

TOWN OF HOLLYWOOD PARK, TEXAS

**ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2019**





HOLLYWOOD
— PARK —

TOWN OF HOLLYWOOD PARK
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

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TOWN OF HOLLYWOOD PARK

PRINCIPAL OFFICERS

TOWN OFFICIALS

MAYOR

CHRIS MURPHY

TOWN COUNCIL

MICHAEL HOWE

DEBBIE TRUEMAN

OSCAR VILLARREAL, JR.

DELAINE HALL

SCOTT BAILEY

TOWN SECRETARY

JANICE ALAMIA

TOWN TREASURER

JEFF HINSON

ATTORNEY

RYAN HENRY



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, 2019, 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, 2019, 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.

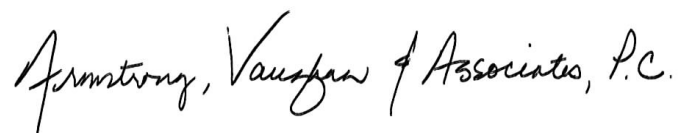
Other Matters

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 and other post employment benefits 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.
February 17, 2020



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, 2019. Please read it in conjunction with the Town’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

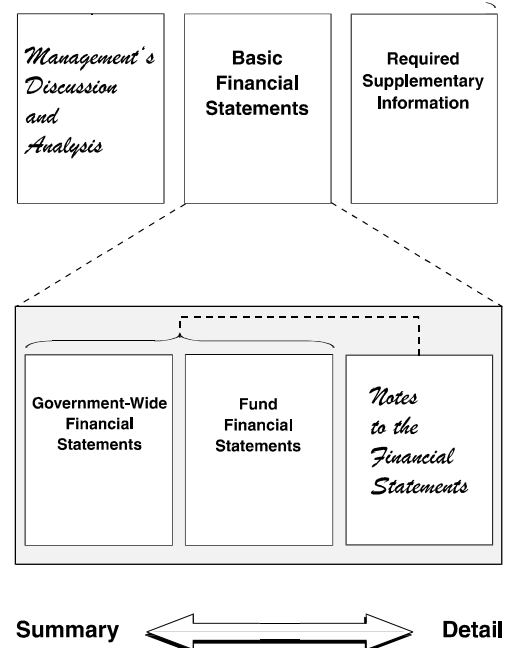
- The Town’s total combined net position was \$11.2 million at September 30, 2019.
- During the year, the Town’s governmental activities expenses were \$556 thousand less than the \$5.7 million generated in general and program revenues for governmental activities. The total cost of the Town’s governmental programs increased 13.7% from the prior year.
- The Town was the victim of wire fraud during the year. Two fraudulent fund transfers were initiated on March 15, 2019. The Department of Justice intercepted and ultimately returned the majority of the funds, but \$185 thousand was not recoverable. The amount is shown as a special item in Table A-1.
- The general fund reported a fund balance this year of \$4.0 million, an increase of \$565 thousand. The increase due largely to increased sales taxes, increased property tax collections, and higher interest yields.

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			
Fund Statements			
Type of Statements	Government-wide	Governmental Funds	Proprietary Funds
Scope	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
Required financial statements	• 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
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	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
Type of inflow/outflow information	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 \$11.4 million at September 30, 2019. (See Table A-1).

Table A-1
Town's Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2019	2018	2019	2018	2019	2018	
<i>Assets:</i>							
Current Assets	\$ 6,848,156	\$ 5,813,313	\$ 230,024	\$ 218,304	\$ 7,078,180	\$ 6,031,617	17.4
Capital Assets (net)	9,011,165	9,548,214	-	-	9,011,165	9,548,214	(5.6)
<i>Total Assets</i>	<u>15,859,321</u>	<u>15,361,527</u>	<u>230,024</u>	<u>218,304</u>	<u>16,089,345</u>	<u>15,579,831</u>	3.3
<i>Deferred Outflows</i>	640,668	271,300	-	-	640,668	271,300	136.1
<i>Liabilities:</i>							
Current Liabilities	707,225	567,488	21,951	20,280	729,176	587,768	24.1
Long-Term Liabilities	4,350,005	3,919,226	-	-	4,350,005	3,919,226	11.0
<i>Total Liabilities</i>	<u>5,057,230</u>	<u>4,486,714</u>	<u>21,951</u>	<u>20,280</u>	<u>5,079,181</u>	<u>4,506,994</u>	12.7
<i>Deferred Inflows</i>	244,222	318,583	-	-	244,222	318,583	(23.3)
<i>Net Position:</i>							
Invested in Capital Assets	5,606,165	6,032,691	-	-	5,606,165	6,032,691	(7.1)
Restricted	1,776,235	1,459,058	-	-	1,776,235	1,459,058	21.7
Unrestricted	3,816,137	3,335,781	208,073	198,024	4,024,210	3,533,805	13.9
<i>Total Net Position</i>	<u>\$ 11,198,537</u>	<u>\$ 10,827,530</u>	<u>\$ 208,073</u>	<u>\$ 198,024</u>	<u>\$ 11,406,610</u>	<u>\$ 11,025,554</u>	3.5

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, 2019, increasing property tax revenues by \$145 thousand to \$2.9 million. Sales tax collections also increased \$48 thousand due to additional economic activity in the Town.

Table A-2
Changes in Town's Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2019	2018	2019	2018	2019	2018	
<i>Program Revenues:</i>							
Charges for Services	\$ 459,869	\$ 409,351	\$ 133,436	\$ 130,190	\$ 593,305	\$ 539,541	10.0
Operating Grants and Contributions	17,995	9,275	-	-	17,995	9,275	94.0
<i>General Revenues:</i>							
Taxes	4,715,983	4,510,423	-	-	4,715,983	4,510,423	4.6
License Agreements	289,827	200,000	-	-	289,827	200,000	44.9
Interest Earnings	132,288	74,179	779	935	133,067	75,114	77.2
Miscellaneous	37,451	8,012	-	-	37,451	8,012	367.4
Total Revenues	5,653,413	5,211,240	134,215	131,125	5,787,628	5,342,365	8.3
<i>Program Expenses:</i>							
General Government	957,384	718,054	-	-	957,384	718,054	33.3
Police	1,396,891	1,172,536	-	-	1,396,891	1,172,536	19.1
Fire	1,272,031	1,183,187	-	-	1,272,031	1,183,187	7.5
Public Works	496,307	472,803	-	-	496,307	472,803	5.0
Municipal Court	129,481	90,190	-	-	129,481	90,190	43.6
Recreation	392,453	376,355	-	-	392,453	376,355	4.3
Sanitation	357,696	357,696	-	-	357,696	357,696	0.0
Sewer	-	-	124,166	124,231	124,166	124,231	(0.1)
Interest on Debt	94,509	96,052	-	-	94,509	96,052	(1.6)
Total Expenses	5,096,752	4,466,873	124,166	124,231	5,220,918	4,591,104	13.7
Special Item	(185,654)	-	-	-	(185,654)	-	(100.0)
Change in Net Position	\$ 371,007	\$ 744,367	\$ 10,049	\$ 6,894	\$ 381,056	\$ 751,261	49.3

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 \$5.1 million. Taxpayers paid for 56% of these activities through property taxes of \$2.9 million. 9% 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
	2019	2018			2019	2018		
General Government	\$ 957,384	\$ 718,054	33.3	\$ 827,608	\$ 590,305	40.2		
Police	1,396,891	1,172,536	19.1	1,377,100	1,162,888	18.4		
Fire	1,272,031	1,183,187	7.5	1,271,121	1,182,217	7.5		
Public Works	496,307	472,803	5.0	496,307	472,803	5.0		
Municipal Court	129,481	90,190	43.6	(59,414)	(94,605)	(37.2)		
Recreation	392,453	376,355	4.3	253,961	280,891	(9.6)		
Sanitation	357,696	357,696	0.0	357,696	357,696	0.0		
Sewer	124,166	124,231	(0.1)	(9,270)	(5,959)	55.6		

Business-Type Activities

Revenues of the Town's Sewer business-type activities increased 2% to \$134 thousand, and operating expenses decreased less than 1% to \$124 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 \$5.7 million, an increase of 8% from the preceding year. The increase is attributable to increased sales and property tax revenues.

Budgetary Highlights

The Town's actual expenditures in the General Fund were \$180 thousand less than budgeted amounts, and fund balance increased \$564 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 \$65 thousand.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2019, the Town had invested \$14.1 million in a broad range of capital assets, including equipment, buildings, and vehicles. (See Table A-4.)

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	
Land	\$ 572	\$ 578	\$ -	\$ -	\$ 572	\$ 578	(1.0)
Buildings and Improvements	8,418	8,376	-	-	8,418	8,376	0.5
Equipment	2,397	2,235	-	-	2,397	2,235	7.2
Infrastructure	2,739	2,732	-	-	2,739	2,732	0.3
Totals at Historical Cost	14,126	13,921	-	-	14,126	13,921	1.5
Total Accumulated Depreciation	(5,115)	(4,373)	-	-	(5,115)	(4,373)	17.0
Net Capital Assets	<u>\$ 9,011</u>	<u>\$ 9,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,011</u>	<u>\$ 9,548</u>	(5.6)

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

Long Term Debt

The Town paid off its last vehicle capital lease during the fiscal year. The Town made its scheduled debt payment against the \$3.7 million in bonds issued for the Voigt Center. More detailed information about the Town's debt is presented in the notes to the financial statements.

Table A-5
Town's Long-Term Debt
(in thousands dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	
	Capital Leases	\$ -	\$ 11	\$ -	\$ -	\$ -	
Bonds	3,405	3,505	-	-	3,405	3,505	(2.9)
Total Long-Term Debt	<u>\$ 3,405</u>	<u>\$ 3,516</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,405</u>	<u>\$ 3,516</u>	<u>(3.1)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Town's elected and appointed officials considered many factors when setting the fiscal year 2020 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. For fiscal year 2020 the Town adopted a break-even budget; despite slightly lowering the property tax rate, property tax collections are expected to increase due to increasing property values.

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, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 6,496,629	\$ 63,486	\$ 6,560,115
Receivables (net of allowances for uncollectibles):			
Ad Valorem Taxes	117,786	-	117,786
Other	354,889	21,179	376,068
Internal Balances	(145,359)	145,359	-
Prepaid Expenses	24,211	-	24,211
Capital Assets (net)	9,011,165	-	9,011,165
TOTAL ASSETS	15,859,321	230,024	16,089,345
DEFERRED OUTFLOWS			
Deferred Other Post Employment Benefit Related Outflows	5,330	-	5,330
Deferred Pension Related Outflows	635,338	-	635,338
TOTAL DEFERRED OUTFLOWS	640,668	-	640,668
LIABILITIES			
Accounts Payable	234,283	21,951	256,234
Wages Payable	91,576	-	91,576
Accrued Interest	7,827	-	7,827
Deposits	15,870	-	15,870
Unearned Billboard Revenue	139,735	-	139,735
Accrued Compensated Absences	112,934	-	112,934
<i>Noncurrent Liabilities:</i>			
Long-term Debt Due Within One Year	105,000	-	105,000
Long-term Debt Due in More Than One Year	3,300,000	-	3,300,000
Net Pension Liability	971,083	-	971,083
Total Other Post Employment Benefits Liability	78,922	-	78,922
TOTAL LIABILITIES	5,057,230	21,951	5,079,181
DEFERRED INFLOWS			
Deferred Other Post Employment Benefit Related Inflows	7,853	-	7,853
Deferred Pension Related Inflows	236,369	-	236,369
TOTAL DEFERRED INFLOWS	244,222	-	244,222
NET POSITION			
Net Investment in Capital Assets	5,606,165	-	5,606,165
Restricted for:			
Street Maintenance	482,456	-	482,456
Tourism Development	116,008	-	116,008
Economic Development	531,429	-	531,429
Venue Construction and Maintenance	473,209	-	473,209
Municipal Court	42,024	-	42,024
Police	78,658	-	78,658
Donor Stipulations	13,480	-	13,480
Public Service	38,971	-	38,971
Unrestricted	3,816,137	208,073	4,024,210
TOTAL NET POSITION	\$ 11,198,537	\$ 208,073	\$ 11,406,610

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<i>Governmental Activities:</i>				
General and Administrative	\$ 957,384	\$ 129,776	\$ -	\$ -
Police	1,396,891	2,706	17,085	-
Fire	1,272,031	-	910	-
Public Works	496,307	-	-	-
Municipal Court	129,481	188,895	-	-
Recreation	392,453	138,492	-	-
Sanitation	357,696	-	-	-
Interest on Long-term Debt	94,509	-	-	-
<i>Total Governmental Activities</i>	<u>5,096,752</u>	<u>459,869</u>	<u>17,995</u>	<u>-</u>
<i>Business-Type Activities:</i>				
Sewer	124,166	133,436	-	-
Total Primary Government	<u>\$ 5,220,918</u>	<u>\$ 593,305</u>	<u>\$ 17,995</u>	<u>\$ -</u>
General Revenues:				
Taxes				
Ad Valorem Taxes				
Franchise Taxes				
Sales Taxes				
Hotel Occupancy Tax				
License Agreements				
Interest and Investment Earnings				
Miscellaneous				
Total General Revenues				
Special Item - Wire Fraud Loss				
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
\$ (827,608)		\$ (827,608)
(1,377,100)		(1,377,100)
(1,271,121)		(1,271,121)
(496,307)		(496,307)
59,414		59,414
(253,961)		(253,961)
(357,696)		(357,696)
<u>(94,509)</u>		<u>(94,509)</u>
<u>(4,618,888)</u>		<u>(4,618,888)</u>
	<u>\$ 9,270</u>	<u>9,270</u>
		<u>(4,609,618)</u>
2,896,694	-	2,896,694
305,555	-	305,555
1,479,473	-	1,479,473
34,261	-	34,261
289,827	-	289,827
132,288	779	133,067
37,451	-	37,451
<u>5,175,549</u>	<u>779</u>	<u>5,176,328</u>
(185,654)	-	(185,654)
371,007	10,049	381,056
<u>10,827,530</u>	<u>198,024</u>	<u>11,025,554</u>
<u>\$ 11,198,537</u>	<u>\$ 208,073</u>	<u>\$ 11,406,610</u>

TOWN OF HOLLYWOOD PARK
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Major Fund General Fund	Major Fund Economic Development	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 4,497,693	\$ 502,681	\$ 1,495,454	\$ 6,495,828
Receivables (net of allowances for uncollectibles):				
Property Taxes	117,786	-	-	117,786
Other Receivables	224,189	30,183	100,518	354,890
Due from Other Funds	3,876	2,205	170,409	176,490
Prepaid Items	24,211	-	-	24,211
TOTAL ASSETS	\$ 4,867,755	\$ 535,069	\$ 1,766,381	\$ 7,169,205
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 219,629	\$ 3,640	\$ 10,214	\$ 233,483
Wages Payable	91,576	-	-	91,576
Deposits	15,870	-	-	15,870
Due to Other Funds	319,145	-	2,704	321,849
Unearned Revenue	139,735	-	-	139,735
<i>Total Liabilities</i>	<u>785,955</u>	<u>3,640</u>	<u>12,918</u>	<u>802,513</u>
<i>Deferred Inflows of Resources:</i>				
Unavailable Property Tax Revenue	97,056	-	-	97,056
<i>Fund Balances:</i>				
Nonspendable for:				
Prepaid Items	24,211	-	-	24,211
Restricted for:				
Street Maintenance	-	-	482,456	482,456
Tourism Development	-	-	116,008	116,008
Economic Development	-	531,429	-	531,429
Venue Construction and Maintenance	-	-	473,209	473,209
Municipal Court	-	-	42,024	42,024
Police	-	-	78,658	78,658
Donor Stipulations	-	-	13,480	13,480
Public Service	-	-	38,971	38,971
Assigned for:				
Capital Projects	-	-	508,657	508,657
Unassigned	3,960,533	-	-	3,960,533
<i>Total Fund Balances</i>	<u>3,984,744</u>	<u>531,429</u>	<u>1,753,463</u>	<u>6,269,636</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,867,755	\$ 535,069	\$ 1,766,381	\$ 7,169,205

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 6,269,636

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. 9,011,165

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 97,056

Accrued compensated absences are not due and payable in the current period and, therefore, not reported in the funds. (112,934)

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	(3,405,000)	
Related Accrued Interest	(7,827)	(3,412,827)

Other Post Employment Benefit liabilities (and related deferred outflows of resources) do not consume current financial resources and are not reported in the funds.

	3,405,000	
Other Post Employment Benefits Liability	(78,922)	
Post Employment Benefits Outflows (Inflows)	(2,523)	(81,445)

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	(971,083)	
Net Pension Deferred Outflows (Inflows)	398,969	(572,114)

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 11,198,537

TOWN OF HOLLYWOOD PARK
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Major Fund</u> General Fund	<u>Major Fund</u> Economic Development	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Ad Valorem Taxes	\$ 2,895,085	\$ -	\$ -	\$ 2,895,085
Franchise Fees	303,499	-	2,056	305,555
Sales Taxes	755,928	180,886	542,658	1,479,472
Hotel Occupancy Tax	-	-	34,261	34,261
Fines and Penalties	177,106	-	31,401	208,507
Licenses and Permits	123,085	-	-	123,085
License Agreements	289,827	-	-	289,827
Interest Income	98,606	10,047	24,258	132,911
Grants and Donations	10,503	-	3,106	13,609
Miscellaneous	193,326	-	-	193,326
TOTAL REVENUES	<u>4,846,965</u>	<u>190,933</u>	<u>637,740</u>	<u>5,675,638</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	763,238	122,368	-	885,606
Police	1,282,520	-	19,216	1,301,736
Fire	1,121,469	-	5,090	1,126,559
Public Works	250,007	-	-	250,007
Municipal Court	126,399	-	-	126,399
Recreation	80,598	-	54,243	134,841
Sanitation	357,696	-	-	357,696
Capital Outlay	97,231	82,314	25,129	204,674
<i>Debt Service:</i>				
Principal	10,524	-	100,000	110,524
Interest and Fiscal Charges	120	-	94,482	94,602
TOTAL EXPENDITURES	<u>4,089,802</u>	<u>204,682</u>	<u>298,160</u>	<u>4,592,644</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	757,163	(13,749)	339,580	1,082,994
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(7,461)	-	7,461	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,461)</u>	<u>-</u>	<u>7,461</u>	<u>-</u>
Special - Item Wire Fraud Loss	(185,655)	-	-	(185,655)
Net Change in Fund Balance	564,047	(13,749)	347,041	897,339
Fund Balances at Beginning of Year	3,420,697	545,178	1,406,422	5,372,297
Fund Balances at End of Year	<u>\$ 3,984,744</u>	<u>\$ 531,429</u>	<u>\$ 1,753,463</u>	<u>\$ 6,269,636</u>

See accompanying notes to basic financial statements.

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, 2019

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 897,339

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 depreciation exceeded capital outlay. (537,049)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 1,609

Governmental funds report required contributions to employee pensions and other post employment benefit programs (the supplemental death benefit) 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 by which the contributions fell short of the actuarially determined pension expense. (92,048)

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.
Principal Payments 110,524

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	(9,461)	
Change in Accrued Interest	93	(9,368)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 371,007

TOWN OF HOLLYWOOD PARK
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2019

	Business-Type Activities
	Sewer Fund
ASSETS	
Cash and Cash Equivalents	\$ 63,486
Receivables (net of allowances for uncollectibles)	21,179
Due From General Fund	145,359
TOTAL ASSETS	230,024
 LIABILITIES	
Accounts Payable	21,951
TOTAL LIABILITIES	21,951
 NET POSITION	
Unrestricted	208,073
TOTAL NET POSITION	\$ 208,073

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, 2019

	Business-Type Activities
	Sewer Fund
OPERATING REVENUES	
Charges for Utility Service	\$ 133,436
TOTAL OPERATING REVENUES	133,436
OPERATING EXPENSES	
Waste Water Treatment Fees	124,166
TOTAL OPERATING EXPENSES	124,166
OPERATING INCOME (LOSS)	9,270
NONOPERATING REVENUES (EXPENSES)	
Interest Income	779
TOTAL NONOPERATING REVENUES (EXPENSES)	779
CHANGE IN NET POSITION	10,049
NET POSITION AT BEGINNING OF YEAR	198,024
NET POSITION AT END OF YEAR	\$ 208,073

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities
	Sewer Fund
Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 133,436
Cash Paid to Suppliers for Goods and Services	(122,495)
Net Cash Provided (Used) by Operating Activities	10,941
Cash Flows From Investing Activities:	
Investment Interest Received	779
Net Cash Provided (Used) by Investing Activities	779
Cash Flows From Noncapital Financing Activities:	
Interfund Borrowings	(31,655)
Net Cash Provided (Used) by Noncapital Financing Activities	(31,655)
Net Increase (Decrease) in Cash and Cash Equivalents	(19,935)
Cash and Cash Equivalents at Beginning of Year	83,421
Cash and Cash Equivalents at End of Year	\$ 63,486
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 9,270
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Increase (Decrease) in Current Liabilities:	
Accounts Payable	1,671
Total Adjustments to Reconcile Operating Activities	1,671
Net Cash Provided (Used) by Operating Activities	\$ 10,941

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

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, 2019, 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, 2019

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, 2019

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.

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.

The Town has the following nonmajor governmental funds: Court Technology, Court Security, Grants & Donations, PEG Fund, Voigt Center Maintenance, Asset Forfeiture, Hotel Tax, Venue Tax, Street Maintenance, 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, 2019

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, 2019

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, 2018 and past due after January 31, 2019. 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, 2019

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 \$5,000 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, 2019

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, 2019

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, 2019

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, 2019, 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, 2019

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, 2019 consist of \$5,040,212 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. Investments in Texpool have a net asset value of \$1 per share and are reported at amortized cost. 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, 2019, 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.

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, 2018, upon which the fiscal 2019 levy was based, was \$572 million (i.e., market value less exemptions). The estimated market value was \$594 million, making the taxable value 97% of the estimated market value.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE C -- PROPERTY TAX CALENDAR (CONT.)

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, 2019, 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 \$11.4 million 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, 2019 are as follows:

<i>Primary Government</i>	General Fund	EDC	Nonmajor Funds	Totals
Sales and Mixed Beverage Tax	\$ 158,203	\$ 30,183	\$ 90,549	\$ 278,935
Franchise Tax	64,922	-	1,278	66,200
Hotel Occupancy Tax	-	-	8,691	8,691
Miscellaneous Receivable	1,064	-	-	1,064
Total Other Receivables	<u>\$ 224,189</u>	<u>\$ 30,183</u>	<u>\$ 100,518</u>	<u>\$ 354,890</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE E -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2019, was as follows:

<i>Governmental Activities</i>	Balance 10/1/2018	Additions	Disposals/ Transfers	Balance 9/30/2019
Land	\$ 578,078	\$ -	\$ (6,492)	\$ 571,586
Buildings and Improvements	8,376,048	42,322	-	8,418,370
Vehicles and Equipment	2,235,102	162,352	-	2,397,454
Infrastructure	2,732,411	-	6,492	2,738,903
	<u>13,921,639</u>	<u>204,674</u>	<u>-</u>	<u>14,126,313</u>
Less Accumulated Depreciation				
Buildings and Improvements	(1,615,717)	(295,810)	-	(1,911,527)
Vehicles and Equipment	(1,558,600)	(215,690)	-	(1,774,290)
Infrastructure	(1,199,108)	(230,223)	-	(1,429,331)
	<u>(4,373,425)</u>	<u>(741,723)</u>	<u>-</u>	<u>(5,115,148)</u>
Governmental Capital Assets, Net	<u>\$ 9,548,214</u>	<u>\$ (537,049)</u>	<u>\$ -</u>	<u>\$ 9,011,165</u>

Land and Construction in Progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 60,528
Municipal Court	1,087
Police Department	80,290
Fire Department	111,702
Public Works	235,444
Recreation	252,672
Total Depreciation Expense - Governmental Activities	<u>\$ 741,723</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

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 a patrol car on a capital lease requiring 24 monthly payments with an effective interest rate of 2.73%. This lease was paid off during the fiscal year.

Changes in Long-Term Liabilities

	Balance 10/1/2018	Additions	Reductions	Balance 9/30/2019	Due Within One Year
Governmental Activities	\$ 3,505,000	\$ -	\$ (100,000)	\$ 3,405,000	\$ 105,000
Capital Leases	10,524	-	(10,524)	-	-
Total Governmental Activities	<u>3,515,524</u>	<u>-</u>	<u>(110,524)</u>	<u>3,405,000</u>	<u>105,000</u>
Total Primary Government	<u>\$ 3,515,524</u>	<u>\$ -</u>	<u>\$ (110,524)</u>	<u>\$ 3,405,000</u>	<u>\$ 105,000</u>

The annual requirements to service bonded debt outstanding as of September 30, 2019, including interest payments, are as follows:

Year Ending September 30,	Principal	Interest	Total
2020	\$ 105,000	\$ 93,249	\$ 198,249
2021	110,000	91,764	201,764
2022	115,000	89,994	204,994
2023	115,000	87,963	202,963
2024-2028	650,000	468,043	1,118,043
2029-2033	790,000	278,661	1,068,661
2034-2038	950,000	139,413	1,089,413
2039-2041	570,000	10,503	580,503
	<u>\$ 3,405,000</u>	<u>\$ 1,259,590</u>	<u>\$ 4,664,590</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

Plan Description

The City participates as one of 887 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.

All eligible employees of the City 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 city, 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 city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments 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.

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2019

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Benefits Provided (Continued)

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	19
Inactive employees entitled to but not yet receiving benefits	26
Active employees	38
	83
	83

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. 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 City were 9.13% and 8.98% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019 were \$188,824, which equaled the required contributions.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall Payroll Growth	3.00% per year
Investment Rate of Return*	6.75%

* Presented net of pension plan investment expense, including inflation

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 Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions (Continued)

the size of the city, rates are multiplied by an additional factor of 100%. 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 Disabled Retiree 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.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. 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). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.50%	4.30%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
Private Equity	5.00%	7.75%
	<u>100.00%</u>	

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

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.

Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2018:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2017	\$ 5,723,621	\$ 5,290,840	\$ 432,781
Changes for the year:			
Service Cost	261,094	-	261,094
Interest	389,558	-	389,558
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	31,960	-	31,960
Changes of Assumptions	-	-	-
Contributions - Employer	-	183,317	(183,317)
Contributions - Employee	-	122,483	(122,483)
Net Investment Income	-	(158,267)	158,267
Benefit Payments, Including Refunds of Employee Contributions	(165,878)	(165,878)	-
Administrative Expense	-	(3,063)	3,063
Other Changes	-	(160)	160
Net Changes	<u>516,734</u>	<u>(21,568)</u>	<u>538,302</u>
Balance at December 31, 2018	<u>\$ 6,240,355</u>	<u>\$ 5,269,272</u>	<u>\$ 971,083</u>

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)	\$ 1,943,499	\$ 971,083	\$ 181,158

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

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.

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

For the year ended September 30, 2019, the Town recognized pension expense of \$274,600. Also as of September 30, 2019, 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	\$ 28,104	\$ 41,122
Changes in Actuarial Assumptions	1,074	-
Differences Between Projected and Actual Investment Earnings	468,857	195,247
Contributions Subsequent to the Measurement Date	137,303	-
	\$ 635,338	\$ 236,369

Deferred outflows of resources in the amount of \$137,303 is related to pensions resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability for the calendar year ending December 31, 2019. 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,	
2019	\$ 87,517
2020	30,258
2021	36,117
2022	107,774
2023	-
	\$ 261,666

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2019

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT

Supplemental Death Benefits

The City also participates in the cost sharing single-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 City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City 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 post-employment benefit,” or OPEB. Membership in the plan at December 31, 2018, the valuation and measurement date, consisted of:

	2018
Inactive Employees or Beneficiaries Currently Receiving Benefits	11
Inactive Employees Entitled to but Not Yet Receiving Benefits	5
Active employees	38
	54

These contribution rates are based on actuarial assumptions developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method. These assumptions are summarized below:

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2019

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

Methods and Assumptions Used to Determine Contribution Rates:

Inflation	2.50%
Salary Increases	3.50% to 10.50% Including Inflation
Discount Rate	3.71% (Based on Fidelity's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid thru the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality Rates - Disabled Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and femal rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2018, the measurement and actuarial valuation date was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2017	\$ 81,445
Changes for the year:	
Service Cost	4,491
Interest	2,760
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(3,304)
Changes in Assumptions or Other Inputs	(5,858)
Benefit Payments	(612)
Net Changes	(2,523)
Balance at December 31, 2018	\$ 78,922

There is no separate trust maintained to fund this TOL. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75 to pay related benefits.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

The following presents the TOL of the City, calculated using the discount rate of 3.31% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.31%) and 1-percentage point higher (4.31%) than the current rate:

	Discount Rate 2.71%	Discount Rate 3.71%	Discount Rate 4.71%
Total OPEB Liability	\$ 94,892	\$ 78,922	\$ 66,576

For the year ended September 30, 2019, the City recognized OPEB expense of \$6,914. Also as of September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Economic Experience	\$ -	\$ 2,832
Changes in Actuarial Assumptions	4,862	5,021
Contributions Subsequent to the Measurement Date	468	-
	\$ 5,330	\$ 7,853

Deferred outflows of resources in the amount of \$468 is related to OPEB benefits resulting from contributions subsequent to the measurement date, and will be recognized as a reduction of the total OPEB liability for the plan year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Plan Year ended December 31,	
2019	\$ (337)
2020	(337)
2021	(337)
2022	(337)
2023	(335)
Thereafter	(1,308)
	\$ (2,991)

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2019

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 agreement was amended in 2018 to include an additional billboard. This billboard became operational in fiscal year 2019 and the Town received an additional bonus payment of \$50,000.

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, 2019 are \$139,735 and are recognized as a liability on the balance sheet. Future license payments expected are as follows:

Year Ending September 30,	Payment
2020	\$ 206,000
2021	206,000
2022	206,000
2023	206,000
2024-2028	1,060,900
2029-2033	1,092,725
2034-2038	1,125,505
2039	231,854

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. During the year the City was victim to a cyber-attack which ultimately lead to wire fraud. Ryan Henry, the Town's new attorney, has filed an action against the virus protection company. As of the date of the report the Town is unaware of any outcome that would materially affect the Towns financial position. See Note M for more details on the extraordinary event.

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:

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2019

NOTE J -- COMMITMENTS AND CONTINGENCIES (Continued)

Commitments (Continued)

Fiscal Year Ending September 30,	Minimum Contractual Obligation
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, at each party's sole discretion, for up to two additional terms of two years each.

On April 24, 2018, the Town entered into an agreement with a contractor, Aquatica, Inc., to maintain and provide personnel for the pool at the Voigt Center. The agreement commenced on May 1, 2018, and shall continue for a period of three years. There is no cost escalation clause in the contract; however, there are variable costs which may, at the discretion of the contractor, be passed through to the Town. The minimum contractual obligation (excluding variable costs) for the Town is as follows:

Fiscal Year Ending September 30,	Minimum Contractual Obligation
2020	67,288
2021	7,511

The contract may be terminated by either party without cause with 90 days' notice.

NOTE K -- INTERFUND TRANSACTIONS

As of September 30, 2019, the following balances were owed between funds:

Due From	Due To	Amount	Purpose
General Fund	Proprietary Fund	\$ 145,359	<i>Sewer service collections</i>
General Fund	EDC Fund	2,205	<i>Sales Tax Collections</i>
General Fund	Nonmajor Funds	174,285	<i>Collections on-behalf of other funds</i>
	Total	\$ 321,849	

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

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 Travelers Insurance to provide insurance coverage for property and casualty, and workers compensation. Liability by the Town is generally limited to losses up to \$1,000,000. Annual premiums for the year ended September 30, 2019 were \$59,556 for property and casualty and workers compensation coverage.

NOTE M -- SPECIAL ITEM – WIRE FRAUD LOSS

The Town was the victim of wire fraud in March of 2019. Two fund transfers totaling \$486 thousand were wire from Town accounts. The Department of Justice was able to recover \$301 thousand, leaving a net non-recoverable balance of \$185 thousand. The amount is reflected as a special item in the financial statements.

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
- Schedule of Changes to Total Other Post Employment Benefit (OPEB) Liability



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, 2019

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes	\$ 2,828,490	\$ 2,828,490	\$ 2,895,085	\$ 66,595
Franchise Fees	282,000	282,000	303,499	21,499
Sales Taxes	627,000	627,000	755,928	128,928
Fines and Penalties	130,600	130,600	177,106	46,506
Licenses and Permits	103,090	103,090	123,085	19,995
License Agreement	275,000	275,000	289,827	14,827
Interest Income	7,000	7,000	98,606	91,606
Grants and Donations	-	-	10,503	10,503
Miscellaneous	96,400	96,400	193,326	96,926
TOTAL REVENUES	<u>4,349,580</u>	<u>4,349,580</u>	<u>4,846,965</u>	<u>497,385</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	784,384	784,384	763,238	21,146
Police	1,289,829	1,289,829	1,282,520	7,309
Fire	1,064,151	1,064,151	1,121,469	(57,318)
Public Works	179,759	179,759	250,007	(70,248)
Municipal Court	111,743	111,743	126,399	(14,656)
Recreation	122,136	122,136	80,598	41,538
Sanitation	357,696	357,696	357,696	-
Capital Outlay	349,238	349,238	97,231	252,007
<i>Debt Service:</i>				
Principal	10,524	10,524	10,524	-
Interest and Fiscal Charges	120	120	120	-
TOTAL EXPENDITURES	<u>4,269,580</u>	<u>4,269,580</u>	<u>4,089,802</u>	<u>179,778</u>
		7,000		
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>80,000</u>	<u>80,000</u>	<u>757,163</u>	<u>677,163</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>(80,000)</u>	<u>(80,000)</u>	<u>(7,461)</u>	<u>72,539</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(80,000)</u>	<u>(80,000)</u>	<u>(7,461)</u>	<u>72,539</u>
Special Item - Wire Fraud Loss	-	-	(185,655)	(185,655)
Net Change in Fund Balance	-	-	564,047	564,047
Beginning Fund Balance	<u>3,420,697</u>	<u>3,420,697</u>	<u>3,420,697</u>	<u>-</u>
Ending Fund Balance	<u>\$ 3,420,697</u>	<u>\$ 3,420,697</u>	<u>\$ 3,984,744</u>	<u>\$ 564,047</u>

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, 2019

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Sales Taxes	\$ 140,000	\$ 140,000	\$ 180,886	\$ 40,886
Interest Income	-	-	10,047	10,047
TOTAL REVENUES	<u>140,000</u>	<u>140,000</u>	<u>190,933</u>	<u>50,933</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	140,000	57,686	122,368	(64,682)
Capital Outlay	-	82,314	82,314	-
TOTAL EXPENDITURES	<u>140,000</u>	<u>140,000</u>	<u>204,682</u>	<u>(64,682)</u>
Net Change in Fund Balance	-	-	(13,749)	(13,749)
Beginning Fund Balance	<u>545,178</u>	<u>545,178</u>	<u>545,178</u>	<u>-</u>
Ending Fund Balance	<u>\$ 545,178</u>	<u>\$ 545,178</u>	<u>\$ 531,429</u>	<u>\$ (13,749)</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, 2019

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 FIVE CALENDAR YEARS**

	Total Pension Liability				
	2014	2015	2016	2017	2018
Service Cost	\$ 174,018	\$ 212,924	\$ 213,214	\$ 240,862	\$ 261,094
Interest (on the Total Pension Liability)	300,955	327,379	338,834	362,906	389,558
Changes of Benefit Terms	-	-			
Difference between Expected and Actual Experience	32,193	(31,235)	(24,792)	(35,104)	31,960
Change of Assumptions	-	3,798		-	
Benefit Payments, Including Refunds of Employee Contributions	(125,037)	(173,230)	(166,938)	(201,986)	(165,878)
Net Change in Total Pension Liability	382,129	339,636	360,318	366,678	516,734
Total Pension Liability - Beginning	4,274,860	4,656,989	4,996,625	5,356,943	5,723,621
Total Pension Liability - Ending	<u>\$ 4,656,989</u>	<u>\$ 4,996,625</u>	<u>\$ 5,356,943</u>	<u>\$ 5,723,621</u>	<u>\$ 6,240,355</u>
	Plan Fiduciary Net Position				
	2014	2015	2016	2017	2018
Contributions - Employer	\$ 136,240	\$ 153,141	\$ 149,442	\$ 173,871	\$ 183,317
Contributions - Employee	94,284	102,779	100,100	114,243	122,483
Net Investment Income	217,692	6,088	284,695	633,851	(158,267)
Benefit Payments, Including Refunds of Employee Contributions	(125,037)	(173,230)	(166,938)	(201,986)	(165,878)
Administrative Expense	(2,272)	(3,708)	(3,214)	(3,286)	(3,063)
Other	(187)	(182)	(173)	(167)	(160)
Net Change in Plan Fiduciary Net Position	320,720	84,888	363,912	716,526	(21,568)
Plan Fiduciary Net Position - Beginning	3,804,794	4,125,514	4,210,402	4,574,314	5,290,840
Plan Fiduciary Net Position - Ending	<u>\$ 4,125,514</u>	<u>\$ 4,210,402</u>	<u>\$ 4,574,314</u>	<u>\$ 5,290,840</u>	<u>\$ 5,269,272</u>
Net Pension Liability (Asset) - Ending	\$ 531,475	\$ 786,223	\$ 782,629	\$ 432,781	\$ 971,083
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.59%	84.26%	85.39%	92.44%	84.44%
Covered Payroll	\$ 1,571,394	\$ 1,712,986	\$ 1,668,340	\$ 1,904,045	\$ 2,041,391
Net Pension Liability as a Percentage of Covered Payroll	33.82%	45.90%	46.91%	22.73%	47.57%

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.

TOWN OF HOLLYWOOD PARK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES – TOTAL OTHER POST EMPLOYMENT BENEFIT (OPEB) LIABILITY
 LAST TWO CALENDAR YEARS

Total OPEB Liability	2017	2018
Service Cost	\$ 3,808	\$ 4,491
Interest	2,660	2,760
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience	-	(3,304)
Changes in Assumptions or Other Inputs	6,806	(5,858)
Benefit Payments	(571)	(612)
Net Change in Total Pension Liability	12,703	(2,523)
Total OPEB Liability - Beginning	68,742	81,445
Total OPEB Liability - Ending	\$ 81,445	\$ 78,922
 Covered Payroll	 \$ 1,904,045	 \$ 2,041,391
 Total OPEB Liability as a Percentage of Covered Payroll	 4.28%	 3.87%

Notes to Schedule

Changes in Benefit Terms: None

Changes in Assumptions: None

Trust:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75 to pay related benefits.

GASB 75 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 – Economic Development Fund
- Combining Statements – Nonmajor Governmental Funds
- Comparative Statements – Proprietary Sewer Fund

TOWN OF HOLLYWOOD PARK
 COMPARATIVE BALANCE SHEETS
 GENERAL FUND
 SEPTEMBER 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 4,497,693	\$ 3,787,301
Receivables (net of allowances for uncollectibles):		
Property Taxes	117,786	98,480
Other Receivables	224,189	186,269
Due from Other Funds	3,876	3,299
Prepaid Items	24,211	83,148
TOTAL ASSETS	\$ 4,867,755	\$ 4,158,497
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 219,629	\$ 84,370
Wages Payable	91,576	91,576
Deposits	15,870	7,850
Due to Other Funds	319,145	334,995
Unearned Billboard Revenue	139,735	123,562
<i>Total Liabilities</i>	785,955	642,353
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	97,056	95,447
<i>Total Deferred Inflows of Resources</i>	97,056	95,447
 <i>Fund Balances:</i>		
Nonspendable Prepaid Items	24,211	83,148
Unassigned	3,960,533	3,337,549
<i>Total Fund Balance</i>	3,984,744	3,420,697
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,867,755	\$ 4,158,497

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GENERAL FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
REVENUES		
Ad Valorem Taxes	\$ 2,895,085	\$ 2,738,486
Franchise Fees	303,499	286,521
Sales Taxes	755,928	732,673
Fines and Penalties	177,106	180,154
Licenses and Permits	123,085	123,693
License Agreement	289,827	200,000
Interest Income	98,606	53,275
Grants and Donations	10,503	800
Miscellaneous	193,326	117,019
TOTAL REVENUES	4,846,965	4,432,621
 EXPENDITURES		
<i>Current:</i>		
General and Administrative	763,238	623,215
Police	1,282,520	1,155,748
Fire	1,121,469	1,067,680
Public Works	250,007	157,336
Municipal Court	126,399	87,124
Recreation	80,598	69,378
Sanitation	357,696	357,696
Capital Outlay	97,231	51,367
<i>Debt Service:</i>		
Principal	10,524	48,566
Interest and Fiscal Charges	120	676
TOTAL EXPENDITURES	4,089,802	3,618,786
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 757,163	 813,835
 OTHER FINANCING SOURCES (USES)		
Transfers Out	(7,461)	(80,000)
Proceeds from the Sale of Capital Assets	-	4,000
TOTAL OTHER FINANCING SOURCES (USES)	(7,461)	(76,000)
 Special Item - Wire Fraud Loss	 (185,655)	 -
 Net Change in Fund Balance	 564,047	 737,835
 Beginning Fund Balance	 3,420,697	 2,682,862
 Ending Fund Balance	 \$ 3,984,744	 \$ 3,420,697

TOWN OF HOLLYWOOD PARK
 COMPARATIVE BALANCE SHEETS
 ECONOMIC DEVELOPMENT CORPORATION
 SEPTEMBER 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 502,681	\$ 543,905
Sales Tax Receivable	30,183	31,663
Due from Other Funds	2,205	5,805
TOTAL ASSETS	\$ 535,069	\$ 581,373
LIABILITIES & FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 3,640	\$ 36,195
<i>Total Liabilities</i>	3,640	36,195
<i>Fund Balances:</i>		
Restricted for Economic Development	531,429	545,178
<i>Total Fund Balances</i>	531,429	545,178
TOTAL LIABILITIES & FUND BALANCES	\$ 535,069	\$ 581,373

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 ECONOMIC DEVELOPMENT CORPORATION
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
REVENUES		
Sales Tax	\$ 180,886	\$ 174,729
Interest Income	10,047	7,758
TOTAL REVENUES	190,933	182,487
 EXPENDITURES		
<i>Current:</i>		
General and Administrative	122,368	35,670
Capital Outlay	82,314	45,361
TOTAL EXPENDITURES	204,682	81,031
 Net Change in Fund Balance	(13,749)	101,456
 Fund Balances at Beginning of Year	545,178	443,722
 Fund Balances at End of Year	\$ 531,429	\$ 545,178

TOWN OF HOLLYWOOD PARK
 COMBINING BALANCE SHEETS
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2019

	Special Revenue Funds				
	Court Technology	Court Security	Grants & Donations	PEG Fund	Voigt Center Maintenance
ASSETS					
Cash and Cash Equivalents	\$ 14,793	\$ 10,035	\$ 3,760	\$ 35,420	\$ 4,056
Other Receivables	-	-	-	1,278	6,518
Due From Other Funds	9,829	7,367	9,720	2,273	446
TOTAL ASSETS	\$ 24,622	\$ 17,402	\$ 13,480	\$ 38,971	\$ 11,020
LIABILITIES & FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 41
Due to Other Funds	-	-	-	-	-
<i>Total Liabilities</i>	-	-	-	-	41
<i>Fund Balances:</i>					
Restricted For:					
Tourism Development	-	-	-	-	10,979
Municipal Court	24,622	17,402	-	-	-
Police Department	-	-	-	-	-
Donor Stipulations	-	-	13,480	-	-
Public Service	-	-	-	38,971	-
Venue Construction and Maintenance	-	-	-	-	-
Street Maintenance	-	-	-	-	-
Assigned for Capital Projects	-	-	-	-	-
<i>Total Fund Balances</i>	<i>24,622</i>	<i>17,402</i>	<i>13,480</i>	<i>38,971</i>	<i>10,979</i>
TOTAL LIABILITIES & FUND BALANCES	\$ 24,622	\$ 17,402	\$ 13,480	\$ 38,971	\$ 11,020

Special Revenue Funds					Capital	Total
Asset Forfeiture	Hotel Tax	Asset Seizure	Venue Tax	Street Maintenance	Projects Fund	Nonmajor Funds
\$ 265	\$ 96,996	\$ 92,713	\$ 283,947	\$ 452,273	\$ 501,196	\$ 1,495,454
-	2,173	-	60,366	30,183	-	100,518
-	5,860	(1,615)	129,068	-	7,461	170,409
<u>\$ 265</u>	<u>\$ 105,029</u>	<u>\$ 91,098</u>	<u>\$ 473,381</u>	<u>\$ 482,456</u>	<u>\$ 508,657</u>	<u>\$ 1,766,381</u>
\$ -	\$ -	\$ 10,001	\$ 172	\$ -	\$ -	\$ 10,214
265	-	2,439	-	-	-	2,704
<u>265</u>	<u>-</u>	<u>12,440</u>	<u>172</u>	<u>-</u>	<u>-</u>	<u>12,918</u>
-	105,029	-	-	-	-	116,008
-	-	-	-	-	-	42,024
-	-	78,658	-	-	-	78,658
-	-	-	-	-	-	13,480
-	-	-	-	-	-	38,971
-	-	-	473,209	-	-	473,209
-	-	-	-	482,456	-	482,456
-	-	-	-	-	508,657	508,657
-	105,029	78,658	473,209	482,456	508,657	1,753,463
<u>\$ 265</u>	<u>\$ 105,029</u>	<u>\$ 91,098</u>	<u>\$ 473,381</u>	<u>\$ 482,456</u>	<u>\$ 508,657</u>	<u>\$ 1,766,381</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, 2019

	Special Revenue Funds				
	Court Technology	Court Security	Grants & Donations	PEG Fund	Voigt Center Maintenance
REVENUES					
Hotel Tax	\$ -	\$ -	\$ -	\$ -	\$ 25,696
Franchise Fees	-	-	-	2,056	-
Sales Tax	-	-	-	-	-
Fines and Penalties	6,738	5,051	-	-	-
Interest Income	255	173	-	-	-
Grants and Donations Income	-	-	3,106	-	-
TOTAL REVENUES	<u>6,993</u>	<u>5,224</u>	<u>3,106</u>	<u>2,056</u>	<u>25,696</u>
EXPENDITURES					
Current:					
Police	-	-	1,010	-	-
Fire	-	-	150	-	4,940
Recreation	-	-	-	-	52,519
Capital Outlay	-	-	-	-	-
Debt Service:	-	-	-	-	-
Principal	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,160</u>	<u>-</u>	<u>57,459</u>
Net Change in Fund Balance	6,993	5,224	1,946	2,056	(31,763)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at Beginning of Year	<u>17,629</u>	<u>12,178</u>	<u>11,534</u>	<u>36,915</u>	<u>42,742</u>
Fund Balances at End of Year	<u>\$ 24,622</u>	<u>\$ 17,402</u>	<u>\$ 13,480</u>	<u>\$ 38,971</u>	<u>\$ 10,979</u>

Special Revenue Funds					Capital	Total
Asset Forfeiture	Hotel Tax	Asset Seizure	Venue Tax	Steet Maintenance	Projects Fund	Nonmajor Funds
\$ -	\$ 8,565	\$ -	\$ -	\$ -	\$ -	\$ 34,261
-	-	-	-	-	-	2,056
-	-	-	361,772	180,886	-	542,658
-	-	19,612	-	-	-	31,401
7	2,059	624	3,042	9,444	8,654	24,258
-	-	-	-	-	-	3,106
<u>7</u>	<u>10,624</u>	<u>20,236</u>	<u>364,814</u>	<u>190,330</u>	<u>8,654</u>	<u>637,740</u>
194	-	18,012	-	-	-	19,216
-	-	-	-	-	-	5,090
-	-	-	1,724	-	-	54,243
-	-	9,999	15,130	-	-	25,129
-	-	-	100,000	-	-	100,000
-	-	-	94,482	-	-	94,482
<u>194</u>	<u>-</u>	<u>28,011</u>	<u>211,336</u>	<u>-</u>	<u>-</u>	<u>298,160</u>
(187)	10,624	(7,775)	153,478	190,330	8,654	339,580
-	-	-	-	-	7,461	7,461
-	-	-	-	-	7,461	7,461
<u>187</u>	<u>94,405</u>	<u>86,433</u>	<u>319,731</u>	<u>292,126</u>	<u>492,542</u>	<u>1,406,422</u>
<u>\$ -</u>	<u>\$ 105,029</u>	<u>\$ 78,658</u>	<u>\$ 473,209</u>	<u>\$ 482,456</u>	<u>\$ 508,657</u>	<u>\$ 1,753,463</u>

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF NET POSITION
 PROPRIETARY FUND – SEWER SYSTEM
 SEPTEMBER 30, 2019 AND 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 63,486	\$ 83,421
Accounts Receivable	21,179	21,179
Due from Other Funds	145,359	113,704
TOTAL ASSETS	230,024	218,304
LIABILITIES		
Accounts Payable	21,951	20,280
TOTAL LIABILITIES	21,951	20,280
NET POSITION		
Unrestricted	208,073	198,024
TOTAL NET POSITION	\$ 208,073	\$ 198,024

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, 2019 AND 2018

	2019	2018
Operating Revenues		
Charges for Utility Services	\$ 133,436	\$ 130,190
Total Operating Revenues	133,436	130,190
Operating Expenses Before Depreciation		
Waste Water Treatment Fees	124,166	124,231
Total Operating Expenses Before Depreciation	124,166	124,231
Operating Income (Loss)	9,270	5,959
Other Income (Expense):		
Interest Income	779	935
Total Other Income (Expense)	779	935
Change in Net Position	10,049	6,894
Net Position at Beginning of Year	198,024	191,130
Net Position at End of Year	\$ 208,073	\$ 198,024

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF CASH FLOWS
 PROPRIETARY FUND – SEWER SYSTEM
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 133,436	\$ 120,216
Cash Paid to Suppliers for Goods and Services	(122,495)	(114,436)
Net Cash Provided (Used) by Operating Activities	10,941	5,780
Cash Flows From Investing Activities:		
Investment Interest Received	779	935
Net Cash Provided (Used) by Investing Activities	779	935
Cash Flows From Noncapital Financing Activities:		
Interfund Borrowings	(31,655)	9,536
Net Cash Provided (Used) by Noncapital Financing Activities	(31,655)	9,536
Net Increase (Decrease) in Cash and Cash Equivalents	(19,935)	16,251
Cash and Cash Equivalents at Beginning of Year	83,421	67,170
Cash and Cash Equivalents at End of Year	\$ 63,486	\$ 83,421
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 9,270	\$ 5,959
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Operating Assets:		
Accounts Receivable	-	(9,974)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	1,671	9,795
Total Adjustments to Reconcile Operating Activities	1,671	(179)
Net Cash Provided (Used) by Operating Activities	\$ 10,941	\$ 5,780

