

TOWN OF HOLLYWOOD PARK, TEXAS

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



TOWN OF HOLLYWOOD PARK

PRINCIPAL OFFICERS

TOWN OFFICIALS

MAYOR

OSCAR VILLARREAL

TOWN COUNCIL

GLENN PEARCE

MICHAEL VOORHIES

SEAN MOORE

DEBBIE TRUAMAN

DELAINA HALL

TOWN TREASURER

FRED TIMMONS

ATTORNEY

RYAN HENRY

TOWN OF HOLLYWOOD PARK
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hollywood Park, as of and for the year ended September 30, 2021, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

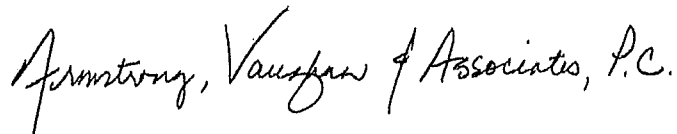
Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 25, 2022



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, 2021. Please read it in conjunction with the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

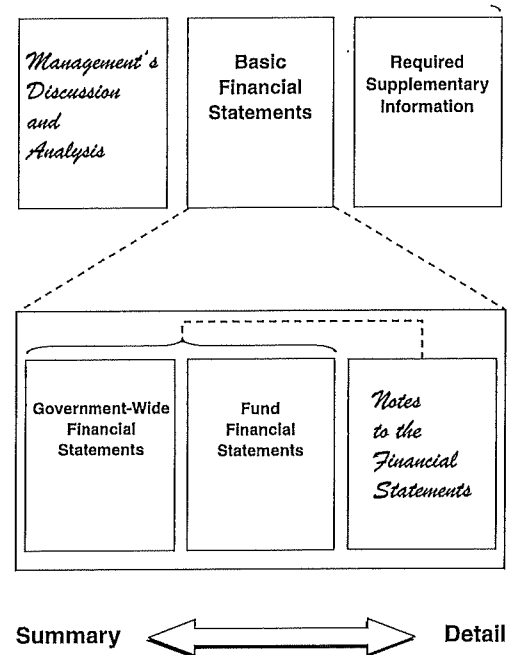
- The Town's total combined net position was \$12.4 million at September 30, 2021, an increase of \$1 million from the prior year.
- During the year, the Town's governmental activities expenses were \$1 million less than the \$5.7 million generated in general and program revenues for governmental activities. The total cost of the Town's governmental programs decreased 14% from the prior year.
- The general fund reported a fund balance this year of \$4.9 million, an increase of \$494 thousand. The increase is largely attributable to the increased sales tax collections and Voigt Center activity.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Town's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the Town's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*.

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



The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

| Figure A-2. Major Features of the Town's Government-wide and Fund Financial Statements | | | |
|--|--|---|--|
| Type of Statements | Fund Statements | | |
| | Government-wide | Governmental Funds | Proprietary Funds |
| 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 \$12.4 million at September 30, 2021. (See Table A-1).

| | Governmental Activities | | Business-Type Activities | | Total | | Percentage Change |
|----------------------------|----------------------------|----------------------|-----------------------------|-------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | |
| <i>Assets:</i> | | | | | | | |
| Current Assets | \$ 8,038,131 | \$ 7,633,527 | \$ 202,093 | \$ 225,447 | \$ 8,240,224 | \$ 7,858,974 | 4.9 |
| Capital Assets (net) | 9,293,476 | 8,368,476 | - | - | 9,293,476 | 8,368,476 | 11.1 |
| <i>Total Assets</i> | <u>17,331,607</u> | <u>16,002,003</u> | <u>202,093</u> | <u>225,447</u> | <u>17,533,700</u> | <u>16,227,450</u> | 8.0 |
| <i>Deferred Outflows</i> | <u>192,406</u> | <u>559,341</u> | <u>-</u> | <u>-</u> | <u>192,406</u> | <u>559,341</u> | (65.6) |
| <i>Liabilities:</i> | | | | | | | |
| Current Liabilities | 1,381,580 | 947,123 | 8,052 | 20,526 | 1,389,632 | 967,649 | 43.6 |
| Long-Term Liabilities | 3,756,847 | 3,911,376 | - | - | 3,756,847 | 3,911,376 | (4.0) |
| <i>Total Liabilities</i> | <u>5,138,427</u> | <u>4,858,499</u> | <u>8,052</u> | <u>20,526</u> | <u>5,146,479</u> | <u>4,879,025</u> | 5.5 |
| <i>Deferred Inflows</i> | <u>204,374</u> | <u>527,236</u> | <u>-</u> | <u>-</u> | <u>204,374</u> | <u>527,236</u> | (61.2) |
| <i>Net Position:</i> | | | | | | | |
| Invested in Capital Assets | 6,023,685 | 5,068,475 | - | - | 6,023,685 | 5,068,475 | 18.8 |
| Restricted | 1,460,788 | 1,965,535 | - | - | 1,460,788 | 1,965,535 | (25.7) |
| Unrestricted | 4,696,739 | 4,141,599 | 194,041 | 204,921 | 4,890,780 | 4,346,520 | 12.5 |
| <i>Total Net Position</i> | <u>\$ 12,181,212</u> | <u>\$ 11,175,609</u> | <u>\$ 194,041</u> | <u>\$ 204,921</u> | <u>\$ 12,375,253</u> | <u>\$ 11,380,530</u> | 8.7 |

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

Governmental Activities

- Sales taxes have fallen due to decreased sales activity in the Town, but license agreements have partially offset this decline; nevertheless, revenues declined overall. Expenses have increased somewhat, driven mainly by increases in police protection services.

Table A-2
Changes in Town's Net Position

| | Governmental Activities | | Business-Type Activities | | Total | | Percentage Change |
|------------------------------------|----------------------------|----------------------|-----------------------------|-------------------|----------------------|----------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | |
| <i>Program Revenues:</i> | | | | | | | |
| Charges for Services | \$ 443,616 | \$ 307,811 | \$ 111,720 | \$ 105,792 | \$ 555,336 | \$ 413,603 | 34.3 |
| Operating Grants and Contributions | 35,532 | 40,232 | - | - | 35,532 | 40,232 | (11.7) |
| <i>General Revenues:</i> | | | | | | | |
| Taxes | 4,760,933 | 4,442,407 | - | - | 4,760,933 | 4,442,407 | 7.2 |
| License Agreements | 406,000 | 546,233 | - | - | 406,000 | 546,233 | (25.7) |
| Interest Earnings | 15,422 | 60,048 | 6 | 231 | 15,428 | 60,279 | (74.4) |
| Miscellaneous | 28,234 | 22,950 | - | - | 28,234 | 22,950 | 23.0 |
| <i>Total Revenues</i> | <u>5,689,737</u> | <u>5,419,681</u> | <u>111,726</u> | <u>106,023</u> | <u>5,801,463</u> | <u>5,525,704</u> | 5.0 |
| <i>Program Expenses:</i> | | | | | | | |
| General Government | 901,944 | 1,007,883 | - | - | 901,944 | 1,007,883 | (10.5) |
| Police | 1,480,770 | 1,560,918 | - | - | 1,480,770 | 1,560,918 | (5.1) |
| Fire | 1,317,329 | 1,276,353 | - | - | 1,317,329 | 1,276,353 | 3.2 |
| Public Works | 26,339 | 578,413 | - | - | 26,339 | 578,413 | (95.4) |
| Municipal Court | 156,513 | 147,929 | - | - | 156,513 | 147,929 | 5.8 |
| Recreation | 351,089 | 420,480 | - | - | 351,089 | 420,480 | (16.5) |
| Sanitation | 358,522 | 357,497 | - | - | 358,522 | 357,497 | 0.3 |
| Sewer | - | - | 122,606 | 109,175 | 122,606 | 109,175 | 12.3 |
| Interest on Debt | 91,628 | 93,136 | - | - | 91,628 | 93,136 | (1.6) |
| <i>Total Expenses</i> | <u>4,684,134</u> | <u>5,442,609</u> | <u>122,606</u> | <u>109,175</u> | <u>4,806,740</u> | <u>5,551,784</u> | (13.4) |
| Change in Net Position | 1,005,603 | (22,928) | (10,880) | (3,152) | 994,723 | (26,080) | (3914.1) |
| Net Position, Beginning | 11,175,609 | 11,198,537 | 204,921 | 208,073 | 11,380,530 | 11,406,610 | (0.2) |
| Net Position, Ending | <u>\$ 12,181,212</u> | <u>\$ 11,175,609</u> | <u>\$ 194,041</u> | <u>\$ 204,921</u> | <u>\$ 12,375,253</u> | <u>\$ 11,380,530</u> | 8.7 |

Table A-3 presents the cost of each of the Town's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars. The cost of all *governmental* activities this year was \$4.7 million. Taxpayers paid for 66% of these activities through property taxes of \$3 million. 10% 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 |
|--------------------|---------------------------|--------------|--------|----------------------|-------------------------|------------|---------|----------------------|
| | 2021 | 2020 | | | 2021 | 2020 | | |
| General Government | \$ 901,944 | \$ 1,007,883 | (10.5) | | \$ 752,629 | \$ 878,028 | (14.3) | |
| Police | 1,480,770 | 1,560,918 | (5.1) | | 1,443,998 | 1,539,529 | (6.2) | |
| Fire | 1,317,329 | 1,276,353 | 3.2 | | 1,317,329 | 1,255,270 | 4.9 | |
| Public Works | 26,339 | 578,413 | (95.4) | | 26,339 | 578,413 | (95.4) | |
| Municipal Court | 156,513 | 147,929 | 5.8 | | 44,278 | (27,142) | (263.1) | |
| Recreation | 351,089 | 420,480 | (16.5) | | 170,263 | 419,835 | (59.4) | |
| Sanitation | 358,522 | 357,497 | 0.3 | | 358,522 | 357,497 | 0.3 | |
| Sewer | 122,606 | 109,175 | 12.3 | | 10,886 | 3,383 | 221.8 | |

Business-Type Activities

Revenues of the Town's Sewer business-type activities increased 5% to \$112 thousand, and operating expenses increased 13% to \$123k. 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.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Revenues from governmental fund types totaled \$6.2 million, an increase of about 15% from the preceding year due to factors noted above.

Budgetary Highlights

Revenues for the fiscal year were ahead of budget \$632 thousand more than expected. The largest favorable revenue variance was sales tax collections - \$218 thousand ahead of budget - which have rebounded from the effects of the pandemic. Ad valorem tax collections were also ahead of budget, by \$141 thousand, due to increased property values. Overall, expenses were over budget by \$100 thousand. However, the overall improvement in fund balance over what was expected was \$414 thousand.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2021, the Town had invested \$14.8 million in a broad range of capital assets, including equipment, buildings, and vehicles. (See Table A-4.) The primary additions for the Town were a patrol car, building improvements, a sound system for the Voigt Center, and the capitalization of the 2021 street projects.

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

| | Governmental Activities | | Business-Type Activities | | Total | | Total Percentage Change |
|--------------------------------|----------------------------|-----------------|-----------------------------|-------------|-----------------|-----------------|-------------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | |
| Land | \$ 572 | \$ 572 | \$ - | \$ - | \$ 572 | \$ 572 | 0.0 |
| Buildings and Improvements | 8,197 | 8,114 | - | - | 8,197 | 8,114 | 1.0 |
| Equipment | 2,313 | 2,364 | - | - | 2,313 | 2,364 | (2.2) |
| Infrastructure | 3,703 | 2,369 | - | - | 3,703 | 2,369 | 56.3 |
| Totals at Historical Cost | 14,785 | 13,419 | - | - | 14,785 | 13,419 | 10.2 |
| Total Accumulated Depreciation | (5,491) | (5,050) | - | - | (5,491) | (5,050) | 8.7 |
| Net Capital Assets | <u>\$ 9,294</u> | <u>\$ 8,369</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,294</u> | <u>\$ 8,369</u> | 11.1 |

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

Long Term Debt

The Town made its required debt payments against the bonds issued for the construction of the Voigt Center. The Town also executed a capital lease in the amount of \$80 thousand for two rescue devices for the Fire Department. 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 |
|--------------------------------|----------------------------|-----------------|-----------------------------|-------------|-----------------|-----------------|-------------------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | |
| Bonds | \$ 3,190 | \$ 3,300 | \$ - | \$ - | \$ 3,190 | \$ 3,300 | (3.3) |
| Capital Lease - Fire Equipment | 80 | - | - | - | 80 | - | 100.0 |
| Total Long-Term Debt | <u>\$ 3,270</u> | <u>\$ 3,300</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,270</u> | <u>\$ 3,300</u> | <u>(0.9)</u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Town's elected and appointed officials considered many factors when setting the fiscal year budget, tax rates, and fees that will be charged. The Town is anticipating slightly more ad valorem taxes resulting from a modest tax increase and improved property valuations. Bexar County is still in a recovery state from the national pandemic, and the Town has conservatively budgeted general fund sales tax with a slight reduction from the final 2021 audited collections. The Town has also budgeted a new fire engine purchase in fiscal year 2022 which it intends to finance over five years. The City has developed a break-even general fund budget for fiscal year 2022.

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, 2021

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 7,565,622 | \$ 139,687 | \$ 7,705,309 |
| Receivables: | | | |
| Ad Valorem Taxes | 105,392 | - | 105,392 |
| Other | 393,515 | 8,563 | 402,078 |
| Prepaid Items | 27,445 | - | 27,445 |
| Internal Balances | (53,843) | 53,843 | - |
| Capital Assets (net) | 9,293,476 | - | 9,293,476 |
| TOTAL ASSETS | 17,331,607 | 202,093 | 17,533,700 |
| DEFERRED OUTFLOWS | | | |
| Deferred Other Post Employment Benefit | | | |
| Related Outflows | 28,523 | - | 28,523 |
| Deferred Pension Related Outflows | 163,883 | - | 163,883 |
| TOTAL DEFERRED OUTFLOWS | 192,406 | - | 192,406 |
| LIABILITIES | | | |
| Accounts Payable | 416,642 | 8,052 | 424,694 |
| Wages Payable | 56,685 | - | 56,685 |
| Accrued Interest | 7,579 | - | 7,579 |
| Deposits | 36,650 | - | 36,650 |
| Unearned License and Grant Revenue | 591,183 | - | 591,183 |
| Accrued Compensated Absences | 142,509 | - | 142,509 |
| <i>Noncurrent Liabilities:</i> | | | |
| Long-term Debt Due Within One Year | 130,332 | - | 130,332 |
| Long-term Debt Due in More Than One Year | 3,139,458 | - | 3,139,458 |
| Net Pension Liability | 482,400 | - | 482,400 |
| Total Other Post Employment Benefits Liability | 134,989 | - | 134,989 |
| TOTAL LIABILITIES | 5,138,427 | 8,052 | 5,146,479 |
| DEFERRED INFLOWS | | | |
| Deferred Pension Related Inflows | 204,374 | - | 204,374 |
| TOTAL DEFERRED INFLOWS | 204,374 | - | 204,374 |
| NET POSITION | | | |
| Net Investment in Capital Assets | 6,023,685 | - | 6,023,685 |
| Restricted for: | | | |
| Tourism Development | 103,042 | - | 103,042 |
| Economic Development | 586,224 | - | 586,224 |
| Venue Construction and Maintenance | 699,517 | - | 699,517 |
| Municipal Court | 52,023 | - | 52,023 |
| Donor Stipulations | 19,374 | - | 19,374 |
| Public Service | 608 | - | 608 |
| Unrestricted | 4,696,739 | 194,041 | 4,890,780 |
| TOTAL NET POSITION | \$ 12,181,212 | \$ 194,041 | \$ 12,375,253 |

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | | Program Revenues | | |
|-----------------------------------|--------------|----------------------|------------------------------------|----------------------------------|
| Functions and Programs | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General and Administrative | \$ 901,944 | \$ 149,315 | \$ - | \$ - |
| Police | 1,480,770 | 1,240 | 35,532 | - |
| Fire | 1,317,329 | - | - | - |
| Public Works | 26,339 | - | - | - |
| Municipal Court | 156,513 | 112,235 | - | - |
| Recreation | 351,089 | 180,826 | - | - |
| Sanitation | 358,522 | - | - | - |
| Interest on Long-term Debt | 91,628 | - | - | - |
| Total Governmental Activities | 4,684,134 | 443,616 | 35,532 | - |
| Business-Type Activities: | | | | |
| Sewer | 122,606 | 111,720 | - | - |
| Total Primary Government | \$ 4,806,740 | \$ 555,336 | \$ 35,532 | \$ - |
| General Revenues: | | | | |
| Taxes | | | | |
| Ad Valorem Taxes | | | | |
| Franchise Taxes | | | | |
| Sales Taxes | | | | |
| Hotel Occupancy Tax | | | | |
| License Agreements | | | | |
| Interest and Investment Earnings | | | | |
| Miscellaneous | | | | |
| Total General Revenues | | | | |
| Change in Net Position | | | | |
| Net Position at Beginning of Year | | | | |
| Net Position at End of Year | | | | |

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

| <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|----------------------|
| \$ (752,629) | | \$ (752,629) |
| (1,443,998) | | (1,443,998) |
| (1,317,329) | | (1,317,329) |
| (26,339) | | (26,339) |
| (44,278) | | (44,278) |
| (170,263) | | (170,263) |
| (358,522) | | (358,522) |
| (91,628) | | (91,628) |
| <u>(4,204,986)</u> | | <u>(4,204,986)</u> |
| | \$ (10,886) | (10,886) |
| | | <u>(4,215,872)</u> |
| 3,025,627 | - | 3,025,627 |
| 257,792 | - | 257,792 |
| 1,452,532 | - | 1,452,532 |
| 24,982 | - | 24,982 |
| 406,000 | - | 406,000 |
| 15,422 | 6 | 15,428 |
| 28,234 | - | 28,234 |
| <u>5,210,589</u> | <u>6</u> | <u>5,210,595</u> |
| 1,005,603 | (10,880) | 994,723 |
| <u>11,175,609</u> | <u>204,921</u> | <u>11,380,530</u> |
| <u>\$ 12,181,212</u> | <u>\$ 194,041</u> | <u>\$ 12,375,253</u> |

TOWN OF HOLLYWOOD PARK
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

| | Major Fund General Fund | Major Fund Economic Development | Major Fund Venue Tax | Major Fund Street Maintenance |
|--|-------------------------------|---------------------------------------|----------------------------|-------------------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 4,738,356 | \$ 573,555 | \$ 802,284 | \$ 303,199 |
| Receivables: | | | | |
| Property Taxes | 105,392 | - | - | - |
| Other Receivables | 159,294 | 24,598 | 49,195 | 149,912 |
| Prepaid Items | 27,445 | - | - | - |
| Due from Other Funds | 503,770 | - | - | - |
| TOTAL ASSETS | \$ 5,534,257 | \$ 598,153 | \$ 851,479 | \$ 453,111 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | |
| <i>Liabilities:</i> | | | | |
| Accounts Payable | \$ 230,937 | \$ 4,729 | \$ - | \$ 176,606 |
| Wages Payable | 56,685 | - | - | - |
| Deposits | 36,650 | - | - | - |
| Unearned Revenue | 177,133 | - | - | - |
| Due to Other Funds | 68,310 | 7,200 | 151,962 | 276,505 |
| <i>Total Liabilities</i> | <i>569,715</i> | <i>11,929</i> | <i>151,962</i> | <i>453,111</i> |
| <i>Deferred Inflows of Resources:</i> | | | | |
| Unavailable Property Tax Revenue | 101,771 | - | - | - |
| <i>Fund Balances:</i> | | | | |
| Nonspendable for: | | | | |
| Prepaid Items | 27,445 | - | - | - |
| Restricted for: | | | | |
| Tourism Development | - | - | - | - |
| Economic Development | - | 586,224 | - | - |
| Venue Construction and Maintenance | - | - | 699,517 | - |
| Municipal Court | - | - | - | - |
| Donor Stipulations | - | - | - | - |
| Public Service | - | - | - | - |
| Assigned for: | | | | |
| Capital Projects | - | - | - | - |
| Unassigned | 4,835,326 | - | - | - |
| <i>Total Fund Balances</i> | <i>4,862,771</i> | <i>586,224</i> | <i>699,517</i> | <i>-</i> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | \$ 5,534,257 | \$ 598,153 | \$ 851,479 | \$ 453,111 |

See accompanying notes to basic financial statements.

| Other Nonmajor Funds | Total Governmental Funds |
|----------------------------|--------------------------------|
| \$ 1,147,427 | \$ 7,564,821 |
| - | 105,392 |
| 10,515 | 393,514 |
| - | 27,445 |
| 18,649 | 522,419 |
| <u>\$ 1,176,591</u> | <u>\$ 8,613,591</u> |

| | |
|----------------|------------------|
| \$ 3,570 | \$ 415,842 |
| - | 56,685 |
| - | 36,650 |
| 414,050 | 591,183 |
| 72,286 | 576,263 |
| <u>489,906</u> | <u>1,676,623</u> |

| | |
|----------|----------------|
| <u>-</u> | <u>101,771</u> |
|----------|----------------|

| | |
|----------------|------------------|
| - | 27,445 |
| 103,042 | 103,042 |
| - | 586,224 |
| - | 699,517 |
| 52,023 | 52,023 |
| 19,374 | 19,374 |
| 608 | 608 |
| 511,638 | 511,638 |
| - | 4,835,326 |
| <u>686,685</u> | <u>6,835,197</u> |

| | |
|---------------------|---------------------|
| <u>\$ 1,176,591</u> | <u>\$ 8,613,591</u> |
|---------------------|---------------------|



TOWN OF HOLLYWOOD PARK
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021

| | | |
|---|----|-----------|
| TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS | \$ | 6,835,197 |
|---|----|-----------|

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. | | 9,293,476 |
|---|--|-----------|

| | | |
|--|--|---------|
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | 101,774 |
|--|--|---------|

| | | |
|---|--|-----------|
| Accrued compensated absences are not due and payable in the current period and, therefore, not reported in the funds. | | (142,509) |
|---|--|-----------|

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 | (3,269,790) | |
| Related Accrued Interest | (7,579) | (3,277,369) |

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

| | | |
|---|-----------|-----------|
| | 3,269,790 | |
| Other Post Employment Benefits Liability | (134,989) | |
| Post Employment Benefits Outflows (Inflows) | 28,523 | (106,466) |

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 | (482,400) | |
| Net Pension Deferred Outflows (Inflows) | (40,491) | (522,891) |

| | | |
|--|----|------------|
| TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES | \$ | 12,181,212 |
|--|----|------------|

TOWN OF HOLLYWOOD PARK
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | Major Fund General Fund | Major Fund Economic Development | Major Fund Venue Tax | Major Fund Street Maintenance |
|--|-------------------------------|---------------------------------------|----------------------------|-------------------------------------|
| REVENUES | | | | |
| Ad Valorem Taxes | \$ 3,021,641 | \$ - | \$ - | \$ - |
| Franchise Fees | 257,792 | - | - | - |
| Sales Taxes | 742,328 | 177,551 | 355,102 | 177,551 |
| Hotel Occupancy Tax | - | - | - | - |
| Fines and Penalties | 106,843 | - | - | - |
| Licenses and Permits | 146,094 | - | - | - |
| License Agreements | 406,000 | - | - | - |
| Recreation Revenues | 180,826 | - | - | - |
| Interest Income | 14,680 | 228 | 139 | 313 |
| Grants and Donations | 9,481 | - | - | - |
| Miscellaneous | 40,306 | - | - | 507,232 |
| TOTAL REVENUES | <u>4,925,991</u> | <u>177,779</u> | <u>355,241</u> | <u>685,096</u> |
| EXPENDITURES | | | | |
| <i>Current:</i> | | | | |
| General and Administrative | 908,891 | 67,397 | - | - |
| Police | 1,429,849 | - | - | - |
| Fire | 1,218,923 | - | - | - |
| Public Works | 305,809 | - | - | - |
| Municipal Court | 23,270 | - | - | - |
| Recreation | 41,464 | - | - | - |
| Sanitation | 358,522 | - | - | - |
| Capital Outlay | 106,991 | 99,538 | - | 1,334,364 |
| <i>Debt Service:</i> | | | | |
| Principal | - | - | 110,000 | - |
| Interest and Fiscal Charges | - | - | 91,764 | - |
| TOTAL EXPENDITURES | <u>4,393,719</u> | <u>166,935</u> | <u>201,764</u> | <u>1,334,364</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 532,272 | 10,844 | 153,477 | (649,268) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Capital Lease Proceeds | 79,790 | - | - | - |
| Transfers In (Out) | (118,348) | - | - | 26,983 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(38,558)</u> | <u>-</u> | <u>-</u> | <u>26,983</u> |
| Net Change in Fund Balance | 493,714 | 10,844 | 153,477 | (622,285) |
| Fund Balances at Beginning of Year | <u>4,369,057</u> | <u>575,380</u> | <u>546,040</u> | <u>622,285</u> |
| Fund Balances at End of Year | <u>\$ 4,862,771</u> | <u>\$ 586,224</u> | <u>\$ 699,517</u> | <u>\$ -</u> |

See accompanying notes to basic financial statements.

| Total Nonmajor Funds | Total Governmental Funds |
|----------------------------|--------------------------------|
| \$ - | \$ 3,021,641 |
| - | 257,792 |
| - | 1,452,532 |
| 6,246 | 6,246 |
| 5,391 | 112,234 |
| - | 146,094 |
| - | 406,000 |
| - | 180,826 |
| 64 | 15,424 |
| 23,099 | 32,580 |
| - | 547,538 |
| <u>34,800</u> | <u>6,178,907</u> |
| 15,965 | 992,253 |
| 73,109 | 1,502,958 |
| 250 | 1,219,173 |
| - | 305,809 |
| - | 23,270 |
| 83,601 | 125,065 |
| - | 358,522 |
| - | 1,540,893 |
| - | 110,000 |
| - | 91,764 |
| <u>172,925</u> | <u>6,269,707</u> |
| (138,125) | (90,800) |
| - | 79,790 |
| <u>91,365</u> | <u>-</u> |
| <u>91,365</u> | <u>79,790</u> |
| (46,760) | (11,010) |
| <u>733,445</u> | <u>6,846,207</u> |
| <u>\$ 686,685</u> | <u>\$ 6,835,197</u> |

TOWN OF HOLLYWOOD PARK
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | | |
|--|----|----------|
| NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS | \$ | (11,010) |
|--|----|----------|

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

| | | |
|--|--|---------|
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation. | | 944,206 |
|--|--|---------|

| | | |
|--|--|----------|
| Proceeds from the sale of capital assets are recorded as an other financing source in governmental funds. On the statement of activities these proceeds are reduced by the net book value of capital assets disposed. This amount represents the net book value of capital assets disposed during the year | | (19,205) |
|--|--|----------|

| | | |
|--|--|-------|
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | | 3,986 |
|--|--|-------|

| | | |
|--|--|--------|
| 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 exceeded the actuarially determined pension expense. | | 59,916 |
|--|--|--------|

| | | |
|---|-------------|--------|
| The issuance of long-term debt (e.g. bonds and capital leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | | |
| Proceeds from Capital Lease | \$ (79,790) | |
| Principal Payments | 110,000 | 30,210 |

| | | |
|---|------------|---------|
| 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 | \$ (2,635) | |
| Change in Accrued Interest | 135 | (2,500) |

| | | |
|--|----|-----------|
| CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES | \$ | 1,005,603 |
|--|----|-----------|

TOWN OF HOLLYWOOD PARK
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2021

| | Business-Type Activities <u>Sewer Fund</u> |
|--|--|
| ASSETS | |
| Cash and Cash Equivalents | \$ 139,687 |
| Receivables (net of allowances for uncollectibles) | 8,563 |
| Due From General Fund | <u>53,843</u> |
| TOTAL ASSETS | <u>202,093</u> |
| LIABILITIES | |
| Accounts Payable | <u>8,052</u> |
| TOTAL LIABILITIES | <u>8,052</u> |
| NET POSITION | |
| Unrestricted | <u>194,041</u> |
| TOTAL NET POSITION | <u><u>\$ 194,041</u></u> |

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, 2021

| | Business-Type Activities Sewer Fund |
|---|--|
| OPERATING REVENUES | |
| Charges for Utility Service | \$ 111,720 |
| TOTAL OPERATING REVENUES | <u>111,720</u> |
| OPERATING EXPENSES | |
| Waste Water Treatment Fees | <u>122,606</u> |
| TOTAL OPERATING EXPENSES | <u>122,606</u> |
| OPERATING INCOME (LOSS) | <u>(10,886)</u> |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest Income | <u>6</u> |
| TOTAL NONOPERATING REVENUES (EXPENSES) | <u>6</u> |
| CHANGE IN NET POSITION | (10,880) |
| NET POSITION AT BEGINNING OF YEAR | <u>204,921</u> |
| NET POSITION AT END OF YEAR | <u><u>\$ 194,041</u></u> |

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | Business-Type Activities Sewer Fund |
|--|--|
| Cash Flows From Operating Activities: | |
| Cash Received From Customers | \$ 112,844 |
| Cash Paid to Suppliers for Goods and Services | (135,080) |
| Net Cash Provided (Used) by Operating Activities | <u>(22,236)</u> |
| Cash Flows From Investing Activities: | |
| Investment Interest Received | 6 |
| Net Cash Provided (Used) by Investing Activities | <u>6</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (22,230) |
| Cash and Cash Equivalents at Beginning of Year | <u>161,917</u> |
| Cash and Cash Equivalents at End of Year | <u><u>\$ 139,687</u></u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | |
| Operating Income (Loss) | \$ (10,886) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | |
| Increase (Decrease) in Current Liabilities: | |
| Accounts Payable | (12,474) |
| Total Adjustments to Reconcile Operating Activities | <u>(11,350)</u> |
| Net Cash Provided (Used) by Operating Activities | <u><u>\$ (22,236)</u></u> |

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021, 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, 2021

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, 2021

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.

Venue Tax Fund is used to account for the ½ cent sales tax used to service debt on the Voigt Center construction.

Street Maintenance Fund is used to account for the ¼ cent sales tax used for major road infrastructure projects conducted by the Town.

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

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

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

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

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

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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, 2021

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, 2020 and past due after January 31, 2021. 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, 2021

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, 2021

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. Excess leave is to be paid upon employment anniversary date. 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, 2021

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, 2021

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, 2021, 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, 2021

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, 2021 consist of \$5,896,329 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, 2021, the Town determined that it was not exposed to credit risk, custodial credit risk, concentrations of credit risk, interest rate risk or foreign currency risk.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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, 2020, upon which the fiscal 2021 levy was based, was \$593 million (i.e., market value less exemptions). The estimated market value was \$616 million, making the taxable value 96% of the estimated market value.

The Town is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2021, was \$0.499254 per \$100 of assessed value, which means that the Town has a tax margin of \$2.000746 for each \$100 value and could increase its annual tax levy by approximately \$11.9 million based upon the present assessed valuation before the limit is reached. The Property Tax Code generally limits growth of the maintenance and operations tax levy to 3.5% without voter approval.

NOTE D -- OTHER RECEIVABLES

Other receivables for the Town as of September 30, 2021 are as follows:

| | General Fund | EDC | Venue Tax | Street Maintenance | Nonmajor Funds | Totals |
|------------------------------|-------------------|------------------|------------------|-----------------------|-------------------|-------------------|
| Sales and Mixed Beverage Tax | \$ 101,662 | \$ 24,598 | \$ 49,195 | \$ 149,912 | \$ - | \$ 325,367 |
| Franchise Tax | 57,632 | - | - | - | 1,278 | 58,910 |
| Hotel Occupancy Tax | - | - | - | - | 9,237 | 9,237 |
| Total Other Receivables | <u>\$ 159,294</u> | <u>\$ 24,598</u> | <u>\$ 49,195</u> | <u>\$ 149,912</u> | <u>\$ 10,515</u> | <u>\$ 393,514</u> |

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE E -- CAPITAL ASSETS

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

| <i>Governmental Activities</i> | Balance 10/1/2020 | Additions | Disposals/ Transfers | Balance 9/30/2021 |
|----------------------------------|----------------------|-------------------|-------------------------|----------------------|
| Land | \$ 571,586 | \$ - | \$ - | \$ 571,586 |
| Buildings and Improvements | 8,114,162 | 97,031 | (14,269) | 8,196,924 |
| Vehicles and Equipment | 2,364,086 | 178,728 | (229,581) | 2,313,233 |
| Infrastructure | 2,368,522 | 1,334,364 | - | 3,702,886 |
| | <u>13,418,356</u> | <u>1,610,123</u> | <u>(243,850)</u> | <u>14,784,629</u> |
| Less Accumulated Depreciation | | | | |
| Buildings and Improvements | (1,909,825) | (281,943) | 13,442 | (2,178,326) |
| Vehicles and Equipment | (1,840,875) | (169,739) | 211,203 | (1,799,411) |
| Infrastructure | (1,299,181) | (214,235) | - | (1,513,416) |
| | <u>(5,049,881)</u> | <u>(665,917)</u> | <u>224,645</u> | <u>(5,491,153)</u> |
| Governmental Capital Assets, Net | <u>\$ 8,368,475</u> | <u>\$ 944,206</u> | <u>\$ (19,205)</u> | <u>\$ 9,293,476</u> |

Land is not depreciated.

Depreciation expense was charged to the governmental functions as follows:

| | |
|---|-------------------|
| Administration | \$ 46,898 |
| Municipal Court | 733 |
| Police Department | 84,007 |
| Fire Department | 75,713 |
| Public Works | 232,542 |
| Recreation | <u>226,024</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 665,917</u> |

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE F -- LONG-TERM DEBT

| Debt | Balance 10/1/2020 | Additions | Reductions | Balance 9/30/2021 | Due Within One Year |
|--------------------------------|----------------------|-------------------|---------------------|----------------------|------------------------|
| 2016 General Obligation Bonds | \$ 3,300,000 | \$ - | \$ (110,000) | \$ 3,190,000 | \$ 115,000 |
| Fire Equipment Lease | - | 79,790 | - | 79,790 | 15,332 |
| Accrued Compensation | 139,874 | 142,509 | (139,874) | 142,509 | - |
| Net Pension Liability | 613,897 | 474,240 | (605,737) | 482,400 | - |
| Other Post Employment Benefits | 107,479 | 27,510 | - | 134,989 | - |
| Total Governmental Activities | <u>\$ 4,161,250</u> | <u>\$ 724,049</u> | <u>\$ (855,611)</u> | <u>\$ 4,029,688</u> | <u>\$ 130,332</u> |

2016 General Obligation Bonds

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. These bonds were placed privately with a bank, and there are no subjective acceleration clauses, events of default with finance-related consequences, or termination events with finance-related consequences. The annual requirements to service this privately placed bonded debt outstanding as of September 30, 2021, including interest payments, are as follows:

| Year Ending September 30, | Principal | Interest | Total |
|------------------------------|---------------------|---------------------|---------------------|
| 2022 | \$ 115,000 | \$ 89,994 | \$ 204,994 |
| 2023 | 115,000 | 87,963 | 202,963 |
| 2024 | 120,000 | 85,647 | 205,647 |
| 2025 | 125,000 | 83,003 | 208,003 |
| 2026 | 130,000 | 80,047 | 210,047 |
| 2027-2031 | 730,000 | 345,385 | 1,075,385 |
| 2032-2036 | 885,000 | 226,921 | 1,111,921 |
| 2037-2041 | 970,000 | 75,618 | 1,045,618 |
| | <u>\$ 3,190,000</u> | <u>\$ 1,074,578</u> | <u>\$ 4,264,578</u> |

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE F -- LONG-TERM DEBT (CONTINUED)

Fire Equipment Lease

In June, 2021, the Town executed a capital lease for two LifePak 15's for the Fire Department in the amount of \$80 thousand. Each LifePak 15 is recorded at a cost of \$39,895 and accumulated depreciation of \$1,995 at September 30, 2021. The lease is to be paid in five annual installments bearing interest at a rate of 2%. The annual requirements to fully amortize the debt outstanding at September 30, 2021, including interest payments, are as follows:

| Year Ending September 30, | Principal |
|-------------------------------------|-----------------------|
| 2022 | \$ 16,928 |
| 2023 | 16,928 |
| 2024 | 16,928 |
| 2025 | 16,928 |
| 2026 | 16,928 |
| | <hr/> 84,640 |
| Less: Amounts Representing Interest | (4,850) |
| | <hr/> <hr/> \$ 79,790 |

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

The City participates as one of 895 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan 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 employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at www.tmrs.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. The City has elected to provide updated service credits and cost of living adjustments to retirees.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS

Benefits Provided (Continued)

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

| | 2020 |
|--|-----------|
| Inactive employees or beneficiaries currently receiving benefits | 22 |
| Inactive employees entitled to but not yet receiving benefits | 34 |
| Active employees | 38 |
| | <u>94</u> |

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 City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 9.01% and 9.22% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$208,952, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, 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 City's net pension liability (NPL) was measured as of December 31, 2020 and the total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date. The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|----------------|
| Inflation | 2.50% per year |
| Overall Payroll Growth | 2.75% per year |
| Investment Rate of Return | 6.75% |

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions (Continued)

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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:

| Asset Class | Target Allocations | Long-Term Expected Real Rate of Return (Arithmetic) |
|-----------------------|--------------------|--|
| Global Equity | 30.00% | 5.30% |
| Core Fixed Income | 10.00% | 1.25% |
| Non-Core Fixed Income | 20.00% | 4.14% |
| Real Return | 10.00% | 3.85% |
| Real Estate | 10.00% | 4.00% |
| Absolute Return | 10.00% | 3.48% |
| Private Equity | 10.00% | 7.75% |
| | <u>100.00%</u> | |

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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, 2020:

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
|--|----------------------------|--------------------------------|--------------------------|
| Balance at December 31, 2019 | \$ 6,792,805 | \$ 6,178,908 | \$ 613,897 |
| Changes for the year: | | | |
| Service Cost | 284,210 | - | 284,210 |
| Interest | 461,704 | - | 461,704 |
| Change of Benefit Terms | - | - | - |
| Difference Between Expected and Actual Experience | (81,979) | - | (81,979) |
| Changes of Assumptions | - | - | - |
| Contributions - Employer | - | 196,210 | (196,210) |
| Contributions - Employee | - | 133,641 | (133,641) |
| Net Investment Income | - | 468,734 | (468,734) |
| Benefit Payments, Including Refunds of Employee Contributions | (189,695) | (189,695) | - |
| Administrative Expense | - | (3,035) | 3,035 |
| Other Changes | - | (118) | 118 |
| Net Changes | 474,240 | 605,737 | (131,497) |
| Balance at December 31, 2020 | \$ 7,267,045 | \$ 6,784,645 | \$ 482,400 |

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) | \$ 1,589,940 | \$ 482,400 | \$ (423,036) |

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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.tmr.com.

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

For the year ended September 30, 2021, the Town recognized pension expense of \$123,243. Also as of September 30, 2021, 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 | \$ - | \$ 29,287 |
| Changes in Actuarial Assumptions | 9,877 | - |
| Differences Between Projected and Actual Investment Earnings | | 175,087 |
| Contributions Subsequent to the Measurement Date | 154,006 | - |
| | <u>\$ 163,883</u> | <u>\$ 204,374</u> |

Deferred outflows of resources in the amount of \$154,006 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, 2021. 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, | |
| 2021 | \$ (69,248) |
| 2022 | 2,409 |
| 2023 | (113,425) |
| 2024 | (14,233) |
| Thereafter | - |
| | <u>\$ (194,497)</u> |

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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, 2020, the valuation and measurement date, consisted of:

| | |
|--|-----------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 14 |
| Inactive Employees Entitled to but Not Yet Receiving Benefits | 5 |
| Active employees | 38 |
| | <u>57</u> |

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

| | |
|-------------------------------------|--|
| Inflation | 2.50% |
| Salary Increases | 3.50% to 11.50% Including Inflation |
| Discount Rate | 2.00% |
| 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 | 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. |
| Mortality Rates - Disabled Retirees | 2019 Municipal Retirees of Texas Mortality Tabs with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. |

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2020, the measurement and actuarial valuation date was calculated as follows:

| | Total OPEB Liability |
|--|-------------------------|
| Balance at December 31, 2019 | \$ 107,479 |
| Changes for the year: | |
| Service Cost | 6,905 |
| Interest | 3,041 |
| Change of Benefit Terms | - |
| Difference Between Expected and Actual Experience | 301 |
| Changes in Assumptions or Other Inputs | 17,931 |
| Benefit Payments | (668) |
| Net Changes | 27,510 |
| Balance at December 31, 2020 | \$ 134,989 |

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.

The following presents the TOL of the City, calculated using the discount rate of 2.75% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower and 1-percentage point higher than the current rate:

| | Discount Rate 1.75% | Discount Rate 2.75% | Discount Rate 3.75% |
|----------------------|------------------------|------------------------|------------------------|
| Total OPEB Liability | \$ 165,058 | \$ 134,989 | \$ 111,845 |

For the year ended September 30, 2021, the City recognized OPEB expense of \$15,490. Also, as of September 30, 2021, 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 | \$ 916 | \$ - |
| Changes in Actuarial Assumptions | 27,095 | - |
| Contributions Subsequent to the Measurement Date | 512 | - |
| | \$ 28,523 | \$ - |

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

Deferred outflows of resources in the amount of \$512 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, 2021. 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, | | |
|--------------------------------------|----|---------------|
| 2021 | \$ | 5,544 |
| 2022 | | 5,544 |
| 2023 | | 5,546 |
| 2024 | | 4,573 |
| 2025 | | 5,612 |
| Thereafter | | 1,192 |
| | \$ | <u>28,011</u> |

NOTE I -- LICENSE AGREEMENT

The Town has a license agreement with Clear Channel Outdoor, Inc. for a number of billboards. The terms of the agreements are either 25 or 30 years, beginning on the commencement date of each billboard. Per the original 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 and the town received an additional bonus payment of \$50,000 when the billboard became operational in 2019. In fiscal year 2020, the Town added additional billboards and received bonus payments totaling \$150,000 related to those billboards.

The annual license payments related to these agreements are paid in advance and are refundable should the billboards become inoperable or not advantageous for the licensee. Unearned license payments at September 30, 2021 are \$177,133 and are recognized as a liability on the balance sheet. Future license payments expected are as follows:

| Year Ending September 30, | Payment |
|------------------------------|---------------------|
| 2022 | \$ 406,000 |
| 2023 | 406,000 |
| 2024 | 406,000 |
| 2025 | 413,680 |
| 2026 | 418,180 |
| 2027-2031 | 2,123,900 |
| 2032-2036 | 2,187,614 |
| 2037-2041 | 1,789,532 |
| 2042-2046 | 966,810 |
| 2047-2049 | 521,673 |
| Total All Years | <u>\$ 9,639,389</u> |

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE J -- COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

Litigation

At year-end, the Town was the defendant in one EEOC suit. This suit has been in litigation for several years, and there has been no activity since January, 2021. The insurance carrier has agreed to cover any settlement, and management believes the maximum exposure to the Town will be the deductible associated with the case, or \$2,500. Management is not aware of any other legal action against the Town.

Commitments

On October 1, 2017, the Town entered into an agreement with 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. However, the contractor has not invoked its inflation adjustment for the last four years, and management feels the remaining contractual obligation is as follows:

| Fiscal Year Ending September 30, | Contractual Obligation |
|-------------------------------------|---------------------------|
| 2022 | \$ 358,522 |

The term of the solid waste disposal 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.

Also during the fiscal year, the Town entered into a three-year agreement with Aquatica to provide maintenance and lifeguard support for the Town pool at the Voigt Center complex. The contract is effective May 1, 2021 through April 30, 2024. Remaining payments under the terms of this agreement are as follows:

| Fiscal Year Ending September 30, | Contractual Obligation |
|-------------------------------------|---------------------------|
| 2022 | \$ 69,737 |
| 2023 | 69,737 |
| 2024 | 69,737 |

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE K -- INTERFUND TRANSACTIONS

As of September 30, 2021, the following balances were owed between funds:

| Due From | Due To | Amount | Purpose |
|--------------------|--------------------------|-------------------|---|
| General Fund | Proprietary Fund | \$ 53,843 | <i>Sewer Service Collections</i> |
| Street Maintenance | General Fund | 276,505 | <i>Street Project Expenses Paid by General Fund</i> |
| Venue Tax Fund | General Fund | 151,962 | <i>Collections on behalf of Other Funds</i> |
| General Fund | Other Nonmajor | 14,467 | <i>Court Collections</i> |
| EDC Fund | General Fund | 7,200 | <i>Administrative Fee</i> |
| Other Nonmajor | Other Nonmajor | 4,182 | <i>Hotel Agreement to Support Voigt Maintenance</i> |
| Other Nonmajor | General Fund | 68,104 | <i>Collections on behalf of other funds</i> |
| | Total Due To Other Funds | <u>\$ 576,263</u> | |

During the year ended September 30, 2021, the following transfers occurred between funds:

| Transfer From | Transfer To | Amount | Purpose |
|---------------|--------------------|-------------------|---------------------------------------|
| General Fund | Street Maintenance | \$ 26,983 | <i>Support 2021 Street Project</i> |
| General Fund | Other Nonmajor | 91,365 | <i>Supplement Nonmajor Activities</i> |
| | Total Transfers | <u>\$ 118,348</u> | |

NOTE L -- RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The Town contracts with 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, 2021 were \$94,834 for property and casualty and workers compensation coverage.

NOTE M -- SUBSEQUENT EVENT

In its October, 2022 meeting, the Council committed to the purchase of a fire engine. The cost of the vehicle is \$1,600,000 with an expected delivery date of December 1, 2022. The vehicle will be financed with a note payable over five years at an interest rate of 1.94%.

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, 2021

| | Budget Amounts | | Actual | Variance |
|--|---------------------|---------------------|---------------------|----------------------------|
| | Original | Final | Amounts | Favorable (Unfavorable) |
| REVENUES | | | | |
| Ad Valorem Taxes | \$ 2,880,893 | \$ 2,880,893 | \$ 3,021,641 | \$ 140,748 |
| Franchise Fees | 272,000 | 272,000 | 257,792 | (14,208) |
| Sales Taxes | 523,825 | 523,825 | 742,328 | 218,503 |
| Fines and Penalties | 131,600 | 131,600 | 106,843 | (24,757) |
| Licenses and Permits | 123,100 | 123,100 | 146,094 | 22,994 |
| License Agreement | 300,000 | 300,000 | 406,000 | 106,000 |
| Recreation Revenues | - | - | 180,826 | 180,826 |
| Interest Income | 45,000 | 45,000 | 14,680 | (30,320) |
| Grants and Donations | - | - | 9,481 | 9,481 |
| Miscellaneous | 17,400 | 17,400 | 40,306 | 22,906 |
| TOTAL REVENUES | <u>4,293,818</u> | <u>4,293,818</u> | <u>4,925,991</u> | <u>632,173</u> |
| EXPENDITURES | | | | |
| <i>Current:</i> | | | | |
| General and Administrative | 950,872 | 950,872 | 908,891 | 41,981 |
| Police | 1,427,301 | 1,427,301 | 1,429,849 | (2,548) |
| Fire | 1,136,948 | 1,136,948 | 1,218,923 | (81,975) |
| Public Works | 183,955 | 183,955 | 305,809 | (121,854) |
| Municipal Court | 19,800 | 19,800 | 23,270 | (3,470) |
| Recreation | 1,440 | 1,440 | 41,464 | (40,024) |
| Sanitation | 357,696 | 357,696 | 358,522 | (826) |
| Capital Outlay | 215,806 | 215,806 | 106,991 | 108,815 |
| TOTAL EXPENDITURES | <u>4,293,818</u> | <u>4,293,818</u> | <u>4,393,719</u> | <u>(99,901)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>-</u> | <u>532,272</u> | <u>532,272</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Capital Lease | - | 79,790 | 79,790 | - |
| Transfers In (Out) | <u>-</u> | <u>-</u> | <u>(118,348)</u> | <u>(118,348)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>79,790</u> | <u>(38,558)</u> | <u>(118,348)</u> |
| Net Change in Fund Balance | - | 79,790 | 493,714 | 413,924 |
| Beginning Fund Balance | <u>4,369,057</u> | <u>4,369,057</u> | <u>4,369,057</u> | <u>-</u> |
| Ending Fund Balance | <u>\$ 4,369,057</u> | <u>\$ 4,448,847</u> | <u>\$ 4,862,771</u> | <u>\$ 413,924</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, 2021

| | Budget Amounts | | Actual | Variance |
|----------------------------|-------------------|-------------------|-------------------|----------------------------|
| | Original | Final | Amounts | Favorable (Unfavorable) |
| REVENUES | | | | |
| Sales Taxes | \$ 140,000 | \$ 140,000 | \$ 177,551 | \$ 37,551 |
| Interest Income | - | - | 228 | 228 |
| TOTAL REVENUES | <u>140,000</u> | <u>140,000</u> | <u>177,779</u> | <u>37,779</u> |
| EXPENDITURES | | | | |
| <i>Current:</i> | | | | |
| General and Administrative | 140,000 | 140,000 | 67,397 | 72,603 |
| Capital Outlay | - | - | 99,538 | (99,538) |
| TOTAL EXPENDITURES | <u>140,000</u> | <u>140,000</u> | <u>166,935</u> | <u>(26,935)</u> |
| Net Change in Fund Balance | - | - | 10,844 | 10,844 |
| Beginning Fund Balance | <u>575,380</u> | <u>575,380</u> | <u>575,380</u> | <u>-</u> |
| Ending Fund Balance | <u>\$ 575,380</u> | <u>\$ 575,380</u> | <u>\$ 586,224</u> | <u>\$ 10,844</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, 2021

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 SEVEN CALENDAR YEARS

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

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.

| Total Pension Liability | | |
|-------------------------|---------------------|---------------------|
| 2018 | 2019 | 2020 |
| \$ 261,094 | \$ 275,290 | \$ 284,210 |
| 389,558 | 423,140 | 461,704 |
| - | - | - |
| 31,960 | 54,764 | (81,979) |
| - | 17,777 | - |
| (165,878) | (218,521) | (189,695) |
| 516,734 | 552,450 | 474,240 |
| 5,723,621 | 6,240,355 | 6,792,805 |
| <u>\$ 6,240,355</u> | <u>\$ 6,792,805</u> | <u>\$ 7,267,045</u> |

| Plan Fiduciary Net Position | | |
|-----------------------------|---------------------|---------------------|
| 2018 | 2019 | 2020 |
| \$ 183,317 | \$ 189,706 | \$ 196,211 |
| 122,483 | 129,345 | 133,641 |
| (158,267) | 813,847 | 468,734 |
| (165,878) | (218,521) | (189,696) |
| (3,063) | (4,603) | (3,035) |
| (160) | (138) | (118) |
| (21,568) | 909,636 | 605,737 |
| 5,290,840 | 5,269,272 | 6,178,908 |
| <u>\$ 5,269,272</u> | <u>\$ 6,178,908</u> | <u>\$ 6,784,645</u> |

| | | |
|------------|------------|------------|
| \$ 971,083 | \$ 613,897 | \$ 482,400 |
|------------|------------|------------|

| | | |
|--------|--------|--------|
| 84.44% | 90.96% | 93.36% |
|--------|--------|--------|

| | | |
|--------------|--------------|--------------|
| \$ 2,041,391 | \$ 2,155,758 | \$ 2,227,347 |
|--------------|--------------|--------------|

| | | |
|--------|--------|--------|
| 47.57% | 28.48% | 21.66% |
|--------|--------|--------|

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

Schedule of Contributions:

| For the Year Ending September 30, | Actuarially Determined Contribution | Contributions in Relation to Actuarially Determined Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|--|--------------------|--|
| 2021 | \$ 208,952 | \$ 208,952 | \$ - | \$ 2,321,745 | 9.00% |
| 2020 | 188,824 | 188,824 | - | 2,172,673 | 8.69% |
| 2019 | 180,222 | 180,222 | - | 1,998,068 | 9.02% |
| 2018 | 167,628 | 167,628 | - | 1,849,489 | 9.06% |
| 2017 | 151,292 | 151,292 | - | 1,691,086 | 8.95% |
| 2016 | 143,917 | 143,917 | - | 1,622,545 | 8.87% |
| 2015 | 138,811 | 138,811 | - | 1,528,360 | 9.08% |

Notes to Schedule of Contributions

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

There were no benefit changes during

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

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

| | Total OPEB Liability | | | |
|--|----------------------|------------------|-------------------|-------------------|
| | 2017 | 2018 | 2019 | 2020 |
| Service Cost | \$ 3,808 | \$ 4,491 | \$ 5,174 | \$ 6,905 |
| Interest | 2,660 | 2,760 | 3,012 | 3,041 |
| Changes of Benefit Terms | - | - | - | - |
| Difference between Expected and Actual Experience | - | (3,304) | 3,588 | 301 |
| Changes in Assumptions or Other Inputs | 6,806 | (5,858) | 17,430 | 17,931 |
| Benefit Payments | (571) | (612) | (647) | (668) |
| Net Change in Total Pension Liability | 12,703 | (2,523) | 28,557 | 27,510 |
| Total OPEB Liability - Beginning | 68,742 | 81,445 | 78,922 | 107,479 |
| Total OPEB Liability - Ending | <u>\$ 81,445</u> | <u>\$ 78,922</u> | <u>\$ 107,479</u> | <u>\$ 134,989</u> |
| Covered Payroll | \$ 1,904,045 | \$ 2,041,391 | \$ 2,155,758 | \$ 2,227,347 |
| Total OPEB Liability as a Percentage of Covered Payroll | 4.28% | 3.87% | 4.99% | 6.06% |

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

TOWN OF HOLLYWOOD PARK
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|----------------------------|----------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 4,738,356 | \$ 4,104,770 |
| Receivables (net of allowances for uncollectibles): | | |
| Property Taxes | 105,392 | 97,785 |
| Other Receivables | 159,294 | 604,537 |
| Due from Other Funds | 503,770 | 403,797 |
| Prepaid Items | <u>27,445</u> | <u>-</u> |
| TOTAL ASSETS | <u><u>\$ 5,534,257</u></u> | <u><u>\$ 5,210,889</u></u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | |
| <i>Liabilities:</i> | | |
| Accounts Payable | \$ 230,937 | \$ 451,425 |
| Wages Payable | 56,685 | 34,294 |
| Deposits | 36,650 | 18,331 |
| Due to Other Funds | 68,310 | 62,864 |
| Unearned Billboard Revenue | <u>177,133</u> | <u>177,133</u> |
| <i>Total Liabilities</i> | <u>569,715</u> | <u>744,047</u> |
| <i>Deferred Inflows of Resources:</i> | | |
| Unavailable Property Tax Revenue | <u>101,771</u> | <u>97,785</u> |
| <i>Total Deferred Inflows of Resources</i> | <u>101,771</u> | <u>97,785</u> |
| <i>Fund Balances:</i> | | |
| Nonspendable Prepaid Items | 27,445 | - |
| Unassigned | <u>4,835,326</u> | <u>4,369,057</u> |
| <i>Total Fund Balance</i> | <u>4,862,771</u> | <u>4,369,057</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u><u>\$ 5,534,257</u></u> | <u><u>\$ 5,210,889</u></u> |

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | 2021 | 2020 |
|--|---------------------|---------------------|
| REVENUES | | |
| Ad Valorem Taxes | \$ 3,021,641 | \$ 2,973,695 |
| Franchise Fees | 257,792 | 269,518 |
| Sales Taxes | 742,328 | 563,690 |
| Fines and Penalties | 106,843 | 168,382 |
| Licenses and Permits | 146,094 | 126,687 |
| License Agreement | 406,000 | 546,233 |
| Recreation Revenues | 180,826 | 645 |
| Interest Income | 14,680 | 44,006 |
| Grants and Donations | 9,481 | 33,518 |
| Other Revenues | 40,306 | 35,770 |
| TOTAL REVENUES | 4,925,991 | 4,762,144 |
| EXPENDITURES | | |
| <i>Current:</i> | | |
| General and Administrative | 908,891 | 972,814 |
| Police | 1,429,849 | 1,432,764 |
| Fire | 1,218,923 | 1,146,050 |
| Public Works | 305,809 | 310,995 |
| Municipal Court | 23,270 | 14,598 |
| Recreation | 41,464 | 9,164 |
| Sanitation | 358,522 | 357,497 |
| Capital Outlay | 106,991 | 89,478 |
| TOTAL EXPENDITURES | 4,393,719 | 4,333,360 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 532,272 | 428,784 |
| OTHER FINANCING SOURCES (USES) | | |
| Capital Lease Proceeds | 79,790 | - |
| Transfers Out | (118,348) | (44,471) |
| TOTAL OTHER FINANCING SOURCES (USES) | (38,558) | (44,471) |
| Net Change in Fund Balance | 493,714 | 384,313 |
| Beginning Fund Balance | 4,369,057 | 3,984,744 |
| Ending Fund Balance | \$ 4,862,771 | \$ 4,369,057 |

TOWN OF HOLLYWOOD PARK
COMPARATIVE BALANCE SHEETS
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 573,555 | \$ 562,097 |
| Sales Tax Receivable | <u>24,598</u> | <u>22,967</u> |
| TOTAL ASSETS | <u><u>\$ 598,153</u></u> | <u><u>\$ 585,064</u></u> |
| LIABILITIES & FUND BALANCES | | |
| <i>Liabilities:</i> | | |
| Accounts Payable | \$ 4,729 | \$ 6,084 |
| Due to Other Funds | <u>7,200</u> | <u>3,600</u> |
| <i>Total Liabilities</i> | <u><u>11,929</u></u> | <u><u>9,684</u></u> |
| <i>Fund Balances:</i> | | |
| Restricted for Economic Development | <u>586,224</u> | <u>575,380</u> |
| <i>Total Fund Balances</i> | <u><u>586,224</u></u> | <u><u>575,380</u></u> |
| TOTAL LIABILITIES & FUND BALANCES | <u><u>\$ 598,153</u></u> | <u><u>\$ 585,064</u></u> |

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
ECONOMIC DEVELOPMENT CORPORATION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|--------------------------|--------------------------|
| REVENUES | | |
| Sales Tax | \$ 177,551 | \$ 134,590 |
| Interest Income | <u>228</u> | <u>4,315</u> |
| TOTAL REVENUES | <u>177,779</u> | <u>138,905</u> |
| EXPENDITURES | | |
| <i>Current:</i> | | |
| General and Administrative | 67,397 | 54,895 |
| Capital Outlay | <u>99,538</u> | <u>40,060</u> |
| TOTAL EXPENDITURES | <u>166,935</u> | <u>94,955</u> |
| Net Change in Fund Balance | 10,844 | 43,950 |
| Fund Balances at Beginning of Year | <u>575,380</u> | <u>531,430</u> |
| Fund Balances at End of Year | <u><u>\$ 586,224</u></u> | <u><u>\$ 575,380</u></u> |

TOWN OF HOLLYWOOD PARK
COMPARATIVE BALANCE SHEETS
VENUE TAX FUND
SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 802,284 | \$ 652,068 |
| Sales Tax Receivables | <u>49,195</u> | <u>45,934</u> |
| TOTAL ASSETS | <u><u>\$ 851,479</u></u> | <u><u>\$ 698,002</u></u> |
| LIABILITIES & FUND BALANCES | | |
| <i>Liabilities:</i> | | |
| Accounts Payable | \$ - | \$ - |
| Due to Other Funds | <u>151,962</u> | <u>151,962</u> |
| <i>Total Liabilities</i> | <u>151,962</u> | <u>151,962</u> |
| <i>Fund Balances:</i> | | |
| Restricted | <u>699,517</u> | <u>546,040</u> |
| <i>Total Fund Balance</i> | <u>699,517</u> | <u>546,040</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u><u>\$ 851,479</u></u> | <u><u>\$ 698,002</u></u> |

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
VENUE TAX FUND
SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|-----------------------------------|--------------------------|--------------------------|
| REVENUES | | |
| Sales Taxes | \$ 355,102 | \$ 269,181 |
| Interest Income | <u>139</u> | <u>2,588</u> |
| TOTAL REVENUES | <u>355,241</u> | <u>271,769</u> |
| EXPENDITURES | | |
| <i>Current:</i> | | |
| Recreation | - | 689 |
| <i>Debt Service:</i> | | |
| Principal | 110,000 | 105,000 |
| Interest and Fiscal Charges | <u>91,764</u> | <u>93,249</u> |
| TOTAL EXPENDITURES | <u>201,764</u> | <u>198,938</u> |
| Net Change in Fund Balance | 153,477 | 72,831 |
| Beginning Fund Balance | <u>546,040</u> | <u>473,209</u> |
| Ending Fund Balance | <u><u>\$ 699,517</u></u> | <u><u>\$ 546,040</u></u> |

TOWN OF HOLLYWOOD PARK
COMPARATIVE BALANCE SHEETS
STREET MAINTENANCE FUND
SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 303,199 | \$ 779,449 |
| Sales Tax Receivables | <u>149,912</u> | <u>22,967</u> |
| TOTAL ASSETS | <u><u>\$ 453,111</u></u> | <u><u>\$ 802,416</u></u> |
| LIABILITIES & FUND BALANCES | | |
| <i>Liabilities:</i> | | |
| Accounts Payable | \$ 176,606 | \$ - |
| Due to Other Funds | <u>276,505</u> | <u>180,131</u> |
| <i>Total Liabilities</i> | <u>453,111</u> | <u>180,131</u> |
| <i>Fund Balances:</i> | | |
| Restricted | <u>-</u> | <u>622,285</u> |
| <i>Total Fund Balance</i> | <u>-</u> | <u>622,285</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | <u><u>\$ 453,111</u></u> | <u><u>\$ 802,416</u></u> |

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
STREET MAINTENANCE FUND
SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|---|--------------------|--------------------------|
| REVENUES | | |
| Sales Taxes | \$ 177,551 | \$ 134,590 |
| Other Revenue | 507,232 | - |
| Interest Income | 313 | 5,239 |
| TOTAL REVENUES | <u>685,096</u> | <u>139,829</u> |
| EXPENDITURES | | |
| <i>Current:</i> | | |
| Public Works | - | - |
| Capital Outlay | 1,334,364 | - |
| TOTAL EXPENDITURES | <u>1,334,364</u> | <u>-</u> |
| Net Change in Fund Balance | (649,268) | 139,829 |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In (Out) | 26,983 | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>26,983</u> | <u>-</u> |
| Beginning Fund Balance | <u>622,285</u> | <u>482,456</u> |
| Ending Fund Balance | <u><u>\$ -</u></u> | <u><u>\$ 622,285</u></u> |

TOWN OF HOLLYWOOD PARK
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

| | Special Revenue Funds | | | | |
|--|-----------------------|-------------------|-----------------------|------------------|-----------------------------|
| | Court Technology | Court Security | Grants & Donations | PEG Fund | Voigt Center Maintenance |
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 23,050 | \$ 17,408 | \$ 430,522 | \$ 21,728 | \$ 5,596 |
| Other Receivables | - | - | - | 1,278 | 6,928 |
| Due from Other Funds | 6,216 | 5,349 | 2,902 | - | 4,182 |
| TOTAL ASSETS | <u>\$ 29,266</u> | <u>\$ 22,757</u> | <u>\$ 433,424</u> | <u>\$ 23,006</u> | <u>\$ 16,706</u> |
| LIABILITIES & FUND BALANCES | | | | | |
| <i>Liabilities:</i> | | | | | |
| Accounts Payable | \$ - | \$ - | \$ - | \$ - | \$ 3,568 |
| Unearned Revenue | - | - | 414,050 | - | - |
| Due to Other Funds | - | - | - | 22,398 | 13,138 |
| <i>Total Liabilities</i> | <u>-</u> | <u>-</u> | <u>414,050</u> | <u>22,398</u> | <u>16,706</u> |
| <i>Fund Balances:</i> | | | | | |
| Restricted For: | | | | | |
| Tourism Development | - | - | - | - | - |
| Municipal Court | 29,266 | 22,757 | - | - | - |
| Donor Stipulations | - | - | 19,374 | - | - |
| Public Service | - | - | - | 608 | - |
| Assigned for Capital Projects | - | - | - | - | - |
| <i>Total Fund Balances</i> | <u>29,266</u> | <u>22,757</u> | <u>19,374</u> | <u>608</u> | <u>-</u> |
| TOTAL LIABILITIES & FUND BALANCES | <u>\$ 29,266</u> | <u>\$ 22,757</u> | <u>\$ 433,424</u> | <u>\$ 23,006</u> | <u>\$ 16,706</u> |

| Special Revenue Funds | | | Capital | Total |
|-----------------------|-------------------|-----------------|-------------------|---------------------|
| Asset | Hotel | Asset | Projects | Nonmajor |
| Forfeiture | Tax | Seizure | Fund | Funds |
| \$ - | \$ 132,483 | \$ 5,002 | \$ 511,638 | \$ 1,147,427 |
| - | 2,309 | - | - | 10,515 |
| - | - | - | - | 18,649 |
| <u>\$ -</u> | <u>\$ 134,792</u> | <u>\$ 5,002</u> | <u>\$ 511,638</u> | <u>\$ 1,176,591</u> |
| | | | | |
| \$ - | \$ - | \$ 2 | \$ - | \$ 3,570 |
| - | - | - | - | 414,050 |
| - | 31,750 | 5,000 | - | 72,286 |
| - | 31,750 | 5,002 | - | 489,906 |
| | | | | |
| - | 103,042 | - | - | 103,042 |
| - | - | - | - | 52,023 |
| - | - | - | - | 19,374 |
| - | - | - | - | 608 |
| - | - | - | 511,638 | 511,638 |
| - | 103,042 | - | 511,638 | 686,685 |
| <u>\$ -</u> | <u>\$ 134,792</u> | <u>\$ 5,002</u> | <u>\$ 511,638</u> | <u>\$ 1,176,591</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, 2021

| | Special Revenue Funds | | | | |
|---|-----------------------|-------------------|-----------------------|---------------|-----------------------------|
| | Court Technology | Court Security | Grants & Donations | PEG Fund | Voigt Center Maintenance |
| REVENUES | | | | | |
| Hotel Tax | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fines and Penalties | 2,664 | 2,727 | - | - | - |
| Interest Income | 1 | 1 | - | - | - |
| Other Income | - | - | 4,362 | - | 18,737 |
| TOTAL REVENUES | <u>2,665</u> | <u>2,728</u> | <u>4,362</u> | <u>-</u> | <u>18,737</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Administration | - | - | - | 15,965 | - |
| Police | 1,000 | - | 670 | - | - |
| Fire | - | - | 250 | - | - |
| Recreation | - | - | - | - | 83,601 |
| TOTAL EXPENDITURES | <u>1,000</u> | <u>-</u> | <u>920</u> | <u>15,965</u> | <u>83,601</u> |
| Net Excess Fund Balance | 1,665 | 2,728 | 3,442 | (15,965) | (64,864) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In (Out) | - | - | - | - | 64,864 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>64,864</u> |
| Net Change in Fund Balance | 1,665 | 2,728 | 3,442 | (15,965) | - |
| Fund Balances at Beginning of Year | <u>27,601</u> | <u>20,029</u> | <u>15,932</u> | <u>16,573</u> | <u>-</u> |
| Fund Balances at End of Year | <u>\$ 29,266</u> | <u>\$ 22,757</u> | <u>\$ 19,374</u> | <u>\$ 608</u> | <u>\$ -</u> |

| Special Revenue Funds | | | Capital | Total |
|-----------------------|------------|----------|------------|------------|
| Asset | Hotel | Asset | Projects | Nonmajor |
| Forfeiture | Tax | Seizure | Fund | Funds |
| \$ - | \$ 6,246 | \$ - | \$ - | \$ 6,246 |
| - | - | - | - | 5,391 |
| - | 36 | 3 | 23 | 64 |
| - | - | - | - | 23,099 |
| - | 6,282 | 3 | 23 | 34,800 |
| - | - | - | - | 15,965 |
| 1,609 | - | 69,830 | - | 73,109 |
| - | - | - | - | 250 |
| - | - | - | - | 83,601 |
| 1,609 | - | 69,830 | - | 172,925 |
| (1,609) | 6,282 | (69,827) | 23 | (138,125) |
| 1,607 | 11,061 | 13,833 | - | 91,365 |
| 1,607 | 11,061 | 13,833 | - | 91,365 |
| (2) | 17,343 | (55,994) | 23 | (46,760) |
| 2 | 85,699 | 55,994 | 511,615 | 733,445 |
| \$ - | \$ 103,042 | \$ - | \$ 511,638 | \$ 686,685 |

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF NET POSITION
PROPRIETARY FUND – SEWER SYSTEM
SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|---------------------------|-------------------|-------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 139,687 | \$ 161,917 |
| Accounts Receivable | 8,563 | 9,687 |
| Due from Other Funds | 53,843 | 53,843 |
| TOTAL ASSETS | <u>202,093</u> | <u>225,447</u> |
| LIABILITIES | | |
| Accounts Payable | 8,052 | 20,526 |
| TOTAL LIABILITIES | <u>8,052</u> | <u>20,526</u> |
| NET POSITION | | |
| Unrestricted | 194,041 | 204,921 |
| TOTAL NET POSITION | <u>\$ 194,041</u> | <u>\$ 204,921</u> |

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND – SEWER SYSTEM
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|---|-------------------|-------------------|
| Operating Revenues | | |
| Charges for Utility Services | \$ 111,720 | \$ 105,792 |
| Total Operating Revenues | <u>111,720</u> | <u>105,792</u> |
| Operating Expenses Before Depreciation | | |
| Waste Water Treatment Fees | <u>122,606</u> | <u>109,175</u> |
| Total Operating Expenses Before Depreciation | <u>122,606</u> | <u>109,175</u> |
| Operating Income (Loss) | <u>(10,886)</u> | <u>(3,383)</u> |
| Other Income (Expense): | | |
| Interest Income | <u>6</u> | <u>231</u> |
| Total Other Income (Expense) | <u>6</u> | <u>231</u> |
| Change in Net Position | (10,880) | (3,152) |
| Net Position at Beginning of Year | <u>204,921</u> | <u>208,073</u> |
| Net Position at End of Year | <u>\$ 194,041</u> | <u>\$ 204,921</u> |

TOWN OF HOLLYWOOD PARK
COMPARATIVE STATEMENTS OF CASH FLOWS
PROPRIETARY FUND – SEWER SYSTEM
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | 2021 | 2020 |
|--|-----------------|--------------|
| Cash Flows From Operating Activities: | | |
| Cash Received From Customers | \$ 112,844 | \$ 117,284 |
| Cash Paid to Suppliers for Goods and Services | (135,080) | (110,600) |
| Net Cash Provided (Used) by Operating Activities | (22,236) | 6,684 |
| Cash Flows From Investing Activities: | | |
| Investment Interest Received | 6 | 231 |
| Net Cash Provided (Used) by Investing Activities | 6 | 231 |
| Cash Flows From Noncapital Financing Activities: | | |
| Interfund Borrowings | - | 91,516 |
| Net Cash Provided (Used) by Noncapital Financing Activities | - | 91,516 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (22,230) | 98,431 |
| Cash and Cash Equivalents at Beginning of Year | 161,917 | 63,486 |
| Cash and Cash Equivalents at End of Year | \$ 139,687 | \$ 161,917 |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Operating Income (Loss) | \$ (10,886) | \$ (3,383) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Increase (Decrease) in Current Liabilities: | | |
| Accounts Payable | (12,474) | (1,425) |
| Total Adjustments to Reconcile Operating Activities | (11,350) | 10,067 |
| Net Cash Provided (Used) by Operating Activities | \$ (22,236) | \$ 6,684 |



