \$575.00 under the PPO plan has been assumed at age 62 for the 2019/20 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.

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

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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 and spousal coverage; 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.

Mortality rates

Mortality rates were based on 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-2017.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 9/30/2020	\$ 13,512,239
Changes for the year:	
Service cost	964,667
Expected interest growth	343,907
Benefit payments	(652,486)
Assumption changes	<u>(338,549)</u>
Net changes	317,539
Balance at 9/30/2021	<u>\$ 13,829,778</u>

Since the prior measurement date, the discount rate was changed from 2.14% per annum to 2.43% per annum.

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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 (1.43 percent) or 1-percentage-point higher (3.43 percent) than the current discount rate:

	1% Decrease (1.43%)	Discount Rate (2.43%)	1% Increase (3.43%)
Total OPEB liability	\$ 15,070,601	\$ 13,829,778	\$ 12,714,681

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 (6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.0% decreasing to 5.0%)	1% increase (8.0% decreasing to 6.0%)
Total OPEB liability	\$ 12,165,019	\$ 13,829,778	\$ 15,807,907

For the year ended September 30, 2021, the City recognized OPEB expense of \$611,249. At September 30, 2021, 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	\$ 218,899	\$ 579,912

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

Fiscal Year Ended September 30,		
2022	\$	(44,841)
2023		(44,841)
2024		(44,841)
2025		(44,841)
2026		(44,841)
Thereafter		(136,808)
		<u>\$ (361,013)</u>

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(III) OTHER INFORMATION

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

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 (U.S. 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

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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 ("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

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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 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, 2020, 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	5
Active plan members	181
Total	<u>594</u>

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, 2021, the balance in the DROP account was \$14,711,011 with 54 DROP participants. These amounts are included in the total investment balance presented on the statement of fiduciary net position.

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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 \$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, 2021, the balance of DROP loans outstanding was \$168,062.

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, 2021, the balance in the share plan account was \$6,976,861. 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, 2021, the balance in the police officers' Share Plan account was \$227,678, and the manner of allocation and distribution has not yet been determined. 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

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benefits or benefits in excess of minimums, and 50% to fund a Share Plan. As of the October 1, 2020 actuarial valuation, the cumulative balance of additional premium tax revenues reserved to provide Share Plan benefits to firefighter members (Chapter 175 funds) totaled \$500,967 and was allocated to the members' Share Plan accounts on January 1, 2021. As of the October 1, 2020 actuarial valuation, the cumulative balance of additional premium tax revenues used to provide Share Plan benefits to police officer members (Chapter 185 funds) totaled \$276,172.

Chapter 185 premium tax funds in excess of the minimum received in 2021 totaled \$423,306 of which \$211,653 was allocated to reduce the unfunded actuarial liability of the Plan and \$211,653 was allocated to the members' Share Plan accounts on September 30, 2021.

(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

CITY OF POMPANO BEACH, FLORIDA
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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 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.

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Membership

At September 30, 2021, pension plan membership consisted of the following:

Inactive members or their beneficiaries currently receiving benefits	454		
Inactive members entitled to but not yet receiving benefits	27		
Active members	541		
Total	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black;"></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">1,022</td> </tr> </table>		1,022
	1,022		

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 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

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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).

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, 2021, the Plan's actuary determined that the required City and Broward County Sheriff's Office total contribution was \$10,848,028. 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.

CITY OF POMPANO BEACH, FLORIDA
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(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	\$ 11,136,794	\$ 10,902,438
Plan members	2,176,133	4,517,442
State	2,737,886 ⁽²⁾	-

⁽¹⁾ 7% for Tier two employees.

⁽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 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, 2021 the Plan received \$2,737,886 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.

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2. Net Pension Liability

Police and Firefighters

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. 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, 2021 were as follows:

Total pension liability	\$368,490,183
Plan fiduciary net position *	<u>286,467,193</u>
Net pension liability	<u>\$ 82,022,990</u>
Plan fiduciary net position as a percentage of the total pension liability	77.74%

* Plan fiduciary net position noted above does not include an investment adjustment in the amount of \$445,295 recorded by the Plan and included in the Statement of Net Position subsequent to the production of the actuarial GASB Nos 67-68 Report.

General Employees

The City's net pension liability was measured as of September 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2019. 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, 2021 were as follows:

Total pension liability	\$286,678,495
Plan fiduciary net position	<u>200,716,424</u>
Net pension liability	<u>\$ 85,962,071</u>
Plan fiduciary net position as a percentage of the total pension liability	70.01%

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Actuarial Methods and Assumptions

Police and Firefighters

The total pension liability was determined by an actuarial valuation as of October 1, 2020 updated to September 30, 2021 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	7.3%
Expected long-term rate of return	7.3%
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.

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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	55.00%	6.40%
Fixed income	22.50%	1.54%
Real estate	7.50%	4.65%
Hedge funds and private equity	10.00%	4.50%
Short-term investments	-%	1.25%
Infrastructure	5.00%	3.60%
Cash	-%	0.85%
Total	100.00%	

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General Employees

The total pension liability was determined by an actuarial valuation as of October 1, 2019 updated to September 30, 2020 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	7.50 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Large Cap Equity	35.00%	6.19%
US Small/Mid Cap Equity	15.00%	7.37%
International Equity	10.00%	6.92%
US Direct Real Estate	15.00%	5.74%
Absolute Return	10.00%	3.93%
US Aggregate Bond	15.00%	0.84%
Total	<u>100.00%</u>	

Discount Rate:

Police and Firefighters

The discount rate used to measure the total pension liability was 7.30%. 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

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
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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.

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, 2021 is as follows:

	<u>Police and Firefighters</u>			<u>General Employees</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position (a)</u>	<u>Net Pension Liability</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Beginning Balances	\$ 360,679,005	\$ 252,596,087	\$ 108,082,918	\$ 277,458,398	\$ 191,862,824	\$ 85,595,574
Changes for the year:						
Service cost	4,955,805	-	4,955,805	5,595,991	-	5,595,991
Interest	25,732,847	-	25,732,847	21,083,676	-	21,083,676
Changes of assumptions	(1,059,072)	-	(1,059,072)	(1,090,644)	-	(1,090,644)
Differences between expected and actual experience	4,441,742	-	4,441,742	(1,467,357)	-	(1,467,357)
Contributions - employer	-	11,136,794	(11,136,794)	-	10,130,579	(10,130,579)
Contributions - member	-	2,176,133	(2,176,133)	-	3,104,113	(3,104,113)
Contributions - nonemployer contributing member	-	2,737,886	(2,737,886)	-	-	-
Net investment income (loss)	-	44,638,537	(44,638,537)	-	11,092,521	(11,092,521)
Benefit payments, including refunds						
of member contributions	(26,260,144)	(26,260,144)	-	(14,559,767)	(14,559,767)	-
Refunds of contributions	-	-	-	(341,802)	(341,802)	-
Administrative expense	-	(617,141)	617,141	-	(572,044)	572,044
Other changes	-	59,041	(59,041)	-	-	-
Net changes	<u>7,811,178</u>	<u>33,871,106</u>	<u>(26,059,928)</u>	<u>9,220,097</u>	<u>8,853,600</u>	<u>366,497</u>
Ending Balances	<u>\$ 368,490,183</u>	<u>\$ 286,467,193</u>	<u>\$ 82,022,990</u>	<u>\$ 286,678,495</u>	<u>\$ 200,716,424</u>	<u>\$ 85,962,071</u>

The City's aggregate net pension liability for the Police and Firefighters Plan measured at September 30, 2021 and General Employees Plan measured at September 30, 2020 was \$167,985,061 for the fiscal year ended September 30, 2021.

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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 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30%) or 1-percentage-point higher (8.30%) than the current rate:

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
City's net pension liability	\$ 120,553,741	\$ 82,022,990	\$ 49,769,238

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	\$ 119,165,539	\$ 85,962,071	\$ 58,112,348

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

For the year ended September 30, 2021, the City recognized pension expense related to the pension plans as follows:

	Police and Firefighters	General Employees	Total
Pension expense	\$ 6,529,885	\$ 16,092,569	\$ 22,622,454

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At September 30, 2021, 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	\$ 6,580,223	\$ -	\$ 2,720,641	\$ 1,354,742	\$ 9,300,864	\$ 1,354,742
Changes of assumptions	-	3,678,696	5,923,387	858,592	5,923,387	4,537,288
Net difference between projected and actual earnings on pension plan investments	-	17,092,285	8,413,421	2,952,558	8,413,421	20,044,843
Employer contributions subsequent to the measurement date	-	-	10,902,438	-	10,902,438	-
Total	<u>\$ 6,580,223</u>	<u>\$ 20,770,981</u>	<u>\$ 27,959,887</u>	<u>\$ 5,165,892</u>	<u>\$ 34,540,110</u>	<u>\$ 25,936,873</u>

The City reported \$10,902,438 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
2022	\$ (1,931,994)	\$ 5,287,945
2023	(2,080,289)	3,621,352
2024	(4,847,826)	2,663,367
2025	(5,330,649)	318,893
	<u>\$ (14,190,758)</u>	<u>\$ 11,891,557</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

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same employees in the GERS plan.

The 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 2021 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 airpark 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 and has not incurred a reduction in insurance coverage. No workers' compensation settlements exceeded the City's self-insured retention in fiscal year 2021.

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, 2021 reflect management's loss estimate of \$17,175,000, which includes reported claims and claims incurred but not reported (IBNR).

Changes in the fund's estimated claims payable amount in fiscal years 2021 and 2020 were:

Fiscal Year	Liability October 1	New Claims and Changes in Estimates	Claims Payments	Liability September 30
2021	\$ 14,905,000	\$ 5,088,745	\$ 2,818,745	\$ 17,175,000
2020	\$ 11,782,000	\$ 5,266,856	\$ 2,143,856	\$ 14,905,000

(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.

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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 plan 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

GASB 87, Leases, was effective for financial statements for periods beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The City is aware of this requirement and will assess its impact to ensure timely implementation for the fiscal year ending September 30, 2022, the new effective date.

GASB Statement No. 91, Conduit Debt Obligations, is effective for reporting periods beginning after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements. This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate

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outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The City is aware of this requirement and will assess its impact to ensure timely implementation.

GASB Statement No. 92, Omnibus 2020, is effective for reporting period beginning June 15, 2021. Earlier application is encouraged and is permitted. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports. Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits. The City is aware of this requirement and will assess its impact to ensure timely implementation.

GASB Statement No. 93, Replacement of Interbank Offered Rates, is effective for reporting periods ending after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. The primary objective of this Statement is to address those and other accounting and financial reporting implications that results from the replacement of an IBOR. This Statement achieves that objectives by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions. Also removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. This City is aware of this requirement and will assess its impact to ensure timely implementation.

GASB Statement No. 94, Public-Private and Public-Public Partnership and Availability Payment Arrangements, is effective for fiscal years beginning after June 15, 2022. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs.) The Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APA's). The Statement provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. The City is aware of this requirement and will assess it's impact to ensure timely implementation.

GASB Statement No. 95 Postponement of the Effective Dates of Certain Authoritative Guidance, is effective immediately. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of

CITY OF POMPANO BEACH, FLORIDA

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

the COVID-19 pandemic. The objective is accomplished by postponing the effective dates of certain provisions in Statement Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The City is aware of the requirement and will assess whether to delay or implement Standards accordingly.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements, is effective for fiscal year beginning after June 15, 2022. The primary objective of this Statement provides guidance on the accounting and financial reporting for subscriptions-based information technology (SBITA) arrangements for government end users. The Statement requires a government to disclose descriptive information about its SBITAs, such as the amount of subscription assets, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements of the subscription liability, and other essential information. The City is aware of this requirement and will assess its impact to ensure timely implementation.

GASB Statement No. 97, Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans -an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, is effective for fiscal year ending September 30, 2022. The primary objective of this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. It also mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefits (OPEB) plans and employee benefits plans other than pension plans or OPEB plans. It will also enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The City is aware of this requirement and will assess its impact to ensure timely implementation.

GASB Statement No. 98, The Annual Comprehensive Financial Report, is effective for fiscal years ending after December 15, 2021. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The City early implemented this pronouncement for the fiscal year ended 2021.

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(H) Deficit Fund Balance Equity

At September 30, 2021, the following funds had deficit fund equity:

	Amount
Governmental funds:	
Capital Project 2021 GO Bonds	\$ 202,646
Enterprise funds:	
Parking	\$ 556,961
Internal Service Funds:	
Risk Management General	\$ 197,121

Capital Project 2021 GO Bonds will be reduced once bonds are fully issued in the following fiscal year 2022, to finance, reimburse the cost of acquiring, constructing, equipping, renovating, replacing and improving certain projects.

Parking revenues will be increased as private parcel development around the Pier is completed, thereby generating increased parking revenue for the Parking Fund. The Beach House Restaurant opened in 2018 while Oceanic Restaurant, another major anchor to the Pompano Fishing Village opened in August 2019. It is anticipated that these two restaurants and additional parcels being developed in the Pompano Fishing Village will increase parking revenues and reduce the deficit fund equity position.

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

(I) Subsequent Events

2021 Series GO Bonds

- On September 14, 2021, the City Commission authorized the Public sale of the General Obligation Bonds Series 2021 (Ordinance 2021-75), not to exceed \$81,625,000 to be applied to the finance, reimburse and refinance the cost of acquiring, constructing, equipping, renovating, replacing and improving certain projects. The bonds were later issued on October 13, 2021.
- On November 9, 2021 the City Commission authorized the issuance of Revenue Bonds, Series 2021 (the "2021 Bonds"), in an amount not to exceed \$160,000,000, for the purpose of loaning the proceeds to the Village to be used, together with certain other moneys, for the purposes of (i) financing or reimbursing the Village for the cost of certain capital improvements for or to the Village Community, including constructing, installing and equipping a new 15-story tower with approximately 146 independent living units (the "Westlake Tower") and a waterway connecting the newly constructed Lake Maggie to a new lake; (ii) funding a debt service reserve fund and capitalized interest, and (iii) paying costs associated with the issuance of the Bonds. The 2021 Series Bonds were subsequently issued on December 21, 2021 in the PAR amount of \$134,265,000. The bonds are limited obligations of the City payable from

CITY OF POMPANO BEACH, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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.

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 EIGHT FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021
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
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
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
Changes of assumptions	-	-	29,606,755	-	3,537,718	-	(8,917,944)	(1,059,072)
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)
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
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
Total pension liability - ending (a)	294,329,522	300,798,426	332,155,565	343,088,836	350,950,167	351,449,439	360,679,005	368,490,183
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
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
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
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
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)
Administrative expenses	(581,767)	(563,224)	(604,460)	(530,291)	(626,768)	(623,074)	(604,803)	(617,141)
Other	17,738	43,955	10,775	75,815	18,569	92,615	66,752	59,041
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
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
Plan fiduciary net position - ending (b) (2)	233,037,612	219,256,301	223,871,513	237,937,762	246,351,626	245,063,938	252,596,087	286,467,193
City's net pension liability - ending (a) - (b)	\$ 61,291,910	\$ 81,542,125	\$ 108,284,052	\$ 105,151,074	\$ 104,598,541	\$ 106,385,501	\$ 108,082,918	\$ 82,022,990
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%
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
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%

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 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

	<u>2012</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>
Actuarially determined contribution	\$ 5,527,605	\$ 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
Contributions in relation to the actuarially determined contribution	<u>5,527,605</u>	<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>
Covered payroll	\$ 14,432,987	\$ 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
Contributions as a percentage of covered payroll	38.30%	61.82%	75.09%	62.22%	62.43%	60.19%	75.07%	75.15%	67.94%	66.22%

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	7.3% 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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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	10,902,438
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	50,813,866
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>251,530,290</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>\$ 50,692,831</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%	83.23%
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%	140.52%

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>2012</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>
Actuarially determined contribution	\$ 5,801,971	\$ 6,332,731	\$ 6,697,862	\$ 6,669,132	\$ 6,545,407	\$ 6,755,068	\$ 8,301,969	\$ 9,330,496	\$ 10,130,576	\$ 10,902,438
Contributions in relation to the actuarially determined contribution	<u>5,801,971</u>	<u>6,332,731</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>10,130,576</u>	<u>10,902,438</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%	24.43%	25.71%	24.69%	23.41%	23.58%	26.63%	28.45%	28.07%	30.22%

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
Amortization method	Level of percentage payroll, closed
Amortization period	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	7.55 percent, net of plan investment expense, including inflation
Mortality rates:	RP2000 Generational 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 FOUR FISCAL YEARS

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

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, 2021

	<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	\$ 89,093,081	\$ 89,093,081	\$ 90,148,929	\$ 1,055,848
Judgments, fines and forfeitures	737,500	737,500	525,889	(211,611)
Permits, fees and special assessments	29,584,393	29,584,393	30,000,979	416,586
Intergovernmental	10,207,979	15,673,474	18,944,610	3,271,136
Charges for services	20,135,683	20,135,683	20,728,960	593,277
Pari-mutuel	1,766,464	1,766,464	1,828,827	62,363
Donations	33,400	33,400	10,377	(23,023)
Investment earnings (loss)	879,765	879,765	420,241	(459,524)
Other revenue	998,127	998,127	1,186,085	187,958
Total revenues	<u>153,436,392</u>	<u>158,901,887</u>	<u>163,794,897</u>	<u>4,893,010</u>
EXPENDITURES				
Current:				
General government	11,554,898	11,906,101	11,049,846	856,255
Finance	3,662,338	3,809,970	3,726,312	83,658
Development services	5,408,710	5,677,166	5,641,393	35,773
Public safety	75,155,608	79,916,371	79,531,875	384,496
Public works	23,399,277	24,920,587	24,644,691	275,896
Non departmental	10,911,766	11,923,591	11,434,549	489,042
Culture and recreation	12,450,652	12,840,528	12,341,379	499,149
Capital outlay	250,575	13,595,473	4,547,291	9,048,182
Debt Service:				
Principal	1,762,784	1,671,826	1,665,230	6,596
Interest & other charges	122,705	146,507	126,409	20,098
Total expenditures	<u>144,679,313</u>	<u>166,408,120</u>	<u>154,708,975</u>	<u>11,699,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,757,079</u>	<u>(7,506,233)</u>	<u>9,085,922</u>	<u>16,592,155</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	95,000	95,000	976,637	881,637
Proceeds from capital lease	-	1,770,846	1,770,846	-
Transfers in	235,969	235,969	235,969	-
Transfers out	<u>(8,985,368)</u>	<u>(19,015,435)</u>	<u>(19,015,435)</u>	<u>-</u>
Total other financing sources (uses)	<u>(8,654,399)</u>	<u>(16,913,620)</u>	<u>(16,031,983)</u>	<u>881,637</u>
Net change in fund balance	<u>\$ 102,680</u>	<u>\$ (24,419,853)</u>	<u>(6,946,061)</u>	<u>\$ 17,473,792</u>
FUND BALANCE - BEGINNING			<u>57,701,547</u>	
FUND BALANCE - ENDING			<u>\$ 50,755,486</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, 2021

	<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	\$ 4,655,994	\$ 4,655,994	\$ 4,653,166	\$ (2,828)
Intergovernmental	5,200,000	5,200,000	5,200,000	-
Charges for services	56,286	56,286	46,053	(10,233)
Investment earnings (loss)	30,000	30,000	(43,169)	(73,169)
Other revenue	17,000	17,000	45,848	28,848
Total revenues	<u>9,959,280</u>	<u>9,959,280</u>	<u>9,901,898</u>	<u>(57,382)</u>
EXPENDITURES				
Current:				
Economic environment	3,311,335	8,729,402	7,461,071	1,268,331
Capital outlay	11,815,885	22,029,493	3,089,611	18,939,882
Debt service:				
Principal	899,711	899,711	-	899,711
Interest & other charges	56,681	56,869	56,869	-
Total expenditures	<u>16,083,612</u>	<u>31,715,475</u>	<u>10,607,551</u>	<u>21,107,924</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,124,332)</u>	<u>(21,756,195)</u>	<u>(705,653)</u>	<u>21,050,542</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	18,185	18,185
Total other financing sources (uses)	-	-	18,185	18,185
Net change in fund balance	<u>\$ (6,124,332)</u>	<u>\$ (21,756,195)</u>	<u>(687,468)</u>	<u>\$ 21,068,727</u>
FUND BALANCE - BEGINNING			<u>53,976,434</u>	
FUND BALANCE - ENDING			<u>\$ 53,288,966</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, 2021

	<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	\$ 3,933,587	\$ 3,933,587	\$ 3,913,174	\$ (20,413)
Investment earnings (loss)	28,000	28,000	(22,534)	(50,534)
Charges for services	100,494	100,494	91,710	(8,784)
Other revenue	-	-	361	361
Total Revenues	<u>4,062,081</u>	<u>4,062,081</u>	<u>3,982,711</u>	<u>(79,370)</u>
EXPENDITURES				
Current:				
Economic environment	1,411,988	1,461,256	1,161,473	299,783
Debt service:				
Principal	790,000	790,000	790,000	-
Interest & other charges	309,198	309,198	309,198	-
Capital outlay	<u>2,500,000</u>	<u>6,331,867</u>	<u>1,270,380</u>	<u>5,061,487</u>
Total expenditures	<u>5,011,186</u>	<u>8,892,321</u>	<u>3,531,051</u>	<u>5,361,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(949,105)</u>	<u>(4,830,240)</u>	<u>451,660</u>	<u>5,281,900</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(650,000)	(650,000)	-
Total other financing sources (uses)	-	(650,000)	(650,000)	-
Net Change in Fund Balance	<u>\$ (949,105)</u>	<u>\$ (5,480,240)</u>	<u>(198,340)</u>	<u>\$ 5,281,900</u>
FUND BALANCE - BEGINNING			<u>9,601,759</u>	
FUND BALANCE - ENDING			<u>\$ 9,403,419</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, 2021

	<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	\$ 6,979,116	\$ 6,979,116	\$ 6,976,758	\$ (2,358)
Intergovernmental	1,236,609	1,236,609	1,456,389	219,780
Charges for services	3,500,000	3,500,000	4,295,832	795,832
Investment earnings	48,757	48,757	70,589	21,832
Other revenue	-	-	683	683
Total revenues	<u>11,764,482</u>	<u>11,764,482</u>	<u>12,800,251</u>	<u>1,035,769</u>
EXPENDITURES				
Current:				
Public safety	19,664,156	20,898,517	20,366,002	532,515
Capital outlay	-	207,069	205,315	1,754
Total expenditures	<u>19,664,156</u>	<u>21,105,586</u>	<u>20,571,317</u>	<u>534,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,899,674)</u>	<u>(9,341,104)</u>	<u>(7,771,066)</u>	<u>1,570,038</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,549,901	8,636,995	8,636,995	-
Total other financing sources (uses)	<u>7,549,901</u>	<u>8,636,995</u>	<u>8,636,995</u>	<u>-</u>
Net change in fund balance	<u>\$ (349,773)</u>	<u>\$ (704,109)</u>	<u>865,929</u>	<u>\$ 1,570,038</u>
FUND BALANCE - BEGINNING			<u>2,233,228</u>	
FUND BALANCE - ENDING			<u>\$ 3,099,157</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

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

SEPTEMBER 30, 2021

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, CARES Act, 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 revenue 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, 2021

Adjustments necessary to convert the general fund and the major special revenue fund results of operations and change in fund balances at September 30, 2021 from the accounting principles generally accepted in the United States of America basis of accounting to the budget basis are as follows:

	<u>Revenues/ Other Financing Sources</u>	<u>Expenditures/ Other Financing Uses</u>	<u>Change in Fund Balances</u>
<u>General Fund</u>			
GAAP Basis	\$ 166,778,349	\$ 169,830,543	\$ (3,052,194)
Encumbrances	-	3,893,867	(3,893,867)
Budgetary Basis	<u>\$ 166,778,349</u>	<u>\$ 173,724,410</u>	<u>\$ (6,946,061)</u>
<u>Northwest Community Redevelopment District Fund</u>			
GAAP Basis	\$ 9,920,083	\$ 6,689,672	\$ 3,230,411
Encumbrances	-	3,917,879	(3,917,879)
Budgetary Basis	<u>\$ 9,920,083</u>	<u>\$ 10,607,551</u>	<u>\$ (687,468)</u>
<u>East Community Redevelopment District Fund</u>			
GAAP Basis	\$ 3,982,711	\$ 3,664,807	\$ 317,904
Encumbrances	-	516,244	(516,244)
Budgetary Basis	<u>\$ 3,982,711</u>	<u>\$ 4,181,051</u>	<u>\$ (198,340)</u>
<u>EMS Fund</u>			
GAAP Basis	\$ 21,437,246	\$ 20,461,469	\$ 975,777
Encumbrances	-	109,848	(109,848)
Budgetary Basis	<u>\$ 21,437,246</u>	<u>\$ 20,571,317</u>	<u>\$ 865,929</u>
<u>Building Permit Fund</u>			
GAAP Basis	11,708,988	10,604,696	1,104,292
Encumbrances	-	111,796	(111,796)
Budgetary Basis	<u>11,708,988</u>	<u>10,716,492</u>	<u>992,496</u>
<u>Other Grants Fund</u>			
GAAP Basis	6,181,273	5,226,514	954,759
Encumbrances	-	1,240,805	(1,483,338)
Budgetary Basis	<u>\$ 6,181,273</u>	<u>\$ 6,467,319</u>	<u>\$ (528,579)</u>

Excess of Expenditures Over Appropriations

For the year ended September 30, 2021, expenditures did not exceed appropriations in any governmental fund departments (the legal level of budgetary control).

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.

CARES Act Fund - accounts for the activities of the Federal Coronavirus Aid, Relief, and Economic Security Act program.

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

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

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.

2018 G.O. Bonds Fund - accounts for property taxes collected for the repayment of principal and interest on the City's 2018 Series general obligation bonds.

CITY OF POMPANO BEACH, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

Special Revenue Funds

	<u>Building Permit</u>	<u>Special Purpose</u>	<u>LETF</u>	<u>SHIP</u>	<u>CARES Act</u>
ASSETS					
Cash and cash equivalents	\$ 3,437,740	\$ 268,661	\$ 284,466	\$ 341,400	\$ -
Restricted cash and cash equivalents	-	734	-	-	-
Restricted investments	-	-	-	-	-
Unrestricted investments	14,761,256	1,156,751	1,221,466	-	-
Interest receivable	62,744	-	4,985	-	-
Accounts receivables, net	-	-	-	-	-
Assets held for resale and redevelopment	-	-	-	-	-
Due from other governments	-	141,049	176,757	-	-
Prepays	16,030	-	-	-	-
Other assets	-	-	-	-	-
Total assets	<u>\$ 18,277,770</u>	<u>\$ 1,567,195</u>	<u>\$ 1,687,674</u>	<u>\$ 341,400</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 12,872	\$ 40,322	\$ -	\$ 678	\$ -
Accrued expenditures	118,020	-	-	306	-
Unearned revenue	-	-	1,687,674	340,416	-
Deposits	-	-	-	-	-
Total liabilities	<u>130,892</u>	<u>40,322</u>	<u>1,687,674</u>	<u>341,400</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Fund balances:					
Nonspendable	16,030	-	-	-	-
Restricted	18,130,848	734	-	-	-
Committed	-	1,526,139	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>18,146,878</u>	<u>1,526,873</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,277,770</u>	<u>\$ 1,567,195</u>	<u>\$ 1,687,674</u>	<u>\$ 341,400</u>	<u>\$ -</u>

<u>Special Revenue Funds</u>					<u>Debt Service Fund</u>	<u>Total Non-major Governmental Funds</u>
<u>Other Grants</u>	<u>Affordable Housing</u>	<u>Cultural Arts Foundation</u>	<u>Cemetery</u>	<u>Capital Project 2021 GO Bonds</u>	<u>2018 G.O. Bonds</u>	
\$ 1,952,642	\$ 1,502,641	\$ 489	\$ 198,690	\$ -	\$ -	\$ 7,986,729
-	-	-	-	-	28,053	28,787
-	-	-	-	663,300	120,456	783,756
-	-	-	853,152	-	-	17,992,625
-	-	-	-	-	-	67,729
4,750	-	-	-	-	-	4,750
-	1,328,714	-	-	-	-	1,328,714
1,201,725	-	-	-	-	433	1,519,964
-	-	-	-	-	-	16,030
8,474	-	-	-	-	-	8,474
<u>\$ 3,167,591</u>	<u>\$ 2,831,355</u>	<u>\$ 489</u>	<u>\$ 1,051,842</u>	<u>\$ 663,300</u>	<u>\$ 148,942</u>	<u>\$ 29,074,258</u>
\$ 47,577	\$ 111,165	\$ -	\$ -	\$ 158,646	\$ -	\$ 371,260
1,658	93	-	-	-	-	120,077
40,791	-	-	-	-	-	2,068,881
434	-	-	-	707,300	-	707,734
<u>90,460</u>	<u>111,258</u>	<u>-</u>	<u>-</u>	<u>865,946</u>	<u>-</u>	<u>3,267,952</u>
<u>440,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>440,613</u>
-	-	-	-	-	-	16,030
2,636,518	-	489	-	-	148,942	20,917,531
-	2,720,097	-	1,051,842	-	-	5,298,078
-	-	-	-	(202,646)	-	(202,646)
<u>2,636,518</u>	<u>2,720,097</u>	<u>489</u>	<u>1,051,842</u>	<u>(202,646)</u>	<u>148,942</u>	<u>26,028,993</u>
<u>\$ 3,167,591</u>	<u>\$ 2,831,355</u>	<u>\$ 489</u>	<u>\$ 1,051,842</u>	<u>\$ 663,300</u>	<u>\$ 148,942</u>	<u>\$ 29,737,558</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, 2021

Special Revenue Funds

	Building Permit	Special Purpose	LETF	SHIP	CARES Act
REVENUES					
Taxes	\$ -	\$ 134,400	\$ -	\$ -	\$ -
Permits, fees and special assessments	11,700,535	-	-	-	-
Intergovernmental	-	430,718	1,363,146	91,263	3,266,648
Charges for services	-	404,464	-	-	-
Donations	-	110	-	-	-
Program income	-	-	-	45,086	-
Investment earnings (loss)	(13,003)	(22,590)	(2,141)	135	(122)
Total revenues	<u>11,687,532</u>	<u>947,102</u>	<u>1,361,005</u>	<u>136,484</u>	<u>3,266,526</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	10,601,389	-	1,361,005	-	-
Transportation	-	436,010	-	-	-
Economic environment	-	-	-	136,484	3,266,526
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	3,307	-	-	-	-
Total expenditures	<u>10,604,696</u>	<u>436,010</u>	<u>1,361,005</u>	<u>136,484</u>	<u>3,266,526</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,082,836</u>	<u>511,092</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES					
(USES)					
Proceeds from sale of capital assets	21,456	-	-	-	-
Transfers out	-	(355,742)	-	-	-
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>21,456</u>	<u>(355,742)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficit)	1,104,292	155,350	-	-	-
Fund balances - beginning	17,042,586	1,371,523	-	-	-
Fund balances (deficit)- ending	<u>\$ 18,146,878</u>	<u>\$ 1,526,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Special Revenue Funds					Debt Service Fund	Total Non-major Governmental Funds
Other Grants	Affordable Housing	Cultural Arts Foundation	Cemetery	Capital Project 2021 GO Bonds	2018 G.O. Bonds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,851,437	\$ 5,985,837
-	-	-	-	-	-	11,700,535
4,970,599	-	-	-	-	-	10,122,374
-	-	-	5,125	-	-	409,589
-	-	-	-	-	-	110
542,674	2,837,549	-	-	-	-	3,425,309
20,481	(11,689)	7	-	-	121	(28,801)
<u>5,533,754</u>	<u>2,825,860</u>	<u>7</u>	<u>5,125</u>	<u>-</u>	<u>5,851,558</u>	<u>31,614,953</u>
-	-	-	-	202,646	-	202,646
-	-	-	-	-	-	11,962,394
-	-	-	-	-	-	436,010
4,107,516	2,446,433	-	-	-	-	9,956,959
206,000	-	-	-	-	1,750,000	1,956,000
15,467	-	-	-	-	4,025,350	4,040,817
118,237	-	-	-	-	-	121,544
<u>4,447,220</u>	<u>2,446,433</u>	<u>-</u>	<u>-</u>	<u>202,646</u>	<u>5,775,350</u>	<u>28,676,370</u>
<u>1,086,534</u>	<u>379,427</u>	<u>7</u>	<u>5,125</u>	<u>(202,646)</u>	<u>76,208</u>	<u>2,938,583</u>
-	-	-	-	-	-	21,456
(779,294)	-	-	-	-	-	(1,135,038)
647,519	433,431	-	-	-	-	1,080,950
<u>(131,775)</u>	<u>433,431</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,630)</u>
954,759	812,858	7	5,125	(202,646)	76,208	2,905,953
1,681,759	1,907,239	482	1,046,717	-	72,734	23,123,040
<u>\$ 2,636,518</u>	<u>\$ 2,720,097</u>	<u>\$ 489</u>	<u>\$ 1,051,842</u>	<u>\$ (202,646)</u>	<u>\$ 148,942</u>	<u>\$ 26,028,993</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Permits, fees and special assessments	\$ 8,846,000	\$ 8,846,000	\$ 11,700,535	\$ 2,854,535
Investment earnings (loss)	45,587	45,587	(13,003)	(58,590)
Total Revenues	<u>8,891,587</u>	<u>8,891,587</u>	<u>11,687,532</u>	<u>2,795,945</u>
EXPENDITURES				
Current:				
Development services	11,209,648	11,341,187	10,686,389	654,798
Capital outlay	35,000	35,296	30,103	5,193
Debt Service:				
Principal	50,785	50,785	-	50,785
Total expenditures	<u>11,295,433</u>	<u>11,427,268</u>	<u>10,716,492</u>	<u>710,776</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,403,846)</u>	<u>(2,535,681)</u>	<u>971,040</u>	<u>3,506,721</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	21,456	21,456
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>21,456</u>	<u>21,456</u>
Net change in fund balance	<u>\$ (2,403,846)</u>	<u>\$ (2,535,681)</u>	<u>992,496</u>	<u>\$ 3,528,177</u>
FUND BALANCE - BEGINNING			<u>17,042,586</u>	
FUND BALANCE - ENDING			<u>\$ 18,035,082</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, 2021

	<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	\$ -	\$ 785,112	\$ 91,263	\$ (693,849)
Program income	-	46,029	45,221	(808)
Total revenues	-	831,141	136,484	(694,657)
EXPENDITURES				
Current:				
Economic environment	-	1,047,977	136,484	911,493
Total expenditures	-	1,047,977	136,484	911,493
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ (216,836)	-	\$ 216,836
FUND BALANCE - BEGINNING			-	
FUND BALANCE - ENDING			\$ -	

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, 2021

	<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	\$ 1,496,341	\$ 3,719,812	\$ 4,970,599	\$ 1,250,787
Program Income	-	541,359	542,674	1,315
Investment earnings	-	19,840	20,481	641
Total Revenues	<u>1,496,341</u>	<u>4,281,011</u>	<u>5,533,754</u>	<u>1,252,743</u>
EXPENDITURES				
Current:				
Economic environment	1,196,341	5,905,739	4,147,770	1,757,969
Public safety	-	1,252,370	1,219,940	32,430
Debt service				
Principal	300,000	290,950	206,000	84,950
Interest & other charges	-	16,747	16,747	-
Capital outlay	-	340,101	340,101	-
Total expenditures	<u>1,496,341</u>	<u>7,805,907</u>	<u>5,930,558</u>	<u>1,875,349</u>
Excess of revenues over (under) expenditures	-	<u>(3,524,896)</u>	<u>(396,804)</u>	<u>\$ 3,128,092</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		647,519	647,519	-
Transfers out		<u>(779,294)</u>	<u>(779,294)</u>	-
Total other financing sources (uses)		<u>(131,775)</u>	<u>(131,775)</u>	-
Net change in fund balance	<u>\$</u>	<u>\$ (3,656,671)</u>	<u>(528,579)</u>	<u>\$ 3,128,092</u>
FUND BALANCE - BEGINNING			<u>1,681,759</u>	
FUND BALANCE - ENDING			<u>\$ 1,153,180</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, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 5,125	\$ 5,125
Total revenues	-	-	5,125	5,125
EXPENDITURES				
Current:				
Capital outlay	-	91,906	-	91,906
Total expenditures	-	91,906	-	91,906
Excess of revenues over (under) expenditures	-	\$ (91,906)	5,125	97,031
Net change in fund balance	-	(91,906)	5,125	97,031
FUND BALANCE - BEGINNING			1,046,717	
FUND BALANCE - ENDING			\$ 1,051,842	

CITY OF POMPANO BEACH, FLORIDA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

2018 G.O BONDS FUND - NONMAJOR

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 5,776,074	\$ 5,776,074	\$ 5,851,437	\$ 75,363
Investment earnings	-	-	121	121
Total Revenues	<u>5,776,074</u>	<u>5,776,074</u>	<u>5,851,558</u>	<u>75,484</u>
EXPENDITURES				
Debt service:				
Principal	1,750,000	1,750,000	1,750,000	-
Interest & other charges	<u>4,025,350</u>	<u>4,025,350</u>	<u>4,025,350</u>	-
Total expenditures	<u>5,775,350</u>	<u>5,775,350</u>	<u>5,775,350</u>	-
Excess of revenues over (under) expenditures	<u>724</u>	<u>724</u>	<u>76,208</u>	<u>75,484</u>
Net change in fund balances	<u>\$ 724</u>	<u>\$ 724</u>	<u>76,208</u>	<u>\$ 75,484</u>
FUND BALANCE - BEGINNING			<u>72,734</u>	
FUND BALANCE - ENDING			<u>\$ 148,942</u>	

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, 2021

	<u>Airpark</u>	<u>Sanitation</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 113,166	\$ 729,970	\$ 843,136
Interest receivable	2,703	7,916	10,619
Accounts receivables, net	41,774	1,121,136	1,162,910
Due from other governments	866,301	236,746	1,103,047
Total current assets	<u>1,023,944</u>	<u>2,095,768</u>	<u>3,119,712</u>
Noncurrent Assets			
Unrestricted investments	485,922	3,134,409	3,620,331
Capital assets:			
Land	934	-	934
Construction in progress	1,205,819	-	1,205,819
Buildings	1,656,670	149,199	1,805,869
Infrastructure	4,222,359	-	4,222,359
Improvements	22,078,982	-	22,078,982
Machinery and equipment	677,700	1,358,217	2,035,917
Less accumulated depreciation	<u>(15,463,268)</u>	<u>(788,822)</u>	<u>(16,252,090)</u>
Total capital assets (net of accumulated depreciation)	<u>14,379,196</u>	<u>718,594</u>	<u>15,097,790</u>
Total noncurrent assets	<u>14,865,118</u>	<u>3,853,003</u>	<u>18,718,121</u>
Total assets	<u>15,889,062</u>	<u>5,948,771</u>	<u>21,837,833</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	257,476	752,487	1,009,963
Deferred outflows related to OPEB	<u>1,302</u>	<u>5,036</u>	<u>6,338</u>
Total deferred outflows of resources	<u>258,778</u>	<u>757,523</u>	<u>1,016,301</u>
LIABILITIES			
Current liabilities:			
Accounts payable	459,712	766,002	1,225,714
Accrued expenses	9,402	34,189	43,591
Accrued interest payable	-	4,388	4,388
Capital lease payable	-	252,205	252,205
Total current liabilities	<u>469,114</u>	<u>1,056,784</u>	<u>1,525,898</u>
Noncurrent liabilities:			
Compensated absences	122,252	224,162	346,414
Total OPEB liability	84,637	355,478	440,115
Capital lease payable	-	770,763	770,763
Net pension liability	<u>808,142</u>	<u>2,426,622</u>	<u>3,234,764</u>
Total noncurrent liabilities	<u>1,015,031</u>	<u>3,777,025</u>	<u>4,792,056</u>
Total liabilities	<u>1,484,145</u>	<u>4,833,809</u>	<u>6,317,954</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	46,168	115,287	161,455
Deferred inflows related to OPEB	<u>3,549</u>	<u>14,906</u>	<u>18,455</u>
Total deferred inflows of resources	49,717	130,193	179,910
NET POSITION			
Net investment in capital assets	13,919,509	959,462	14,878,971
Unrestricted	<u>694,469</u>	<u>782,830</u>	<u>1,477,299</u>
Total net position	<u>\$ 14,613,978</u>	<u>\$ 1,742,292</u>	<u>\$ 16,356,270</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, 2021

	<u>Airpark</u>	<u>Sanitation</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 1,356,781	\$ 8,960,856	\$ 10,317,637
Miscellaneous	-	1,824,729	1,824,729
Total operating revenues	<u>1,356,781</u>	<u>10,785,585</u>	<u>12,142,366</u>
OPERATING EXPENSES			
Personnel services	667,709	2,033,899	2,701,608
Other current expenses	504,233	7,657,788	8,162,021
Depreciation	1,439,300	234,719	1,674,019
Total operating expenses	<u>2,611,242</u>	<u>9,926,406</u>	<u>12,537,648</u>
Operating income (loss)	<u>(1,254,461)</u>	<u>859,179</u>	<u>(395,282)</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	5,097	3,079	8,176
Interest expense	-	(15,188)	(15,188)
Operating grants and contributions	14,418	-	14,418
Gain or (loss) from disposition of capital assets	-	24	24
Total nonoperating revenues (expenses)	<u>19,515</u>	<u>(12,085)</u>	<u>7,430</u>
Income (loss) before contributions and transfers	(1,234,946)	847,094	(387,852)
Capital grants and contributions	841,885	-	841,885
Transfers in	364,710	800,000	1,164,710
Change in net position	(28,351)	1,647,094	1,618,743
Total net position - beginning	14,642,329	95,198	14,737,527
Total net position - ending	<u>\$ 14,613,978</u>	<u>\$ 1,742,292</u>	<u>\$ 16,356,270</u>

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	<u>Airpark</u>	<u>Sanitation</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 619,877	\$ 11,412,675	\$ 12,032,552
Payments to suppliers/Insurer	(106,920)	(7,757,262)	(7,864,182)
Payments to employees	(595,137)	(1,972,160)	(2,567,297)
Net cash provided (used) by operating activities	<u>(82,180)</u>	<u>1,683,253</u>	<u>1,601,073</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	364,710	800,000	1,164,710
Net cash provided (used) by noncapital financing activities	<u>364,710</u>	<u>800,000</u>	<u>1,164,710</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(292,950)	(362,559)	(655,509)
Capital grants and contributions	18,759	-	18,759
Proceeds from capital debt	-	751,111	751,111
Proceeds from the sale of surplus materials/capital assets	-	24	24
Principal paid on capital lease	-	(176,626)	(176,626)
Interest paid on bonds/notes	-	(10,800)	(10,800)
Net cash provided (used) by capital and related financing activities	<u>(274,191)</u>	<u>201,150</u>	<u>(73,041)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(2,880)	(2,159,951)	(2,162,831)
Interest earnings	4,302	(3,084)	1,218
Net cash provided (used) by investing activities	<u>1,422</u>	<u>(2,163,035)</u>	<u>(2,161,613)</u>
Net increase (decrease) in cash and cash equivalents	<u>9,761</u>	<u>521,368</u>	<u>531,129</u>
Cash and cash equivalents beginning of the year	103,405	208,602	312,007
Cash and cash equivalents at end of the year	<u>\$ 113,166</u>	<u>\$ 729,970</u>	<u>\$ 843,136</u>
Non-cash transactions (investing activities):			
Change in fair value of investments	<u>\$ (12,252)</u>	<u>\$ (35,879)</u>	<u>\$ (48,131)</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income(loss)	\$ (1,254,461)	\$ 859,179	\$ (395,282)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization expense	1,439,300	234,719	1,674,019
Changes in assets and liabilities:			
(Increase decrease in assets):			
Accounts receivable	(41,774)	630,833	589,059
Due from other governments	(695,130)	(3,743)	(698,873)
Deferred outflows and inflows pensions	1,408	(5,208)	(3,800)
Increase (decrease) in liabilities			
Deferred outflows and inflows related to OPEB	43,226	116,855	160,081
Accounts and other payables	395,370	(107,635)	287,735
Accrued expenses	(18,102)	(66,120)	(84,222)
Net pension liability	13,457	12,524	25,981
Other post employment benefits (OPEB)	1,943	8,162	10,105
Compensated absences	32,583	3,687	36,270
Net cash provided (used) by operating activities:	<u>\$ (82,180)</u>	<u>\$ 1,683,253</u>	<u>\$ 1,601,073</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, 2021

	<u>Central Stores</u>	<u>Information Technology</u>	<u>Central Services</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 44,687	\$ 149,558	\$ 117,955
Interest receivable	(1,583)	2,639	2,463
Due from other governments	-	-	-
Inventories	759,368	-	41,608
Total current assets:	<u>802,472</u>	<u>152,197</u>	<u>162,026</u>
Noncurrent assets			
Investments	-	642,187	506,485
Capital assets:			
Buildings	247,163	-	7,373
Improvements	-	-	-
Machinery and equipment	84,774	3,261,040	142,318
Less accumulated depreciation	<u>(325,048)</u>	<u>(2,373,623)</u>	<u>(80,306)</u>
Total capital assets (net of accumulated depreciation)	<u>6,889</u>	<u>887,417</u>	<u>69,385</u>
Total noncurrent assets	<u>6,889</u>	<u>1,529,604</u>	<u>575,870</u>
Total assets	<u>809,361</u>	<u>1,681,801</u>	<u>737,896</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	<u>761</u>	<u>3,148</u>	<u>1,957</u>
LIABILITIES			
Current liabilities:			
Accounts payable	19,816	62,458	46,783
Accrued expenses	4,648	26,585	13,443
Due to other funds	219,869	-	-
Claims and judgments	-	-	-
Compensated absences	-	-	4,673
Total current liabilities:	<u>244,333</u>	<u>89,043</u>	<u>64,899</u>
Noncurrent liabilities			
Compensated absences	72,445	322,733	125,744
Total OPEB liability	50,783	203,130	118,493
Claims and judgments	-	-	-
Total noncurrent liabilities	<u>123,228</u>	<u>525,863</u>	<u>244,237</u>
Total liabilities	<u>367,561</u>	<u>614,906</u>	<u>309,136</u>
Deferred inflows related to OPEB	<u>2,130</u>	<u>8,517</u>	<u>4,969</u>
NET POSITION			
Net investment in capital assets	6,889	887,417	69,385
Unrestricted	<u>433,542</u>	<u>174,109</u>	<u>356,363</u>
Total net position	<u>\$ 440,431</u>	<u>\$ 1,061,526</u>	<u>\$ 425,748</u>

<u>Risk Management Health</u>	<u>Risk Management General</u>	<u>Vehicle Services</u>	<u>Total</u>
\$ 1,058,383	\$ 3,255,560	\$ 186,409	\$ 4,812,552
17,357	57,172	3,518	81,566
-	-	12,037	12,037
-	-	97,102	898,078
<u>1,075,740</u>	<u>3,312,732</u>	<u>299,066</u>	<u>5,804,233</u>
4,544,574	13,978,999	800,417	20,472,662
-	-	-	254,536
-	-	423,838	423,838
-	10,221	885,980	4,384,333
-	(7,889)	(1,128,303)	(3,915,169)
-	2,332	181,515	1,147,538
<u>4,544,574</u>	<u>13,981,331</u>	<u>981,932</u>	<u>21,620,200</u>
<u>5,620,314</u>	<u>17,294,063</u>	<u>1,280,998</u>	<u>27,424,433</u>
-	1,302	2,658	9,826
23,500	157,840	12,939	323,336
-	10,306	16,515	71,497
-	-	-	219,869
-	2,711,478	-	2,711,478
-	-	-	4,673
<u>23,500</u>	<u>2,879,624</u>	<u>29,454</u>	<u>3,330,853</u>
-	61,153	155,272	737,347
-	84,638	169,275	626,319
-	14,463,522	-	14,463,522
-	14,609,313	324,547	15,827,188
<u>23,500</u>	<u>17,488,937</u>	<u>354,001</u>	<u>19,158,041</u>
-	3,549	7,097	26,262
-	2,332	181,515	1,147,538
<u>5,596,814</u>	<u>(199,453)</u>	<u>741,043</u>	<u>7,102,418</u>
<u>\$ 5,596,814</u>	<u>\$ (197,121)</u>	<u>\$ 922,558</u>	<u>\$ 8,249,956</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, 2021

	<u>Central Stores</u>	<u>Information Technology</u>	<u>Central Services</u>
OPERATING REVENUES			
Charges for services - internal	\$ 691,525	\$ 2,929,895	\$ 1,514,578
Charges for services - other	-	-	-
Miscellaneous	-	-	5,040
Total operating revenues	<u>691,525</u>	<u>2,929,895</u>	<u>1,519,618</u>
OPERATING EXPENSES			
Personnel services	295,420	1,670,088	833,622
Other current expenses	271,102	1,141,147	615,553
Depreciation	12,546	349,679	17,009
Total operating expenses	<u>579,068</u>	<u>3,160,914</u>	<u>1,466,184</u>
Operating income (loss)	<u>112,457</u>	<u>(231,019)</u>	<u>53,434</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	(6,559)	2,908	(5,715)
Transfers in	345,863	-	-
Gain or (loss) from disposition of capital assets	-	5,100	-
Total nonoperating revenues (expenses)	<u>339,304</u>	<u>8,008</u>	<u>(5,715)</u>
Change in net position	451,761	(223,011)	47,719
Net position (deficit) - beginning	<u>(11,330)</u>	<u>1,284,537</u>	<u>378,029</u>
Net position (deficit) - ending	<u>\$ 440,431</u>	<u>\$ 1,061,526</u>	<u>\$ 425,748</u>

<u>Risk Management Health</u>	<u>Risk Management General</u>	<u>Vehicle Services</u>	<u>Total</u>
\$ 10,076,321	\$ 5,050,000	\$ 3,564,771	\$ 23,827,090
3,216,034	-	-	3,216,034
100,000	90,512	39,470	235,022
<u>13,392,355</u>	<u>5,140,512</u>	<u>3,604,241</u>	<u>27,278,146</u>
-	450,450	1,049,910	4,299,490
12,995,215	7,224,419	2,306,852	24,554,288
-	1,399	83,940	464,573
<u>12,995,215</u>	<u>7,676,268</u>	<u>3,440,702</u>	<u>29,318,351</u>
<u>397,140</u>	<u>(2,535,756)</u>	<u>163,539</u>	<u>(2,040,205)</u>
(4,380)	5,128	2,050	(6,568)
-	-	-	345,863
-	-	-	5,100
<u>(4,380)</u>	<u>5,128</u>	<u>2,050</u>	<u>344,395</u>
392,760	(2,530,628)	165,589	(1,695,810)
<u>5,204,054</u>	<u>2,333,507</u>	<u>756,969</u>	<u>9,945,766</u>
<u>\$ 5,596,814</u>	<u>\$ (197,121)</u>	<u>\$ 922,558</u>	<u>\$ 8,249,956</u>

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

	<u>Central Stores</u>	<u>Information Technology</u>	<u>Central Services</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from other funds for charges for services	\$ 691,525	\$ 2,929,895	\$ 1,519,618
Receipts from customers	-	-	-
Payments to suppliers/Insurer	(311,550)	(1,096,671)	(606,506)
Payments to employees	(302,011)	(1,670,175)	(829,902)
Claims Paid	-	-	-
Net cash provided (used) by operating activities	<u>77,964</u>	<u>163,049</u>	<u>83,210</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	345,863	-	-
Advances from (to) other funds	(407,272)	-	-
Net cash provided (used) by noncapital financing activities	<u>(61,409)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,860)	(210,176)	(42,463)
Proceeds from the sale of surplus materials/capital assets	-	5,100	-
Net cash provided (used) by capital and related financing activities	<u>(1,860)</u>	<u>(205,076)</u>	<u>(42,463)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	-	42,183	(20,632)
Interest earnings	(6,780)	2,899	(6,167)
Net cash provided (used) by investing activities	<u>(6,780)</u>	<u>45,082</u>	<u>(26,799)</u>
Net increase (decrease) in cash and cash equivalents	<u>7,915</u>	<u>3,055</u>	<u>13,948</u>
Cash and cash equivalents at beginning of the year	36,772	146,503	104,007
Cash and cash equivalents at end of the year	<u>\$ 44,687</u>	<u>\$ 149,558</u>	<u>\$ 117,955</u>
Non-cash transactions (investing activities):			
Change in fair value of investments	<u>\$ 7,716</u>	<u>\$ (11,960)</u>	<u>\$ (11,162)</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income(loss)	\$ 112,457	\$ (231,019)	\$ 53,434
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Cash flows reported in other categories			
Depreciation and amortization expense	12,546	349,679	17,009
Changes in assets and liabilities:			
Due from other governments	-	-	-
Inventories	73,612	-	(11,241)
Deferred outflows and inflows pensions	104	440	279
Increase (decrease) in liabilities:			
Deferred outflows and inflows related to OPEB	966	3,862	2,253
Accounts and other payables	(115,227)	39,812	17,567
Accrued expenses	(14,038)	(41,895)	(23,207)
Other post employment benefits (OPEB)	1,166	4,664	2,721
Compensated absences	6,378	37,506	24,395
Estimated claims payable	-	-	-
Net cash provided (used) by operating activities:	<u>\$ 77,964</u>	<u>\$ 163,049</u>	<u>\$ 83,210</u>

Risk Management Health	Risk Management General	Vehicle Services	Total
\$ 10,076,321	\$ 5,050,000	\$ 3,564,771	\$ 23,832,130
3,316,034	90,510	36,850	3,443,394
(13,012,046)	(4,935,403)	(2,323,133)	(22,285,309)
-	(447,772)	(1,058,384)	(4,308,244)
-	107,267	-	107,267
<u>380,309</u>	<u>(135,398)</u>	<u>220,104</u>	<u>789,238</u>
-	-	-	345,863
-	-	-	(407,272)
-	-	-	(61,409)
-	-	(33,537)	(288,036)
-	-	-	5,100
-	-	(33,537)	(282,936)
(238,575)	326,790	(142,089)	(32,323)
(5,136)	1,728	1,003	(12,453)
<u>(243,711)</u>	<u>328,518</u>	<u>(141,086)</u>	<u>(44,776)</u>
<u>136,598</u>	<u>193,120</u>	<u>45,481</u>	<u>400,117</u>
<u>921,785</u>	<u>3,062,440</u>	<u>140,928</u>	<u>4,412,435</u>
<u>\$ 1,058,383</u>	<u>\$ 3,255,560</u>	<u>\$ 186,409</u>	<u>\$ 4,812,552</u>
<u>\$ (78,667)</u>	<u>\$ (259,123)</u>	<u>\$ (15,946)</u>	<u>\$ (369,142)</u>
\$ 397,140	\$ (2,535,756)	\$ 163,539	\$ (2,040,205)
-	1,399	83,940	464,573
-	-	(2,619)	(2,619)
-	-	(6,213)	56,158
-	182	376	1,381
-	1,609	3,218	11,908
(16,831)	124,337	(13,956)	35,702
-	(8,128)	(33,458)	(120,726)
-	1,944	3,887	14,382
-	9,015	21,390	98,684
-	2,270,000	-	2,270,000
<u>\$ 380,309</u>	<u>\$ (135,398)</u>	<u>\$ 220,104</u>	<u>\$ 789,238</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, 2021

	General Employees' Retirement System	Police and Firefighters' Retirement System	Total
ASSETS			
Cash	\$ 27,502	\$ 17,294	\$ 44,796
Receivables:			
Accrued interest and dividends	196,697	348,763	545,460
Due from brokers	-	175,950	175,950
Other	-	178,929	178,929
Total receivables	<u>196,697</u>	<u>703,642</u>	<u>900,339</u>
Investments:			
US Government obligations	14,040,925	19,491,958	33,532,883
Mortgage backed securities	-	18,485,075	18,485,075
Municipal obligations	-	333,011	333,011
Corporate obligations	12,777,217	24,839,661	37,616,878
Equity securities	163,509,885	148,848,169	312,358,054
Hedge funds & private equity funds	21,295,184	65,773,357	87,068,541
Real estate funds	33,685,865	-	33,685,865
Money market funds	6,120,697	9,897,570	16,018,267
Total investments	<u>251,429,773</u>	<u>287,668,801</u>	<u>539,098,574</u>
Prepayments and other assets	3,415	1,837,217	1,840,632
Property & equipment, net of accumulated depreciation	-	77,332	77,332
Total assets	<u>251,657,387</u>	<u>290,304,286</u>	<u>541,961,673</u>
LIABILITIES			
Accounts payable and accrued expenses	165,087	275,733	440,820
Due to brokers	-	4,006,655	4,006,655
Total liabilities	<u>165,087</u>	<u>4,282,388</u>	<u>4,447,475</u>
NET POSITION			
Restricted for pension benefits	<u>\$ 251,492,300</u>	<u>\$ 286,021,898</u>	<u>\$ 537,514,198</u>

CITY OF POMPANO BEACH, FLORIDA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

	General Employees' Retirement System	Police and Firefighters' Retirement System	Total
ADDITIONS			
Contributions:			
Employer	\$ 10,669,376	\$ 6,385,694	\$ 17,055,070
Employee Buybacks	752,553	-	752,553
Broward County Sheriff's Office	178,649	4,751,100	4,929,749
Broward County - Library	16,423	-	16,423
Members	3,764,889	2,176,133	5,941,022
State	-	2,737,886	2,737,886
Total contributions	<u>15,381,890</u>	<u>16,050,813</u>	<u>31,432,703</u>
Investment income:			
Net appreciation in fair value of investments	45,577,382	41,313,017	86,890,399
Interest and dividends	5,144,777	4,350,714	9,495,491
Other	8,660	59,041	67,701
Total investment income	<u>50,730,819</u>	<u>45,722,772</u>	<u>96,453,591</u>
Less: investment expenses	911,860	1,470,489	2,382,349
Net investment income	<u>49,818,959</u>	<u>44,252,283</u>	<u>94,071,242</u>
Total additions	<u>65,200,849</u>	<u>60,303,096</u>	<u>125,503,945</u>
DEDUCTIONS			
Participant benefit payments	13,215,344	26,166,071	39,381,415
Benefits paid from DROP	242,034	-	242,034
Refunds of participant contributions	313,481	94,073	407,554
Administrative expenses	654,114	617,141	1,271,255
Total deductions	<u>14,424,973</u>	<u>26,877,285</u>	<u>41,302,258</u>
Net increase (decrease)	50,775,876	33,425,811	84,201,687
Net position held in trust for pension benefits			
Beginning of the year	<u>200,716,424</u>	<u>252,596,087</u>	<u>453,312,511</u>
End of the year	<u>\$ 251,492,300</u>	<u>\$ 286,021,898</u>	<u>\$ 537,514,198</u>

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.	161
<u>Revenue Capacity</u> These schedules provide additional information about Property Tax, the City's most significant local revenue source	167
<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.	174
<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.	179
<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	181

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities					
Net investment in capital assets	\$ 221,483,539	\$ 207,256,104	\$ 215,941,575	\$ 225,969,080	\$ 270,890,727
Restricted	52,668,454	48,000,383	39,320,526	40,980,733	42,731,241
Unrestricted	<u>108,003,793</u>	<u>124,388,694</u>	<u>128,134,327</u>	<u>25,217,951</u>	<u>5,078,645</u>
Total governmental-type activities net position	<u>\$ 382,155,786</u>	<u>\$ 379,645,181</u>	<u>\$ 383,396,428</u>	<u>\$ 292,167,764</u>	<u>\$ 318,700,613</u>
Business-type activities					
Net investment in capital assets	\$ 119,425,239	\$ 117,178,114	\$ 114,647,356	\$ 113,532,397	\$ 113,914,818
Restricted	6,465,995	4,660,462	3,871,104	3,843,804	4,943,714
Unrestricted	<u>42,778,697</u>	<u>48,877,564</u>	<u>52,140,506</u>	<u>47,700,594</u>	<u>47,852,883</u>
Total business-type activities net position	<u>\$ 168,669,931</u>	<u>\$ 170,716,140</u>	<u>\$ 170,658,966</u>	<u>\$ 165,076,795</u>	<u>\$ 166,711,415</u>
Primary Government					
Net investment in capital assets	\$ 340,908,778	\$ 324,434,218	\$ 330,588,931	\$ 339,501,477	\$ 384,805,545
Restricted	59,134,449	52,660,845	43,191,630	44,824,537	47,674,955
Unrestricted	<u>150,782,490</u>	<u>173,266,258</u>	<u>180,274,833</u>	<u>72,918,545</u>	<u>52,931,528</u>
Total primary government net position	<u>\$ 550,825,717</u>	<u>\$ 550,361,321</u>	<u>\$ 554,055,394</u>	<u>\$ 457,244,559</u>	<u>\$ 485,412,028</u>

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities					
Net investment in capital assets	\$ 287,768,399	\$ 296,451,107	\$ 203,060,029	\$ 308,830,055	\$ 311,774,743
Restricted	49,064,248	54,222,664	150,770,747	76,077,314	82,795,340
Unrestricted	<u>(33,588,535)</u>	<u>(58,192,514)</u>	<u>(52,626,874)</u>	<u>(62,840,498)</u>	<u>(68,104,705)</u>
Total governmental-type activities net position	<u>\$ 303,244,112</u>	<u>\$ 292,481,257</u>	<u>\$ 301,203,902</u>	<u>\$ 322,066,871</u>	<u>\$ 326,465,378</u>
Business-type activities					
Net investment in capital assets	\$ 113,231,147	\$ 127,840,934	\$ 141,661,961	\$ 133,354,593	\$ 134,315,024
Restricted	5,740,804	4,187,391	4,283,219	4,287,555	4,287,677
Unrestricted	<u>58,853,706</u>	<u>51,444,887</u>	<u>36,888,112</u>	<u>33,626,904</u>	<u>40,508,627</u>
Total business-type activities net position	<u>\$ 177,825,657</u>	<u>\$ 183,473,212</u>	<u>\$ 182,833,292</u>	<u>\$ 171,269,052</u>	<u>\$ 179,111,328</u>
Primary Government					
Net investment in capital assets	\$ 400,999,546	\$ 424,292,041	\$ 344,721,990	\$ 442,184,648	\$ 446,089,767
Restricted	54,805,052	58,410,055	155,053,966	80,364,869	87,083,017
Unrestricted	<u>25,265,171</u>	<u>(6,747,627)</u>	<u>(15,738,762)</u>	<u>(29,213,594)</u>	<u>(27,596,078)</u>
Total primary government net position	<u>\$ 481,069,769</u>	<u>\$ 475,954,469</u>	<u>\$ 484,037,194</u>	<u>\$ 493,335,923</u>	<u>\$ 505,576,706</u>

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS (accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 33,337,008	\$ 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
Public safety	72,981,195	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
Physical environment	16,514,775	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
Transportation	3,205,628	3,328,609	3,682,005	3,876,869	3,935,837	4,129,271	4,469,527	4,628,526	5,130,383	5,090,033
Economic environment	-	-	-	6,076,489	7,442,683	8,709,265	9,949,169	6,826,343	7,744,963	19,773,046
Culture and recreation	7,830,956	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
Interest on long-term debt	924,518	1,090,325	989,882	908,278	866,593	758,984	633,223	4,656,611	4,568,201	4,363,496
Total governmental activities expenses	<u>134,794,080</u>	<u>140,114,994</u>	<u>144,791,878</u>	<u>146,927,361</u>	<u>168,242,306</u>	<u>183,255,474</u>	<u>189,682,895</u>	<u>200,498,969</u>	<u>205,018,780</u>	<u>219,865,176</u>
Business-type activities:										
Utility	39,006,357	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
Sanitation	4,161,979	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
Stormwater	1,887,886	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
Pier	246,386	349,096	260,103	273,574	238,055	110,149	191,798	179,121	-	-
Airpark	1,383,706	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
Golf course	3,616,352	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
Total business-type activities expenses	<u>50,302,666</u>	<u>51,116,424</u>	<u>54,155,999</u>	<u>54,463,671</u>	<u>56,667,408</u>	<u>51,229,723</u>	<u>57,696,586</u>	<u>66,440,846</u>	<u>65,581,822</u>	<u>67,981,415</u>
Total primary government expenses	<u>\$ 185,096,746</u>	<u>\$ 191,231,418</u>	<u>\$ 198,947,877</u>	<u>\$ 201,391,032</u>	<u>\$ 224,909,714</u>	<u>\$ 234,485,197</u>	<u>\$ 247,379,481</u>	<u>\$ 266,939,815</u>	<u>\$ 270,600,602</u>	<u>\$ 287,846,591</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 10,043,560	\$ 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
Public Safety	22,086,284	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
Physical Environment	92,024	106,076	81,640	102,780	126,380	139,948	174,051	156,286	198,304	258,295
Transportation	519,767	813,641	-	-	-	-	-	-	-	-
Economic Environment	-	-	-	128,319	116,975	108,172	232,585	205,575	127,760	137,763
Culture and Recreation	1,919,986	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
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	8,261,718	11,099,519
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	4,882,104	14,833,978
Total governmental activities program revenues	<u>42,035,387</u>	<u>43,395,429</u>	<u>47,194,010</u>	<u>49,805,274</u>	<u>86,232,381</u>	<u>59,713,908</u>	<u>59,533,815</u>	<u>70,176,307</u>	<u>70,811,444</u>	<u>87,198,546</u>
Business-type activities:										
Charges for services:										
Utility	41,457,871	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
Sanitation	5,734,397	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
Stormwater	2,440,888	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
Pier	124,299	134,660	99,231	17,869	-	-	-	-	-	-
Airpark	1,021,156	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
Golf course	2,137,538	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
Operating grants and contributions	-	-	-	-	-	-	27,639	112,724	115,174	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	848,048	1,180,983
Total business-type activities program revenues	<u>53,491,840</u>	<u>54,099,348</u>	<u>54,726,982</u>	<u>58,560,295</u>	<u>57,551,863</u>	<u>58,561,161</u>	<u>63,276,866</u>	<u>63,491,012</u>	<u>65,431,092</u>	<u>70,052,793</u>
Total primary government program revenues	<u>\$ 95,527,227</u>	<u>\$ 97,494,777</u>	<u>\$ 101,920,992</u>	<u>\$ 108,365,569</u>	<u>\$ 143,784,244</u>	<u>\$ 118,275,069</u>	<u>\$ 122,810,681</u>	<u>\$ 133,667,319</u>	<u>\$ 136,242,536</u>	<u>\$ 157,251,339</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
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (accrual basis of accounting)

Schedule 2 (continued)

	<u>2012</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>
Net (Expense) Revenue										
Governmental activities	\$ (92,758,693)	\$ (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)
Business-type activities	3,189,174	2,982,924	570,983	4,096,624	884,455	7,331,438	5,580,280	(2,949,834)	(150,730)	2,071,378
Total Primary Government Net Expense	<u>\$ (89,569,519)</u>	<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>
General revenues and other changes in net position										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	\$ 43,713,354	\$ 46,061,223	\$ 46,147,415	\$ 47,922,298	\$ 53,776,846	\$ 57,018,570	\$ 57,018,570	\$ 75,636,605	\$ 80,403,039	\$ 84,920,634
Sales and use taxes	1,847,983	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
Business tax receipts	1,962,253	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
Utility taxes	9,830,191	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
Communication service taxes	5,694,717	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
Pari Mutuel	2,067,263	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
Tax increment fees - Community Redevelopment Agency	7,351,557	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
Franchise fees	7,597,790	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
State revenue sharing	7,985,879	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
Investment earnings	1,495,590	426,002	826,960	1,339,969	1,660,595	918,763	744,672	6,747,746	5,233,458	570,508
Gain on sale of capital assets	115,058	36,906	49,006	107,077	164,726	129,159	1,764,202	-	1,015,017	227,345
Miscellaneous revenue	1,288,255	1,096,266	1,099,493	800,707	800,824	946,223	817,412	772,893	717,449	1,262,977
Transfers	499,296	1,533,855	1,162,173	(42,796)	681,480	(3,117,710)	218,123	212,981	13,509,052	(1,578,741)
Total Governmental activities	<u>91,449,186</u>	<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>137,065,137</u>
Business-type activities:										
Gain on sale of capital assets	84,125	73,659	(145,266)	54,796	133,890	106,380	77,647	52,904	99,710	18,663
Investment earnings	425,541	92,380	296,748	530,059	767,787	485,291	448,343	2,384,101	1,883,328	(67,066)
Miscellaneous revenue	611,077	431,101	446,197	37,307	529,968	73,423	54,469	85,890	112,504	4,240,559
Transfers	(499,296)	(1,533,855)	(1,162,173)	42,796	(681,480)	3,117,710	(218,123)	(212,981)	(13,509,052)	1,578,741
Total Business-type activities:	<u>621,447</u>	<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>
Total Primary Government	<u>\$ 92,070,633</u>	<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>\$ 142,836,034</u>
Change in Net Position										
Governmental activities	(1,309,507)	(2,510,605)	3,769,192	2,294,820	26,532,849	(15,456,501)	(8,978,020)	8,722,645	20,862,969	4,398,507
Business-type activities:	3,810,621	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
Total Primary Government	<u>\$ 2,501,114</u>	<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>\$ 12,240,782</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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 1,380,183	\$ 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
Restricted	8,175,752	6,682,395	8,129,626	7,906,567	7,345	7,500	-	-	-	-
Assigned	3,131,562	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
Unassigned	53,823,339	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
Total General Fund	\$ 66,510,836	\$ 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
All Other Governmental Funds										
Unreserved, reported in:										
Nonspendable	1,797,162	311,520	1,375,605	1,169,430	508,810	848,999	314,917	3,348,851	3,480,252	3,628,353
Restricted	68,910,375	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
Committed	3,622,905	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
Assigned	31,258,659	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
Unassigned	(10,674)	(176,494)	-	-	-	-	(2,509,896)	(112,283)	(1)	(202,646)
Total - All Other Governmental Funds	\$ 105,578,427	\$ 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

CITY OF POMPANO BEACH, FLORIDA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Schedule 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 70,494,487	\$ 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
Judgments, fines and forfeitures	1,085,139	1,200,681	983,420	1,055,782	967,783	833,271	827,619	858,789	749,169	525,889
Permits, fees and special assessments	24,686,920	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
Intergovernmental	15,100,874	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
Charges for services	16,043,017	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
Pari-Mutuel	2,067,263	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
Donations	43,533	49,880	42,705	99,446	9,376	503,602	26,504	30,514	46,547	10,487
Investment earnings	1,249,307	365,238	683,361	1,131,172	1,407,957	918,764	744,673	6,747,746	5,233,458	570,514
Cemetary lot sales	52,332	47,288	2,641	760	167,348	135,968	-	-	-	-
Recaptured funds	1,270	14,523	1,581	27,677	522	-	-	-	-	-
Program income	847,408	488,589	1,647,617	1,206,314	845,008	371,729	886,144	884,042	882,584	3,425,309
Other revenue	916,330	1,062,012	559,355	671,666	651,627	946,225	817,411	772,893	488,440	1,262,977
Total revenues	132,587,880	135,711,976	141,457,630	148,123,459	161,042,682	168,589,497	182,166,370	207,097,361	212,137,192	229,451,467
Expenditures										
Current										
General government	23,068,801	24,023,015	23,613,044	24,445,400	23,171,303	24,218,567	22,493,184	25,793,700	25,864,034	28,072,466
Public safety	71,529,455	74,361,660	75,218,105	76,913,019	82,736,275	88,228,536	93,596,219	99,400,748	103,692,314	111,152,530
Physical environment	15,965,683	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
Transportation	2,552,176	2,644,438	2,667,389	2,831,914	2,844,640	2,913,704	3,189,245	3,299,985	3,449,987	3,468,362
Economic environment	-	-	-	-	7,442,686	8,720,541	9,625,650	6,806,837	7,598,419	19,664,200
Culture and recreation	6,711,263	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
Debt service:										
Principal	2,690,293	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
Interest	1,220,909	1,106,701	1,009,691	928,222	882,005	780,368	653,880	3,700,441	4,670,073	4,533,293
Capital outlay	25,150,062	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
Total expenditures	148,888,642	155,281,258	150,448,124	156,750,602	169,425,456	177,952,247	185,618,463	205,282,211	212,403,000	263,795,711
Excess (Deficiency) of Revenue Over (Under) Expenditures	(16,300,762)	(19,569,282)	(8,990,494)	(8,627,143)	(8,382,774)	(9,362,750)	(3,452,093)	1,815,150	(265,808)	(34,344,244)
Other Financing Sources (Uses)										
Debt proceeds	-	14,100,000	-	-	388,000	-	-	109,423,246	-	-
Initiation of a capital lease	-	-	-	1,428,088	2,257,875	-	-	1,913,511	4,009,050	1,770,846
Proceeds from sale of capital assets	107,860	100,210	54,351	118,221	164,726	129,159	1,634,202	122,472	1,015,017	1,016,278
Transfers in	25,960,746	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
Transfers out	(25,461,450)	(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)
Total	607,156	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
Net Changes in Fund Balances	\$ (15,693,606)	\$ (3,835,217)	\$ (7,773,970)	\$ (7,123,630)	\$ (4,890,693)	\$ (18,344,959)	\$ (1,599,768)	\$ 113,487,360	\$ 4,544,793	\$ (33,481,724)
Debt Service as a Percentage of Non-Capital Expenditures	3.2%	9.4%	3.1%	3.0%	3.0%	3.0%	2.7%	4.7%	4.7%	4.3%

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
ASSESS VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

FISCAL YEAR	TAX ROLL *	REAL PROPERTY **	PERSONAL PROPERTY **
2012	2011	\$ 10,431,372,238	\$ 608,684,957
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

Source: Broward County Property Appraiser

* Assessed values as certified on October 22, 2020.

** Florida Statutes require assessments at just valuation.

Note: The basis of assessed value is approximately 85% 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
\$	11,040,057,195	\$ 2,272,132,460	\$ 8,767,924,735	5.2027
	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

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
2012	2011	4.7027	0.5000	-	5.2027	5.5530	7.4180
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

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
0.4363	1.8750	0.4789	0.0860	0.0345	21.1808
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

CITY OF POMPANO BEACH, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Schedule 7

TAXPAYER (Local Exposure Recognition)	2021			TAXPAYER (Local Exposure Recognition)	2012		
	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	\$ 87,869,780	1	0.61%	PPI Inc Isle of Capri	\$ 48,233,680	1	0.55%
SE Oceanside LLC	83,428,830	2	0.58%	John Knox Village FL 451 Heritage Dr	41,919,600	2	0.48%
West Atlantic Blvd Owner LLC	78,857,270	3	0.55%	EQR Bayview LLC	39,961,210	3	0.46%
City of Pompano Beach	75,013,460	4	0.52%	John Knox Village FL 621 6th ST)	29,716,290	4	0.34%
PPF Industrial 1971-1991 NW	58,659,850	5	0.41%	Associate Grocers	29,133,400	5	0.33%
Bell Fund VI Pompano Beach LLC	57,107,990	6	0.39%	SNH/LTA Properties Trust	22,590,000	6	0.26%
Palm Vacation Group	50,636,590	7	0.35%	TA/Western LLC	22,055,580	7	0.25%
Jefferson Lighthouse Gardens LLC	48,717,110	8	0.34%	Ft Lauderdale BTS LLC	19,779,820	8	0.23%
Pompano Industrial Venture LLC	45,441,030	9	0.31%	Centro Heritage SPE 1 LLC	19,657,400	9	0.22%
EQR Bayview LLC	<u>43,671,680</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	629,403,590		4.36%	Total taxable assessed value of principal taxpayers	292,446,970		3.34%
Total taxable assessed value of other taxpayers	<u>13,839,218,198</u>		<u>95.64%</u>	Total taxable assessed value of other taxpayers	<u>8,475,477,765</u>		<u>96.66%</u>
Total taxable assessed valuation of all taxpayers	<u>\$ 14,468,621,788</u>		100.00%	Total taxable assessed valuation of all taxpayers	<u>\$ 8,767,924,735</u>		100.00%

Source: Broward County Property Appraiser
2020 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
2012	2011	\$ 45,616,882	\$ 43,005,085	94.00%
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

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
\$ 1,553,222	\$ 44,558,307	97.00%
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
-	79,911,885	90.44

CITY OF POMPANO BEACH, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Schedule 9

Fiscal Year Ended	Governmental Activities				Business-Type Activities					Total Primary Government	Percentage of Personal Income **	Per Capita **
	General Obligation Bonds	Tax Increment Bonds	Capital Lease	Notes Payable	Water and Sewer Bonds	Stormwater Bonds	Certificates of Participation	Notes Payable	Capital Lease			
2012	\$ -	\$ 22,898,514	\$ -	\$ 2,768,670	\$ 23,905,000	\$ -	\$ -	\$ 10,024,432	\$ -	\$ 59,596,616	0.01%	\$ 582.91
2013	-	25,451,352	-	2,549,682	20,535,000	-	-	9,231,550	-	57,767,584	\$ 0.01	559.82
2014	-	22,669,190	-	2,324,677	17,355,000	-	-	8,416,881	-	50,988,011	0.01	487.17
2015	-	19,867,028	1,402,567	2,093,489	14,440,000	-	23,875,000	7,579,826	-	69,407,171	0.02	653.18
2016	-	17,039,866	3,297,179	2,243,948	11,650,000	-	23,875,000	6,719,769	75,179	64,900,941	0.01	604.15
2017	-	14,192,704	2,815,688	1,842,880	8,815,000	-	23,875,000	5,836,080	-	57,377,352	0.01	524.28
2018	-	11,320,542	2,324,523	1,361,105	5,925,000	-	23,875,000	4,928,107	-	49,734,277	0.01	451.20
2019	102,865,880	10,045,000	2,404,730	5,023,439	2,990,000	-	23,875,000	3,995,185	274,072	151,473,306	0.03	1,351.74
2020	101,105,600	9,280,000	5,219,150	4,553,693	-	-	23,775,000	8,284,671	448,483	152,666,597	0.03	1,351.74
2021	99,214,042	8,490,000	5,596,788	4,075,672	10,375,000	9,140,000	23,275,000	7,081,561	1,022,968	159,131,031	0.03	1,406.45

Notes:

* Indicates information is not available

** See Schedule 14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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 **
2012	\$ -	\$ -	\$ -	0.00%	0.00
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%	875.56

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, 2021

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Broward County	\$ 97,455	6.91%	\$ 6,734
Broward County School Board	605,165	6.91%	<u>41,817</u>
Subtotal, overlapping debt			48,551
City of Pompano Beach, Florida direct debt			
City direct debt (ad valorem security)	-		99,214
City direct debt (non ad valorem security)			<u>18,162</u>
Subtotal, direct debt			<u>117,376</u>
Total direct and overlapping debt	\$ 702,620	13.82	<u>\$ 165,927</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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 1,315,188,710	\$ 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
Legal debt margin	<u>\$ 1,315,188,710</u>	<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>
Legal Debt Margin Calculation for Fiscal Year 2021										
Assessed Value	\$ 14,468,621,788									
Debt Limit (15% of assessed value)	2,170,293,268									
Debt applicable to limit										
General obligation bonds	99,214,042									
Less Amount set aside for repayment of general obligation debt										
Total net debt applicable to limit										
Legal debt margin	<u>\$ 2,071,079,226</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
UTILITY PLEDGED REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS

Schedule 13

FISCAL YEAR ENDED	(1) GROSS REVENUES	(2) OPERATING EXPENSES	(3) NET REVENUE AVAILABLE FOR DEBT SERVICE (1)-(2)	DEBT SERVICE CASH REQUIREMENTS			COVERAGE (3):(4)
				PRINCIPAL	INTEREST	(4) TOTAL	
2012	\$ 41,308,536	\$ 24,236,123	\$ 17,072,413	\$ 3,225,000	\$ 1,140,118	\$ 4,365,118	3.91%
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	5.64%
2021	49,533,894	32,154,542	17,379,352	140,000	50,294	190,294	91.33%

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

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
2012	102,239	\$ 4,266,536	\$ 41,731	42.7	81.0 %	12,029	7.1%
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	*	*	*	*	10,483	3.8

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

<u>Employer</u>	2021			<u>Employer</u>	2012		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>		<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
City of Pompano Beach	1,239	1	1.64%	PPI Inc (Isle Capri)	1168	1	2.25%
Point Blank Enterprises	1,093	2	1.45%	City of Pompano Beach	824	2	1.09%
WalMart (3)	702	3	0.93%	Broward County Correctional	700	3	0.93%
Broward County Correctional	698	4	0.93%	WalMart	687	4	0.91%
Associated Grocers	615	5	0.82%	Publix	655	5	0.87%
Publix (4)	589	6	0.78%	John Knox Village	630	6	0.84%
John Knox Village	501	7	0.66%	Point Blank Solutions	500	7	0.66%
Palm Aire Country Club	455	8	0.60%	Aetna RX Home Delivery LLC	490	8	0.65%
FedEx & FedEx Ground	452	9	0.60%	Associated Grocers of Florida	300	9	0.40%
Freshpoint Produce & Dairy	420	10	0.56%	Pompano Masonry Corporation	300	10	0.40%

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>2012</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>
General Government										
City Commissioners	6	6	6	6	6	6	6	6	6	6
City Manager	5	4	4	4	5	5	7	7	7	7
Public Information Office	3	4	4	4	4	4	4	4	4	3
City Attorney	6	6	6	6	6	6	6	6	6	6
City Clerk	4	4	4	4	4	4	4	5	5	5
Human Resources	5	5	5	5	5	5	5	6	6	6
Internal Audit	3	3	3	3	3	3	3	3	3	3
Cultural Affairs	-	-	-	-	-	-	1	8	11	9
Economic Development	-	-	-	-	1	1	1	1	1	1
Northwest CRA	1	2	2	2	2	5	5	8	8	8
East CRA	1	1	1	1	1	1	1	3	3	4
Office of Housing and Social Services	-	-	-	-	-	-	2	3	3	3
Tourism and Marketing	-	-	-	-	2	2	2	2	2	5
Performance Management	-	-	-	-	-	-	1	1	1	1
Finance	22	22	22	22	24	24	26	26	27	27
Fire & EMS	217	217	217	217	217	232	232	239	247	249
Development Services	68	69	71	74	25	27	27	28	28	31
Building Inspections	-	-	-	-	50	51	53	54	62	62
Office of Housing & Urban Improvement	6	7	6	6	2	6	6	6	6	6
Public Works	136	136	141	143	142	141	135	136	137	137
Parks & Recreation	56	53	52	50	50	50	50	55	58	58
Project Administration	-	-	-	-	5	5	5	6	6	7
Utilities	115	114	114	115	116	117	118	118	118	121
Stormwater	8	8	8	11	11	11	10	10	10	12
Airpark	5	5	5	5	5	5	5	5	5	5
Golf	9	9	10	10	10	10	10	10	10	10
Solid Waste	3	3	3	3	3	14	21	21	21	21
Internal Services	33	33	31	31	32	33	34	34	34	34
Parking	-	-	-	-	-	-	-	1	1	1
Total	712	711	715	722	731	768	780	812	836	848

Source: City Budget Office

CITY OF POMPANO BEACH, FLORIDA
OPERATING INDICATORS BY FUNCTION / PROGRAM
LAST TEN FISCAL YEARS

Schedule 17

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Program										
Public Safety										
Fire										
Emergency responses	17,753	17,753	18,541	20,430	19,987	21,262	20,645	29,337	27,326	27,627
Fires Extinguished	333	354	332	328	360	363	345	292	292	293
Inspections	5,213	6,551	6,113	4,209	6,868	10,640	7,707	6,288	4,492	4,721
Uniformed Employees	185	185	185	186	182	197	198	212	236	214
Non-Uniformed Employees	8	8	8	7	7	7	7	9	11	13
Building Permits										
Permits Issued	15,827	12,323	13,213	14,283	12,599	12,434	19,665	21,769	18,263	18,946
Estimated Value	164,631,190	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
City Clerk										
No. of Registered Voters	58,284	61,263	61,496	55,964	55,964	62,449	61,143	61,671	67,648	68,124
No. of Ballots Cast	7,672	6,346	-	26,171	-	44,323	-	-	14,648	50,577
Districts Voting	1,2,3,4,5	2,4	-	1,2,3,4,5	-	5	-	1,2,3,4,5	1,2,3,4,5	1,2,3,4,5
Recreation Centers-Attendance										
Emma Lou Olson	91,902	88,696	61,811	61,775	60,428	53,099	66,675	60,986	19,383	20,461
McNair	44,364	40,338	42,464	44,364	40,421	40,199	48,926	43,958	12,680	6,500
Mitchell/Moore	69,622	41,449	26,698	34,252	36,147	43,952	45,580	62,500	12,631	53,120
Skolnick	54,775	38,225	32,728	38,975	41,127	39,203	48,192	36,569	16,479	6,971
Pompano Highlands	21,070	20,057	24,489	21,130	11,862	13,193	18,695	15,410	7,074	4,130
North Pompano	31,316	60,629	28,347	32,000	25,277	30,169	32,287	32,483	5,917	16,122
E. Pat Larkins	33,954	47,011	19,874	39,411	44,532	53,863	45,910	42,819	19,526	22,389
Charlotte Burrie	-	-	-	-	-	-	-	-	-	2,479
Utility										
Municipal Water System										
Active Water Accounts	18,200	18,312	18,489	18,721	18,802	18,870	18,977	19,014	19,135	19,281
New Active Accounts	130	112	165	154	113	53	57	37	50	47
Active Reclaimed Water Accounts	579	671	782	882	1,016	1,096	1,187	1,664	1,685	1,710
Metered Sales (Billion Gallons)	5	4	4	5	5	5	5	5	5	5
Average Gallons (1,000) Billed Per Day	12,841	12,841	12,219	12,823	12,967	13,158	12,677	13,074	12,596	12,387
Reclaimed Water (Million Gals.)	558	720	794	877	764	751	747	889	889	848
Water Main Breaks	213	229	107	64	64	59	-	3	1	2
Plant Capacity Million Gals./Day	50	50	50	50	50	50	50	50	50	50
Municipal Sewer System										
Active Accounts	16,158	16,312	16,434	16,637	16,713	16,798	16,892	16,904	17,018	17,135
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	5	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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Function / Program</u>										
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	271	267	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	171	173	200	200	200	202	202	202
Canals & waterways	32	32	32	32	32	32	32	32	32	32
Storm drainage	111	100	102	103	117	119	120	121	122	123
City-owned streetlights	1,100	1,176	1,058	1,248	1,398	1,398	1,398	1,222	1,222	1,222
FP&L owned streetlights	5,375	5,399	5,392	5,376	5,377	5,355	5,355	5,355	5,355	5,463
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	49	50	50	50	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	263.17	270.17	270.17	270.17	270.17	270.17
Golf course (acres)	307	307	340	340	340	340	340	340	340	340
Recreation centers	7	7	7	7	7	7	7	7	7	8
Municipal water system										
Water mains (miles)	281	281	275	280	279	274	274	273	273	273
Reuse water mains (miles)	27.1	24.0	29.0	29.6	29.6	29.6	27.6	30.6	30.7	32.4
Fire hydrants	2,039	2,025	2,025	2,018	2,045	2,033	2,034	2,038	2,042	2,054
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	195	196
Wastewater force main (miles)	69	59	59	59	59	59	61	59	59	59
Wastewater lift stations	78	77	77	77	77	78	77	80	80	80