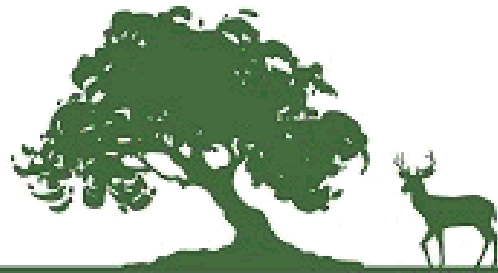


TOWN OF HOLLYWOOD PARK, TEXAS

**ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2023**





HOLLYWOOD
— PARK —

TOWN OF HOLLYWOOD PARK

PRINCIPAL OFFICERS

TOWN OFFICIALS

MAYOR

SEAN MOORE

TOWN COUNCIL

GLENNA PEARCE

MICHAEL VOORHIES

CHESTER DRASH

TODD KOUNSE

WENDY GONZALEZ

TOWN TREASURER

FRED TIMMONS

ATTORNEY

RYAN HENRY

TOWN OF HOLLYWOOD PARK
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

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TOWN OF HOLLYWOOD PARK
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

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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 Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the Town of Hollywood Park's basic financial statements as listed in the table of contents.

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, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Hollywood Park and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Hollywood Park's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Hollywood Park's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Hollywood Park's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

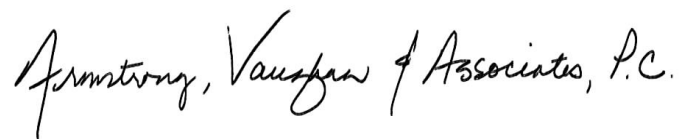
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension related information 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.

Supplementary 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 individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

February 23, 2024



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, 2023. Please read it in conjunction with the Town’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

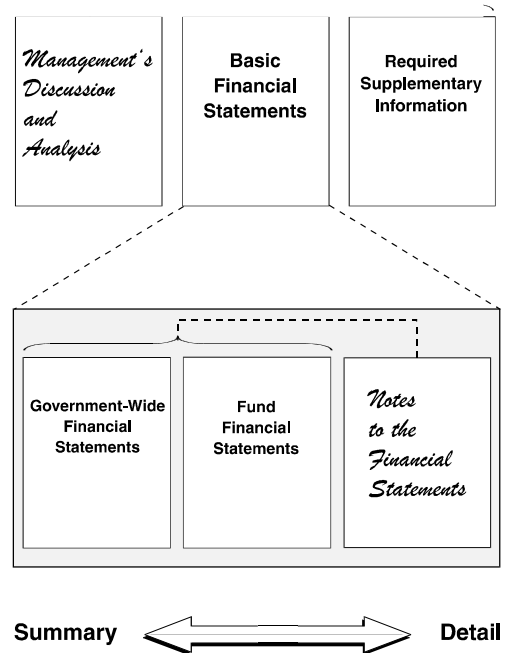
- The Town’s total combined net position was \$12.4 million at September 30, 2023, a decrease of \$260 thousand from the prior year.
- During the year, the Town’s governmental activities expenses were \$277 thousand less than the \$6.9 million generated in general and program revenues for governmental activities. The total cost of the Town’s governmental programs increased 25.4% from the prior year.
- The general fund reported a fund balance this year of \$5.2 million, which is an increase of \$267 thousand

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, 2023. (See Table A-1).

Table A-1
Town's Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2023	2022	2023	2022	2023	2022	
<i>Assets:</i>							
Current Assets	\$ 8,779,176	\$ 8,087,220	\$ 214,816	\$ 208,358	\$ 8,993,992	\$ 8,295,578	8.4
Capital Assets (net)	9,832,150	10,528,492	-	-	9,832,150	10,528,492	(6.6)
<i>Total Assets</i>	<u>18,611,326</u>	<u>18,615,712</u>	<u>214,816</u>	<u>208,358</u>	<u>18,826,142</u>	<u>18,824,070</u>	0.0
<i>Deferred Outflows</i>	<u>1,282,001</u>	<u>445,367</u>	<u>-</u>	<u>-</u>	<u>1,282,001</u>	<u>445,367</u>	187.9
<i>Liabilities:</i>							
Current Liabilities	1,546,335	1,850,946	10,030	20,394	1,556,365	1,871,340	(16.8)
Long-Term Liabilities	5,774,675	4,175,380	-	-	5,774,675	4,175,380	38.3
<i>Total Liabilities</i>	<u>7,321,010</u>	<u>6,026,326</u>	<u>10,030</u>	<u>20,394</u>	<u>7,331,040</u>	<u>6,046,720</u>	21.2
<i>Deferred Inflows</i>	<u>417,202</u>	<u>602,930</u>	<u>-</u>	<u>-</u>	<u>417,202</u>	<u>602,930</u>	(30.8)
<i>Net Position:</i>							
Invested in Capital Assets	6,062,144	6,389,033	-	-	6,062,144	6,389,033	(5.1)
Restricted	2,329,828	1,662,627	-	-	2,329,828	1,662,627	40.1
Unrestricted	3,763,143	4,380,163	204,786	187,964	3,967,929	4,568,127	(13.1)
<i>Total Net Position</i>	<u>\$ 12,155,115</u>	<u>\$ 12,431,823</u>	<u>\$ 204,786</u>	<u>\$ 187,964</u>	<u>\$ 12,359,901</u>	<u>\$ 12,619,787</u>	(2.1)

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

Governmental Activities

- Charges for services increased \$277 thousand as the City's recreation facility rentals have recovered in the wake of the pandemic. Expenses have increased driven mainly by increases in Police and Fire expenditures.

Table A-2
Changes in Town's Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2023	2022	2023	2022	2023	2022	
	<i>Program Revenues:</i>						
Charges for Services	\$ 797,380	\$ 520,464	\$ 116,152	\$ 118,770	\$ 913,532	\$ 639,234	42.9
Operating Grants and Contributions	249,883	319,041	-	-	249,883	319,041	(21.7)
<i>General Revenues:</i>							
Taxes	5,187,893	4,678,093	-	-	5,187,893	4,678,093	10.9
License Agreements	406,000	406,000	-	-	406,000	406,000	0.0
Interest Earnings	281,193	43,646	7,259	-	288,452	43,646	560.9
Miscellaneous	5,135	21,685	-	-	5,135	21,685	(76.3)
<i>Total Revenues</i>	<u>6,927,484</u>	<u>5,988,929</u>	<u>123,411</u>	<u>118,770</u>	<u>7,050,895</u>	<u>6,107,699</u>	15.4
<i>Program Expenses:</i>							
General Government	1,278,717	1,207,004	-	-	1,278,717	1,207,004	5.9
Police	2,112,386	1,597,614	-	-	2,112,386	1,597,614	32.2
Fire	1,920,571	1,416,871	-	-	1,920,571	1,416,871	35.6
Public Works	788,499	591,072	-	-	788,499	591,072	33.4
Municipal Court	214,875	175,293	-	-	214,875	175,293	22.6
Recreation	396,080	255,923	-	-	396,080	255,923	54.8
Sanitation	384,915	385,361	-	-	384,915	385,361	(0.1)
Sewer	-	-	106,589	124,847	106,589	124,847	(14.6)
Interest on Debt	108,149	109,180	-	-	108,149	109,180	(0.9)
<i>Total Expenses</i>	<u>7,204,192</u>	<u>5,738,318</u>	<u>106,589</u>	<u>124,847</u>	<u>7,310,781</u>	<u>5,863,165</u>	24.7
Change in Net Position	(276,708)	250,611	16,822	(6,077)	(259,886)	244,534	(206.3)
Net Position, Beginning	12,431,823	12,181,212	187,964	194,041	12,619,787	12,375,253	2.0
Net Position, Ending	<u>\$ 12,155,115</u>	<u>\$ 12,431,823</u>	<u>\$ 204,786</u>	<u>\$ 187,964</u>	<u>\$ 12,359,901</u>	<u>\$ 12,619,787</u>	(2.1)

Table A-3 presents the cost of each of the Town's largest functions, as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars. The cost of all *governmental* activities this year was \$7 million. Taxpayers paid for 72% of these activities through property and sales taxes of \$5.2 million. 7.2% 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		
	2023	2022	2023		2022	Change	
	General Government	\$1,278,717	\$1,207,004		5.9	\$ 919,082	\$ 771,521
Police	2,112,386	1,597,614	32.2	2,078,151	1,573,481	32.1	
Fire	1,920,571	1,416,871	35.6	1,920,571	1,416,871	35.6	
Public Works	788,499	591,072	33.4	788,499	591,072	33.4	
Municipal Court	214,875	175,293	22.6	(192,828)	(5,261)	3565.2	
Recreation	396,080	255,923	54.8	150,390	56,588	165.8	
Sanitation	384,915	385,361	(0.1)	384,915	385,361	(0.1)	
Sewer	106,589	124,847	(14.6)	(9,563)	6,077	(257.4)	

Business-Type Activities

Revenues of the Town's Sewer business-type activities increased 4% to \$123 thousand, and operating expenses decreased 15% to \$107 thousand. San Antonio Water System (SAWS) bills these accounts for the Town and charges the Town for the consumption. Expenditures are affected by the SAWS rates, while the revenues are based on the Town's established rates.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Revenues from governmental activities totaled \$7 million, an increase of about 16% from the preceding year due to factors noted above.

Budgetary Highlights

Overall the general fund revenues were over budget \$299 thousand due primarily to better than expected fine and fees and ad valorem tax revenues. Overall, expenses were over budget \$69.8 thousand. Mainly due to unbudgeted debt service expenses.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2023, the Town had invested \$16.5 million in a broad range of capital assets, including equipment, buildings, and vehicles. (See Table A-4.) The primary additions for the Town was the completion of a new fire bay and a new vehicle for the police.

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	
Land	\$ 571	\$ 572	\$ -	\$ -	\$ 571	\$ 572	(0.2)
Buildings and Improvements	8,520	8,223	-	-	8,520	8,223	3.6
Construction in Progress	-	1,906	-	-	-	1,906	100.0
Equipment	3,745	2,223	-	-	3,745	2,223	68.5
Infrastructure	3,693	3,703	-	-	3,693	3,703	(0.3)
Totals at Historical Cost	16,529	16,627	-	-	16,529	16,627	(0.6)
Total Accumulated Depreciation	(6,697)	(6,097)	-	-	(6,697)	(6,097)	9.8
Net Capital Assets	<u>\$ 9,832</u>	<u>\$10,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,832</u>	<u>\$10,530</u>	(6.6)

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 and for the 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
	2023	2022	2023	2022	2023	2022	
Bonds	\$ 2,960	\$ 3,075	\$ -	\$ -	\$ 2,960	\$ 3,075	(3.7)
Note Payable - Fire Engine	810	1,000	-	-	810	1,000	(19.0)
Note Payable - Fire Equipment	-	64	-	-	-	64	(100.0)
Total Long-Term Debt	<u>\$ 3,770</u>	<u>\$ 4,139</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,770</u>	<u>\$ 4,139</u>	<u>(8.9)</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 kept its maintenance and operations property tax rate at \$.46170 per \$100 of valuation but is anticipating slightly more ad valorem taxes resulting from improved property valuations. Bexar County has recovered from the national pandemic, and the Town has budgeted general fund sales tax in line with increased activity in the area. The City has developed a break-even general fund budget for fiscal year 2024.

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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,229,369	\$ 206,253	\$ 8,435,622
Receivables:			
Ad Valorem Taxes	155,027	-	155,027
Other	329,624	8,563	338,187
Inventory	8,271	-	8,271
Prepaid Items	56,885	-	56,885
Capital Assets (net)	9,832,150	-	9,832,150
TOTAL ASSETS	18,611,326	214,816	18,826,142
DEFERRED OUTFLOWS			
Deferred Other Post Employment Benefit			
Related Outflows	6,170	-	6,170
Deferred Pension Related Outflows	1,275,831	-	1,275,831
TOTAL DEFERRED OUTFLOWS	1,282,001	-	1,282,001
LIABILITIES			
Accounts Payable	477,868	10,030	487,898
Wages Payable	64,877	-	64,877
Accrued Interest	19,681	-	19,681
Deposits	40,000	-	40,000
Unearned License and Grant Revenue	480,409	-	480,409
Accrued Compensated Absences	146,797	-	146,797
<i>Noncurrent Liabilities:</i>			
Long-term Debt Due Within One Year	316,703	-	316,703
Long-term Debt Due in More Than One Year	3,453,301	-	3,453,301
Net Pension Liability	2,211,277	-	2,211,277
Total Other Post Employment Benefits Liability	110,097	-	110,097
TOTAL LIABILITIES	7,321,010	10,030	7,331,040
DEFERRED INFLOWS			
Deferred Other Post Employment Benefit			
Related Inflows	25,650	-	25,650
Deferred Pension Related Inflows	391,552	-	391,552
TOTAL DEFERRED INFLOWS	417,202	-	417,202
NET POSITION			
Net Investment in Capital Assets	6,062,144	-	6,062,144
Restricted for:			
Street Maintenance	405,860	-	405,860
Tourism Development	153,245	-	153,245
Economic Development	573,471	-	573,471
Venue Construction and Maintenance	1,011,781	-	1,011,781
Municipal Court	82,040	-	82,040
Police	102,823	-	102,823
Donor Stipulations	-	-	-
Public Service	608	-	608
Unrestricted	3,763,143	204,786	3,967,929
TOTAL NET POSITION	\$ 12,155,115	\$ 204,786	\$ 12,359,901

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023

Functions and Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
<i>Governmental Activities:</i>				
General and Administrative	\$ 1,278,717	\$ 142,417	\$ 217,218	\$ -
Police	2,112,386	1,570	32,665	-
Fire	1,920,571	-	-	-
Public Works	788,499	-	-	-
Municipal Court	214,875	407,703	-	-
Recreation	396,080	245,690	-	-
Sanitation	384,915	-	-	-
Interest on Long-term Debt	108,149	-	-	-
<i>Total Governmental Activities</i>	<u>7,204,192</u>	<u>797,380</u>	<u>249,883</u>	<u>-</u>
<i>Business-Type Activities:</i>				
Sewer	<u>106,589</u>	<u>116,152</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u><u>\$ 7,310,781</u></u>	<u><u>\$ 913,532</u></u>	<u><u>\$ 249,883</u></u>	<u><u>\$ -</u></u>
General Revenues:				
Taxes				
Ad Valorem Taxes				
Franchise Taxes				
Sales Taxes				
Hotel Occupancy Tax				
License Agreements				
Interest and Investment Earnings				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position at Beginning of Year				
Net Position at End of Year				

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (919,082)		\$ (919,082)
(2,078,151)		(2,078,151)
(1,920,571)		(1,920,571)
(788,499)		(788,499)
192,828		192,828
(150,390)		(150,390)
(384,915)		(384,915)
(108,149)		(108,149)
(6,156,929)		(6,156,929)
	\$ 9,563	9,563
		(6,147,366)
3,364,054	-	3,364,054
291,447	-	291,447
1,514,440	-	1,514,440
17,952	-	17,952
406,000	-	406,000
281,193	7,259	288,452
5,135	-	5,135
5,880,221	7,259	5,887,480
(276,708)	16,822	(259,886)
12,431,823	187,964	12,619,787
\$ 12,155,115	\$ 204,786	\$ 12,359,901

TOWN OF HOLLYWOOD PARK
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	<u>Major Fund</u> General Fund	<u>Major Fund</u> Economic Development	<u>Major Fund</u> Venue Tax	<u>Major Fund</u> Grants and Donations
ASSETS				
Cash and Cash Equivalents	\$ 5,456,179	\$ 575,966	\$ 946,771	\$ 310,790
Receivables:				
Property Taxes	155,027	-	-	-
Other Receivables	198,326	32,505	65,010	-
Prepaid Items	28,760	-	-	28,125
Gas Inventory	8,271	-	-	-
Due from Other Funds	-	-	-	-
TOTAL ASSETS	<u>\$ 5,846,563</u>	<u>\$ 608,471</u>	<u>\$ 1,011,781</u>	<u>\$ 338,915</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 97,962	\$ 35,000	\$ -	\$ 84
Wages Payable	64,877	-	-	-
Deposits	40,000	-	-	-
Unearned Revenue	177,133	-	-	303,276
Due to Other Funds	115,953	-	-	-
<i>Total Liabilities</i>	<u>495,925</u>	<u>35,000</u>	<u>-</u>	<u>303,360</u>
<i>Deferred Inflows of Resources:</i>				
Unavailable Property Tax Revenue	155,027	-	-	-
<i>Fund Balances:</i>				
Nonspendable for:				
Prepaid Items	37,031	-	-	28,125
Restricted for:				
Street Maintenance	-	-	-	-
Tourism Development	-	-	-	-
Economic Development	-	573,471	-	-
Venue Construction and Maintenance	-	-	1,011,781	-
Municipal Court	-	-	-	-
Police	-	-	-	-
Donor Stipulations	-	-	-	-
Public Service	-	-	-	-
Unassigned	5,158,580	-	-	7,430
<i>Total Fund Balances</i>	<u>5,195,611</u>	<u>573,471</u>	<u>1,011,781</u>	<u>35,555</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 5,846,563</u>	<u>\$ 608,471</u>	<u>\$ 1,011,781</u>	<u>\$ 338,915</u>

See accompanying notes to basic financial statements.

Other Nonmajor Funds	Total Governmental Funds
\$ 715,838	\$ 8,005,544
-	155,027
33,783	329,624
-	56,885
-	8,271
<u>115,953</u>	<u>115,953</u>
<u>\$ 865,574</u>	<u>\$ 8,671,304</u>

\$ 120,998	\$ 254,044
-	64,877
-	40,000
-	480,409
-	115,953
<u>120,998</u>	<u>955,283</u>

<u>-</u>	<u>155,027</u>
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-	65,156
405,860	405,860
153,245	153,245
-	573,471
-	1,011,781
82,040	82,040
102,823	102,823
-	-
608	608
-	5,166,010
<u>744,576</u>	<u>7,560,994</u>

<u>\$ 865,574</u>	<u>\$ 8,671,304</u>
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TOWN OF HOLLYWOOD PARK
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$	7,560,994
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		9,832,150
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		155,028
Accrued compensated absences are not due and payable in the current period and, therefore, not reported in the funds.		(146,797)
Long-term liabilities, including notes payable, are not due and payable in the current period and, therefore, not reported in the funds.		
Long-term Liabilities	\$ (3,770,004)	
Related Accrued Interest	<u>(19,681)</u>	(3,789,685)
Other Post Employment Benefit liabilities (and related deferred outflows of resources) do not consume current financial resources and are not reported in the funds.		
Other Post Employment Benefits Liability	(110,097)	
Post Employment Benefits Outflows (Inflows)	<u>(19,480)</u>	(129,577)
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	(2,211,277)	
Net Pension Deferred Outflows (Inflows)	<u>884,279</u>	<u>(1,326,998)</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	<u>12,155,115</u>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	<u>Major Fund</u> General Fund	<u>Major Fund</u> Economic Development	<u>Major Fund</u> Venue Tax	<u>Major Fund</u> Grants and Contributions
REVENUES				
Ad Valorem Taxes	\$ 3,334,388	\$ -	\$ -	\$ -
Franchise Fees	291,447	-	-	-
Sales Taxes	779,749	183,673	367,346	-
Hotel Occupancy Tax	-	-	-	-
Fines and Penalties	384,887	-	-	-
Licenses and Permits	138,092	-	-	-
License Agreements	406,000	-	-	-
Recreation Revenues	245,690	-	-	-
Interest Income	197,342	15,618	32,816	16,199
Grants and Donations	24,295	-	-	222,910
Miscellaneous	26,171	-	-	-
TOTAL REVENUES	<u>5,828,061</u>	<u>199,291</u>	<u>400,162</u>	<u>239,109</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	1,208,009	105,521	-	-
Police	1,682,332	-	-	32,882
Fire	1,428,023	-	-	1,623
Public Works	370,952	-	-	-
Municipal Court	31,846	-	-	-
Recreation	5,099	-	-	-
Sanitation	384,915	-	-	-
Capital Outlay	36,708	-	-	80,898
<i>Debt Service:</i>				
Principal	254,453	-	115,000	-
Interest and Fiscal Charges	25,675	-	87,963	-
TOTAL EXPENDITURES	<u>5,428,012</u>	<u>105,521</u>	<u>202,963</u>	<u>115,403</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	400,049	93,770	197,199	123,706
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>(150,319)</u>	<u>-</u>	<u>-</u>	<u>(106,531)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(150,319)</u>	<u>-</u>	<u>-</u>	<u>(106,531)</u>
Net Change in Fund Balance	249,730	93,770	197,199	17,175
Fund Balances at Beginning of Year	<u>4,945,881</u>	<u>479,701</u>	<u>814,582</u>	<u>18,380</u>
Fund Balances at End of Year	<u>\$ 5,195,611</u>	<u>\$ 573,471</u>	<u>\$ 1,011,781</u>	<u>\$ 35,555</u>

See accompanying notes to basic financial statements.

<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 3,334,388
-	291,447
183,673	1,514,441
17,952	17,952
165,800	550,687
-	138,092
-	406,000
-	245,690
22,675	284,650
-	247,205
-	26,171
390,100	7,056,723
-	1,313,530
72,440	1,787,654
-	1,429,646
-	370,952
-	31,846
133,968	139,067
-	384,915
45,930	163,536
-	369,453
-	113,638
252,338	6,104,237
137,762	952,486
256,850	-
256,850	-
394,612	952,486
349,964	6,608,508
\$ 744,576	\$ 7,560,994

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, 2023

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 952,486

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.

Capital Outlay	\$	163,534	
Depreciation		<u>(824,614)</u>	(661,080)

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 (35,262)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 29,666

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. (942,455)

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

Principal Payments			369,453
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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	\$	4,995	
Change in Accrued Interest		<u>5,489</u>	<u>10,484</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ (276,708)

TOWN OF HOLLYWOOD PARK
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2023

	Business-Type Activities
	Sewer Fund
ASSETS	
Cash and Cash Equivalents	\$ 206,253
Receivables (net of allowances for uncollectibles)	8,563
TOTAL ASSETS	214,816
 LIABILITIES	
Accounts Payable	10,030
TOTAL LIABILITIES	10,030
 NET POSITION	
Unrestricted	204,786
TOTAL NET POSITION	\$ 204,786

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, 2023

	Business-Type Activities
	Sewer Fund
OPERATING REVENUES	
Charges for Utility Service	\$ 116,152
TOTAL OPERATING REVENUES	116,152
 OPERATING EXPENSES	
Waste Water Treatment Fees	106,589
TOTAL OPERATING EXPENSES	106,589
 OPERATING INCOME (LOSS)	9,563
 NONOPERATING EXPENSES	
Interest Income	7,259
TOTAL NONOPERATING EXPENSES	7,259
 CHANGE IN NET POSITION	16,822
 NET POSITION AT BEGINNING OF YEAR	187,964
 NET POSITION AT END OF YEAR	\$ 204,786

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Business-Type Activities
	Sewer Fund
Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 116,152
Cash Paid to Suppliers for Goods and Services	(116,953)
Net Cash Provided (Used) by Operating Activities	(801)
 Cash Flows From Investing Activities:	
Interest Income Received	7,259
Net Cash Provided (Used) by Investing Activities	7,259
 Net Increase (Decrease) in Cash and Cash Equivalents	6,458
 Cash and Cash Equivalents at Beginning of Year	199,795
 Cash and Cash Equivalents at End of Year	\$ 206,253
 Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 9,563
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Increase (Decrease) in Current Liabilities:	
Accounts Payable	(10,364)
Total Adjustments to Reconcile Operating Activities	(10,364)
 Net Cash Provided (Used) by Operating Activities	\$ (801)

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

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, 2023, 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, 2023

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, Grants and Contributions Fund 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, 2023

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.

Grants and Contributions Fund is used to account for the American Rescue Plan grant as well as fire department and police department grants received.

The Town has the following nonmajor governmental funds: Court Technology, Court Security, PEG Fund, Voigt Center Maintenance, Asset Forfeiture, Hotel Tax, Street Maintenance, 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, 2023

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, 2023

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, 2022 and past due after January 31, 2023. 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, 2023

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 live 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, 2023

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, 2023

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, 2023

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, 2023, 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, 2023

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, 2023 consist of \$186,484 in TexPool, a 2a7 like public funds investment pool and \$7,630,919 in Texas CLASS (TexCLASS). TexCLASS and TexPool operate in accordance with the provisions of the Texas Public Funds Investment Act and are both rated AAAM. Investments in TexCLASS and Texpool have net asset values of \$1 per share and are reported at amortized cost. The investment in TexCLASS, TexPool and Plains Capital Bank are 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, 2023, 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, 2023

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, 2022, upon which the fiscal 2023 levy was based, was \$726 million (i.e., market value less exemptions). The estimated market value was \$803 million, making the taxable value 90% 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, 2023, was \$0.4617 per \$100 of assessed value, which means that the Town has a tax margin of \$2.0383 for each \$100 value and could increase its annual tax levy by approximately \$14.8 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, 2023 are as follows:

	General Fund	EDC	Venue Tax	Nonmajor Funds	Totals
Sales and Mixed Beverage Tax	\$ 137,664	\$ 32,505	\$ 65,010	\$ 32,505	\$ 267,684
Franchise Tax	60,362	-	-	1,278	61,640
Miscellaneous Receivable	300	-	-	-	300
Total Other Receivables	<u>\$ 198,326</u>	<u>\$ 32,505</u>	<u>\$ 65,010</u>	<u>\$ 33,783</u>	<u>\$ 329,624</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE E -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023, was as follows:

<u>Governmental Activities</u>	<u>Balance 10/1/2022</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 9/30/2023</u>
Land	\$ 571,586	\$ -	\$ (500)	\$ 571,086
Buildings and Improvements	8,223,114	59,147	237,731	8,519,992
Vehicles and Equipment	2,222,508	82,637	(167,240)	2,137,905
Construction in Progress	1,905,631	21,750	(1,927,381)	-
Infrastructure	3,702,886	-	1,597,174	5,300,060
	<u>16,625,725</u>	<u>163,534</u>	<u>(260,216)</u>	<u>16,529,043</u>
Less Accumulated Depreciation				
Buildings and Improvements	(2,463,847)	(298,827)	60,711	(2,701,963)
Vehicles and Equipment	(1,811,527)	(218,236)	156,509	(1,873,254)
Infrastructure	(1,821,859)	(307,551)	7,734	(2,121,676)
	<u>(6,097,233)</u>	<u>(824,614)</u>	<u>224,954</u>	<u>(6,696,893)</u>
Governmental Capital Assets, Net	<u>\$ 10,528,492</u>	<u>\$ (661,080)</u>	<u>\$ (35,262)</u>	<u>\$ 9,832,150</u>

Land and Construction in Progress are not depreciated.

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 47,907
Municipal Court	733
Police Department	75,346
Fire Department	139,727
Public Works	326,713
Recreation	234,188
Total Depreciation Expense - Governmental Activities	<u>\$ 824,614</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE F -- LONG-TERM DEBT

Debt	Balance			Balance 9/30/2023	Due Within One Year
	10/1/2022	Additions	Reductions		
2016 General Obligation Bonds	\$ 3,075,000	\$ -	\$ (115,000)	\$ 2,960,000	\$ 120,000
Fire Equipment Note Payable	64,458	-	(64,458)	-	-
Fire Engine Note Payable	1,000,000		(189,996)	810,004	196,703
Accrued Compensation	151,792	146,797	(151,792)	146,797	-
Net Pension Liability	201,440	1,531,296	478,541	2,211,277	-
Other Post Employment Benefits	155,114	(45,017)	-	110,097	-
Total Governmental Activities	<u>\$ 4,647,804</u>	<u>\$ 1,633,076</u>	<u>\$ (42,705)</u>	<u>\$ 6,238,175</u>	<u>\$ 316,703</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, 2023, including interest payments, are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 120,000	\$ 85,647	\$ 205,647
2025	125,000	83,003	208,003
2026	130,000	80,047	210,047
2027	135,000	76,777	211,777
2028	140,000	73,208	213,208
2029-2033	790,000	302,357	1,092,357
2034-2038	950,000	169,920	1,119,920
2039-2041	570,000	25,660	595,660
	<u>\$ 2,960,000</u>	<u>\$ 896,619</u>	<u>\$ 3,856,619</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE F -- LONG-TERM DEBT (CONTINUED)

Note Payable - Fire Equipment

In June, 2021, the Town executed a note payable 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 \$17,953 at September 30, 2023. The note is to be paid in five annual installments bearing interest at a rate of 2%. The note payable has been paid off as of September 30, 2023.

Note Payable - Fire Engine

In October, 2021, the Town executed a note payable for the purchase of a fire engine in the amount of \$1 million. The fire engine as of September 30, 2023 is recorded at a cost of \$1,606,950 and accumulated depreciation of 80,348. The note is to be paid in five annual installments bearing interest at a rate of 1.94%. The annual requirements to fully amortize the debt outstanding at September 30, 2023, including interest payments, are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 196,702	\$ 15,714	\$ 212,416
2025	200,519	11,898	212,417
2026	204,409	8,008	212,417
2027	208,374	4,042	212,416
	\$ 810,004	\$ 39,662	\$ 849,666

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.

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)

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.

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

	2022	2021
Inactive employees or beneficiaries currently receiving benefits	27	27
Inactive employees entitled to but not yet receiving benefits	33	33
Active employees	38	39
	98	99

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 8.93% and 14.48% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023 were \$342,563, which were equal to the required contributions.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, 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, 2022 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, 2022 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%

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, 2019 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).

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Actuarial Assumptions (Continued)

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	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
	<u>100.00%</u>	

Discount Rate

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

Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2022:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2021	\$ 7,971,721	\$ 7,770,281	\$ 201,440
Changes for the year:			
Service Cost	369,303	-	369,303
Interest	595,244	-	595,244
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	38,557	-	38,557
Changes of Assumptions	795,925	-	795,925
Contributions - Employer	-	210,499	(210,499)
Contributions - Employee	-	145,014	(145,014)
Net Investment Income	-	(567,271)	567,271
Benefit Payments, Including Refunds of Employee Contributions	(267,733)	(267,733)	-
Administrative Expense	-	(4,908)	4,908
Other Changes	-	5,858	(5,858)
Net Changes	<u>1,531,296</u>	<u>(478,541)</u>	<u>2,009,837</u>
Balance at December 31, 2022	<u>\$ 9,503,017</u>	<u>\$ 7,291,740</u>	<u>\$ 2,211,277</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (Continued)

Changes in the Net Pension Liability (Continued)

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)	\$ 3,633,704	\$ 2,211,277	\$ 1,044,251

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2023, the Town recognized pension expense of \$1,276,760. Also as of September 30, 2023, 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	\$ 110,539	\$ 23,422
Changes in Actuarial Assumptions	1,977	-
Differences Between Projected and Actual Investment Earnings	873,412	368,130
Contributions Subsequent to the Measurement Date	289,903	-
	\$ 1,275,831	\$ 391,552

Deferred outflows of resources in the amount of \$289,903 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, 2023. 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,	
2023	\$ 70,911
2024	163,065
2025	142,047
2026	218,353
Thereafter	-
	\$ 594,376

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023

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, 2022, the valuation and measurement date, consisted of:

Inactive employees or beneficiaries currently receiving benefits	27
Inactive employees entitled to but not yet receiving benefits	33
Active employees	38
	98
	98

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	4.05%
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 Tabls 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, 2023

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2022, the measurement and actuarial valuation date was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2021	\$ 155,114
Changes for the year:	
Service Cost	9,184
Interest	2,914
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(897)
Changes in Assumptions or Other Inputs	(53,559)
Benefit Payments	(2,659)
Net Changes	(45,017)
Balance at December 31, 2022	\$ 110,097

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 4.05% 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 3.05%	Discount Rate 4.05%	Discount Rate 5.05%
Total OPEB Liability	\$ 130,668	\$ 110,097	\$ 93,966

For the year ended September 30, 2023, the City recognized OPEB expense of \$10,553. Also, as of September 30, 2023, 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	\$ 3,505	\$ -
Changes in Actuarial Assumptions	-	25,650
Contributions Subsequent to the Measurement Date	2,665	-
	\$ 6,170	\$ 25,650

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

Deferred outflows of resources in the amount of \$2,665 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, 2023. 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,	
2023	\$ (1,543)
2024	(2,516)
2025	(1,477)
2026	(5,897)
2027	(8,540)
Thereafter	(2,172)
	<u>\$ (22,145)</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, 2023 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
2024	\$ 406,000
2025	413,680
2026	418,180
2027	418,180
2028	418,180
2029-2033	2,148,990
2034-2038	2,213,456
2039-2043	1,352,442
2044-2048	864,390
2049	173,891
Total All Years	<u>\$ 8,827,389</u>

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2023

NOTE J -- COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

Litigation

At year-end, the Town was the defendant in a joint ADA/ADEA suit. The plaintiff is alleging wrongful termination due to age, gender, and disability. The plaintiff is also alleging retaliation by the Town in response to a worker's compensation claim he filed. This claim is covered by the Town's insurance carrier and management feels any loss related to this claim would not be material to these financial statements.

The Town was also the defendant in a suit initiated by one of the Town's citizens. The plaintiff alleges trespass, nuisance, and loss of market value to their home due to its proximity to the Town's Voigt Center. No monetary relief has been attached to the claim other than loss of home value. Claims were initially dismissed by the Court and management feels any loss related to this claim will not be material to the financial statements.

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 continued for a period of five years. The Town agreed to a two year extension to the contract beginning June 1, 2022. The contractor increased the rate with the two year extension in fiscal year 2022, leaving the remaining contractual obligation as follows:

Fiscal Year Ending	Contractual
September 30,	Obligation
2024	256,864

In fiscal year 2021 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	Contractual
September 30,	Obligation
2024	69,737

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2023

NOTE K -- INTERFUND TRANSACTIONS

As of September 30, 2023, the following balances were owed between funds:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Nonmajor	115,953	<i>Voigt Center Support</i>
	Total Due To Other Funds	<u>\$ 115,953</u>	

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Nonmajor	\$ 150,319	<i>Supplement Nonmajor Activities</i>
Grants & Contributions	Other Nonmajor	106,531	<i>Supplement Nonmajor Activities</i>
	Total Transfers	<u>\$ 256,850</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, 2023 were \$145,491 for property and casualty and workers compensation coverage.

NOTE M -- DEFICIT FUND BALANCE

The Asset Forfeiture fund has a deficit fund balance of \$4,297. Management plans to reduce expenses in the coming year.

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
- Budgetary Comparison Schedule – Venue Tax Fund
- Budgetary Comparison Schedule – Grants & Contributions 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, 2023

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes	\$ 3,263,528	\$ 3,263,528	\$ 3,334,388	\$ 70,860
Franchise Fees	282,000	327,000	291,447	(35,553)
Sales Taxes	663,000	718,000	779,749	61,749
Fines and Penalties	138,700	205,500	384,887	179,387
Licenses and Permits	175,850	183,850	138,092	(45,758)
License Agreement	406,000	406,000	406,000	-
Recreation Revenues	198,000	198,000	245,690	47,690
Interest Income	50,000	180,000	197,342	17,342
Grants and Donations	17,000	17,000	24,295	7,295
Miscellaneous	29,850	30,350	26,171	(4,179)
TOTAL REVENUES	<u>5,223,928</u>	<u>5,529,228</u>	<u>5,828,061</u>	<u>298,833</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	1,229,182	1,272,522	1,208,009	64,513
Police	1,603,299	1,723,537	1,682,332	41,205
Fire	1,427,073	1,455,643	1,428,023	27,620
Public Works	365,412	396,816	370,952	25,864
Municipal Court	21,439	24,936	31,846	(6,910)
Recreation	6,950	9,950	5,099	4,851
Sanitation	420,000	420,000	384,915	35,085
Capital Outlay	1,054,838	54,838	36,708	18,130
<i>Debt Service:</i>				
Principal	-	-	254,453	(254,453)
Interest and Fiscal Charges	-	-	25,675	(25,675)
TOTAL EXPENDITURES	<u>6,128,193</u>	<u>5,358,242</u>	<u>5,428,012</u>	<u>(69,770)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(904,265)</u>	<u>170,986</u>	<u>400,049</u>	<u>229,063</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>115,182</u>	<u>108,082</u>	<u>(150,319)</u>	<u>(258,401)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>115,182</u>	<u>108,082</u>	<u>(150,319)</u>	<u>(258,401)</u>
Net Change in Fund Balance	(789,083)	279,068	249,730	(29,338)
Beginning Fund Balance	<u>4,945,881</u>	<u>4,945,881</u>	<u>4,945,881</u>	<u>-</u>
Ending Fund Balance	<u>\$ 4,156,798</u>	<u>\$ 5,224,949</u>	<u>\$ 5,195,611</u>	<u>\$ (29,338)</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, 2023

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Sales Taxes	\$ 156,250	\$ 162,600	\$ 183,673	\$ 21,073
Interest Income	5,250	16,000	15,618	(382)
TOTAL REVENUES	<u>161,500</u>	<u>178,600</u>	<u>199,291</u>	<u>20,691</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	37,500	38,000	105,521	(67,521)
TOTAL EXPENDITURES	<u>37,500</u>	<u>38,000</u>	<u>105,521</u>	<u>(67,521)</u>
Net Change in Fund Balance	124,000	140,600	93,770	(46,830)
Beginning Fund Balance	<u>479,701</u>	<u>479,701</u>	<u>479,701</u>	<u>-</u>
Ending Fund Balance	<u>\$ 603,701</u>	<u>\$ 620,301</u>	<u>\$ 573,471</u>	<u>\$ (46,830)</u>

TOWN OF HOLLYWOOD PARK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
 BUDGET AND ACTUAL – VENUE TAX FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Sales Taxes	\$ 312,500	\$ 337,880	\$ 367,346	\$ 29,466
Interest Income	8,000	20,000	32,816	12,816
TOTAL REVENUES	320,500	357,880	400,162	42,282
EXPENDITURES				
<i>Debt Service:</i>				
Principal	115,000.00	115,000.00	115,000	-
Interest and Fiscal Charges	87,963.00	87,963.00	87,963	-
TOTAL EXPENDITURES	202,963	202,963	202,963	-
Net Change in Fund Balance	117,537	154,917	197,199	42,282
Beginning Fund Balance	814,582	814,582	814,582	-
Ending Fund Balance	\$ 932,119	\$ 969,499	\$ 1,011,781	\$ 42,282

TOWN OF HOLLYWOOD PARK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL – GRANTS & CONTRIBUTIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Interest Income	\$ -	\$ -	\$ 16,199	\$ 16,199
Grants and Donations	418,850	419,350	222,910	(196,440)
TOTAL REVENUES	418,850	419,350	239,109	(180,241)
EXPENDITURES				
<i>Current:</i>				
Police	1,800	3,800	32,882	(29,082)
Fire	3,000	3,550	1,623	1,927
Capital Outlay	414,050	413,500	80,898	332,602
TOTAL EXPENDITURES	418,850	420,850	115,403	305,447
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(1,500)	123,706	125,206
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	(106,531)	(106,531)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(106,531)	(106,531)
Net Change in Fund Balance	-	(1,500)	17,175	18,675
Beginning Fund Balance	18,380	18,380	18,380	-
Ending Fund Balance	\$ 18,380	\$ 16,880	\$ 35,555	\$ 18,675

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, 2023

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. Expenditures may not exceed budget.

The Town does not use encumbrances.

TOWN OF HOLLYWOOD PARK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST NINE 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 Posit	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	2021	2022
\$ 261,094	\$ 275,290	\$ 284,210	\$ 286,728	\$ 369,303
389,558	423,140	461,704	492,341	595,244
-	-	-	-	795,925
31,960	54,764	(81,979)	158,558	38,557
-	17,777	-	-	-
(165,878)	(218,521)	(189,695)	(232,951)	(267,733)
516,734	552,450	474,240	704,676	1,531,296
5,723,621	6,240,355	6,792,805	7,267,045	7,971,721
<u>\$ 6,240,355</u>	<u>\$ 6,792,805</u>	<u>\$ 7,267,045</u>	<u>\$ 7,971,721</u>	<u>\$ 9,503,017</u>

Plan Fiduciary Net Position				
2018	2019	2020	2021	2022
\$ 183,317	\$ 189,706	\$ 196,211	\$ 203,262	\$ 210,499
122,483	129,345	133,641	135,037	145,014
(158,267)	813,847	468,734	884,353	(567,271)
(165,878)	(218,521)	(189,696)	(232,951)	(267,733)
(3,063)	(4,603)	(3,035)	(4,092)	(4,908)
(160)	(138)	(118)	27	5,858
(21,568)	909,636	605,737	985,636	(478,541)
5,290,840	5,269,272	6,178,908	6,784,645	7,770,281
<u>\$ 5,269,272</u>	<u>\$ 6,178,908</u>	<u>\$ 6,784,645</u>	<u>\$ 7,770,281</u>	<u>\$ 7,291,740</u>

\$ 971,083	\$ 613,897	\$ 482,400	\$ 201,440	\$ 2,211,277
84.44%	90.96%	93.36%	97.47%	76.73%
\$ 2,041,391	\$ 2,155,758	\$ 2,227,347	\$ 2,250,611	\$ 2,416,906
47.57%	28.48%	21.66%	8.95%	91.49%

TOWN OF HOLLYWOOD PARK
SCHEDULE OF TOWN CONTRIBUTIONS
LAST NINE 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
2023	\$ 342,563	342,563	\$ -	\$ 2,654,826	12.90%
2022	198,004	198,004	-	2,355,543	8.41%
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.

Increased city matching ratio from 1.5-1 to 2-1

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 SIX CALENDAR YEARS

	Total OPEB Liability					
	2017	2018	2019	2020	2021	2022
Service Cost	\$ 3,808	\$ 4,491	\$ 5,174	\$ 6,905	\$ 9,678	\$ 9,184
Interest	2,660	2,760	3,012	3,041	2,774	2,914
Changes of Benefit Terms	-	-	-	-	-	-
Difference between Expected and Actual Experience	-	(3,304)	3,588	301	5,250	(897)
Changes in Assumptions or Other Inputs	6,806	(5,858)	17,430	17,931	4,674	(53,559)
Benefit Payments	(571)	(612)	(647)	(668)	(2,251)	(2,659)
Net Change in Total Pension Liability	12,703	(2,523)	28,557	27,510	20,125	(45,017)
Total OPEB Liability - Beginning	68,742	81,445	78,922	107,479	134,989	155,114
Total OPEB Liability - Ending	<u>\$ 81,445</u>	<u>\$ 78,922</u>	<u>\$ 107,479</u>	<u>\$ 134,989</u>	<u>\$ 155,114</u>	<u>\$ 110,097</u>
Covered Payroll	\$ 1,904,045	\$ 2,041,391	\$ 2,155,758	\$ 2,227,347	\$ 2,250,611	\$ 2,654,826
Total OPEB Liability as a Percentage of Covered Payroll	4.28%	3.87%	4.99%	6.06%	6.89%	4.15%

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 – Grants and Donations Fund
- Combining Statements – Nonmajor Governmental Funds
- Comparative Statements – Proprietary Sewer Fund

TOWN OF HOLLYWOOD PARK
 COMPARATIVE BALANCE SHEETS
 GENERAL FUND
 SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 5,456,179	\$ 5,283,766
Receivables (net of allowances for uncollectibles):		
Property Taxes	155,027	125,361
Other Receivables	198,326	178,852
Gas Inventory	8,271	-
Due from Other Funds	-	3,600
Prepaid Items	28,760	28,760
TOTAL ASSETS	\$ 5,846,563	\$ 5,620,339
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 97,962	\$ 251,183
Wages Payable	64,877	52,698
Deposits	40,000	51,520
Due to Other Funds	115,953	16,563
Unearned Billboard Revenue	177,133	177,133
<i>Total Liabilities</i>	495,925	549,097
<i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	155,027	125,361
<i>Total Deferred Inflows of Resources</i>	155,027	125,361
<i>Fund Balances:</i>		
Nonspendable Prepaid Items	37,031	28,760
Unassigned	5,158,580	4,917,121
<i>Total Fund Balance</i>	5,195,611	4,945,881
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,846,563	\$ 5,620,339

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GENERAL FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
REVENUES		
Ad Valorem Taxes	\$ 3,334,388	\$ 3,023,695
Franchise Fees	291,447	297,375
Sales Taxes	779,749	668,974
Fines and Penalties	384,887	171,888
Licenses and Permits	138,092	136,871
License Agreement	406,000	406,000
Recreation Revenues	245,690	199,335
Interest Income	197,342	35,701
Grants and Donations	24,295	13,978
Other Revenues	26,171	33,069
TOTAL REVENUES	5,828,061	4,986,886
 EXPENDITURES		
<i>Current:</i>		
General and Administrative	1,208,009	1,073,015
Police	1,682,332	1,500,408
Fire	1,428,023	1,243,104
Public Works	370,952	326,738
Municipal Court	31,846	22,700
Recreation	5,099	3,906
Sanitation	384,915	385,361
Capital Outlay	36,708	1,331,616
<i>Debt Service:</i>		
Principal	254,453	15,332
Interest and Fiscal Charges	25,675	1,596
TOTAL EXPENDITURES	5,428,012	5,903,776
 Excess (Deficiency) of Revenues Over (Under) Expenditures	400,049	(916,890)
 OTHER FINANCING SOURCES (USES)		
Note Proceeds	-	1,000,000
Transfers Out	(150,319)	-
TOTAL OTHER FINANCING SOURCES (USES)	(150,319)	1,000,000
 Net Change in Fund Balance	249,730	83,110
 Beginning Fund Balance	4,945,881	4,862,771
 Ending Fund Balance	\$ 5,195,611	\$ 4,945,881

TOWN OF HOLLYWOOD PARK
 COMPARATIVE BALANCE SHEETS
 ECONOMIC DEVELOPMENT CORPORATION
 SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 575,966	\$ 458,190
Sales Tax Receivable	32,505	27,669
TOTAL ASSETS	\$ 608,471	\$ 485,859
LIABILITIES & FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 35,000	\$ 2,558
Due to Other Funds	-	3,600
<i>Total Liabilities</i>	35,000	6,158
<i>Fund Balances:</i>		
Restricted for Economic Development	573,471	479,701
<i>Total Fund Balances</i>	573,471	479,701
TOTAL LIABILITIES & FUND BALANCES	\$ 608,471	\$ 485,859

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 ECONOMIC DEVELOPMENT CORPORATION
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
REVENUES		
Sales Tax	\$ 183,673	\$ 157,969
Interest Income	<u>15,618</u>	<u>2,344</u>
TOTAL REVENUES	<u>199,291</u>	<u>160,313</u>
 EXPENDITURES		
<i>Current:</i>		
General and Administrative	105,521	141,836
Capital Outlay	<u>-</u>	<u>125,000</u>
TOTAL EXPENDITURES	<u>105,521</u>	<u>266,836</u>
 Net Change in Fund Balance	 93,770	 (106,523)
 Fund Balances at Beginning of Year	 <u>479,701</u>	 <u>586,224</u>
 Fund Balances at End of Year	 <u>\$ 573,471</u>	 <u>\$ 479,701</u>

TOWN OF HOLLYWOOD PARK
 COMPARATIVE BALANCE SHEETS
 VENUE TAX FUND
 SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 946,771	\$ 759,245
Sales Tax Receivables	65,010	55,337
TOTAL ASSETS	\$ 1,011,781	\$ 814,582
LIABILITIES & FUND BALANCES		
<i>Liabilities:</i>		
Due to Other Funds	\$ -	\$ -
<i>Total Liabilities</i>	-	-
<i>Fund Balances:</i>		
Restricted	1,011,781	814,582
<i>Total Fund Balance</i>	1,011,781	814,582
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,011,781	\$ 814,582

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 VENUE TAX FUND
 SEPTEMBER 30, 2023 AND 2022

	2023	2022
REVENUES		
Sales Taxes	\$ 367,346	\$ 315,938
Interest Income	<u>32,816</u>	<u>4,121</u>
TOTAL REVENUES	<u>400,162</u>	<u>320,059</u>
EXPENDITURES		
<i>Debt Service:</i>		
Principal	115,000	115,000
Interest and Fiscal Charges	<u>87,963</u>	<u>89,994</u>
TOTAL EXPENDITURES	<u>202,963</u>	<u>204,994</u>
Net Change in Fund Balance	197,199	115,065
Beginning Fund Balance	<u>814,582</u>	<u>699,517</u>
Ending Fund Balance	<u>\$ 1,011,781</u>	<u>\$ 814,582</u>

TOWN OF HOLLYWOOD PARK
 COMPARATIVE BALANCE SHEETS
 GRANTS AND DONATIONS FUND
 SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 310,790	\$ 702,871
Prepaid Items	28,125	-
TOTAL ASSETS	\$ 338,915	\$ 702,871
LIABILITIES & FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 84	151,810
Unearned Revenue	303,276	532,681
<i>Total Liabilities</i>	303,360	684,491
<i>Fund Balances:</i>		
Nonspendable	28,125	-
Restricted	7,430	18,380
<i>Total Fund Balance</i>	35,555	18,380
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 338,915	\$ 702,871

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GRANTS AND DONATIONS FUND
 SEPTEMBER 30, 2023 AND 2022

	2023	2022
REVENUES		
Grants and Donations	\$ 222,910	\$ 299,203
Interest Income	16,199	-
TOTAL REVENUES	239,109	299,203
 EXPENDITURES		
<i>Current:</i>		
Police	32,882	121,355
Fire	1,623	152,652
Capital Outlay	80,898	26,190
TOTAL EXPENDITURES	115,403	300,197
 Excess (Deficiency) of Revenues Over (Under) Expenditures	123,706	(994)
 OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	(106,531)	-
TOTAL OTHER FINANCING SOURCES (USES)	(106,531)	-
 Net Change in Fund Balance	17,175	(994)
 Beginning Fund Balance	18,380	19,374
 Ending Fund Balance	\$ 35,555	\$ 18,380

TOWN OF HOLLYWOOD PARK
 COMBINING BALANCE SHEETS
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2023

	Special Revenue Funds				
	Court Technology	Court Security	Street Maintenance	PEG Fund	Voigt Center Maintenance
ASSETS					
Cash and Cash Equivalents	\$ 42,345	\$ 39,695	\$ 373,355	\$ -	\$ -
Other Receivables	-	-	32,505	1,278	-
Due from Other Funds	-	-	-	-	115,953
TOTAL ASSETS	<u>\$ 42,345</u>	<u>\$ 39,695</u>	<u>\$ 405,860</u>	<u>\$ 1,278</u>	<u>\$ 115,953</u>
LIABILITIES & FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 670	\$ 115,953
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670</u>	<u>115,953</u>
<i>Fund Balances:</i>					
Restricted For:					
Tourism Development	-	-	-	-	-
Municipal Court	42,345	39,695	-	-	-
Police Department	-	-	-	-	-
Public Service	-	-	-	608	-
Street Maintenance	-	-	405,860	-	-
<i>Total Fund Balances</i>	<u>42,345</u>	<u>39,695</u>	<u>405,860</u>	<u>608</u>	<u>-</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 42,345</u>	<u>\$ 39,695</u>	<u>\$ 405,860</u>	<u>\$ 1,278</u>	<u>\$ 115,953</u>

<u>Special Revenue Funds</u>			<u>Total</u>
<u>Asset</u>	<u>Hotel</u>	<u>Asset</u>	<u>Nonmajor</u>
<u>Forfeiture</u>	<u>Tax</u>	<u>Seizure</u>	<u>Funds</u>
\$ -	\$ 153,245	\$ 107,198	\$ 715,838
-	-	-	33,783
-	-	-	115,953
<u>\$ -</u>	<u>\$ 153,245</u>	<u>\$ 107,198</u>	<u>\$ 865,574</u>
\$ 4,297	\$ -	\$ 78	\$ 120,998
<u>4,297</u>	<u>-</u>	<u>78</u>	<u>120,998</u>
-	153,245	-	153,245
-	-	-	82,040
(4,297)	-	107,120	102,823
-	-	-	608
-	-	-	405,860
<u>(4,297)</u>	<u>153,245</u>	<u>107,120</u>	<u>744,576</u>
<u>\$ -</u>	<u>\$ 153,245</u>	<u>\$ 107,198</u>	<u>\$ 865,574</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, 2023

	Special Revenue Funds				
	Court Technology	Court Security	Street Maintenance	PEG Fund	Voigt Center Maintenance
REVENUES					
Hotel Tax	\$ -	\$ -	\$ -	\$ -	13,464
Sales Tax	-	-	183,673	-	-
Fines and Penalties	11,407	11,408	-	-	-
Interest Income	1,463	1,203	11,310	-	-
TOTAL REVENUES	<u>12,870</u>	<u>12,611</u>	<u>194,983</u>	<u>-</u>	<u>13,464</u>
EXPENDITURES					
Current:					
Police	2,700	300	-	-	-
Recreation	-	-	-	-	133,968
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>2,700</u>	<u>300</u>	<u>-</u>	<u>-</u>	<u>133,968</u>
Net Excess Fund Balance	10,170	12,311	194,983	-	(120,504)
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	-	-	-	-	120,504
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,504</u>
Net Change in Fund Balance	10,170	12,311	194,983	-	-
Fund Balances at Beginning of Year	<u>32,175</u>	<u>27,384</u>	<u>210,877</u>	<u>608</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 42,345</u>	<u>\$ 39,695</u>	<u>\$ 405,860</u>	<u>\$ 608</u>	<u>\$ -</u>

Special Revenue Funds			Total
Asset Forfeiture	Hotel Tax	Asset Seizure	Nonmajor Funds
\$ -	\$ 4,488	\$ -	\$ 17,952
-	-	-	183,673
-	-	142,985	165,800
60	5,182	3,457	22,675
60	9,670	146,442	390,100
4,357	-	65,083	72,440
-	-	-	133,968
-	-	45,930	45,930
4,357	-	111,013	252,338
(4,297)	9,670	35,429	137,762
-	136,346	-	256,850
-	136,346	-	256,850
(4,297)	146,016	35,429	394,612
-	7,229	71,691	349,964
\$ (4,297)	\$ 153,245	\$ 107,120	\$ 744,576

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF NET POSITION
 PROPRIETARY FUND – SEWER SYSTEM
 SEPTEMBER 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 206,253	\$ 199,795
Accounts Receivable	8,563	8,563
TOTAL ASSETS	214,816	208,358
 LIABILITIES		
Accounts Payable	10,030	20,394
TOTAL LIABILITIES	10,030	20,394
 NET POSITION		
Unrestricted	204,786	187,964
TOTAL NET POSITION	\$ 204,786	\$ 187,964

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, 2023 AND 2022

	2023	2022
Operating Revenues		
Charges for Utility Services	\$ 116,152	\$ 118,770
Total Operating Revenues	116,152	118,770
Operating Expenses Before Depreciation		
Waste Water Treatment Fees	106,589	124,847
Total Operating Expenses Before Depreciation	106,589	124,847
Operating Income (Loss)	9,563	(6,077)
Other Income (Expense):		
Interest Income	7,259	-
Total Other Income (Expense)	7,259	-
Change in Net Position	16,822	(6,077)
Net Position at Beginning of Year	187,964	194,041
Net Position at End of Year	\$ 204,786	\$ 187,964

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF CASH FLOWS
 PROPRIETARY FUND – SEWER SYSTEM
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 116,152	\$ 118,770
Cash Paid to Suppliers for Goods and Services	<u>(116,953)</u>	<u>(112,505)</u>
Net Cash Provided (Used) by Operating Activities	<u>(801)</u>	<u>6,265</u>
 Cash Flows From Investing Activities:		
Investment Interest Received	<u>7,259</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>7,259</u>	<u>-</u>
 Cash Flows From Noncapital Financing Activities:		
Interfund Borrowings	<u>-</u>	<u>53,843</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>53,843</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 6,458	 60,108
 Cash and Cash Equivalents at Beginning of Year	 <u>199,795</u>	 <u>139,687</u>
 Cash and Cash Equivalents at End of Year	 <u>\$ 206,253</u>	 <u>\$ 199,795</u>
 Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 9,563	\$ (6,077)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Increase (Decrease) in Current Liabilities:		
Accounts Payable	<u>(10,364)</u>	<u>12,342</u>
Total Adjustments to Reconcile Operating Activities	<u>(10,364)</u>	<u>12,342</u>
 Net Cash Provided (Used) by Operating Activities	 <u>\$ (801)</u>	 <u>\$ 6,265</u>



HOLLYWOOD
— PARK —