

TOWN OF HOLLYWOOD PARK, TEXAS

**ANNUAL
FINANCIAL REPORT**

**FISCAL YEAR ENDED
SEPTEMBER 30, 2016**

TOWN OF HOLLYWOOD PARK
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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TOWN OF HOLLYWOOD PARK

PRINCIPAL OFFICERS

TOWN OFFICIALS

MAYOR

CHRIS FAILS

TOWN COUNCIL

STEVE PHILLIPS

DEBBIE TRUEMAN

DAVID NEUGEBAUER

CHRIS MURPHY

CULLEN SCHWARZ

TOWN SECRETARY

JANICE ALAMIA

ATTORNEY

MICHAEL S. BRENNAN

SHAREHOLDERS:

Nancy L. Vaughan, CPA

Deborah F. Fraser, CPA

Phil S. Vaughan, CPA



Armstrong, Vaughan & Associates, P.C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Town Council
Town of Hollywood Park

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 Town of Hollywood Park, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Town of Hollywood Park's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Town of Hollywood Park's 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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 Town of Hollywood Park, as of September 30, 2016, 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.

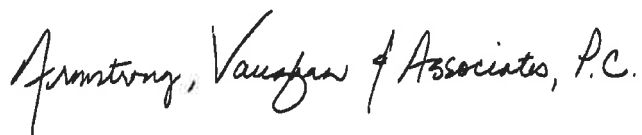
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules as listed 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 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 Town of Hollywood Park's basic financial statements as a whole. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Armstrong, Vaughan & Associates, P.C.

December 23, 2016



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Town of Hollywood Park's annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year ended September 30, 2016. Please read it in conjunction with the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

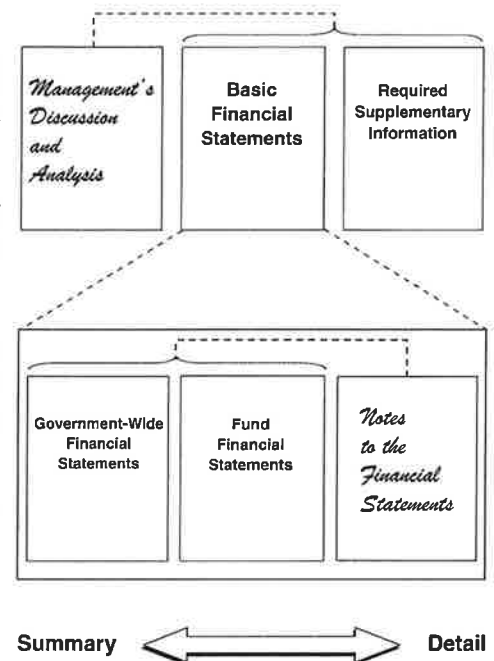
- The Town's total combined net position was \$9.8 million at September 30, 2016.
- During the year, the Town's governmental activities expenses were \$1.2 million less than the \$4.9 million generated in general and program revenues for governmental activities. The total cost of the Town's governmental programs increased 15% from the prior year.
- The general fund reported a fund balance this year of \$2.1 million, a decrease of \$420 thousand, largely due to transfers to support the Donella street reconstruction project.
- The Town agreed to a lease purchase of three vehicles during the fiscal year and issued \$3.7 million in bonds for the construction of the new Voigt Community center.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the Town's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services 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*.

Figure A-1F, Required Components of the Town's Annual Financial Report



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 A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-2. Major Features of the Town's Government-wide and Fund Financial Statements			
Type of Statements	Fund Statements		
	Government-wide	Governmental Funds	Proprietary Funds
<i>Scope</i>	Entire Town's government (except fiduciary funds) and the Town's component units	The activities of the town that are not proprietary or fiduciary	Activities of the Town that operate similar to private businesses: sewer
<i>Required financial statements</i>	• Statement of net position	• Balance Sheet	• Statement of net position
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of revenues, expenses & changes in net position • Statement of cash flows
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid

Figure A-2 summarizes the major features of the Town's financial statements, including the portion of the Town government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. Net position—the difference between the Town's assets and liabilities—is one way to measure the Town's financial health or *position*.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town, one needs to consider additional non-financial factors such as changes in the Town's tax base.
- The government-wide financial statements of the Town include the *Governmental activities*. Most of the Town's basic services are included here, such as general government, public safety, highways and streets, sanitation, economic development, culture and recreation, and interest on long-term debt. Property taxes and charges for services finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's most significant *funds*—not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Town Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The Town has the following kinds of funds:

- *Governmental funds*—Most of the Town's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, which explains the relationship (or differences) between them.
- *Proprietary funds*—Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

The Town's combined net position was \$9.8 million at September 30, 2016. (See Table A-1).

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2016	2015	2016	2015	2016	2015	
<i>Assets:</i>							
Current Assets	\$ 8,456,636	\$ 5,516,741	\$ 189,059	\$ 176,313	\$ 8,645,695	\$ 5,693,054	51.9
Capital Assets (net)	6,491,516	3,731,415	-	-	6,491,516	3,731,415	74.0
<i>Total Assets</i>	<u>14,948,152</u>	<u>9,248,156</u>	<u>189,059</u>	<u>176,313</u>	<u>15,137,211</u>	<u>9,424,469</u>	60.6
<i>Deferred Outflows</i>	<u>363,975</u>	<u>172,589</u>	<u>-</u>	<u>-</u>	<u>363,975</u>	<u>172,589</u>	110.9
<i>Liabilities:</i>							
Current Liabilities	1,297,534	448,324	8,757	11,510	1,306,291	459,834	184.1
Long-Term Liabilities	4,421,458	534,924	-	-	4,421,458	534,924	726.6
<i>Total Liabilities</i>	<u>5,718,992</u>	<u>983,248</u>	<u>8,757</u>	<u>11,510</u>	<u>5,727,749</u>	<u>994,758</u>	475.8
<i>Deferred Inflows</i>	<u>5,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,206</u>	<u>-</u>	100.0
<i>Net Position:</i>							
Invested in Capital Assets	4,850,040	3,707,512	-	-	4,850,040	3,707,512	30.8
Restricted	2,308,869	2,148,629	-	-	2,308,869	2,148,629	7.5
Unrestricted	2,429,020	2,581,356	180,302	164,803	2,609,322	2,746,159	(5.0)
<i>Total Net Position</i>	<u>\$ 9,587,929</u>	<u>\$ 8,437,497</u>	<u>\$ 180,302</u>	<u>\$ 164,803</u>	<u>\$ 9,768,231</u>	<u>\$ 8,602,300</u>	13.6

The unrestricted net position represents resources available to fund the programs of the Town next year.

Governmental Activities

- Property appraisal value increased for the fiscal year ending September 30, 2016, increasing property tax revenues by \$201 thousand to \$2.4 million.

Table A-2
Changes in Town's Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2016	2015	2016	2015	2016	2015	
<i>Program Revenues:</i>							
Charges for Services	\$ 291,484	\$ 231,547	\$ 127,472	\$ 115,217	\$ 418,956	\$ 346,764	20.8
Operating Grants and Contributions	6,831	8,446	-	-	6,831	8,446	(19.1)
Capital Grants	500,000	0	-	-	500,000	-	100.0
<i>General Revenues:</i>							
Taxes	3,905,687	3,538,355	-	-	3,905,687	3,538,355	10.4
License Agreements	200,000	245,000	-	-	200,000	245,000	(18.4)
Interest Earnings	12,046	2,511	12	14	12,058	2,525	377.5
Miscellaneous	7,949	13,203	-	-	7,949	13,203	(39.8)
<i>Total Revenues</i>	<u>4,923,997</u>	<u>4,039,062</u>	<u>127,484</u>	<u>115,231</u>	<u>5,051,481</u>	<u>4,154,293</u>	21.6
<i>Program Expenses:</i>							
General Government	793,596	611,955	-	-	793,596	611,955	29.7
Police	974,651	924,292	-	-	974,651	924,292	5.4
Fire	1,125,617	968,695	-	-	1,125,617	968,695	16.2
Public Works	230,258	227,016	-	-	230,258	227,016	1.4
Municipal Court	82,147	84,098	-	-	82,147	84,098	(2.3)
Recreation	126,065	117,770	-	-	126,065	117,770	7.0
Sanitation	339,779	339,779	-	-	339,779	339,779	0.0
Sewer	-	-	111,985	101,672	111,985	101,672	10.1
Interest on Debt	101,452	2,158	-	-	101,452	2,158	4601.2
<i>Total Expenses</i>	<u>3,773,565</u>	<u>3,275,763</u>	<u>111,985</u>	<u>101,672</u>	<u>3,885,550</u>	<u>3,377,435</u>	15.0
Change in Net Position	<u>\$ 1,150,432</u>	<u>\$ 763,299</u>	<u>\$ 15,499</u>	<u>\$ 13,559</u>	<u>\$ 1,165,931</u>	<u>\$ 776,858</u>	(50.1)

Table A-3 presents the cost of each of the Town's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars. The cost of all *governmental* activities this year was \$3.8 million. Taxpayers paid for 63% of these activities through property taxes of \$2.4 million. 8% of the cost was paid by those who directly benefited from the programs.

Table A-3
Net Cost of Selected Town Functions

	Total Cost of Services			Percentage Change	Net Cost of Services			Percentage Change
	2016	2015			2016	2015		
General Government	\$ 793,596	\$ 611,955	29.7		\$ 671,891	\$ 508,945	32.0	
Police	974,651	924,292	5.4		967,098	916,353	5.5	
Fire	1,125,617	968,695	16.2		1,124,649	967,278	16.3	
Public Works	230,258	227,016	1.4		230,258	227,016	1.4	
Municipal Court	82,147	84,098	(2.3)		(84,518)	(31,965)	164.4	
Recreation	126,065	117,770	7.0		(375,359)	106,206	(453.4)	
Sanitation	339,779	339,779	0.0		339,779	339,779	0.0	
Sewer	111,985	101,672	10.1		(15,487)	(13,545)	14.3	

Business-Type Activities

Revenues of the Town's Sewer business-type activities increased 11% to \$127 thousand, and operating expenses increased 10% to \$111 thousand. San Antonio Water System (SAWS) bills these accounts for the Town and charges the Town for the consumption. Expenditures are affected by the SAWS rates, while the revenues are based on the Town's established rates. Fluctuations in revenues and expenses are primarily related to consumption patterns. SAWS is known to slightly increase their rates annually in January.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Revenues from governmental fund types totaled \$4.9 million, an increase of 22% from the preceding year. The increase is attributable to property tax values, improving sales tax collections, and a capital grant for the Voigt Center of \$500 thousand.

Budgetary Highlights

The Town's actual expenditures in the General Fund were \$311 thousand less than budgeted amounts, however fund balance decreased \$198 thousand more than expected. The General Fund contributed more to the Donella project through transfers to the street maintenance fund that were not anticipated this year. The Economic Development Corporation's expenditures were under budget by \$17 thousand.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2016, the Town had invested \$9.6 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. Significant additions were made in 2016 for construction on the Voigt Center and Donella street reconstruction. (See Table A-4.)

Table A-4
Town's Capital Assets
(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2016	2015	2016	2015	2016	2015	
Land	\$ 572	\$ 572	\$ -	\$ -	\$ 572	\$ 572	0.0
Buildings and Improvements	2,406	2,510	-	-	2,406	2,510	(4.1)
Equipment	2,117	2,042	-	-	2,117	2,042	3.7
Infrastructure	1,236	1,234	-	-	1,236	1,234	0.2
Construction in Progress	3,314	297	-	-	3,314	297	1015.8
Totals at Historical Cost	9,645	6,655	-	-	9,645	6,655	44.9
Total Accumulated Depreciation	(3,152)	(2,922)	-	-	(3,152)	(2,922)	7.9
Net Capital Assets	<u>\$ 6,493</u>	<u>\$ 3,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,493</u>	<u>\$ 3,733</u>	73.9

More detailed information about the Town's capital assets is presented in the notes to the financial statements.

Long Term Debt

At year-end the Town had capital leases outstanding of \$83 thousand as shown in Table A-5. In addition, the Town issued \$3.7 million in new bonds for the Voigt Center construction to be repaid with venue taxes. More detailed information about the Town's debt is presented in the notes to the financial statements.

Town's Long-Term Debt
(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2016	2015	2016	2015	2016	2015	
Capital Leases	\$ 83	\$ 24	\$ -	\$ -	\$ 83	\$ 24	247.5
Bonds	3,700	-	-	-	3,700	-	100.0
Total Long-Term Debt	<u>\$ 3,783</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,783</u>	<u>\$ 24</u>	<u>15726.7</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal year 2017 budget, tax rates, and fees that will be charged. The economic outlook for Bexar County remains stable. The Town's budget levels remain similar to previous years.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Town Hall at (210) 494-2023.



BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – Wide Financial Statements
- Fund Financial Statements:
 - Governmental Funds
 - Proprietary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.



TOWN OF HOLLYWOOD PARK
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 4,638,002	\$ 107,484	\$ 4,745,486
Restricted Cash - Voigt Construction	2,962,463	-	2,962,463
Receivables (net of allowances for uncollectibles):			
Ad Valorem Taxes	88,023	-	88,023
Other	821,706	10,071	831,777
Internal Balances	(71,504)	71,504	-
Prepaid Expenses	17,946	-	17,946
Capital Assets (net)	6,491,516	-	6,491,516
TOTAL ASSETS	<u>14,948,152</u>	<u>189,059</u>	<u>15,137,211</u>
DEFERRED OUTFLOWS			
Deferred Pension Related Outflows	363,975	-	363,975
TOTAL DEFERRED OUTFLOWS	<u>363,975</u>	<u>-</u>	<u>363,975</u>
LIABILITIES			
Accounts Payable	758,180	8,757	766,937
Wages Payable	77,826	-	77,826
Accrued Interest	8,059	-	8,059
Deposits	5,526	-	5,526
Unearned Billboard Revenue	182,851	-	182,851
Accrued Compensated Absences	117,274	-	117,274
Long-term Debt Due Within One Year	147,818	-	147,818
<i>Noncurrent Liabilities:</i>			
Long-term Debt Due in More Than One Year	3,635,234	-	3,635,234
Net Pension Liability	786,224	-	786,224
TOTAL LIABILITIES	<u>5,718,992</u>	<u>8,757</u>	<u>5,727,749</u>
DEFERRED INFLOWS			
Deferred Pension Related Inflows	5,206	-	5,206
TOTAL DEFERRED INFLOWS	<u>5,206</u>	<u>-</u>	<u>5,206</u>
NET POSITION			
Net Investment in Capital Assets	4,850,040	-	4,850,040
Restricted for:			
Tourism Development	192,121	-	192,121
Economic Development	324,271	-	324,271
Venue Construction and Maintenance	1,740,617	-	1,740,617
Municipal Court	18,028	-	18,028
Police	602	-	602
Donor Stipulations	6,642	-	6,642
Public Service	26,588	-	26,588
Unrestricted	2,429,020	180,302	2,609,322
TOTAL NET POSITION	<u>\$ 9,587,929</u>	<u>\$ 180,302</u>	<u>\$ 9,768,231</u>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<i>Governmental Activities:</i>				
General and Administrative	\$ 793,596	\$ 121,705	\$ -	\$ -
Police	974,651	1,690	5,863	-
Fire	1,125,617	-	968	-
Public Works	230,258	-	-	-
Municipal Court	82,147	166,665	-	-
Recreation	126,065	1,424	-	500,000
Sanitation	339,779	-	-	-
Interest on Long-term Debt	101,452	-	-	-
<i>Total Governmental Activities</i>	<u>3,773,565</u>	<u>291,484</u>	<u>6,831</u>	<u>500,000</u>
<i>Business-Type Activities:</i>				
Sewer	<u>111,985</u>	<u>127,472</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 3,885,550</u>	<u>\$ 418,956</u>	<u>\$ 6,831</u>	<u>\$ 500,000</u>
General Revenues:				
Taxes				
Ad Valorem Taxes				
Franchise Taxes				
Sales Taxes				
Hotel Occupancy Tax				
License Agreements				
Interest and Investment Earnings				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position at Beginning of Year				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position
Primary Government

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (671,891)		\$ (671,891)
(967,098)		(967,098)
(1,124,649)		(1,124,649)
(230,258)		(230,258)
84,518		84,518
375,359		375,359
(339,779)		(339,779)
(101,452)		(101,452)
<u>(2,975,250)</u>		<u>(2,975,250)</u>
	\$ 15,487	15,487
		<u>(2,959,763)</u>
2,410,221	-	2,410,221
305,062	-	305,062
1,149,932	-	1,149,932
40,472	-	40,472
200,000	-	200,000
12,046	12	12,058
7,949	-	7,949
<u>4,125,682</u>	<u>12</u>	<u>4,125,694</u>
1,150,432	15,499	1,165,931
<u>8,437,497</u>	<u>164,803</u>	<u>8,602,300</u>
<u>\$ 9,587,929</u>	<u>\$ 180,302</u>	<u>\$ 9,768,231</u>

TOWN OF HOLLYWOOD PARK
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Major Fund General Fund	Major Fund Venue Tax	Major Fund Economic Development
ASSETS			
Cash and Cash Equivalents	\$ 2,485,568	\$ 1,197,099	\$ 303,679
Cash Restricted for Voigt Center Construction	-	2,962,463	-
Receivables (net of allowances for uncollectibles):			
Property Taxes	88,023	-	-
Other Receivables	163,550	549,628	24,814
Due from Other Funds	19,786	-	-
Prepaid Items	17,946	-	-
TOTAL ASSETS	\$ 2,774,873	\$ 4,709,190	\$ 328,493
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 88,601	\$ 457,708	\$ 656
Wages Payable	77,826	-	-
Deposits	5,526	-	-
Due to Other Funds	267,381	6,110	3,566
Unearned Revenue	123,562	-	-
<i>Total Liabilities</i>	<u>562,896</u>	<u>463,818</u>	<u>4,222</u>
<i>Deferred Inflows of Resources:</i>			
Unavailable Property Tax Revenue	81,324	-	-
<i>Fund Balances:</i>			
Nonspendable for:			
Prepaid Items	17,946	-	-
Restricted for:			
Tourism Development	-	-	-
Economic Development	-	-	324,271
Venue Construction and Maintenance	-	4,245,372	-
Municipal Court	-	-	-
Police	-	-	-
Donor Stipulations	-	-	-
Public Service	-	-	-
Assigned for:			
Capital Projects	-	-	-
Unassigned	2,112,707	-	-
<i>Total Fund Balances</i>	<u>2,130,653</u>	<u>4,245,372</u>	<u>324,271</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,774,873	\$ 4,709,190	\$ 328,493

See accompanying notes to basic financial statements.

Major Fund Street Maintenance	Other Nonmajor Funds	Total Governmental Funds
\$ 39,819	\$ 611,838	\$ 4,638,003
-	-	2,962,463
-	-	88,023
71,366	12,349	821,707
159,276	36,602	215,664
-	-	17,946
<u>\$ 270,461</u>	<u>\$ 660,789</u>	<u>\$ 8,743,806</u>
\$ 211,172	\$ 43	\$ 758,180
-	-	77,826
-	-	5,526
-	10,110	287,167
59,289	-	182,851
<u>270,461</u>	<u>10,153</u>	<u>1,311,550</u>
-	-	81,324
-	-	17,946
-	192,121	192,121
-	-	324,271
-	-	4,245,372
-	18,028	18,028
-	602	602
-	6,642	6,642
-	26,588	26,588
-	406,655	406,655
-	-	2,112,707
<u>-</u>	<u>650,636</u>	<u>7,350,932</u>
<u>\$ 270,461</u>	<u>\$ 660,789</u>	<u>\$ 8,743,806</u>



TOWN OF HOLLYWOOD PARK
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$	7,350,932
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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 funds.		6,491,516
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		81,321
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Accrued compensated absences are not due and payable in the current period and, therefore, not reported in the funds.		(117,274)
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Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, not reported in the funds.		
Long-term Liabilities	(3,783,052)	
Related Accrued Interest	(8,059)	(3,791,111)

Net pension liabilities (and related deferred outflows of resources) do not consume current financial resources and are not reported in the funds.		
Net Pension Liability	(786,224)	
Net Pension Deferred Outflows (Inflows)	358,769	(427,455)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	9,587,929
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TOWN OF HOLLYWOOD PARK
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-Type Activities Sewer Fund
Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 145,192
Cash Paid to Suppliers for Goods and Services	(114,738)
Net Cash Provided (Used) by Operating Activities	<u>30,454</u>
Cash Flows From Investing Activities:	
Investment Interest Received	12
Net Cash Provided (Used) by Investing Activities	<u>12</u>
Cash Flows From Noncapital Financing Activities:	
Interfund Borrowings	(41,619)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(41,619)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,153)
Cash and Cash Equivalents at Beginning of Year	<u>118,637</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 107,484</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 15,487
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Operating Assets:	
Accounts Receivable	17,720
Increase (Decrease) in Current Liabilities:	
Accounts Payable	(2,753)
Total Adjustments to Reconcile Operating Activities	<u>14,967</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 30,454</u></u>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Hollywood Park, Texas (“Town”) was incorporated in 1955 under the provisions of the State of Texas. The Town operates under a General Law Charter, which was adopted October 5, 1951. The Town provides the following services as authorized by its charter: police and fire protection, sanitation, parks and recreation, general administrative services, and sewer services.

The financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. REPORTING ENTITY

Component Units

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations; thus, data from these units, if any existed, would be combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government. As of September 30, 2016, the Town had one component unit that is blended in these financial statements:

Hollywood Park Economic Development Corporation

The Town exerts significant control over the Economic Development Corporation (EDC), a legally separate entity. The EDC uses the taxing authority of the Town and exists only to benefit the Town and its community. Town Council appoints all members of the Board and approves all expenditures. This qualifies the EDC as a component unit, which is recorded as a separate fund of the Town, using the blended method described in the previous paragraph. The EDC collects a ¼ cent sales tax to promote the economic growth in the Town of Hollywood Park. The EDC does not issue separate financial statements.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the Town. The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. **GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS** (Continued)

The statement of activities reflects the degree to which the direct expenses of a given function or segments 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 or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds and proprietary funds. The General Fund, Venue Tax Fund, Street Maintenance and Economic Development Fund all meet the criteria as *major governmental funds*.

3. **MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue types which have been accrued consist of revenue from the investments, property taxes, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes, grants not restricted to specific programs, investment earnings, and other miscellaneous revenues.

Governmental fund level financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured and payment is due.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

The government reports the following major governmental funds:

The General Fund is the general operating fund of the Town and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, police, fire, recreation, public works, municipal court and sanitation.

Venue Tax Fund is used to account for proceeds from a ½ cent sales tax to fund various venues in the Town. Currently it is funding the development and operations of Triangle Park and Voigt Center.

Economic Development Fund is used to account for the ¼ cent sales tax used to promote business development in the Town. This fund is a separate legal entity reported as a blended component unit of the Town.

Street Maintenance Fund is used to account for proceeds from a ¼ cent sales tax to fund street maintenance in the Town.

The Town has the following nonmajor governmental funds: Court Technology, Court Security, Grants & Donations, PEG Fund, Voigt Center Maintenance, Asset Forfeiture, Hotel Tax, Capital Projects, and Asset Seizure.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position and cash flows. The Town's Proprietary Fund is the Sewer Fund (used to account for the provision of sewer services to residents).

The **Proprietary Fund** is accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the Town.

5. INVESTMENTS

State statutes authorize the Town to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (e). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. The Town has all its monies in interest bearing checking accounts, savings accounts, and government investment pools. Earnings from these investments are added to each account monthly or quarterly. Investments are carried at fair market value except for certificates of deposit which are carried at amortized cost.

6. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2015 and past due after January 31, 2016. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior years' levy are shown net of an allowance for uncollectibles; however, presently the Town estimates that all accounts are collectible.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the Town. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. PREPAID ITEMS

Payments made for goods and services in advance are recorded as prepaid items on the balance sheet.

8. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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 from other funds” or “due to other funds” on the fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

9. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period while a deferred inflow of resources is an acquisition of net position. These items are presented in separate section following assets (deferred outflows) or liabilities (deferred inflows) on the statement of net position.

Property tax revenues are recognized when they become both measurable and available in the fund statements. Available means when due, or past due, and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Property tax revenue not expected to be available for the current period are reflected as deferred revenue. Unavailable revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and reimbursement revenues received in advance of expenses/expenditures are reflected as unavailable revenue.

10. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business type activities column in the government-wide financial statements. Capital assets such as equipment are defined as assets with a cost of \$2,000 or more and a useful life in excess of 1 year. Infrastructure assets include Town-owned streets, sewer, sidewalks, curbs and bridges. Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest has not been capitalized during the construction period on property plant and equipment.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. CAPITAL ASSETS (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Estimated Life</u>
Buildings and Improvements	5 to 30 years
Streets and Infrastructure	5 to 25 years
Furniture, Fixtures, Vehicles	5 to 25 years

11. COMPENSATED ABSENCES

Full-time employees earn vacation leave at varying rates depending on length of service and department worked. No more than 20 days (160 hours for regular employees, 240 for firefighters, and 200 hours for police) may be carried over annually. Accumulated vacation leave is paid on termination.

Full-time employees earn sick leave monthly at varying rates depending on their department. Sick leave benefits carryover each year up to a maximum of 584 hours for regular employees, 876 hours for firefighters and 730 hours for police. Unused sick leave is not paid upon termination. Liabilities for compensated absences are recognized in the fund statements only to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

12. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt (including capital leases) and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts are deferred and amortized over the life of the bond. 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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

13. PENSIONS

The net pension liability, deferred inflows and outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS), and additions to and deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. FUND BALANCES

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – Represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid items) or legally required to remain intact.

Restricted - Represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed - Represents amounts that can only be used for a specific purpose by a resolution of Town Council. Committed amounts cannot be used for any other purpose unless the Town Council removes those constraints through the same formal action.

Assigned - Represents amounts which the Town intends to use for a specific purpose but do not meet the criteria of restricted or committed. Assignments may be created by the Council or Finance Director.

Unassigned - Represents the residual balance that may be spent on any other purpose of the Town.

When an expenditure is incurred for a purpose in which multiple classifications are available, the Town considers restricted balances spent first, committed second and assigned third.

15. NET POSITION

Net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

16. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the Town, those revenues are charges for sewer services. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as nonoperating.

17. INTERFUND TRANSFERS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

18. USE OF 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 liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B -- DEPOSITS AND INVESTMENTS

The Town's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the Town's agent bank approved pledge securities in an amount sufficient to protect Town funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Deposits

At September 30, 2016, the carrying amount of the Town's deposits were fully covered by a combination of federal deposit insurance (FDIC) of \$250,000 and collateral pledged by the Town's depository

Restricted cash represents unspent bond proceeds for Voigt Center Construction.

2. Investments

The Town is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the Town adhered to the requirements of the Act. Additionally, investment practices of the Town were in accordance with local policies.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

2. Investments (Continued)

The Act determines the types of investments which are allowable for the Town. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The Town's investment policy further limits investments to: (1) federally insured bank deposits, (2) collateralized bank deposits, (3) U.S. Government Treasury bills and notes, including sweep accounts that invest in them, (4) U.S. Government Agencies, and (5) Public Funds Investment Pools. No other investments may be made without authorization of Town Council.

The Town's investments at September 30, 2016 consist of \$3,693,629 in TexPool, a 2a7 like public funds investment pool. TexPool operates in accordance with the provisions of the Texas Public Funds Investment Act and is rated AAAM. The investment in TexPool is included in cash and cash equivalents.

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the Town was exposed to specific investment risks at year end and if so, the reporting of certain related disclosures. As of September 30, 2016, the Town determined that it was not exposed to credit risk, custodial credit risk, concentration of credit risk, interest rate risk or foreign currency risk.

4. Investment Accounting Policy

The Town's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE C – PROPERTY TAX CALENDAR

The Town's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the Town. Assessed values are established by the Bexar County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2015, upon which the fiscal 2016 levy was based, was \$473,530,979 (i.e., market value less exemptions). The estimated market value was \$494,206,744, making the taxable value 95.8% of the estimated market value.

The Town is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2016, was \$0.510081 per \$100 of assessed value, which means that the Town has a tax margin of \$1.989919 for each \$100 value and could increase its annual tax levy by approximately \$9,422,883 based upon the present assessed valuation before the limit is reached.

However, the Town may not adopt a tax rate that exceeds the effective tax rate calculated in accordance with the Texas Property Tax Code without holding two public hearings. The Property Tax Code subjects an increase in the proposed tax rate to a referendum election, if petitioned by registered voters, when the effective tax rate increase is more than eight percent (8%) of the previous year's maintenance and operations tax rate

NOTE D – OTHER RECEIVABLES

Other receivables for the Town as of September 30, 2016 are as follows:

<i>Primary Government</i>	General Fund	Venue Tax	EDC	Streets	Nonmajor Funds
Sales and Mixed Beverage Tax	\$ 101,623	\$ 49,628	\$ 24,814	\$ 24,814	\$ -
Franchise Tax	60,913	-	-	-	1,278
Hotel Occupancy Tax	-	-	-	-	11,071
Grants	-	500,000	-	-	-
Miscellaneous	1,014	-	-	46,552	-
Total Other Receivables	<u>\$ 163,550</u>	<u>\$ 549,628</u>	<u>\$ 24,814</u>	<u>\$ 71,366</u>	<u>\$ 12,349</u>

The Town was awarded a grant for \$500,000 from the Texas Parks and Wildlife Commission for the Voigt Center project. The Town met all requirements as of September 30, 2016 and recognized a receivable for the grant.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE E -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016, was as follows:

<u>Governmental Activities</u>	<u>Balance 10/1/2015</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 9/30/2016</u>
Land	\$ 571,586	\$ -	\$ -	\$ 571,586
Buildings and Improvements	2,509,595	-	(103,622)	2,405,973
Vehicles and Equipment	2,041,754	153,993	(79,163)	2,116,584
Infrastructure	1,234,010	11,376	(9,320)	1,236,066
Construction in Progress	296,869	3,016,829	-	3,313,698
	<u>6,653,814</u>	<u>3,182,198</u>	<u>(192,105)</u>	<u>9,643,907</u>
Less Accumulated Depreciation				
Buildings and Improvements	(1,079,162)	(103,841)	59,266	(1,123,737)
Vehicles and Equipment	(1,225,313)	(170,290)	79,163	(1,316,440)
Infrastructure	(617,924)	(97,170)	2,880	(712,214)
	<u>(2,922,399)</u>	<u>(371,301)</u>	<u>141,309</u>	<u>(3,152,391)</u>
Governmental Capital Assets, Net	<u>\$ 3,731,415</u>	<u>\$ 2,810,897</u>	<u>\$ (50,796)</u>	<u>\$ 6,491,516</u>

Land and Construction in Progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 58,184
Municipal Court	3,439
Police Department	56,135
Fire Department	96,008
Public Works	100,445
Recreation	57,090
Total Depreciation Expense - Governmental Activities	<u>\$ 371,301</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE F – LONG-TERM DEBT

Outstanding Debts

In April 2016, the Town issued General Obligation Bonds, Series 2016 for \$3.7 million to fund the Voigt Center construction project. The bonds mature serially through March 1, 2041 and bear interest at rates ranging from 0.766% to 3.296%. The Town intends to service these bonds with venue taxes, but it has the authority to level interest and sinking property taxes if needed.

The Town has also leased several vehicles on capital leases that require 24 monthly payments with effective interest rates between 2.01% and 2.25%. The leases mature May 2018. The vehicles are included in capital assets for a cost of \$151,023 with accumulated depreciation of \$18,489 as of September 30, 2016.

Changes in Long-Term Liabilities

	Balance 10/1/2015	Additions	Reductions	Balance 9/30/2016	Due Within One Year
<u>Governmental Activities</u>					
2016 General Obligation Bonds	\$ -	\$ 3,700,000	\$ -	\$ 3,700,000	\$ 95,000
Capital Leases	23,903	110,086	(50,937)	83,052	52,818
Total Governmental Activities	23,903	3,810,086	(50,937)	3,783,052	147,818
 Total Primary Government	<u>\$ 23,903</u>	<u>\$ 3,810,086</u>	<u>\$ (50,937)</u>	<u>\$ 3,783,052</u>	<u>\$ 147,818</u>

The annual requirements to service bonded debt outstanding as of September 30, 2016, including interest payments, are as follows:

Year Ending September 30,	Principal	Interest	Total
2017	\$ 95,000	\$ 96,343	\$ 200,000
2018	100,000	95,510	200,000
2019	100,000	94,482	200,000
2020	105,000	93,249	206,000
2021	110,000	91,764	206,000
2022-2026	605,000	426,654	1,042,360
2027-2031	730,000	345,385	1,073,630
2032-2036	885,000	226,921	1,105,837
2037-2041	970,000	75,618	675,303
	<u>\$ 3,700,000</u>	<u>\$ 1,545,926</u>	<u>\$ 4,909,130</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE F -- LONG-TERM DEBT (Continued)

Future lease payments as of September 30, 2016, including interest payments, are as follows:

Year Ending September 30,	Lease Payments
2017	\$ 54,017
2018	30,451
	84,468
Less: Amount Representing Interest	(1,416)
	<u>\$ 83,052</u>

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

Plan Description

The Town participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the Town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The Town's plan provisions include an employee deposit rate of 6%, a Town matching rate of 1.5 to 1, updated service credits and annuity increases at 70% of CPI. Employees vest after 5 years and are eligible for retirement at age 60 with 5 years of service or at any age after 20 years of service.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Benefits Provided (Continued)

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	19
Active employees	32
	<u>67</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the Town matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

For the year ending September 30, 2016, employees for the Town were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the Town were 8.94% and 8.95% in calendar years 2015 and 2016, respectively. The Town's contributions to TMRS for the year ended September 30, 2016 were \$151,292, and were equal to the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall Payroll Growth	3.50% per year
Investment Rate of Return*	6.75%

* Presented net of pension plan investment expense, including inflation

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions (Continued)

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Health Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE G – EMPLOYEES’ RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions (Continued)

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.65%
Real Return	10.00%	4.03%
Real Estate	10.00%	5.00%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	8.00%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the 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.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2015:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2014	\$ 4,656,989	\$ 4,125,514	\$ 531,475
Changes for the year:			
Service Cost	212,924	-	212,924
Interest	327,379	-	327,379
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(31,235)	-	(31,235)
Changes of Assumptions	3,798	-	3,798
Contributions - Employer	-	153,141	(153,141)
Contributions - Employee	-	102,779	(102,779)
Net Investment Income	-	6,088	(6,088)
Benefit Payments, Including Refunds of Employee Contributions	(173,230)	(173,230)	-
Administrative Expense	-	(3,708)	3,708
Other Changes	-	(183)	183
Net Changes	339,636	84,887	254,749
Balance at December 31, 2015	\$ 4,996,625	\$ 4,210,401	\$ 786,224

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

The following presents the net pension liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate 5.75%	Discount Rate 6.75%	Discount Rate 7.75%
Net Pension Liability (Asset)	\$ 1,588,003	\$ 786,224	\$ 136,968

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

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

For the year ended September 30, 2016, the Town recognized pension expense of \$219,862. Also as of September 30, 2016, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ -	\$ (5,206)
Changes in Actuarial Assumptions	3,117	-
Differences Between Projected and Actual Investment Earnings	255,344	-
Contributions Subsequent to the Measurement Date	105,514	-
	<u>\$ 363,975</u>	<u>\$ (5,206)</u>

Deferred outflows of resources in the amount of \$105,514 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the year ending September 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year ended December 31,

2016	\$ 67,233
2017	67,233
2018	67,232
2019	54,409
2020	(2,852)
	<u>\$ 253,255</u>

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT

The Town also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The Town elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The Town may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The Town's contributions to the TMRS SDBF for the fiscal years ending December 31, 2016, 2015 and 2014 were \$2,368, \$2,398, and \$2,420, respectively, which equaled the required contributions each year.

NOTE I -- LICENSE AGREEMENT

The Town has a license agreement with Clear Channel Outdoor, Inc. for three digital billboards. The term of the agreement is 25 years, beginning on the commencement date of each billboard. Per the agreement, in 2013, the Town received a \$200,000 bonus on execution of agreement and land Clear Channel placed in escrow for the Town. The annual license payments are paid in advance and are refundable should the billboards become inoperable or not advantageous for the licensee. Unearned license payments at September 30, 2016 are \$123,562 and are recognized as a liability on the balance sheet. Future license payments expected are as follows:

Year Ending September 30,	Payment
2017	\$ 200,000
2018	200,000
2019	206,000
2020	206,000
2021	206,000
2022-2026	1,048,540
2027-2031	1,079,995
2032-2037	1,112,393
2038	682,056

NOTE J -- COMMITMENTS AND CONTINGENCIES

Litigation

The Town is the subject of various other claims and litigation that have arisen in the course of its operations. Management is of the opinion that the Town's liability in these cases, if decided adversely to the Town, will not have a material effect on the Town's financial position.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE J -- COMMITMENTS AND CONTINGENCIES (Continued)

Commitments

On August 21, 2012, the Town entered into an agreement with a contractor, Waste Management of Texas, Inc., to provide the service of collection and transportation of residential garbage and recycling for the Town. The agreement commenced on October 1, 2012, and shall continue for a period of five years. For the first two years of the agreement term, the base rates charged by the contractor for services will remain fixed until October 1, 2014, which then may be increased up to 2.5% per year by the contractor. The minimum contractual obligation for the Town is as follows:

Fiscal Year Ending September 30,	Minimum Contractual Obligation
2017	\$ 339,779

The term of the agreement may be extended, upon the mutual consent of both of the parties, in each party's sole discretion, for up to two additional terms of two years each.

The Town entered into contracts for various projects. The estimated future commitments associated with these contracts as of September 30, 2016 are as follows:

Commitment	Estimated Project Cost to Town	Expended to Date	Estimated Future Commitment
Donella Drive Repairs:			
Engineering	\$ 95,765	\$ 88,815	\$ 6,950
Construction	1,184,711	1,174,309	10,402
Voigt Center Project:			
Engineering	311,962	275,703	36,259
Construction	4,439,407	1,173,285	3,266,122
	<u>\$ 6,031,845</u>	<u>\$ 2,712,112</u>	<u>\$ 3,319,733</u>

In addition, as a part of the Donella project, the City is coordinating utility repairs for City Public Service (CPS) and San Antonio Water System (SAWS). The City is paying for the construction as part of the overall contract and receiving reimbursements from those entities. The capital outlay is reported net of the reimbursements from CPS and SAWS, which are recognized as the construction costs related to the utility improvements are incurred. Any excess or shortages in reimbursements are reported on the Balance sheet of the Street Maintenance Fund. As of September 30, 2016, a receivable was recognized from CPS for \$46,552 and excess amounts from SAWS were deferred for \$59,289.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE K -- INTERFUND TRANSACTIONS

As of September 30, 2016, the following balances were owed between funds:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Purpose</u>
Economic Development	General Fund	\$ 3,566	<i>Administrative Reimbursements</i>
General Fund	Proprietary Fund	71,504	<i>Sewer service collections</i>
General Fund	Street Maintenance	159,276	<i>Sales tax collections</i>
Venue Tax	General Fund	6,110	<i>Reimbursement</i>
General Fund	Nonmajor Funds	36,602	<i>Collections on-behalf of other funds</i>
Nonmajor Funds	General Fund	10,110	<i>Collections on-behalf of other funds</i>
	Total	<u>\$ 287,168</u>	

During the year ending September 30, 2016, the following transfers were made:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
Street Maintenance	General Fund	\$ 788,853	<i>Supplement other sources</i>
Venue Tax	General Fund	4,000	<i>Supplement other sources</i>
		<u>\$ 792,853</u>	

NOTE L -- RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The Town contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the Town is generally limited to the contributed amounts for losses up to \$1,000,000. Annual contributions for the year ended September 30, 2016 were \$53,267 for property and casualty and workers compensation coverage.



REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Economic Development Fund
- Schedule of Changes - Net Pension Liability and Related Ratios
- Schedule of Contributions - Defined Benefit Pension Plan

TOWN OF HOLLYWOOD PARK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes	\$ 2,391,028	\$ 2,391,028	\$ 2,401,202	\$ 10,174
Franchise Fees	278,800	278,800	299,705	20,905
Sales Taxes	458,000	458,000	579,449	121,449
Fines and Penalties	91,400	91,400	158,180	66,780
Licenses and Permits	64,540	64,540	110,825	46,285
License Agreement	200,000	200,000	200,000	-
Interest Income	800	800	7,315	6,515
Miscellaneous	26,335	26,335	26,323	(12)
TOTAL REVENUES	3,510,903	3,510,903	3,782,999	272,096
EXPENDITURES				
<i>Current:</i>				
General and Administrative	592,034	592,034	644,616	(52,582)
Police	986,941	986,941	893,002	93,939
Fire	918,937	918,937	979,178	(60,241)
Public Works	125,572	125,572	125,386	186
Municipal Court	73,453	73,453	75,859	(2,406)
Recreation	46,700	46,700	22,569	24,131
Sanitation	390,746	390,746	339,779	50,967
Capital Outlay	376,520	659,833	402,963	256,870
<i>Debt Service:</i>				
Principal	-	50,937	50,937	-
Interest and Fiscal Charges	-	1,486	1,486	-
TOTAL EXPENDITURES	3,510,903	3,846,639	3,535,775	310,864
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(335,736)	247,224	582,960
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(792,853)	(792,853)
Proceeds from the Sale of Capital Assets	-	-	11,062	11,062
Proceeds from Issuance of Capital Lease	-	110,086	110,086	-
TOTAL OTHER FINANCING SOURCES (USES)	-	110,086	(671,705)	(781,791)
Net Change in Fund Balance	-	(225,650)	(424,481)	(198,831)
Beginning Fund Balance	2,555,134	2,555,134	2,555,134	-
Ending Fund Balance	\$ 2,555,134	\$ 2,329,484	\$ 2,130,653	\$ (198,831)

TOWN OF HOLLYWOOD PARK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL – ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
REVENUES				
Sales Taxes	\$ 101,703	\$ 101,703	\$ 142,621	\$ 40,918
Interest Income	1,900	1,900	812	(1,088)
Miscellaneous	-	-	63	63
TOTAL REVENUES	<u>103,603</u>	<u>103,603</u>	<u>143,496</u>	<u>39,893</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	76,600	76,600	86,244	(9,644)
Capital Outlay	27,003	27,003	-	27,003
TOTAL EXPENDITURES	<u>103,603</u>	<u>103,603</u>	<u>86,244</u>	<u>17,359</u>
Net Change in Fund Balance	-	-	57,252	57,252
Beginning Fund Balance	<u>267,019</u>	<u>267,019</u>	<u>267,019</u>	<u>-</u>
Ending Fund Balance	<u>\$ 267,019</u>	<u>\$ 267,019</u>	<u>\$ 324,271</u>	<u>\$ 57,252</u>

TOWN OF HOLLYWOOD PARK
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2016

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The Town maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provision embodied in the annual appropriated budget approved by the Town Council and as such is a good management control device. The following are the funds which have legally adopted annual budgets: General Fund and Economic Development Fund.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

The Town does not use encumbrances.

TOWN OF HOLLYWOOD PARK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST TWO CALENDAR YEARS

Total Pension Liability		
	2014	2015
Service Cost	\$ 174,018	\$ 212,924
Interest (on the Total Pension Liability)	300,955	327,379
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience	32,193	(31,235)
Change of Assumptions	-	3,798
Benefit Payments, Including Refunds of Employee Contributions	(125,037)	(173,230)
Net Change in Total Pension Liability	382,129	339,636
Total Pension Liability - Beginning	4,274,860	4,656,989
Total Pension Liability - Ending	<u>\$ 4,656,989</u>	<u>\$ 4,996,625</u>
Plan Fiduciary Net Position		
	2014	2015
Contributions - Employer	\$ 136,240	\$ 153,141
Contributions - Employee	94,284	102,779
Net Investment Income	217,692	6,088
Benefit Payments, Including Refunds of Employee Contributions	(125,037)	(173,230)
Administrative Expense	(2,272)	(3,708)
Other	(187)	(183)
Net Change in Plan Fiduciary Net Position	320,720	84,887
Plan Fiduciary Net Position - Beginning	3,804,794	4,125,514
Plan Fiduciary Net Position - Ending	<u>\$ 4,125,514</u>	<u>\$ 4,210,401</u>
Net Pension Liability (Asset) - Ending	\$ 531,475	\$ 786,224
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.59%	84.26%
Covered Employee Payroll	\$ 1,571,394	\$ 1,712,986
Net Pension Liability as a Percentage of Covered Employee Payroll	33.82%	45.90%

TOWN OF HOLLYWOOD PARK
SCHEDULE OF TOWN CONTRIBUTIONS
LAST TWO FISCAL YEARS

	2015	2016
Actuarially Determined Contribution	\$ 143,917	\$ 151,292
Contributions in Relation to the Actuarially Determined Contribution	143,917	151,292
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Employee Payroll	\$ 1,622,545	\$ 1,691,086
Contributions as a Percentage of Covered Employee Payroll	8.87%	8.95%

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (13) months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 Years
Asset Valuation Method	10 Year Smoothed Market; 15% Soft Corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including Inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Statements – General Fund
- Comparative Statements – Venue Tax Fund
- Comparative Statements – Economic Development Fund
- Comparative Statements – Street Maintenance Fund
- Combining Statements – Nonmajor Governmental Funds
- Comparative Statements – Proprietary Sewer Fund

TOWN OF HOLLYWOOD PARK
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,485,568	\$ 2,642,215
Receivables (net of allowances for uncollectibles):		
Property Taxes	88,023	87,701
Other Receivables	163,550	149,458
Due from Other Funds	19,786	46,170
Prepaid Items	<u>17,946</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 2,774,873</u></u>	<u><u>\$ 2,925,544</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 88,601	\$ 78,353
Accrued Expenditures	77,826	62,336
Deposits	5,526	2,500
Due to Other Funds	267,381	31,355
Unearned Billboard Revenue	<u>123,562</u>	<u>123,562</u>
<i>Total Liabilities</i>	<u><u>562,896</u></u>	<u><u>298,106</u></u>
<i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	<u>81,324</u>	<u>72,304</u>
<i>Total Deferred Inflows of Resources</i>	<u><u>81,324</u></u>	<u><u>72,304</u></u>
<i>Fund Balances:</i>		
Nonspendable Prepaid Items	17,946	-
Unassigned	<u>2,112,707</u>	<u>2,555,134</u>
<i>Total Fund Balance</i>	<u><u>2,130,653</u></u>	<u><u>2,555,134</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 2,774,873</u></u>	<u><u>\$ 2,925,544</u></u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Ad Valorem Taxes	\$ 2,401,202	\$ 2,189,672
Franchise Fees	299,705	307,808
Sales Taxes	579,449	490,707
Fines and Penalties	158,180	111,152
Licenses and Permits	110,825	99,140
License Agreement	200,000	245,000
Interest Income	7,315	1,440
Miscellaneous	26,323	32,500
TOTAL REVENUES	<u>3,782,999</u>	<u>3,477,419</u>
EXPENDITURES		
<i>Current:</i>		
General and Administrative	644,616	459,752
Police	893,002	899,328
Fire	979,178	921,125
Public Works	125,386	134,001
Municipal Court	75,859	82,143
Recreation	22,569	48,091
Sanitation	339,779	339,779
Capital Outlay	402,963	178,403
<i>Debt Service:</i>		
Principal	50,937	93,827
Interest and Fiscal Charges	1,486	4,020
TOTAL EXPENDITURES	<u>3,535,775</u>	<u>3,160,469</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>247,224</u>	<u>316,950</u>
OTHER FINANCING SOURCES (USES)		
Transfers Out	(792,853)	-
Proceeds from the Sale of Capital Assets	11,062	12,384
Proceeds from Issuance of Debt	110,086	40,637
TOTAL OTHER FINANCING SOURCES (USES)	<u>(671,705)</u>	<u>53,021</u>
Net Change in Fund Balance	(424,481)	369,971
Beginning Fund Balance	<u>2,555,134</u>	<u>2,185,163</u>
Ending Fund Balance	<u>\$ 2,130,653</u>	<u>\$ 2,555,134</u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE BALANCE SHEETS
VENUE TAX FUND
SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 1,197,099	\$ 1,354,621
Cash Restricted for Voigt Center Construction	2,962,463	-
Sales Tax Receivable	<u>549,628</u>	<u>41,491</u>
TOTAL ASSETS	<u><u>\$ 4,709,190</u></u>	<u><u>\$ 1,396,112</u></u>
LIABILITIES & FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 457,708	\$ 48,513
Due to Other Funds	<u>6,110</u>	<u>-</u>
<i>Total Liabilities</i>	<u><u>463,818</u></u>	<u><u>48,513</u></u>
<i>Fund Balances:</i>		
Restricted for:		
Venue Construction and Maintenance	<u>4,245,372</u>	<u>1,347,599</u>
<i>Total Fund Balances</i>	<u><u>4,245,372</u></u>	<u><u>1,347,599</u></u>
TOTAL LIABILITIES & FUND BALANCES	<u><u>\$ 4,709,190</u></u>	<u><u>\$ 1,396,112</u></u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
VENUE TAX FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Sales Tax	\$ 285,242	\$ 241,013
Interest Income	3,185	673
Grants and Donations	500,000	-
Miscellaneous Income	3,119	-
TOTAL REVENUES	<u>791,546</u>	<u>241,686</u>
EXPENDITURES		
<i>Current:</i>		
Recreation	4,256	5,515
Capital Outlay	1,501,454	115,344
<i>Debt Service:</i>		
Interest	35,093	-
Debt Issuance Costs	56,970	-
TOTAL EXPENDITURES	<u>1,597,773</u>	<u>120,859</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(806,227)	120,827
OTHER FINANCING SOURCES		
Transfers In	4,000	-
Proceeds from Bonds Issued	3,700,000	-
TOTAL OTHER FINANCING SOURCES	<u>3,704,000</u>	<u>-</u>
Net Change in Fund Balance	2,897,773	120,827
Fund Balances at Beginning of Year	<u>1,347,599</u>	<u>1,226,772</u>
Fund Balances at End of Year	<u>\$ 4,245,372</u>	<u>\$ 1,347,599</u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE BALANCE SHEETS
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 303,679	\$ 285,212
Sales Tax Receivable	24,814	20,746
Prepaid Items	<u>-</u>	<u>2,738</u>
TOTAL ASSETS	<u><u>\$ 328,493</u></u>	<u><u>\$ 308,696</u></u>
LIABILITIES & FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 656	\$ 2,587
Due to Other Funds	<u>3,566</u>	<u>39,090</u>
<i>Total Liabilities</i>	<u><u>4,222</u></u>	<u><u>41,677</u></u>
<i>Fund Balances:</i>		
Nonspendable for Prepaid Items	-	2,738
Restricted for Economic Development	<u>324,271</u>	<u>264,281</u>
<i>Total Fund Balances</i>	<u><u>324,271</u></u>	<u><u>267,019</u></u>
TOTAL LIABILITIES & FUND BALANCES	<u><u>\$ 328,493</u></u>	<u><u>\$ 308,696</u></u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
ECONOMIC DEVELOPMENT CORPORATION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Sales Tax	\$ 142,621	\$ 120,507
Interest Income	812	133
Miscellaneous	63	1,983
TOTAL REVENUES	<u>143,496</u>	<u>122,623</u>
EXPENDITURES		
<i>Current:</i>		
General and Administrative	86,244	77,492
Capital Outlay	-	36,352
TOTAL EXPENDITURES	<u>86,244</u>	<u>113,844</u>
Net Change in Fund Balance	57,252	8,779
Fund Balances at Beginning of Year	<u>267,019</u>	<u>258,240</u>
Fund Balances at End of Year	<u><u>\$ 324,271</u></u>	<u><u>\$ 267,019</u></u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE BALANCE SHEETS
STREET MAINTENANCE FUND
SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 39,819	\$ 320,918
Other Receivables	71,366	20,746
Due from Other Funds	<u>159,276</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 270,461</u></u>	<u><u>\$ 341,664</u></u>
LIABILITIES AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 211,172	\$ 7,187
Unearned Revenue	<u>59,289</u>	<u>-</u>
<i>Total Liabilities</i>	<u><u>270,461</u></u>	<u><u>7,187</u></u>
<i>Fund Balances:</i>		
Restricted for Street Maintenance	<u>-</u>	<u>334,477</u>
<i>Total Fund Balances</i>	<u><u>-</u></u>	<u><u>334,477</u></u>
TOTAL LIABILITIES & FUND BALANCES	<u><u>\$ 270,461</u></u>	<u><u>\$ 341,664</u></u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
STREET MAINTENANCE FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Sales Tax	\$ 142,621	120,507
Interest Income	466	178
TOTAL REVENUES	<u>143,087</u>	<u>120,685</u>
EXPENDITURES		
<i>Current:</i>		
Public Works	13	-
Capital Outlay	1,266,404	153,002
TOTAL EXPENDITURES	<u>1,266,417</u>	<u>153,002</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,123,330)	(32,317)
OTHER FINANCING SOURCES		
Transfers In	788,853	-
TOTAL OTHER FINANCING SOURCES	<u>788,853</u>	<u>-</u>
Net Change in Fund Balance	(334,477)	(32,317)
Fund Balances at Beginning of Year	<u>334,477</u>	<u>366,794</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 334,477</u>

TOWN OF HOLLYWOOD PARK
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	Special Revenue Funds			
	Court Technology	Court Security	Grants & Donations	PEG Fund
ASSETS				
Cash and Cash Equivalents	\$ 8,408	\$ 5,289	\$ 3,774	\$ 35,420
Other Receivables	-	-	-	1,278
Due From Other Funds	2,475	1,856	2,868	-
TOTAL ASSETS	<u>\$ 10,883</u>	<u>\$ 7,145</u>	<u>\$ 6,642</u>	<u>\$ 36,698</u>
LIABILITIES & FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	10,110
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,110</u>
<i>Fund Balances:</i>				
Restricted For:				
Tourism Development	-	-	-	-
Municipal Court	10,883	7,145	-	-
Police Department	-	-	-	-
Donor Stipulations	-	-	6,642	-
Public Service	-	-	-	26,588
Assigned for Capital Projects	-	-	-	-
<i>Total Fund Balances</i>	<u>10,883</u>	<u>7,145</u>	<u>6,642</u>	<u>26,588</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 10,883</u>	<u>\$ 7,145</u>	<u>\$ 6,642</u>	<u>\$ 36,698</u>

Voigt Center Maintenance	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Funds
	Asset Forfeiture	Hotel Tax	Asset Seizure		
\$ 49,457	\$ 489	\$ 102,231	\$ 115	\$ 406,655	\$ 611,838
8,303	-	2,768	-	-	12,349
27,382	-	2,021	-	-	36,602
<u>\$ 85,142</u>	<u>\$ 489</u>	<u>\$ 107,020</u>	<u>\$ 115</u>	<u>\$ 406,655</u>	<u>\$ 660,789</u>
\$ 41	\$ -	\$ -	\$ 2	\$ -	\$ 43
-	-	-	-	-	10,110
<u>41</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>10,153</u>
85,101	-	107,020	-	-	192,121
-	-	-	-	-	18,028
-	489	-	113	-	602
-	-	-	-	-	6,642
-	-	-	-	-	26,588
-	-	-	-	406,655	406,655
<u>85,101</u>	<u>489</u>	<u>107,020</u>	<u>113</u>	<u>406,655</u>	<u>650,636</u>
<u>\$ 85,142</u>	<u>\$ 489</u>	<u>\$ 107,020</u>	<u>\$ 115</u>	<u>\$ 406,655</u>	<u>\$ 660,789</u>

TOWN OF HOLLYWOOD PARK
 COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds			
	Court Technology	Court Security	Grants & Donations	PEG Fund
REVENUES				
Hotel Tax	\$ -	\$ -	\$ -	\$ -
Franchise Fees	-	-	-	5,357
Fines and Penalties	4,856	3,629	-	-
Interest Income	1	1	1	-
Grants and Donations Income	-	-	2,868	-
TOTAL REVENUES	<u>4,857</u>	<u>3,630</u>	<u>2,869</u>	<u>5,357</u>
EXPENDITURES				
Current:				
Administration	-	-	-	-
Police	-	-	340	-
Fire	-	-	630	-
Public Works	-	-	-	-
Municipal Court	-	126	-	-
Capital Outlay	-	11,376	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>11,502</u>	<u>970</u>	<u>-</u>
Net Change in Fund Balance	4,857	(7,872)	1,899	5,357
Fund Balances at Beginning of Year	<u>6,026</u>	<u>15,017</u>	<u>4,743</u>	<u>21,231</u>
Fund Balances at End of Year	<u>\$ 10,883</u>	<u>\$ 7,145</u>	<u>\$ 6,642</u>	<u>\$ 26,588</u>

Voigt Center Maintenance	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Funds
	Asset Forfeiture	Hotel Tax	Asset Seizure		
\$ 30,354	\$ -	\$ 10,118	\$ -	\$ -	\$ 40,472
-	-	-	-	-	5,357
-	-	-	-	-	8,485
1	-	258	-	33	295
-	-	-	-	-	2,868
<u>30,355</u>	<u>-</u>	<u>10,376</u>	<u>-</u>	<u>33</u>	<u>57,477</u>
-	-	-	-	-	-
-	847	-	-	-	1,187
2,416	-	-	-	-	3,046
-	-	-	-	-	-
-	-	-	-	-	126
-	-	-	-	-	11,376
<u>2,416</u>	<u>847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,735</u>
27,939	(847)	10,376	-	33	41,742
<u>57,162</u>	<u>1,336</u>	<u>96,644</u>	<u>113</u>	<u>406,622</u>	<u>608,894</u>
<u>\$ 85,101</u>	<u>\$ 489</u>	<u>\$ 107,020</u>	<u>\$ 113</u>	<u>\$ 406,655</u>	<u>\$ 650,636</u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF NET POSITION
PROPRIETARY FUND – SEWER SYSTEM
SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and Cash Equivalents	\$ 107,484	\$ 118,637
Accounts Receivable	10,071	27,791
Due from Other Funds	71,504	29,885
TOTAL ASSETS	<u>189,059</u>	<u>176,313</u>
LIABILITIES		
Accounts Payable	<u>8,757</u>	<u>11,510</u>
TOTAL LIABILITIES	<u>8,757</u>	<u>11,510</u>
NET POSITION		
Unrestricted	180,302	164,803
TOTAL NET POSITION	<u>\$ 180,302</u>	<u>\$ 164,803</u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND – SEWER SYSTEM
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Charges for Utility Services	\$ 127,472	\$ 115,217
Total Operating Revenues	<u>127,472</u>	<u>115,217</u>
Operating Expenses Before Depreciation		
Waste Water Treatment Fees	<u>111,985</u>	<u>101,672</u>
Total Operating Expenses Before Depreciation	<u>111,985</u>	<u>101,672</u>
Operating Income (Loss)	<u>15,487</u>	<u>13,545</u>
Other Income (Expense):		
Interest Income	<u>12</u>	<u>14</u>
Total Other Income (Expense)	<u>12</u>	<u>14</u>
Change in Net Position	15,499	13,559
Net Position at Beginning of Year	<u>164,803</u>	<u>151,244</u>
Net Position at End of Year	<u><u>\$ 180,302</u></u>	<u><u>\$ 164,803</u></u>

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND – SEWER SYSTEM
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 145,192	\$ 97,686
Cash Paid to Suppliers for Goods and Services	<u>(114,738)</u>	<u>(98,364)</u>
Net Cash Provided (Used) by Operating Activities	<u>30,454</u>	<u>(678)</u>
Cash Flows From Investing Activities:		
Investment Interest Received	<u>12</u>	<u>14</u>
Net Cash Provided (Used) by Investing Activities	<u>12</u>	<u>14</u>
Cash Flows From Noncapital Financing Activities:		
Interfund Borrowings	<u>(41,619)</u>	<u>(29,885)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(41,619)</u>	<u>(29,885)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (11,153)	 (30,549)
 Cash and Cash Equivalents at Beginning of Year	 <u>118,637</u>	 <u>149,186</u>
 Cash and Cash Equivalents at End of Year	 <u><u>\$ 107,484</u></u>	 <u><u>\$ 118,637</u></u>
 Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 15,487	\$ 13,545
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Operating Assets:		
Accounts Receivable	17,720	(17,531)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	<u>(2,753)</u>	<u>3,308</u>
Total Adjustments to Reconcile Operating Activities	<u>14,967</u>	<u>(14,223)</u>
 Net Cash Provided (Used) by Operating Activities	 <u><u>\$ 30,454</u></u>	 <u><u>\$ (678)</u></u>



