

**TOWN OF HOLLYWOOD PARK, TEXAS**

**ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED SEPTEMBER 30, 2017**





TOWN OF HOLLYWOOD PARK  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

**TABLE OF CONTENTS**

**INTRODUCTORY SCHEDULE**

	PAGE
TITLE PAGE	i
TABLE OF CONTENTS	ii
PRINCIPAL OFFICERS	iv

**FINANCIAL SECTION**

INDEPENDENT AUDITOR'S REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	3
BASIC FINANCIAL STATEMENTS.....	9
STATEMENT OF NET POSITION .....	10
STATEMENT OF ACTIVITIES .....	11
BALANCE SHEET - GOVERNMENTAL FUNDS .....	13
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION .....	15
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS.....	16
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES.....	18
STATEMENT OF NET POSITION – PROPRIETARY FUND .....	19
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUND .....	20
STATEMENT OF CASH FLOWS - PROPRIETARY FUND.....	21
NOTES TO BASIC FINANCIAL STATEMENTS.....	22
REQUIRED SUPPLEMENTARY INFORMATION.....	43
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET TO ACTUAL - GENERAL FUND.....	44
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE- BUDGET TO ACTUAL - ECONOMIC DEVELOPMENT FUND .....	45
NOTES TO BUDGETARY COMPARISON SCHEDULES .....	46
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS .....	47
SCHEDULE OF TOWN CONTRIBUTIONS - DEFINED BENEFIT PENSION PLAN .....	48

SUPPLEMENTARY INFORMATION .....	49
COMPARATIVE BALANCE SHEETS - GENERAL FUND .....	50
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GENERAL FUND .....	51
COMPARATIVE BALANCE SHEETS - VENUE TAX.....	52
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - VENUE TAX .....	53
COMPARATIVE BALANCE SHEETS - ECONOMIC DEVELOPMENT .....	54
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ECONOMIC DEVELOPMENT .....	55
COMPARATIVE BALANCE SHEETS - STREET MAINTENANCE.....	56
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - STREET MAINTENANCE.....	57
COMBINING BALANCE SHEETS - NONMAJOR GOVERNMENTAL FUNDS.....	58
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS .....	60
COMPARATIVE STATEMENTS OF NET POSITION - PROPRIETARY FUND.....	62
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND.....	63
COMPARATIVE STATEMENTS OF CASH FLOWS - PROPRIETARY FUND.....	64

TOWN OF HOLLYWOOD PARK

PRINCIPAL OFFICERS

TOWN OFFICIALS

MAYOR

CHRIS FAILS

TOWN COUNCIL

MICHAEL HOWE

DEBBIE TRUEMAN

OSCAR VILLARREAL

CHRIS MURPHY

SCOTT BAILEY

TOWN SECRETARY

JANICE ALAMIA

ATTORNEY

MICHAEL S. BRENNAN



## 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, 2017, 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, 2017, 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 29, 2017





## 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, 2017. Please read it in conjunction with the Town's financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

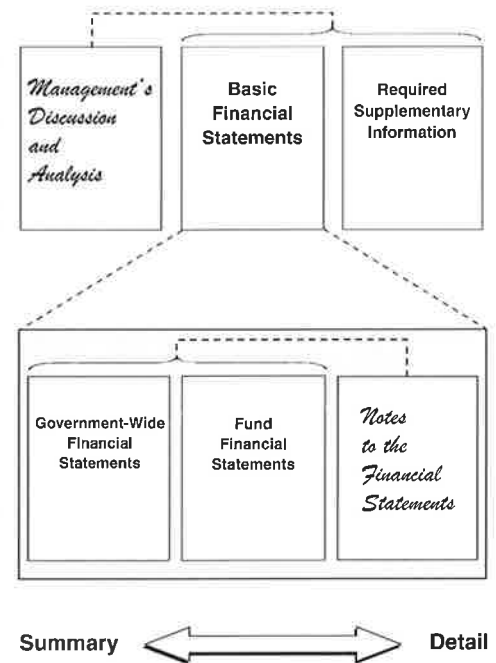
- The Town's total combined net position was \$10.3 million at September 30, 2017.
- During the year, the Town's governmental activities expenses were \$564 thousand less than the \$4.8 million generated in general and program revenues for governmental activities. The total cost of the Town's governmental programs increased 12% from the prior year.
- The general fund reported a fund balance this year of \$2.7 million, an increase of \$552 thousand, largely due to a decline in transfers from the prior year to support the Donella street reconstruction project.
- The Town signed a lease for a police vehicle during the fiscal year and began making principal payments on the \$3.7 million in bonds issued in the prior fiscal year 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 \$10.3 million at September 30, 2017. (See Table A-1).

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2017	2016	2017	2016	2017	2016	
<i>Assets:</i>							
Current Assets	\$ 4,767,360	\$ 8,456,636	\$ 201,615	\$ 189,059	\$ 4,968,975	\$ 8,645,695	(42.5)
Capital Assets (net)	10,188,088	6,491,516	-	-	10,188,088	6,491,516	56.9
<i>Total Assets</i>	<u>14,955,448</u>	<u>14,948,152</u>	<u>201,615</u>	<u>189,059</u>	<u>15,157,063</u>	<u>15,137,211</u>	0.1
<i>Deferred Outflows</i>	<u>329,867</u>	<u>363,975</u>	<u>-</u>	<u>-</u>	<u>329,867</u>	<u>363,975</u>	(9.4)
<i>Liabilities:</i>							
Current Liabilities	795,027	1,297,534	10,485	8,757	805,512	1,306,291	(38.3)
Long-Term Liabilities	4,298,152	4,421,458	-	-	4,298,152	4,421,458	(2.8)
<i>Total Liabilities</i>	<u>5,093,179</u>	<u>5,718,992</u>	<u>10,485</u>	<u>8,757</u>	<u>5,103,664</u>	<u>5,727,749</u>	(10.9)
<i>Deferred Inflows</i>	<u>40,608</u>	<u>5,206</u>	<u>-</u>	<u>-</u>	<u>40,608</u>	<u>5,206</u>	680.0
<i>Net Position:</i>							
Invested in Capital Assets	6,524,000	4,850,040	-	-	6,524,000	4,850,040	34.5
Restricted	1,043,716	2,308,869	-	-	1,043,716	2,308,869	(54.8)
Unrestricted	2,583,812	2,429,020	191,130	180,302	2,774,942	2,609,322	6.3
<i>Total Net Position</i>	<u>\$ 10,151,528</u>	<u>\$ 9,587,929</u>	<u>\$ 191,130</u>	<u>\$ 180,302</u>	<u>\$ 10,342,658</u>	<u>\$ 9,768,231</u>	5.9

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

## Governmental Activities

- Property appraised value increased for the fiscal year ending September 30, 2017, increasing property tax revenues by \$242 thousand to \$2.7 million.

**Table A-2**  
Changes in Town's Net Position

	Governmental		Business-Type				Percentage Change
	Activities		Activities		Total		
	2017	2016	2017	2016	2017	2016	
<i>Program Revenues:</i>							
Charges for Services	\$ 356,534	\$ 291,484	\$ 124,206	\$ 127,472	\$ 480,740	\$ 418,956	14.7
Operating Grants and Contributions	8,969	6,831	-	-	8,969	6,831	31.3
Capital Grants	-	500,000	-	-	-	500,000	(100.0)
<i>General Revenues:</i>							
Taxes	4,164,284	3,905,687	-	-	4,164,284	3,905,687	6.6
License Agreements	200,000	200,000	-	-	200,000	200,000	0.0
Interest Earnings	25,032	12,046	244	12	25,276	12,058	109.6
Miscellaneous	24,320	7,949	-	-	24,320	7,949	206.0
<i>Total Revenues</i>	<u>4,779,139</u>	<u>4,923,997</u>	<u>124,450</u>	<u>127,484</u>	<u>4,903,589</u>	<u>5,051,481</u>	(2.9)
<i>Program Expenses:</i>							
General Government	743,522	793,596	-	-	743,522	793,596	(6.3)
Police	1,044,939	974,651	-	-	1,044,939	974,651	7.2
Fire	1,202,703	1,125,617	-	-	1,202,703	1,125,617	6.8
Public Works	400,100	230,258	-	-	400,100	230,258	73.8
Municipal Court	119,973	82,147	-	-	119,973	82,147	46.0
Recreation	267,484	126,065	-	-	267,484	126,065	112.2
Sanitation	339,779	339,779	-	-	339,779	339,779	0.0
Sewer	-	-	113,622	111,985	113,622	111,985	1.5
Interest on Debt	97,040	101,452	-	-	97,040	101,452	(4.3)
<i>Total Expenses</i>	<u>4,215,540</u>	<u>3,773,565</u>	<u>113,622</u>	<u>111,985</u>	<u>4,329,162</u>	<u>3,885,550</u>	11.4
Change in Net Position	\$ 563,599	\$ 1,150,432	\$ 10,828	\$ 15,499	\$ 574,427	\$ 1,165,931	50.7

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 \$4.2 million. Taxpayers paid for 63% of these activities through property taxes of \$2.7 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
	2017	2016			2017	2016		
General Government	\$ 743,522	\$ 793,596	(6.3)		\$ 601,720	\$ 671,891	(10.4)	
Police	1,044,939	974,651	7.2		1,034,903	967,098	7.0	
Fire	1,202,703	1,125,617	6.8		1,202,119	1,124,649	6.9	
Public Works	400,100	230,258	73.8		400,100	230,258	73.8	
Municipal Court	119,973	82,147	46.0		(29,443)	(84,518)	(65.2)	
Recreation	267,484	126,065	112.2		203,819	(375,359)	(154.3)	
Sanitation	339,779	339,779	0.0		339,779	339,779	0.0	
Sewer	113,622	111,985	1.5		(10,584)	(15,487)	(31.7)	

## Business-Type Activities

Revenues of the Town's Sewer business-type activities declined 2% to \$124 thousand, and operating expenses increased 2% to \$114 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 \$4.8 million, a decline of 1% from the preceding year. The decrease is attributable a Voigt Center grant of \$500 thousand in the prior fiscal year, which was mostly offset by higher property tax values and improving sales tax collections.

## Budgetary Highlights

The Town's actual expenditures in the General Fund were \$367 thousand less than budgeted amounts, and fund balance increased \$641 thousand more than expected. Sales tax revenues were greater than expected and capital outlay was not fully-utilized. The Economic Development Corporation's expenditures were under budget by \$91 thousand.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2017, the Town had invested \$13.9 million in a broad range of capital assets, including land, equipment, buildings, and vehicles. Significant additions were made in 2017 for the completion of the Voigt Center and Donella street project. (See Table A-4.)

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2017	2016	2017	2016	2017	2016	
Land	\$ 572	\$ 572	\$ -	\$ -	\$ 572	\$ 572	0.0
Buildings and Improvements	8,376	2,406	-	-	8,376	2,406	248.1
Equipment	2,217	2,117	-	-	2,217	2,117	4.7
Infrastructure	2,732	1,236	-	-	2,732	1,236	121.0
Construction in Progress	-	3,314	-	-	-	3,314	(100.0)
Totals at Historical Cost	13,897	9,645	-	-	13,897	9,645	44.1
Total Accumulated Depreciation	(3,709)	(3,152)	-	-	(3,709)	(3,152)	17.7
Net Capital Assets	<u>\$10,188</u>	<u>\$ 6,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$10,188</u>	<u>\$ 6,493</u>	56.9

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 \$59 thousand as shown in Table A-5. In addition, the Town made its first principal payment against the \$3.7 million in bonds issued in the prior fiscal year for the Voigt Center. 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
	2017	2016	2017	2016	2017	2016	
Capital Leases	\$ 59	\$ 83	\$ -	\$ -	\$ 59	\$ 83	(28.9)
Bonds	3,605	3,700	-	-	3,605	3,700	(2.6)
Total Long-Term Debt	<u>\$ 3,664</u>	<u>\$ 3,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,664</u>	<u>\$ 3,783</u>	<u>(3.1)</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, 2017

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,451,740	\$ 67,170	\$ 4,518,910
Receivables (net of allowances for uncollectibles):			
Ad Valorem Taxes	83,701	-	83,701
Other	338,456	11,205	349,661
Internal Balances	(123,240)	123,240	-
Prepaid Expenses	16,703	-	16,703
Capital Assets (net)	10,188,088	-	10,188,088
<b>TOTAL ASSETS</b>	<b>14,955,448</b>	<b>201,615</b>	<b>15,157,063</b>
<b>DEFERRED OUTFLOWS</b>			
Deferred Pension Related Outflows	329,867	-	329,867
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>329,867</b>	<b>-</b>	<b>329,867</b>
<b>LIABILITIES</b>			
Accounts Payable	339,254	10,485	349,739
Wages Payable	80,481	-	80,481
Accrued Interest	7,998	-	7,998
Deposits	7,676	-	7,676
Unearned Billboard Revenue	123,562	-	123,562
Accrued Compensated Absences	87,491	-	87,491
Long-term Debt Due Within One Year	148,565	-	148,565
<i>Noncurrent Liabilities:</i>			
Long-term Debt Due in More Than One Year	3,515,522	-	3,515,522
Net Pension Liability	782,630	-	782,630
<b>TOTAL LIABILITIES</b>	<b>5,093,179</b>	<b>10,485</b>	<b>5,103,664</b>
<b>DEFERRED INFLOWS</b>			
Deferred Pension Related Inflows	40,608	-	40,608
<b>TOTAL DEFERRED INFLOWS</b>	<b>40,608</b>	<b>-</b>	<b>40,608</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	6,524,000	-	6,524,000
Restricted for:			
Street Maintenance	112,396	-	112,396
Tourism Development	153,592	-	153,592
Economic Development	443,722	-	443,722
Venue Construction and Maintenance	241,884	-	241,884
Municipal Court	24,913	-	24,913
Police	25,038	-	25,038
Donor Stipulations	10,111	-	10,111
Public Service	32,060	-	32,060
Unrestricted	2,583,812	191,130	2,774,942
<b>TOTAL NET POSITION</b>	<b>\$ 10,151,528</b>	<b>\$ 191,130</b>	<b>\$ 10,342,658</b>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

		Program Revenues		
Functions and Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General and Administrative	\$ 743,522	\$ 141,802	\$ -	\$ -
Police	1,044,939	1,651	8,385	-
Fire	1,202,703	-	584	-
Public Works	400,100	-	-	-
Municipal Court	119,973	149,416	-	-
Recreation	267,484	63,665	-	-
Sanitation	339,779	-	-	-
Interest on Long-term Debt	97,040	-	-	-
Total Governmental Activities	4,215,540	356,534	8,969	-
Business-Type Activities:				
Sewer	113,622	124,206	-	-
Total Primary Government	\$ 4,329,162	\$ 480,740	\$ 8,969	\$ -
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		
Governmental Activities	Business-Type Activities	Total
\$ (601,720)		\$ (601,720)
(1,034,903)		(1,034,903)
(1,202,119)		(1,202,119)
(400,100)		(400,100)
29,443		29,443
(203,819)		(203,819)
(339,779)		(339,779)
(97,040)		(97,040)
<u>(3,850,037)</u>		<u>(3,850,037)</u>
	\$ 10,584	10,584
		<u>(3,839,453)</u>
2,652,010	-	2,652,010
291,329	-	291,329
1,183,716	-	1,183,716
37,229	-	37,229
200,000	-	200,000
25,032	244	25,276
24,320	-	24,320
<u>4,413,636</u>	<u>244</u>	<u>4,413,880</u>
563,599	10,828	574,427
<u>9,587,929</u>	<u>180,302</u>	<u>9,768,231</u>
<u>\$ 10,151,528</u>	<u>\$ 191,130</u>	<u>\$ 10,342,658</u>

TOWN OF HOLLYWOOD PARK  
BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017

	Major Fund General Fund	Major Fund Venue Tax	Major Fund Economic Development
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,979,090	\$ 159,605	\$ 427,771
Receivables (net of allowances for uncollectibles):			
Property Taxes	83,701	-	-
Other Receivables	163,832	115,017	24,362
Due from Other Funds	208,762	100,987	-
Prepaid Items	16,703	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,452,088</b>	<b>\$ 375,609</b>	<b>\$ 452,133</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 198,276	\$ 133,725	\$ 1,975
Wages Payable	80,481	-	-
Deposits	7,676	-	-
Due to Other Funds	277,320	-	6,436
Unearned Revenue	123,562	-	-
<i>Total Liabilities</i>	<i>687,315</i>	<i>133,725</i>	<i>8,411</i>
<i>Deferred Inflows of Resources:</i>			
Unavailable Property Tax Revenue	81,911	-	-
<i>Fund Balances:</i>			
Nonspendable for:			
Prepaid Items	16,703	-	-
Restricted for:			
Street Maintenance	-	-	-
Tourism Development	-	-	-
Economic Development	-	-	443,722
Venue Construction and Maintenance	-	241,884	-
Municipal Court	-	-	-
Police	-	-	-
Donor Stipulations	-	-	-
Public Service	-	-	-
Assigned for:			
Capital Projects	-	-	-
Unassigned	2,666,159	-	-
<i>Total Fund Balances</i>	<i>2,682,862</i>	<i>241,884</i>	<i>443,722</i>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,452,088</b>	<b>\$ 375,609</b>	<b>\$ 452,133</b>

See accompanying notes to basic financial statements.

Major Fund Street Maintenance	Other Nonmajor Funds	Total Governmental Funds
\$ 282,206	\$ 603,067	\$ 4,451,739
-	-	83,701
24,362	10,883	338,456
-	85,558	395,307
-	-	16,703
<u>\$ 306,568</u>	<u>\$ 699,508</u>	<u>\$ 5,285,906</u>
\$ -	\$ 5,279	\$ 339,255
-	-	80,481
-	-	7,676
194,172	40,619	518,547
-	-	123,562
<u>194,172</u>	<u>45,898</u>	<u>1,069,521</u>
-	-	81,911
-	-	16,703
112,396	-	112,396
-	153,592	153,592
-	-	443,722
-	-	241,884
-	24,913	24,913
-	25,038	25,038
-	10,111	10,111
-	32,060	32,060
-	407,896	407,896
-	-	2,666,159
<u>112,396</u>	<u>653,610</u>	<u>4,134,474</u>
<u>\$ 306,568</u>	<u>\$ 699,508</u>	<u>\$ 5,285,906</u>



TOWN OF HOLLYWOOD PARK  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2017

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$	4,134,474
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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.		10,188,088
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Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		81,913
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Accrued compensated absences are not due and payable in the current period and, therefore, not reported in the funds.		(87,491)
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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	(3,664,087)	
Related Accrued Interest	<u>(7,998)</u>	(3,672,085)

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	(782,630)	
Net Pension Deferred Outflows (Inflows)	<u>289,259</u>	<u>(493,371)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	<u>10,151,528</u>
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TOWN OF HOLLYWOOD PARK  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Major Fund General Fund	Major Fund Venue Tax	Major Fund Economic Development
<b>REVENUES</b>			
Ad Valorem Taxes	\$ 2,651,422	\$ -	\$ -
Franchise Fees	285,857	-	-
Sales Taxes	597,666	293,025	146,512
Hotel Occupancy Tax	-	-	-
Fines and Penalties	142,578	-	-
Licenses and Permits	132,604	-	-
License Agreements	200,000	-	-
Interest Income	18,057	1,479	2,577
Grants and Donations	-	-	-
Miscellaneous	121,051	-	-
<b>TOTAL REVENUES</b>	<b>4,149,235</b>	<b>294,504</b>	<b>149,089</b>
<b>EXPENDITURES</b>			
<i>Current:</i>			
General and Administrative	624,736	-	29,638
Police	1,009,782	-	-
Fire	1,092,432	-	-
Public Works	167,653	-	-
Municipal Court	89,833	-	-
Recreation	71,155	2,343	-
Sanitation	339,779	-	-
Capital Outlay	181,378	4,104,306	-
<i>Debt Service:</i>			
Principal	51,556	95,000	-
Interest and Fiscal Charges	1,313	96,343	-
<b>TOTAL EXPENDITURES</b>	<b>3,629,617</b>	<b>4,297,992</b>	<b>29,638</b>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	519,618	(4,003,488)	119,451
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from Disposal of Capital Assets	5,000	-	-
Proceeds from Issuance of Capital Lease	27,591	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>32,591</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	552,209	(4,003,488)	119,451
Fund Balances at Beginning of Year	2,130,653	4,245,372	324,271
Fund Balances at End of Year	<b>\$ 2,682,862</b>	<b>\$ 241,884</b>	<b>\$ 443,722</b>

See accompanying notes to basic financial statements.



<u>Major Fund</u>	<u>Total</u>	<u>Total</u>
<u>Street</u>	<u>Nonmajor</u>	<u>Governmental</u>
<u>Maintenance</u>	<u>Funds</u>	<u>Funds</u>
\$ -	\$ -	\$ 2,651,422
-	5,472	291,329
146,512	-	1,183,715
-	37,227	37,227
-	38,316	180,894
-	-	132,604
-	-	200,000
1,102	1,832	25,047
-	3,520	3,520
-	-	121,051
<u>147,614</u>	<u>86,367</u>	<u>4,826,809</u>
-	32,545	686,919
-	3,598	1,013,380
-	4,880	1,097,312
-	-	167,653
-	-	89,833
-	38,925	112,423
-	-	339,779
35,218	3,445	4,324,347
-	-	146,556
-	-	97,656
<u>35,218</u>	<u>83,393</u>	<u>8,075,858</u>
112,396	2,974	(3,249,049)
-	-	5,000
-	-	27,591
-	-	32,591
<u>112,396</u>	<u>2,974</u>	<u>(3,216,458)</u>
-	650,636	7,350,932
<u>\$ 112,396</u>	<u>\$ 653,610</u>	<u>\$ 4,134,474</u>



TOWN OF HOLLYWOOD PARK  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (3,216,458)

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense. This is the amount by which  
capital outlay exceeded depreciation. 3,716,671

Governmental funds report proceeds from the disposition of capital assets as other  
financing sources and uses. On the Statement of Activities these proceeds are  
reducing the net book value of the capital assets disposed. This amount  
represents the net book value of capital assets disposed. (20,099)

Revenues in the Statement of Activities that do not provide current financial  
resources are not reported as revenues in the funds. 587

Governmental funds report required contributions to employee pensions as  
expenditures. However in the Statement of Activities the cost of the pension is  
recorded based on the actuarially determined cost of the plan. This is the amount  
that the actuarially determined pension expense exceeded contributions. (65,911)

The issuance of long-term debt (e.g. bonds and capital leases) provides current  
financial resources to the governmental funds, while the repayment of the  
principal of long-term debt consumes the current financial resources of  
governmental funds. Neither transaction, however, has any effect on net position.

Proceeds from the Issuance of Capital Lease	(27,591)	
Principal Payments	146,556	118,965

Some expenses reported in the Statement of Activities do not require the use of  
current financial resources and, therefore, are not reported as expenditures in  
governmental funds.

Change in Compensated Absences	29,783	
Change in Accrued Interest	61	29,844

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 563,599

TOWN OF HOLLYWOOD PARK  
STATEMENT OF NET POSITION – PROPRIETARY FUND  
SEPTEMBER 30, 2017

	Business-Type Activities
	Sewer Fund
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 67,170
Receivables (net of allowances for uncollectibles)	11,205
Due From General Fund	123,240
<b>TOTAL ASSETS</b>	<b>201,615</b>
<b>LIABILITIES</b>	
Accounts Payable	10,485
<b>TOTAL LIABILITIES</b>	<b>10,485</b>
<b>NET POSITION</b>	
Unrestricted	191,130
<b>TOTAL NET POSITION</b>	<b>\$ 191,130</b>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUND  
FOR THE YEAR SEPTEMBER 30, 2017

	Business-Type Activities
	Sewer Fund
<b>OPERATING REVENUES</b>	
Charges for Utility Service	\$ 124,206
<b>TOTAL OPERATING REVENUES</b>	<u>124,206</u>
<b>OPERATING EXPENSES</b>	
Waste Water Treatment Fees	113,622
<b>TOTAL OPERATING EXPENSES</b>	<u>113,622</u>
<b>OPERATING INCOME (LOSS)</b>	<u>10,584</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Income	244
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>244</u>
<b>CHANGE IN NET POSITION</b>	10,828
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>180,302</u>
<b>NET POSITION AT END OF YEAR</b>	<u><u>\$ 191,130</u></u>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK  
STATEMENT OF CASH FLOWS - PROPRIETARY FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-Type Activities Sewer Fund
<b>Cash Flows From Operating Activities:</b>	
Cash Received From Customers	\$ 123,072
Cash Paid to Suppliers for Goods and Services	(111,894)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>11,178</u>
<b>Cash Flows From Investing Activities:</b>	
Investment Interest Received	244
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>244</u>
<b>Cash Flows From Noncapital Financing Activities:</b>	
Interfund Borrowings	(51,736)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>(51,736)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(40,314)
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>107,484</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 67,170</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income (Loss)	\$ 10,584
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Operating Assets:	
Accounts Receivable	(1,134)
Increase (Decrease) in Current Liabilities:	
Accounts Payable	1,728
<b>Total Adjustments to Reconcile Operating Activities</b>	<u>594</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 11,178</u>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017

**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, 2017, 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, 2017

**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, 2017

**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, 2017

**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.

The Town reports investments at fair value based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool maintains a consistent net asset value per share that approximates the fair value of the underlying securities. These investments are reported at net asset value.

TOWN OF HOLLYWOOD PARK  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2017

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

**6. ACCOUNTS RECEIVABLE**

Property taxes are levied based on taxable value at January 1 prior to September 30 and become due October 1, 2016 and past due after January 31, 2017. 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.

**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."

TOWN OF HOLLYWOOD PARK  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2017

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

**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.

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

TOWN OF HOLLYWOOD PARK  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2017

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

**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, 2017

**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, 2017

**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, 2017, 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

**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, 2017

**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, 2017 consist of \$2,925,295 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, 2017, 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, 2017

**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, 2016, upon which the fiscal 2017 levy was based, was \$518,414,531 (i.e., market value less exemptions). The estimated market value was \$545,499,313, making the taxable value 95% 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, 2017, 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 \$10,316,029 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, 2017 are as follows:

<i>Primary Government</i>	General Fund	Venue Tax	EDC	Street Maintenance	Nonmajor Funds
Sales and Mixed Beverage Tax	\$ 102,346	\$ 115,017	\$ 24,362	\$ 24,362	\$ -
Franchise Tax	61,486	-	-	-	1,278
Hotel Occupancy Tax	-	-	-	-	9,605
Total Other Receivables	<u>\$ 163,832</u>	<u>\$ 115,017</u>	<u>\$ 24,362</u>	<u>\$ 24,362</u>	<u>\$ 10,883</u>

TOWN OF HOLLYWOOD PARK  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2017

**NOTE E -- CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2017, was as follows:

<i>Governmental Activities</i>	Balance 10/1/2016	Additions	Disposals/ Transfers	Balance 9/30/2017
Land	\$ 571,586	\$ -	\$ -	\$ 571,586
Buildings and Improvements	2,405,973	2,656,377	3,313,698	8,376,048
Vehicles and Equipment	2,116,584	179,828	(79,507)	2,216,905
Infrastructure	1,236,066	1,496,347	-	2,732,413
Construction in Progress	3,313,698	-	(3,313,698)	-
	<u>9,643,907</u>	<u>4,332,552</u>	<u>(79,507)</u>	<u>13,896,952</u>
Less Accumulated Depreciation				
Buildings and Improvements	(1,123,737)	(196,559)	-	(1,320,296)
Vehicles and Equipment	(1,298,070)	(184,885)	59,408	(1,423,547)
Infrastructure	(730,584)	(234,437)	-	(965,021)
	<u>(3,152,391)</u>	<u>(615,881)</u>	<u>59,408</u>	<u>(3,708,864)</u>
Governmental Capital Assets, Net	<u>\$ 6,491,516</u>	<u>\$ 3,716,671</u>	<u>\$ (20,099)</u>	<u>\$ 10,188,088</u>

Land and Construction in Progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 59,161
Municipal Court	3,399
Police Department	64,736
Fire Department	99,218
Public Works	239,135
Recreation	<u>150,232</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 615,881</u>

TOWN OF HOLLYWOOD PARK  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2017

**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 0.938% 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 2.25% and 2.73%. The leases mature May 2018 and 2019. The vehicles are included in capital assets for a cost of \$137,977 with accumulated depreciation of \$35,416 as of September 30, 2017.

*Changes in Long-Term Liabilities*

	Balance 10/1/2016	Additions	Reductions	Balance 9/30/2017	Due Within One Year
Governmental Activities					
2016 General Obligation Bonds	\$ 3,700,000	\$ -	\$ (95,000)	\$ 3,605,000	\$ 100,000
Capital Leases	83,052	27,591	(51,556)	59,087	48,565
Total Governmental Activities	<u>3,783,052</u>	<u>27,591</u>	<u>(146,556)</u>	<u>3,664,087</u>	<u>148,565</u>
Total Primary Government	<u>\$ 3,783,052</u>	<u>\$ 27,591</u>	<u>\$ (146,556)</u>	<u>\$ 3,664,087</u>	<u>\$ 148,565</u>

The annual requirements to service bonded debt outstanding as of September 30, 2017, including interest payments, are as follows:

Year Ending September 30,	Principal	Interest	Total
2018	\$ 100,000	\$ 95,510	\$ 200,000
2019	100,000	94,482	200,000
2020	105,000	93,249	200,000
2021	110,000	91,764	206,000
2022	115,000	89,994	206,000
2023-2027	625,000	413,437	1,042,360
2028-2032	760,000	324,611	1,073,630
2033-2037	915,000	199,070	1,105,837
2038-2041	775,000	47,465	675,303
	<u>\$ 3,605,000</u>	<u>\$ 1,449,582</u>	<u>\$ 4,909,130</u>

TOWN OF HOLLYWOOD PARK  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2017

**NOTE F -- LONG-TERM DEBT** (Continued)

Future lease payments as of September 30, 2017, including interest payments, are as follows:

Year Ending September 30,	Lease Payments
2018	\$ 49,337
2019	10,643
	<u>59,980</u>
Less: Amount Representing Interest	(893)
	<u>\$ 59,087</u>

**NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS**

Texas Municipal Retirement System

**Plan Description**

The Town of Hollywood Park participates as one of 872 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's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://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, 2017

**NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

**Benefits Provided (Continued)**

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	20
Active employees	33
	<u>70</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.

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 8.95% and 9.13% in calendar years 2016 and 2017, respectively. The Town's contributions to TMRS for the year ended September 30, 2017 were \$167,628, and were equal to the required contributions.

**Net Pension Liability**

The Town's Net Pension Liability (NPL) was measured as of December 31, 2016, 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, 2016 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, 2017

**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 Blue Collar Adjustment, 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, 2016, 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. 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).

TOWN OF HOLLYWOOD PARK  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2017

**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%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	7.75%
	<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, 2017

**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, 2016:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2015	\$ 4,996,625	\$ 4,210,401	\$ 786,224
Changes for the year:			
Service Cost	213,214	-	213,214
Interest	338,834	-	338,834
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(24,792)	-	(24,792)
Changes of Assumptions	-	-	-
Contributions - Employer	-	149,442	(149,442)
Contributions - Employee	-	100,100	(100,100)
Net Investment Income	-	284,695	(284,695)
Benefit Payments, Including Refunds of Employee Contributions	(166,938)	(166,938)	-
Administrative Expense	-	(3,214)	3,214
Other Changes	-	(173)	173
Net Changes	360,318	363,912	(3,594)
Balance at December 31, 2016	\$ 5,356,943	\$ 4,574,313	\$ 782,630

**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)	\$ 1,629,180	\$ 782,630	\$ 96,382

**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](http://www.tmrs.com).



TOWN OF HOLLYWOOD PARK  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2017

**NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)**

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

For the year ended September 30, 2017, the Town recognized pension expense of \$219,862. Also as of September 30, 2017, 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	\$ -	\$ 40,608
Changes in Actuarial Assumptions	-	-
Differences Between Projected and Actual Investment Earnings	206,061	-
Contributions Subsequent to the Measurement Date	123,806	-
	<u>\$ 329,867</u>	<u>\$ 40,608</u>

\$123,806 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date 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,

2017	\$ 62,517
2018	62,516
2019	49,693
2020	(7,566)
2021	(1,707)
	<u>\$ 165,453</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, 2017

**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, 2017, 2016 and 2015 were \$2,586, \$2,368, and \$2,398, 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, 2017 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
2018	\$ 200,000
2019	206,000
2020	206,000
2021	206,000
2022	206,000
2023-2027	1,054,720
2028-2032	1,086,360
2033-2037	1,118,949
2038-2039	456,955

**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, 2017

**NOTE J -- COMMITMENTS AND CONTINGENCIES (Continued)**

Commitments

On October 1, 2017, the Town entered into an agreement with a contractor, Tiger Sanitation, Inc., to provide the service of collection and transportation of residential garbage and recycling for the Town. The agreement commenced on October 1, 2017, 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, 2019, which then may be increased up to 2.5% per year by the contractor. The minimum contractual obligation (including the potential increase adjustment) for the Town is as follows:

Fiscal Year Ending September 30,	Minimum Contractual Obligation
2018	\$ 357,696
2019	357,696
2020	366,638
2021	375,804
2022	385,199

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.

**NOTE K -- INTERFUND TRANSACTIONS**

As of September 30, 2017, the following balances were owed between funds:

Due From	Due To	Amount	Purpose
Economic Development	General Fund	\$ 6,436	<i>Administrative Reimbursements</i>
General Fund	Proprietary Fund	123,240	<i>Sewer service collections</i>
General Fund	Venue Fund	100,987	<i>Sales tax collections</i>
Street Fund	General Fund	194,172	<i>Sales tax collections</i>
General Fund	Nonmajor Funds	53,093	<i>Collections on-behalf of other funds</i>
Nonmajor Funds	General Fund	8,154	<i>Collections on-behalf of other funds</i>
Nonmajor Funds	Nonmajor Funds	32,465	<i>Collections on-behalf of other funds</i>
	Total	<u>\$ 518,547</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, 2017 were \$60,624 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, 2017

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
<b>REVENUES</b>				
Ad Valorem Taxes	\$ 2,644,406	\$ 2,644,406	\$ 2,651,422	\$ 7,016
Franchise Fees	291,250	291,250	285,857	(5,393)
Sales Taxes	508,800	508,800	597,666	88,866
Fines and Penalties	104,100	104,100	142,578	38,478
Licenses and Permits	98,700	98,700	132,604	33,904
License Agreement	200,000	200,000	200,000	-
Interest Income	6,000	6,000	18,057	12,057
Miscellaneous	27,050	27,050	121,051	94,001
<b>TOTAL REVENUES</b>	<b>3,880,306</b>	<b>3,880,306</b>	<b>4,149,235</b>	<b>268,929</b>
<b>EXPENDITURES</b>				
<i>Current:</i>				
General and Administrative	663,035	663,035	624,736	38,299
Police	1,056,437	1,056,437	1,009,782	46,655
Fire	1,074,042	1,077,042	1,092,432	(15,390)
Public Works	141,854	183,854	167,653	16,201
Municipal Court	84,610	84,610	89,833	(5,223)
Recreation	54,315	54,315	71,155	(16,840)
Sanitation	402,470	402,470	339,779	62,691
Capital Outlay	354,223	421,872	181,378	240,494
<i>Debt Service:</i>				
Principal	48,188	51,556	51,556	-
Interest and Fiscal Charges	1,132	1,313	1,313	-
<b>TOTAL EXPENDITURES</b>	<b>3,880,306</b>	<b>3,996,504</b>	<b>3,629,617</b>	<b>366,887</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(116,198)	519,618	635,816
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from the Sale of Capital Assets	-	-	5,000	5,000
Proceeds from Issuance of Capital Lease	-	27,591	27,591	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>27,591</b>	<b>32,591</b>	<b>5,000</b>
Net Change in Fund Balance	-	(88,607)	552,209	640,816
Beginning Fund Balance	2,130,653	2,130,653	2,130,653	-
Ending Fund Balance	\$ 2,130,653	\$ 2,042,046	\$ 2,682,862	\$ 640,816

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, 2017

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Favorable (Unfavorable)
<b>REVENUES</b>				
Sales Taxes	\$ 120,000	\$ 120,000	\$ 146,512	\$ 26,512
Interest Income	-	-	2,577	2,577
Miscellaneous	240	240	-	(240)
<b>TOTAL REVENUES</b>	<u>120,240</u>	<u>120,240</u>	<u>149,089</u>	<u>28,849</u>
<b>EXPENDITURES</b>				
<i>Current:</i>				
General and Administrative	117,450	117,450	29,638	87,812
Capital Outlay	2,790	2,790	-	2,790
<b>TOTAL EXPENDITURES</b>	<u>120,240</u>	<u>120,240</u>	<u>29,638</u>	<u>90,602</u>
 Net Change in Fund Balance	-	-	119,451	119,451
 Beginning Fund Balance	<u>324,271</u>	<u>324,271</u>	<u>324,271</u>	-
 Ending Fund Balance	<u>\$ 324,271</u>	<u>\$ 324,271</u>	<u>\$ 443,722</u>	<u>\$ 119,451</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, 2017

**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 THREE CALENDAR YEARS

Total Pension Liability			
	2014	2015	2016
Service Cost	\$ 174,018	\$ 212,924	\$ 213,214
Interest (on the Total Pension Liability)	300,955	327,379	338,834
Changes of Benefit Terms	-	-	
Difference between Expected and Actual Experience	32,193	(31,235)	(24,792)
Change of Assumptions	-	3,798	
Benefit Payments, Including Refunds of Employee Contributions	(125,037)	(173,230)	(166,938)
Net Change in Total Pension Liability	382,129	339,636	360,318
Total Pension Liability - Beginning	4,274,860	4,656,989	4,996,625
Total Pension Liability - Ending	<u>\$ 4,656,989</u>	<u>\$ 4,996,625</u>	<u>\$ 5,356,943</u>
Plan Fiduciary Net Position			
	2014	2015	2016
Contributions - Employer	\$ 136,240	\$ 153,141	\$ 149,442
Contributions - Employee	94,284	102,779	100,100
Net Investment Income	217,692	6,088	284,695
Benefit Payments, Including Refunds of Employee Contributions	(125,037)	(173,230)	(166,938)
Administrative Expense	(2,272)	(3,708)	(3,214)
Other	(187)	(183)	(173)
Net Change in Plan Fiduciary Net Position	320,720	84,887	363,912
Plan Fiduciary Net Position - Beginning	3,804,794	4,125,514	4,210,401
Plan Fiduciary Net Position - Ending	<u>\$ 4,125,514</u>	<u>\$ 4,210,401</u>	<u>\$ 4,574,313</u>
Net Pension Liability (Asset) - Ending	\$ 531,475	\$ 786,224	\$ 782,630
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.59%	84.26%	85.39%
Covered Employee Payroll	\$ 1,571,394	\$ 1,712,986	\$ 1,668,340
Net Pension Liability as a Percentage of Covered Employee Payroll	33.82%	45.90%	46.91%

The schedule above reflects the changes in the net pension liability for the current year. GASB 68 requires 10 fiscal years of data to be provided in this schedule. The employer/City will be required to build this schedule over the 10-year period; as such, the employer should retain the annual GASB packages to utilize in building this schedule.

	2015	2016	2017
Actuarially Determined Contribution	\$ 143,917	\$ 151,292	\$ 167,628
Contributions in Relation to the Actuarially Determined Contribution	143,917	151,292	167,628
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 1,622,545	\$ 1,691,086	\$ 1,849,489
Contributions as a Percentage of Covered Employee Payroll	8.87%	8.95%	9.06%

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	29 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
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.

Notes                                      There were no benefit changes during the year.

GASB 68 requires 10 fiscal years of data to be provided in the Schedule of Contributions; the City will build this report over the next 10-year period. The data in this schedule is based on the City's fiscal year end, not the valuation/measurement date as provided in the other schedules to this report.

## 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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,979,090	\$ 2,485,568
Receivables (net of allowances for uncollectibles):		
Property Taxes	83,701	88,023
Other Receivables	163,832	163,550
Due from Other Funds	208,762	19,786
Prepaid Items	<u>16,703</u>	<u>17,946</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,452,088</u></u>	<u><u>\$ 2,774,873</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 198,276	\$ 88,601
Wages Payable	80,481	77,826
Deposits	7,676	5,526
Due to Other Funds	277,320	267,381
Unearned Billboard Revenue	<u>123,562</u>	<u>123,562</u>
<i>Total Liabilities</i>	<u><u>687,315</u></u>	<u><u>562,896</u></u>
<i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	<u>81,911</u>	<u>81,324</u>
<i>Total Deferred Inflows of Resources</i>	<u><u>81,911</u></u>	<u><u>81,324</u></u>
<i>Fund Balances:</i>		
Nonspendable Prepaid Items	16,703	17,946
Unassigned	<u>2,666,159</u>	<u>2,112,707</u>
<i>Total Fund Balance</i>	<u><u>2,682,862</u></u>	<u><u>2,130,653</u></u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u><u>\$ 3,452,088</u></u>	<u><u>\$ 2,774,873</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Ad Valorem Taxes	\$ 2,651,422	\$ 2,401,202
Franchise Fees	285,857	299,705
Sales Taxes	597,666	579,449
Fines and Penalties	142,578	158,180
Licenses and Permits	132,604	110,825
License Agreement	200,000	200,000
Interest Income	18,057	7,315
Miscellaneous	121,051	26,323
<b>TOTAL REVENUES</b>	<u>4,149,235</u>	<u>3,782,999</u>
<b>EXPENDITURES</b>		
<i>Current:</i>		
General and Administrative	624,736	644,616
Police	1,009,782	893,002
Fire	1,092,432	979,178
Public Works	167,653	125,386
Municipal Court	89,833	75,859
Recreation	71,155	22,569
Sanitation	339,779	339,779
Capital Outlay	181,378	402,963
<i>Debt Service:</i>		
Principal	51,556	50,937
Interest and Fiscal Charges	1,313	1,486
<b>TOTAL EXPENDITURES</b>	<u>3,629,617</u>	<u>3,535,775</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>519,618</u>	<u>247,224</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers Out	-	(792,853)
Proceeds from the Sale of Capital Assets	5,000	11,062
Proceeds from Issuance of Capital Lease	27,591	110,086
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>32,591</u>	<u>(671,705)</u>
Net Change in Fund Balance	552,209	(424,481)
<b>Beginning Fund Balance</b>	<u>2,130,653</u>	<u>2,555,134</u>
<b>Ending Fund Balance</b>	<u>\$ 2,682,862</u>	<u>\$ 2,130,653</u>

TOWN OF HOLLYWOOD PARK  
COMPARATIVE BALANCE SHEETS  
VENUE TAX FUND  
SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 159,605	\$ 1,197,099
Cash Restricted for Voigt Center Construction	-	2,962,463
Sales Tax Receivable	115,017	549,628
Due from Other Funds	<u>100,987</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 375,609</u></u>	<u><u>\$ 4,709,190</u></u>
<b>LIABILITIES &amp; FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 133,725	\$ 457,708
Due to Other Funds	-	6,110
<i>Total Liabilities</i>	<u>133,725</u>	<u>463,818</u>
<i>Fund Balances:</i>		
Restricted for:		
Venue Construction and Maintenance	<u>241,884</u>	<u>4,245,372</u>
<i>Total Fund Balances</i>	<u><u>241,884</u></u>	<u><u>4,245,372</u></u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u><u>\$ 375,609</u></u>	<u><u>\$ 4,709,190</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Sales Tax	\$ 293,025	\$ 285,242
Interest Income	1,479	3,185
Grants and Donations	-	500,000
Miscellaneous Income	-	3,119
<b>TOTAL REVENUES</b>	<u>294,504</u>	<u>791,546</u>
<b>EXPENDITURES</b>		
<i>Current:</i>		
Recreation	2,343	4,256
Capital Outlay	4,104,306	1,501,454
<i>Debt Service:</i>		
Principal Payments	95,000	56,970
Interest	96,343	35,093
<b>TOTAL EXPENDITURES</b>	<u>4,297,992</u>	<u>1,597,773</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,003,488)	(806,227)
<b>OTHER FINANCING SOURCES</b>		
Transfers In	-	4,000
Proceeds from Bonds Issued	-	3,700,000
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>3,704,000</u>
Net Change in Fund Balance	(4,003,488)	2,897,773
Fund Balances at Beginning of Year	<u>4,245,372</u>	<u>1,347,599</u>
Fund Balances at End of Year	<u>\$ 241,884</u>	<u>\$ 4,245,372</u>

TOWN OF HOLLYWOOD PARK  
COMPARATIVE BALANCE SHEETS  
ECONOMIC DEVELOPMENT CORPORATION  
SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 427,771	\$ 303,679
Sales Tax Receivable	<u>24,362</u>	<u>24,814</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 452,133</u></u>	<u><u>\$ 328,493</u></u>
<b>LIABILITIES &amp; FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ 1,975	\$ 656
Due to Other Funds	<u>6,436</u>	<u>3,566</u>
<i>Total Liabilities</i>	<u><u>8,411</u></u>	<u><u>4,222</u></u>
<i>Fund Balances:</i>		
Restricted for Economic Development	<u>443,722</u>	<u>324,271</u>
<i>Total Fund Balances</i>	<u><u>443,722</u></u>	<u><u>324,271</u></u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u><u>\$ 452,133</u></u>	<u><u>\$ 328,493</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Sales Tax	\$ 146,512	\$ 142,621
Interest Income	2,577	812
Miscellaneous	-	63
<b>TOTAL REVENUES</b>	<u>149,089</u>	<u>143,496</u>
<b>EXPENDITURES</b>		
<i>Current:</i>		
General and Administrative	<u>29,638</u>	<u>86,244</u>
<b>TOTAL EXPENDITURES</b>	<u>29,638</u>	<u>86,244</u>
 Net Change in Fund Balance	 <b>119,451</b>	 57,252
 Fund Balances at Beginning of Year	 <u>324,271</u>	 <u>267,019</u>
 Fund Balances at End of Year	 <u><u>\$ 443,722</u></u>	 <u><u>\$ 324,271</u></u>

TOWN OF HOLLYWOOD PARK  
COMPARATIVE BALANCE SHEETS  
STREET MAINTENANCE FUND  
SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 282,206	\$ 39,819
Other Receivables	24,362	71,366
Due from Other Funds	<u>-</u>	<u>159,276</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 306,568</u></u>	<u><u>\$ 270,461</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ 211,172
Due to Other Funds	194,172	-
Unearned Revenue	<u>-</u>	<u>59,289</u>
<i>Total Liabilities</i>	<u>194,172</u>	<u>270,461</u>
<i>Fund Balances:</i>		
Restricted for Street Maintenance	<u>112,396</u>	<u>-</u>
<i>Total Fund Balances</i>	<u>112,396</u>	<u>-</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u><u>\$ 306,568</u></u>	<u><u>\$ 270,461</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Sales Tax	\$ 146,512	142,621
Interest Income	<u>1,102</u>	<u>466</u>
<b>TOTAL REVENUES</b>	<u>147,614</u>	<u>143,087</u>
 <b>EXPENDITURES</b>		
<i>Current:</i>		
Public Works	-	13
Capital Outlay	<u>35,218</u>	<u>1,266,404</u>
<b>TOTAL EXPENDITURES</b>	<u>35,218</u>	<u>1,266,417</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <b>112,396</b>	 <b>(1,123,330)</b>
 <b>OTHER FINANCING SOURCES</b>		
Transfers In	<u>-</u>	<u>788,853</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>788,853</u>
 Net Change in Fund Balance	 <b>112,396</b>	 <b>(334,477)</b>
 Fund Balances at Beginning of Year	 <u>-</u>	 <u>334,477</u>
 Fund Balances at End of Year	 <u><b>\$ 112,396</b></u>	 <u><b>\$ -</b></u>

TOWN OF HOLLYWOOD PARK  
COMBINING BALANCE SHEETS  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2017

	Special Revenue Funds			
	Court Technology	Court Security	Grants & Donations	PEG Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 11,736	\$ 7,770	\$ 2,897	\$ 35,420
Other Receivables	-	-	-	1,278
Due From Other Funds	3,091	2,316	7,214	-
<b>TOTAL ASSETS</b>	<u>\$ 14,827</u>	<u>\$ 10,086</u>	<u>\$ 10,111</u>	<u>\$ 36,698</u>
<b>LIABILITIES &amp; FUND BALANCES</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	4,638
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,638</u>
<i>Fund Balances:</i>				
Restricted For:				
Tourism Development	-	-	-	-
Municipal Court	14,827	10,086	-	-
Police Department	-	-	-	-
Donor Stipulations	-	-	10,111	-
Public Service	-	-	-	32,060
Assigned for Capital Projects	-	-	-	-
<i>Total Fund Balances</i>	<u>14,827</u>	<u>10,086</u>	<u>10,111</u>	<u>32,060</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u>\$ 14,827</u>	<u>\$ 10,086</u>	<u>\$ 10,111</u>	<u>\$ 36,698</u>

Special Revenue Funds				Capital	Total
Voigt Center Maintenance	Asset Forfeiture	Hotel Tax	Asset Seizure	Projects Fund	Nonmajor Funds
\$ 30,996	\$ 71	\$ 77,136	\$ 29,145	\$ 407,896	\$ 603,067
7,204	-	2,401	-	-	10,883
35,684	3,445	33,808	-	-	85,558
<u>\$ 73,884</u>	<u>\$ 3,516</u>	<u>\$ 113,345</u>	<u>\$ 29,145</u>	<u>\$ 407,896</u>	<u>\$ 699,508</u>
\$ 4,617	\$ -	\$ -	\$ 662	\$ -	\$ 5,279
-	3,516	29,020	3,445	-	40,619
4,617	3,516	29,020	4,107	-	45,898
69,267	-	84,325	-	-	153,592
-	-	-	-	-	24,913
-	-	-	25,038	-	25,038
-	-	-	-	-	10,111
-	-	-	-	-	32,060
-	-	-	-	407,896	407,896
69,267	-	84,325	25,038	407,896	653,610
<u>\$ 73,884</u>	<u>\$ 3,516</u>	<u>\$ 113,345</u>	<u>\$ 29,145</u>	<u>\$ 407,896</u>	<u>\$ 699,508</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, 2017

	Special Revenue Funds			
	Court Technology	Court Security	Grants & Donations	PEG Fund
<b>REVENUES</b>				
Hotel Tax	\$ -	\$ -	\$ -	\$ -
Franchise Fees	-	-	-	5,472
Fines and Penalties	3,915	2,923	-	-
Interest Income	29	18	-	-
Grants and Donations Income	-	-	3,520	-
<b>TOTAL REVENUES</b>	<u>3,944</u>	<u>2,941</u>	<u>3,520</u>	<u>5,472</u>
<b>EXPENDITURES</b>				
Current:				
Administration	-	-	-	-
Police	-	-	-	-
Fire	-	-	51	-
Recreation	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>51</u>	<u>-</u>
Net Change in Fund Balance	3,944	2,941	3,469	5,472
Fund Balances at Beginning of Year	<u>10,883</u>	<u>7,145</u>	<u>6,642</u>	<u>26,588</u>
Fund Balances at End of Year	<u>\$ 14,827</u>	<u>\$ 10,086</u>	<u>\$ 10,111</u>	<u>\$ 32,060</u>

Voigt Center Maintenance	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Funds
	Asset Forfeiture	Hotel Tax	Asset Seizure		
\$ 27,920	\$ -	\$ 9,307	\$ -	\$ -	\$ 37,227
-	-	-	-	-	5,472
-	1,929	-	29,549	-	38,316
-	-	543	1	1,241	1,832
-	-	-	-	-	3,520
<u>27,920</u>	<u>1,929</u>	<u>9,850</u>	<u>29,550</u>	<u>1,241</u>	<u>86,367</u>
-	-	32,545	-	-	32,545
-	2,418	-	1,180	-	3,598
4,829	-	-	-	-	4,880
38,925	-	-	-	-	38,925
-	-	-	3,445	-	3,445
<u>43,754</u>	<u>2,418</u>	<u>32,545</u>	<u>4,625</u>	<u>-</u>	<u>83,393</u>
(15,834)	(489)	(22,695)	24,925	1,241	2,974
<u>85,101</u>	<u>489</u>	<u>107,020</u>	<u>113</u>	<u>406,655</u>	<u>650,636</u>
<u>\$ 69,267</u>	<u>\$ -</u>	<u>\$ 84,325</u>	<u>\$ 25,038</u>	<u>\$ 407,896</u>	<u>\$ 653,610</u>

TOWN OF HOLLYWOOD PARK  
COMPARATIVE STATEMENTS OF NET POSITION  
PROPRIETARY FUND – SEWER SYSTEM  
SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 67,170	\$ 107,484
Accounts Receivable	11,205	10,071
Due from Other Funds	123,240	71,504
<b>TOTAL ASSETS</b>	<u>201,615</u>	<u>189,059</u>
<b>LIABILITIES</b>		
Accounts Payable	10,485	8,757
<b>TOTAL LIABILITIES</b>	<u>10,485</u>	<u>8,757</u>
<b>NET POSITION</b>		
Unrestricted	191,130	180,302
<b>TOTAL NET POSITION</b>	<u>\$ 191,130</u>	<u>\$ 180,302</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>Operating Revenues</b>		
Charges for Utility Services	\$ 124,206	\$ 127,472
<b>Total Operating Revenues</b>	<u>124,206</u>	<u>127,472</u>
<b>Operating Expenses Before Depreciation</b>		
Waste Water Treatment Fees	113,622	111,985
<b>Total Operating Expenses Before Depreciation</b>	<u>113,622</u>	<u>111,985</u>
Operating Income (Loss)	<u>10,584</u>	15,487
<b>Other Income (Expense):</b>		
Interest Income	244	13
<b>Total Other Income (Expense)</b>	<u>244</u>	<u>13</u>
<b>Change in Net Position</b>	10,828	15,500
Net Position at Beginning of Year	<u>180,302</u>	164,802
Net Position at End of Year	<u>\$ 191,130</u>	<u>\$ 180,302</u>

TOWN OF HOLLYWOOD PARK  
COMPARATIVE STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND – SEWER SYSTEM  
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>Cash Flows From Operating Activities:</b>		
Cash Received From Customers	\$ 123,072	\$ 145,192
Cash Paid to Suppliers for Goods and Services	<u>(111,894)</u>	<u>(114,738)</u>
Net Cash Provided (Used) by Operating Activities	<u>11,178</u>	<u>30,454</u>
<b>Cash Flows From Investing Activities:</b>		
Investment Interest Received	<u>244</u>	<u>12</u>
Net Cash Provided (Used) by Investing Activities	<u>244</u>	<u>12</u>
<b>Cash Flows From Noncapital Financing Activities:</b>		
Interfund Borrowings	<u>(51,736)</u>	<u>(41,619)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(51,736)</u>	<u>(41,619)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 (40,314)	 (11,153)
 Cash and Cash Equivalents at Beginning of Year	 <u>107,484</u>	 <u>118,637</u>
 Cash and Cash Equivalents at End of Year	 <u>\$ 67,170</u>	 <u>\$ 107,484</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ 10,584	\$ 15,487
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(1,134)	17,720
Increase (Decrease) in Current Liabilities:		
Accounts Payable	<u>1,728</u>	<u>(2,753)</u>
Total Adjustments to Reconcile Operating Activities	<u>594</u>	<u>14,967</u>
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 11,178</u>	 <u>\$ 30,454</u>



