

TOWN OF HOLLYWOOD PARK, TEXAS

**ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2024**



TOWN OF HOLLYWOOD PARK

PRINCIPAL OFFICERS

TOWN OFFICIALS

MAYOR

CHESTER DRASH

TOWN COUNCIL

GLENNA PEARCE

DALE RANDOL

JIM RODRIGUEZ

TODD KOUNSE

WENDY GONZALEZ

TOWN TREASURER

FRED TIMMONS

ATTORNEY

FRANK GARZA

TOWN OF HOLLYWOOD PARK
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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TOWN OF HOLLYWOOD PARKTOWN OF HOLLYWOOD PARK
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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, 2024, 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, 2024, 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.

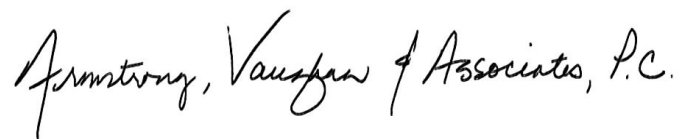
Required Supplementary Information

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.

January 21, 2025



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, 2024. Please read it in conjunction with the Town’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

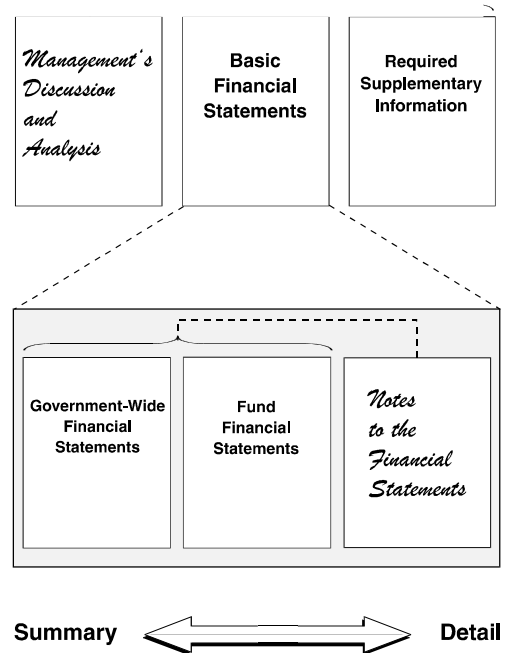
- The Town’s total combined net position was \$13.2 million at September 30, 2024, an increase of \$810 thousand from the prior year.
- During the year, the Town’s governmental activities expenses were \$795 thousand less than the \$7.7 million generated in general and program revenues for governmental activities. The total cost of the Town’s governmental programs decreased 4.1% from the prior year.
- The general fund reported a fund balance this year of \$5.5 million, which is an increase of \$283 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	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures & changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • 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 \$13.2 million at September 30, 2024. (See Table A-1).

Table A-1
Town's Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2024	2023	2024	2023	2024	2023	
<i>Assets:</i>							
Current Assets	\$ 9,277,828	\$ 8,779,176	\$ 230,082	\$ 214,816	\$ 9,507,910	\$ 8,993,992	5.7
Capital Assets (net)	9,254,372	9,832,150	-	-	9,254,372	9,832,150	(5.9)
<i>Total Assets</i>	<u>18,532,200</u>	<u>18,611,326</u>	<u>230,082</u>	<u>214,816</u>	<u>18,762,282</u>	<u>18,826,142</u>	(0.3)
<i>Deferred Outflows</i>	<u>563,299</u>	<u>1,282,001</u>	<u>-</u>	<u>-</u>	<u>563,299</u>	<u>1,282,001</u>	(56.1)
<i>Liabilities:</i>							
Current Liabilities	1,002,279	1,546,335	10,171	10,030	1,012,450	1,556,365	(34.9)
Long-Term Liabilities	5,083,812	5,774,675	-	-	5,083,812	5,774,675	(12.0)
<i>Total Liabilities</i>	<u>6,086,091</u>	<u>7,321,010</u>	<u>10,171</u>	<u>10,030</u>	<u>6,096,262</u>	<u>7,331,040</u>	(16.8)
<i>Deferred Inflows</i>	<u>58,460</u>	<u>417,202</u>	<u>-</u>	<u>-</u>	<u>58,460</u>	<u>417,202</u>	(86.0)
<i>Net Position:</i>							
Invested in Capital Assets	5,784,617	6,062,144	-	-	5,784,617	6,062,144	(4.6)
Restricted	3,058,511	2,329,828	-	-	3,058,511	2,329,828	31.3
Unrestricted	4,107,820	3,763,143	219,911	204,786	4,327,731	3,967,929	9.1
<i>Total Net Position</i>	<u>\$ 12,950,948</u>	<u>\$ 12,155,115</u>	<u>\$ 219,911</u>	<u>\$ 204,786</u>	<u>\$ 13,170,859</u>	<u>\$ 12,359,901</u>	6.6

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

Governmental Activities

- Revenues increased across the board, but most pronouncedly among taxes and interest earnings as property values increased and investments bore higher returns. Expenses have decreased driven mainly by reductions in Police and Fire expenditures.

Table A-2
Changes in Town's Net Position

	Governmental Activities		Business-Type Activities		Total		Percentage Change
	2024	2023	2024	2023	2024	2023	
<i>Program Revenues:</i>							
Charges for Services	\$ 955,767	\$ 797,380	\$ 123,083	\$ 116,152	\$ 1,078,850	\$ 913,532	18.1
Operating Grants and Contributions	354,514	249,883	-	-	354,514	249,883	41.9
<i>General Revenues:</i>							
Taxes	5,411,496	5,187,893	-	-	5,411,496	5,187,893	4.3
License Agreements	413,680	406,000	-	-	413,680	406,000	1.9
Interest Earnings	460,437	281,193	11,223	7,259	471,660	288,452	63.5
Miscellaneous	93,423	5,135	-	-	93,423	5,135	1719.3
<i>Total Revenues</i>	<u>7,689,317</u>	<u>6,927,484</u>	<u>134,306</u>	<u>123,411</u>	<u>7,823,623</u>	<u>7,050,895</u>	11.0
<i>Program Expenses:</i>							
General Government	1,474,499	1,278,717	-	-	1,474,499	1,278,717	15.3
Police	1,835,823	2,112,386	-	-	1,835,823	2,112,386	(13.1)
Fire	1,689,223	1,920,571	-	-	1,689,223	1,920,571	(12.0)
Public Works	753,492	788,499	-	-	753,492	788,499	(4.4)
Municipal Court	243,777	214,875	-	-	243,777	214,875	13.5
Recreation	368,682	396,080	-	-	368,682	396,080	(6.9)
Sanitation	429,856	384,915	-	-	429,856	384,915	11.7
Sewer	-	-	119,181	106,589	119,181	106,589	11.8
Interest on Debt	98,132	108,149	-	-	98,132	108,149	(9.3)
<i>Total Expenses</i>	<u>6,893,484</u>	<u>7,204,192</u>	<u>119,181</u>	<u>106,589</u>	<u>7,012,665</u>	<u>7,310,781</u>	(4.1)
Change in Net Position	795,833	(276,708)	15,125	16,822	810,958	(259,886)	(412.0)
Net Position, Beginning	12,155,115	12,431,823	204,786	187,964	12,359,901	12,619,787	(2.1)
Net Position, Ending	<u>\$ 12,950,948</u>	<u>\$ 12,155,115</u>	<u>\$ 219,911</u>	<u>\$ 204,786</u>	<u>\$ 13,170,859</u>	<u>\$ 12,359,901</u>	6.6

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 \$6.8 million. Taxpayers paid for 79% of these activities through property and sales taxes of \$5.4 million. 14.1% 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		
	2024	2023			2024	2023	Percentage Change
General Government	\$ 1,474,499	\$ 1,278,717	15.3	\$ 1,035,174	\$ 919,082	12.6	
Police	1,835,823	2,112,386	(13.1)	1,797,332	2,078,151	(13.5)	
Fire	1,689,223	1,920,571	(12.0)	1,675,156	1,920,571	(12.8)	
Public Works	753,492	788,499	(4.4)	753,492	788,499	(4.4)	
Municipal Court	243,777	214,875	13.5	(293,850)	(192,828)	52.4	
Recreation	368,682	396,080	(6.9)	87,911	150,390	(41.5)	
Sanitation	429,856	384,915	11.7	429,856	384,915	11.7	
Sewer	119,181	106,589	11.8	(3,902)	(9,563)	(59.2)	

Business-Type Activities

Revenues of the Town’s Sewer business-type activities increased 8.8% to \$134 thousand, and operating expenses increased 11.8% to \$119 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 in the general fund totaled \$6 million, an increase of about 8.3% from the preceding year due to factors noted above.

Budgetary Highlights

Overall the general fund revenues were over budget \$154 thousand due primarily to better than expected sales tax and interest revenues. Overall, expenses were under budget \$384 thousand. Mainly due to lower than anticipated capital outlay and public works expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2024, the Town had invested \$16.9 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
	2024	2023	2024	2023	2024	2023	
Land	\$ 571	\$ 571	\$ -	\$ -	\$ 571	\$ 571	0.0
Buildings and Improvements	8,538	8,520	-	-	8,538	8,520	0.2
Equipment	4,066	2,138	-	-	4,066	2,138	90.2
Infrastructure	3,693	5,300	-	-	3,693	5,300	(30.3)
Totals at Historical Cost	16,868	16,529	-	-	16,868	16,529	2.1
Total Accumulated Depreciation	(7,614)	(6,697)	-	-	(7,614)	(6,697)	13.7
Net Capital Assets	<u>\$ 9,254</u>	<u>\$ 9,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,254</u>	<u>\$ 9,832</u>	(5.9)

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 vehicles 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
	2024	2023	2024	2023	2024	2023	
Bonds	\$ 2,840	\$ 2,960	\$ -	\$ -	\$ 2,840	\$ 2,960	(4.1)
Note Payable - Fire Engine	613	810	-	-	613	810	(24.3)
Total Long-Term Debt	<u>\$ 3,453</u>	<u>\$ 3,770</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,453</u>	<u>\$ 3,770</u>	<u>(8.4)</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 is experiencing growth, 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 2025.

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, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,721,225	\$ 218,259	\$ 8,939,484
Receivables:			
Ad Valorem Taxes	201,534	-	201,534
Other	333,119	11,823	344,942
Inventory	9,260	-	9,260
Prepaid Items	12,690	-	12,690
Capital Assets (net)	9,254,372	-	9,254,372
TOTAL ASSETS	<u>18,532,200</u>	<u>230,082</u>	<u>18,762,282</u>
DEFERRED OUTFLOWS			
Deferred Other Post Employment Benefit			
Related Outflows	4,182	-	4,182
Deferred Pension Related Outflows	559,117	-	559,117
TOTAL DEFERRED OUTFLOWS	<u>563,299</u>	<u>-</u>	<u>563,299</u>
LIABILITIES			
Accounts Payable	236,343	10,171	246,514
Wages Payable	95,381	-	95,381
Accrued Interest	16,453	-	16,453
Deposits	29,740	-	29,740
Unearned License and Grant Revenue	177,133	-	177,133
Accrued Compensated Absences	121,710	-	121,710
<i>Noncurrent Liabilities:</i>			
Long-term Debt Due Within One Year	325,519	-	325,519
Long-term Debt Due in More Than One Year	3,127,783	-	3,127,783
Net Pension Liability	1,834,698	-	1,834,698
Total Other Post Employment Benefits Liability	121,331	-	121,331
TOTAL LIABILITIES	<u>6,086,091</u>	<u>10,171</u>	<u>6,096,262</u>
DEFERRED INFLOWS			
Deferred Other Post Employment Benefit			
Related Inflows	18,234	-	18,234
Deferred Pension Related Inflows	40,226	-	40,226
TOTAL DEFERRED INFLOWS	<u>58,460</u>	<u>-</u>	<u>58,460</u>
NET POSITION			
Net Investment in Capital Assets	5,784,617	-	5,784,617
Restricted for:			
Street Maintenance	626,978	-	626,978
Tourism Development	180,500	-	180,500
Economic Development	719,141	-	719,141
Venue Construction and Maintenance	1,253,045	-	1,253,045
Municipal Court	117,568	-	117,568
Police	160,671	-	160,671
Public Service	608	-	608
Unrestricted	4,107,820	219,911	4,327,731
TOTAL NET POSITION	<u>\$ 12,950,948</u>	<u>\$ 219,911</u>	<u>\$ 13,170,859</u>

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024

<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
<i>Governmental Activities:</i>				
General and Administrative	\$ 1,474,499	\$ 136,049	\$ 303,276	\$ -
Police	1,835,823	1,320	37,171	-
Fire	1,689,223	-	14,067	-
Public Works	753,492	-	-	-
Municipal Court	243,777	537,627	-	-
Recreation	368,682	280,771	-	-
Sanitation	429,856	-	-	-
Interest on Long-term Debt	98,132	-	-	-
<i>Total Governmental Activities</i>	<u>6,893,484</u>	<u>955,767</u>	<u>354,514</u>	<u>-</u>
<i>Business-Type Activities:</i>				
Sewer	<u>119,181</u>	<u>123,083</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u><u>\$ 7,012,665</u></u>	<u><u>\$ 1,078,850</u></u>	<u><u>\$ 354,514</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
\$ (1,035,174)		\$ (1,035,174)
(1,797,332)		(1,797,332)
(1,675,156)		(1,675,156)
(753,492)		(753,492)
293,850		293,850
(87,911)		(87,911)
(429,856)		(429,856)
(98,132)		(98,132)
(5,583,203)		(5,583,203)
	\$ 3,902	3,902
		(5,579,301)
3,487,533	-	3,487,533
275,829	-	275,829
1,608,479	-	1,608,479
39,655	-	39,655
413,680	-	413,680
460,437	11,223	471,660
93,423	-	93,423
6,379,036	11,223	6,390,259
795,833	15,125	810,958
12,155,115	204,786	12,359,901
\$ 12,950,948	\$ 219,911	\$ 13,170,859

TOWN OF HOLLYWOOD PARK
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Major Fund	Major Fund	Major Fund	Major Fund
	General	Economic	Venue	Grants and
	Fund	Development	Tax	Donations
ASSETS				
Cash and Cash Equivalents	\$ 5,749,611	\$ 687,467	\$ 1,189,698	\$ 42,605
Receivables:				
Property Taxes	201,534	-	-	-
Other Receivables	197,422	31,674	63,347	-
Prepaid Items	3,315	-	-	9,375
Fuel Inventory	9,260	-	-	-
TOTAL ASSETS	\$ 6,161,142	\$ 719,141	\$ 1,253,045	\$ 51,980
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 178,168	\$ -	\$ -	\$ 51,980
Wages Payable	95,381	-	-	-
Deposits	29,740	-	-	-
Unearned Revenue	177,133	-	-	-
<i>Total Liabilities</i>	<i>480,422</i>	<i>-</i>	<i>-</i>	<i>51,980</i>
 <i>Deferred Inflows of Resources:</i>				
Unavailable Property Tax Revenue	201,534	-	-	-
 <i>Fund Balances:</i>				
Nonspendable for:				
Prepaid Items	12,575	-	-	9,375
Restricted for:				
Street Maintenance	-	-	-	-
Tourism Development	-	-	-	-
Economic Development	-	719,141	-	-
Venue Construction and Maintenance	-	-	1,253,045	-
Municipal Court	-	-	-	-
Police	-	-	-	-
Public Service	-	-	-	-
Unassigned, (Deficit)	5,466,611	-	-	(9,375)
<i>Total Fund Balances</i>	<i>5,479,186</i>	<i>719,141</i>	<i>1,253,045</i>	<i>-</i>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,161,142	\$ 719,141	\$ 1,253,045	\$ 51,980

See accompanying notes to basic financial statements.

Other Nonmajor Funds	Total Governmental Funds
\$ 1,051,844	\$ 8,721,225
-	201,534
40,676	333,119
-	12,690
-	9,260
<u>\$ 1,092,520</u>	<u>\$ 9,277,828</u>
\$ 6,195	\$ 236,343
-	95,381
-	29,740
-	177,133
<u>6,195</u>	<u>538,597</u>
<u>-</u>	<u>201,534</u>
-	21,950
626,978	626,978
180,500	180,500
-	719,141
-	1,253,045
117,568	117,568
160,671	160,671
608	608
-	5,457,236
<u>1,086,325</u>	<u>8,537,697</u>
<u>\$ 1,092,520</u>	<u>\$ 9,277,828</u>



TOWN OF HOLLYWOOD PARK
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS \$ 8,537,697

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

Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 9,254,372

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. 201,534

Accrued compensated absences are not due and payable in the current period and, therefore, not reported in the funds. (121,710)

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	\$ (3,453,302)	
Related Accrued Interest	<u>(16,453)</u>	(3,469,755)

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	(121,331)	
Post Employment Benefits Outflows (Inflows)	<u>(14,052)</u>	(135,383)

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	(1,834,698)	
Net Pension Deferred Outflows (Inflows)	<u>518,891</u>	<u>(1,315,807)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES \$ 12,950,948

TOWN OF HOLLYWOOD PARK
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	<u>Major Fund</u>	<u>Major Fund</u>	<u>Major Fund</u>	<u>Major Fund</u>
	General Fund	Economic Development	Venue Tax	Grants and Contributions
REVENUES				
Ad Valorem Taxes	\$ 3,441,027	\$ -	\$ -	\$ -
Franchise Fees	275,829	-	-	-
Sales Taxes	827,523	195,239	390,478	-
Hotel Occupancy Tax	-	-	-	-
Fines and Penalties	497,509	-	-	-
Licenses and Permits	126,506	-	-	-
License Agreements	413,680	-	-	-
Recreation Revenues	280,771	-	-	-
Interest Income	324,023	28,524	56,433	11,533
Grants and Donations	28,764	-	-	321,501
Miscellaneous	107,535	-	-	-
TOTAL REVENUES	<u>6,323,167</u>	<u>223,763</u>	<u>446,911</u>	<u>333,034</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	1,480,654	25,991	-	134,021
Police	1,776,860	-	-	1,627
Fire	1,508,901	-	-	21,235
Public Works	419,953	-	-	-
Municipal Court	46,403	-	-	-
Recreation	6,333	-	-	-
Sanitation	429,856	-	-	-
Capital Outlay	9,386	54,568	-	231,604
<i>Debt Service:</i>				
Principal	196,703	-	120,000	-
Interest and Fiscal Charges	15,714	-	85,647	-
TOTAL EXPENDITURES	<u>5,890,763</u>	<u>80,559</u>	<u>205,647</u>	<u>388,487</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	432,404	143,204	241,264	(55,453)
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>(148,829)</u>	<u>2,466</u>	<u>-</u>	<u>19,898</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(148,829)</u>	<u>2,466</u>	<u>-</u>	<u>19,898</u>
Net Change in Fund Balance	283,575	145,670	241,264	(35,555)
Fund Balances at Beginning of Year	<u>5,195,611</u>	<u>573,471</u>	<u>1,011,781</u>	<u>35,555</u>
Fund Balances at End of Year	<u>\$ 5,479,186</u>	<u>\$ 719,141</u>	<u>\$ 1,253,045</u>	<u>\$ -</u>

See accompanying notes to basic financial statements.

<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 3,441,027
-	275,829
195,239	1,608,479
39,655	39,655
133,701	631,210
-	126,506
-	413,680
-	280,771
46,084	466,597
-	350,265
-	107,535
414,679	7,741,554
21,163	1,661,829
47,480	1,825,967
-	1,530,136
-	419,953
-	46,403
130,752	137,085
-	429,856
-	295,558
-	316,703
-	101,361
199,395	6,764,851
215,284	976,703
126,465	-
126,465	-
341,749	976,703
744,576	7,560,994
\$ 1,086,325	\$ 8,537,697

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, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 976,703

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	\$	339,202	
Depreciation		<u>(916,980)</u>	(577,778)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 46,507

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. 5,383

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 316,703

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	\$	25,087	
Change in Accrued Interest		<u>3,228</u>	<u>28,315</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 795,833

TOWN OF HOLLYWOOD PARK
STATEMENT OF NET POSITION – PROPRIETARY FUND
SEPTEMBER 30, 2024

	Business-Type Activities
	Sewer Fund
ASSETS	
Cash and Cash Equivalents	\$ 218,259
Receivables (net of allowances for uncollectibles)	11,823
TOTAL ASSETS	230,082
 LIABILITIES	
Accounts Payable	\$ 10,171
TOTAL LIABILITIES	10,171
 NET POSITION	
Unrestricted	219,911
TOTAL NET POSITION	\$ 219,911

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, 2024

	Business-Type Activities
	Sewer Fund
OPERATING REVENUES	
Charges for Utility Service	\$ 123,083
TOTAL OPERATING REVENUES	123,083
OPERATING EXPENSES	
Waste Water Treatment Fees	119,181
TOTAL OPERATING EXPENSES	119,181
OPERATING INCOME (LOSS)	3,902
NONOPERATING EXPENSES	
Interest Income	11,223
TOTAL NONOPERATING EXPENSES	11,223
CHANGE IN NET POSITION	15,125
NET POSITION AT BEGINNING OF YEAR	204,786
NET POSITION AT END OF YEAR	\$ 219,911

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Business-Type Activities
	Sewer Fund
Cash Flows From Operating Activities:	
Cash Received From Customers	\$ 119,823
Cash Paid to Suppliers for Goods and Services	(119,040)
Net Cash Provided (Used) by Operating Activities	783
 Cash Flows From Investing Activities:	
Interest Income Received	11,223
Net Cash Provided (Used) by Investing Activities	11,223
Net Increase (Decrease) in Cash and Cash Equivalents	12,006
Cash and Cash Equivalents at Beginning of Year	206,253
Cash and Cash Equivalents at End of Year	\$ 218,259
 Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ 3,902
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Increase (Decrease) in Current Liabilities:	
Accounts Payable	141
Total Adjustments to Reconcile Operating Activities	(3,119)
Net Cash Provided (Used) by Operating Activities	\$ 783

See accompanying notes to basic financial statements.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

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, 2024, 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, 2024

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, 2024

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, 2024

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, 2024

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, 2023 and past due after January 31, 2024. 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, 2024

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, 2024

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, 2024

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, 2024

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, 2024, 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, 2024

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, 2024 consist of \$6,171 in TexPool, a 2a7 like public funds investment pool and \$8,736,001 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, 2024, 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, 2024

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, 2023, upon which the fiscal 2024 levy was based, was \$732 million (i.e., market value less exemptions). The estimated market value was \$784 million, making the taxable value 93% 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, 2024, 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 \$14.9 million based upon the present assessed valuation before the limit is reached. The Property Tax Code generally limits growth of the maintenance and operations tax levy to 3.5% without voter approval.

NOTE D -- OTHER RECEIVABLES

Other receivables for the Town as of September 30, 2024 are as follows:

	General Fund	EDC	Venue Tax	Nonmajor Funds	Totals
Sales and Mixed Beverage Tax	\$ 137,060	\$ 31,674	\$ 63,347	\$ 31,674	\$ 263,755
Franchise Tax	60,362	-	-	1,278	61,640
Total Other Receivables	<u>\$ 197,422</u>	<u>\$ 31,674</u>	<u>\$ 63,347</u>	<u>\$ 40,676</u>	<u>\$ 333,119</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2024

NOTE E -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2024, was as follows:

<u>Governmental Activities</u>	<u>Balance 10/1/2023</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>Balance 9/30/2024</u>
Land	\$ 571,086	\$ -	\$ -	\$ 571,086
Buildings and Improvements	8,519,992	18,444	-	8,538,436
Vehicles and Equipment	2,137,905	320,758	-	2,458,663
Infrastructure	5,300,060	-	-	5,300,060
	<u>16,529,043</u>	<u>339,202</u>	<u>-</u>	<u>16,868,245</u>
Less Accumulated Depreciation				
Buildings and Improvements	(2,701,963)	(297,214)	-	(2,999,177)
Vehicles and Equipment	(1,873,254)	(313,061)	-	(2,186,315)
Infrastructure	(2,121,676)	(306,705)	-	(2,428,381)
	<u>(6,696,893)</u>	<u>(916,980)</u>	<u>-</u>	<u>(7,613,873)</u>
Governmental Capital Assets, Net	<u>\$ 9,832,150</u>	<u>\$ (577,778)</u>	<u>\$ -</u>	<u>\$ 9,254,372</u>

Land is not depreciated.

Depreciation expense was charged to the governmental functions as follows:

Administration	\$ 51,955
Municipal Court	733
Police Department	92,349
Fire Department	210,118
Public Works	330,228
Recreation	231,597
Total Depreciation Expense - Governmental Activities	<u>\$ 916,980</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2024

NOTE F -- LONG-TERM DEBT

Debt	Balance			Balance 9/30/2024	Due Within One Year
	10/1/2023	Additions	Reductions		
2016 General Obligation Bonds	\$ 2,960,000	\$ -	\$ (120,000)	\$ 2,840,000	\$ 125,000
Fire Engine Note Payable	810,005	-	(196,703)	613,302	200,519
Accrued Compensation	146,797	121,710	(146,797)	121,710	-
Net Pension Liability	2,211,277	581,547	(958,126)	1,834,698	-
Other Post Employment Benefits	110,097	11,234	-	121,331	121,331
Total Governmental Activities	<u>\$ 6,238,176</u>	<u>\$ 714,491</u>	<u>\$ (1,421,626)</u>	<u>\$ 5,531,041</u>	<u>\$ 446,850</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, 2024, including interest payments, are as follows:

Year Ending September 30,	Principal	Interest	Total
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	145,000	69,361	214,361
2030-2034	820,000	278,660	1,098,660
2035-2039	985,000	139,412	1,124,412
2040-2041	360,000	10,503	370,503
	<u>\$ 2,840,000</u>	<u>\$ 810,971</u>	<u>\$ 3,650,971</u>

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2024

NOTE F -- LONG-TERM DEBT (CONTINUED)

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, 2024 is recorded at a cost of \$1,606,950 and accumulated depreciation of 241,042. 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, 2024, including interest payments, are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	\$ 200,519	\$ 11,898	\$ 212,417
2026	204,409	8,008	212,417
2027	208,374	4,042	212,416
	\$ 613,302	\$ 23,948	\$ 637,250

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

The City participates as one of over 900 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, 2024

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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

	2023	2022
Inactive employees or beneficiaries currently receiving benefits	31	27
Inactive employees entitled to but not yet receiving benefits	36	36
Active employees	36	38
	103	101

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 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 14.48% and 15.24% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024 were \$404,769 which were equal to the required contributions.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2024

NOTE G -- EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, 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, 2023 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, 2023 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 MP-2021 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 MP-2021 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 period ending December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 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, 2024

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:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.00%	6.70%
Core Fixed Income	6.00%	4.70%
Non-Core Fixed Income	20.00%	8.00%
Other Public and Private Markets	12.00%	8.00%
Real Estate	12.00%	7.60%
Hedge Funds	5.00%	6.40%
Private Equity	10.00%	11.60%
	<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, 2023:

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at December 31, 2022	\$ 9,503,017	\$ 7,291,740	\$ 2,211,277
Changes for the year:			
Service Cost	414,630	-	414,630
Interest	641,145	-	641,145
Change of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(11,160)	-	(11,160)
Changes of Assumptions	(39,299)	-	(39,299)
Contributions - Employer	-	381,200	(381,200)
Contributions - Employee	-	161,754	(161,754)
Net Investment Income	-	844,348	(844,348)
Benefit Payments, Including Refunds of Employee Contributions	(423,769)	(423,769)	-
Administrative Expense	-	(5,369)	5,369
Other Changes	-	(38)	38
Net Changes	<u>581,547</u>	<u>958,126</u>	<u>(376,579)</u>
Balance at December 31, 2023	<u>\$ 10,084,564</u>	<u>\$ 8,249,866</u>	<u>\$ 1,834,698</u>

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2024

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)	\$ 3,289,040	\$ 1,834,698	\$ 643,430

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2024, the Town recognized pension expense of \$393,580. Also as of September 30, 2024, 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	\$ 53,194	\$ 11,936
Changes in Actuarial Assumptions	-	28,290
Differences Between Projected and Actual Investment Earnings	192,450	-
Contributions Subsequent to the Measurement Date	313,473	-
	\$ 559,117	\$ 40,226

Deferred outflows of resources in the amount of \$313,473 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, 2024. 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,	
2024	\$ 78,498
2025	57,480
2026	139,871
2027	(70,431)
Thereafter	-
	\$ 205,418

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2024

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, 2023, the valuation and measurement date, consisted of:

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	36
Active employees	36
	103

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	3.60% to 11.85% including Inflation
Discount Rate	3.77%
Administrative Expenses	All administrative expenses are paid thru the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tabs with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2024

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

The City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2023, the measurement and actuarial valuation date was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2022	\$ 110,097
Changes for the year:	
Service Cost	5,661
Interest	4,503
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(1,541)
Changes in Assumptions or Other Inputs	6,116
Benefit Payments	(3,505)
Net Changes	11,234
Balance at December 31, 2023	\$ 121,331

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 3.77% 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 2.77%	Discount Rate 3.77%	Discount Rate 4.77%
Total OPEB Liability	\$ 145,116	\$ 121,331	\$ 102,909

For the year ended September 30, 2024, the City recognized OPEB expense of \$9,408. Also, as of September 30, 2024, 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	\$ 1,420	\$ -
Changes in Actuarial Assumptions	-	18,234
Contributions Subsequent to the Measurement Date	2,762	-
	\$ 4,182	\$ 18,234

TOWN OF HOLLYWOOD PARK
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2024

NOTE H -- OTHER POSTEMPLOYMENT BENEFIT (Continued)

Deferred outflows of resources in the amount of \$2,762 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, 2024. 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,	
2024	\$ (1,729)
2025	(690)
2026	(5,110)
2027	(7,753)
2028	(1,532)
Thereafter	-
	<u>\$ (16,814)</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, 2024 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
2025	\$ 418,180
2026	418,180
2027	418,180
2028	418,180
2029	426,090
2030-2034	2,161,772
2035-2039	2,226,622
2040-2044	1,069,230
2045-2049	869,455
Total All Years	<u>\$ 8,425,889</u>

TOWN OF HOLLYWOOD PARK
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2024

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.

NOTE K -- INTERFUND TRANSACTIONS

As of September 30, 2024, the following balances were owed between funds:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Other Nonmajor	General Fund	\$ 4,365	<i>Supplement Court Activities</i>
General Fund	Other Nonmajor	130,830	<i>Supplement Nonmajor Activities</i>
General Fund	Grants & Contributions	19,898	<i>Supplement Grants & Contributions Activities</i>
General Fund	Economic Development	2,466	<i>Supplement Economic Development Activities</i>
	Total Transfers	<u>\$ 157,559</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, 2024 were \$155,730 for property and casualty and workers compensation coverage.

NOTE M -- DEFICIT FUND BALANCE

The Asset Forfeiture fund has a deficit fund balance of \$4,942. 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, 2024

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Ad Valorem Taxes	\$ 3,461,222	\$ 3,461,222	\$ 3,441,027	\$ (20,195)
Franchise Fees	268,800	273,800	275,829	2,029
Sales Taxes	738,000	778,000	827,523	49,523
Fines and Penalties	332,500	469,400	497,509	28,109
Licenses and Permits	132,850	139,495	126,506	(12,989)
License Agreement	406,000	406,000	413,680	7,680
Recreation Revenues	220,000	255,000	280,771	25,771
Interest Income	220,000	250,000	324,023	74,023
Grants and Donations	20,000	26,645	28,764	2,119
Miscellaneous	18,450	98,850	107,535	8,685
TOTAL REVENUES	<u>5,817,822</u>	<u>6,158,412</u>	<u>6,323,167</u>	<u>164,755</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	1,312,865	1,513,234	1,480,654	32,580
Police	1,692,084	1,798,842	1,776,860	21,982
Fire	1,426,584	1,589,841	1,508,901	80,940
Public Works	544,387	549,287	419,953	129,334
Municipal Court	50,227	50,227	46,403	3,824
Recreation	8,250	8,725	6,333	2,392
Sanitation	385,000	394,050	429,856	(35,806)
Capital Outlay	175,000	157,875	9,386	148,489
<i>Debt Service:</i>				
Principal	212,417	212,417	196,703	15,714
Interest and Fiscal Charges	-	-	15,714	(15,714)
TOTAL EXPENDITURES	<u>5,806,814</u>	<u>6,274,498</u>	<u>5,890,763</u>	<u>383,735</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,008</u>	<u>(116,086)</u>	<u>432,404</u>	<u>548,490</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>(11,008)</u>	<u>(11,008)</u>	<u>(148,829)</u>	<u>(137,821)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(11,008)</u>	<u>(11,008)</u>	<u>(148,829)</u>	<u>(137,821)</u>
Net Change in Fund Balance	-	(127,094)	283,575	410,669
Beginning Fund Balance	<u>5,195,611</u>	<u>5,195,611</u>	<u>5,195,611</u>	<u>-</u>
Ending Fund Balance	<u>\$ 5,195,611</u>	<u>\$ 5,068,517</u>	<u>\$ 5,479,186</u>	<u>\$ 410,669</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, 2024

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Sales Taxes	\$ 175,000	\$ 175,000	\$ 195,239	\$ 20,239
Interest Income	18,000	18,000	28,524	10,524
TOTAL REVENUES	<u>193,000</u>	<u>193,000</u>	<u>223,763</u>	<u>30,763</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	95,500	95,500	25,991	69,509
Capital Outlay	97,500	97,500	54,568	42,932
TOTAL EXPENDITURES	<u>193,000</u>	<u>193,000</u>	<u>80,559</u>	<u>112,441</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	2,466	2,466
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>2,466</u>	<u>2,466</u>
Net Change in Fund Balance	-	-	145,670	145,670
Beginning Fund Balance	573,471	573,471	573,471	-
Ending Fund Balance	<u>\$ 573,471</u>	<u>\$ 573,471</u>	<u>\$ 719,141</u>	<u>\$ 145,670</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, 2024

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Sales Taxes	\$ 350,000	\$ 350,000	\$ 390,478	\$ 40,478
Interest Income	32,300	32,300	56,433	24,133
TOTAL REVENUES	<u>382,300</u>	<u>382,300</u>	<u>446,911</u>	<u>64,611</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	176,653	176,653	-	176,653
<i>Debt Service:</i>				
Principal	120,000	120,000	120,000	-
Interest and Fiscal Charges	85,647.00	85,647.00	85,647	-
TOTAL EXPENDITURES	<u>382,300</u>	<u>382,300</u>	<u>205,647</u>	<u>176,653</u>
Net Change in Fund Balance	-	-	241,264	241,264
Beginning Fund Balance	<u>1,011,781</u>	<u>1,011,781</u>	<u>1,011,781</u>	<u>-</u>
Ending Fund Balance	<u><u>\$ 1,011,781</u></u>	<u><u>\$ 1,011,781</u></u>	<u><u>\$ 1,253,045</u></u>	<u><u>\$ 241,264</u></u>

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, 2024

	Budget Amounts		Actual Amounts	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Interest Income	\$ 18,484	\$ 18,484	\$ 11,533	\$ (6,951)
Grants and Donations	152,430	152,430	321,501	169,071
TOTAL REVENUES	<u>170,914</u>	<u>170,914</u>	<u>333,034</u>	<u>162,120</u>
EXPENDITURES				
<i>Current:</i>				
General and Administrative	-	-	134,021	(134,021)
Police	1,000	1,000	1,627	(627)
Fire	2,000	2,000	21,235	(19,235)
Capital Outlay	167,914	167,914	231,604	(63,690)
TOTAL EXPENDITURES	<u>170,914</u>	<u>170,914</u>	<u>388,487</u>	<u>(217,573)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(55,453)</u>	<u>(55,453)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	19,898	19,898
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>19,898</u>	<u>19,898</u>
Net Change in Fund Balance	-	-	(35,555)	(35,555)
Beginning Fund Balance	<u>35,555</u>	<u>35,555</u>	<u>35,555</u>	<u>-</u>
Ending Fund Balance	<u>\$ 35,555</u>	<u>\$ 35,555</u>	<u>\$ -</u>	<u>\$ (35,555)</u>

TOWN OF HOLLYWOOD PARK
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2024

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, Economic Development Fund, Venue Fund, and Grants & Contributions Fund.

Budgetary preparation and control is exercised at the department level. Expenditures may not exceed budget. Expenditures exceeded the budget in the Grants and Contributions Fund.

The Town does not use encumbrances.

TOWN OF HOLLYWOOD PARK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN 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 - Beginnin	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%

Total Pension Liability					
2018	2019	2020	2021	2022	2023
\$ 261,094	\$ 275,290	\$ 284,210	\$ 286,728	\$ 369,303	\$ 414,630
389,558	423,140	461,704	492,341	595,244	641,145
-	-	-	-	795,925	-
31,960	54,764	(81,979)	158,558	38,557	(11,160)
-	17,777	-	-	-	(39,299)
<u>(165,878)</u>	<u>(218,521)</u>	<u>(189,695)</u>	<u>(232,951)</u>	<u>(267,733)</u>	<u>(423,769)</u>
516,734	552,450	474,240	704,676	1,531,296	581,547
5,723,621	6,240,355	6,792,805	7,267,045	7,971,721	9,503,017
<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>	<u>\$ 10,084,564</u>

Plan Fiduciary Net Position					
2018	2019	2020	2021	2022	2023
\$ 183,317	\$ 189,706	\$ 196,211	\$ 203,262	\$ 210,499	\$ 381,200
122,483	129,345	133,641	135,037	145,014	161,754
(158,267)	813,847	468,734	884,353	(567,271)	844,348
(165,878)	(218,521)	(189,696)	(232,951)	(267,733)	(423,769)
(3,063)	(4,603)	(3,035)	(4,092)	(4,908)	(5,369)
(160)	(138)	(118)	27	5,858	(38)
<u>(21,568)</u>	<u>909,636</u>	<u>605,737</u>	<u>985,636</u>	<u>(478,541)</u>	<u>958,126</u>
5,290,840	5,269,272	6,178,908	6,784,645	7,770,281	7,291,740
<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>	<u>\$ 8,249,866</u>
\$ 971,083	\$ 613,897	\$ 482,400	\$ 201,440	\$ 2,211,277	\$ 1,834,698
84.44%	90.96%	93.36%	97.47%	76.73%	81.81%
\$ 2,041,391	\$ 2,155,758	\$ 2,227,347	\$ 2,250,611	\$ 2,416,906	\$ 2,695,905
47.57%	28.48%	21.66%	8.95%	91.49%	68.05%

TOWN OF HOLLYWOOD PARK
SCHEDULE OF TOWN CONTRIBUTIONS
LAST TEN 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
2024	\$ 404,769	404,769	\$ -	\$ 2,753,731	14.70%
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.

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

	Total OPEB Liability						
	2017	2018	2019	2020	2021	2022	2023
Service Cost	\$ 3,808	\$ 4,491	\$ 5,174	\$ 6,905	\$ 9,678	\$ 9,184	\$ 5,661
Interest	2,660	2,760	3,012	3,041	2,774	2,914	4,503
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference between Expected and Actual Experience	-	(3,304)	3,588	301	5,250	(897)	(1,541)
Changes in Assumptions or Other Inputs	6,806	(5,858)	17,430	17,931	4,674	(53,559)	6,116
Benefit Payments	(571)	(612)	(647)	(668)	(2,251)	(2,659)	(3,505)
Net Change in Total Pension Liability	12,703	(2,523)	28,557	27,510	20,125	(45,017)	11,234
Total OPEB Liability - Beginning	68,742	81,445	78,922	107,479	134,989	155,114	110,097
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>	<u>\$ 121,331</u>
Covered Payroll	\$1,904,045	\$2,041,391	\$2,155,758	\$2,227,347	\$2,250,611	\$2,654,826	\$2,695,905
Total OPEB Liability as a Percentage of Covered Payroll	4.28%	3.87%	4.99%	6.06%	6.89%	4.15%	4.50%

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, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 5,749,611	\$ 5,456,179
Receivables (net of allowances for uncollectibles):		
Property Taxes	201,534	155,027
Other Receivables	197,422	198,326
Fuel Inventory	9,260	8,271
Prepaid Items	3,315	28,760
 TOTAL ASSETS	 \$ 6,161,142	 \$ 5,846,563
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 178,168	\$ 97,962
Wages Payable	95,381	64,877
Deposits	29,740	40,000
Due to Other Funds	-	115,953
Unearned Billboard Revenue	177,133	177,133
<i>Total Liabilities</i>	480,422	495,925
 <i>Deferred Inflows of Resources:</i>		
Unavailable Property Tax Revenue	201,534	155,027
<i>Total Deferred Inflows of Resources</i>	201,534	155,027
 <i>Fund Balances:</i>		
Nonspendable Prepaid Items	12,575	37,031
Unassigned	5,466,611	5,158,580
<i>Total Fund Balance</i>	5,479,186	5,195,611
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 \$ 6,161,142	 \$ 5,846,563

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GENERAL FUND
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
REVENUES		
Ad Valorem Taxes	\$ 3,441,027	\$ 3,334,388
Franchise Fees	275,829	291,447
Sales Taxes	827,523	779,749
Fines and Penalties	497,509	384,887
Licenses and Permits	126,506	138,092
License Agreement	413,680	406,000
Recreation Revenues	280,771	245,690
Interest Income	324,023	197,342
Grants and Donations	28,764	24,295
Other Revenues	107,535	26,171
TOTAL REVENUES	6,323,167	5,828,061
 EXPENDITURES		
<i>Current:</i>		
General and Administrative	1,480,654	1,208,009
Police	1,776,860	1,682,332
Fire	1,508,901	1,428,023
Public Works	419,953	370,952
Municipal Court	46,403	31,846
Recreation	6,333	5,099
Sanitation	429,856	384,915
Capital Outlay	9,386	36,708
<i>Debt Service:</i>		
Principal	196,703	254,453
Interest and Fiscal Charges	15,714	25,675
TOTAL EXPENDITURES	5,890,763	5,428,012
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 432,404	 400,049
 OTHER FINANCING SOURCES (USES)		
Transfers Out	(148,829)	(150,319)
TOTAL OTHER FINANCING SOURCES (USES)	(148,829)	(150,319)
 Net Change in Fund Balance	 283,575	 249,730
 Beginning Fund Balance	 5,195,611	 4,945,881
 Ending Fund Balance	 \$ 5,479,186	 \$ 5,195,611

TOWN OF HOLLYWOOD PARK
 COMPARATIVE BALANCE SHEETS
 ECONOMIC DEVELOPMENT CORPORATION
 SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 687,467	\$ 575,966
Sales Tax Receivable	31,674	32,505
TOTAL ASSETS	\$ 719,141	\$ 608,471
LIABILITIES & FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ -	\$ 35,000
<i>Total Liabilities</i>	-	35,000
<i>Fund Balances:</i>		
Restricted for Economic Development	719,141	573,471
<i>Total Fund Balances</i>	719,141	573,471
TOTAL LIABILITIES & FUND BALANCES	\$ 719,141	\$ 608,471

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 ECONOMIC DEVELOPMENT CORPORATION
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
REVENUES		
Sales Tax	\$ 195,239	\$ 183,673
Interest Income	28,524	15,618
TOTAL REVENUES	223,763	199,291
 EXPENDITURES		
<i>Current:</i>		
General and Administrative	25,991	105,521
Capital Outlay	54,568	-
TOTAL EXPENDITURES	80,559	105,521
Excess (Deficiency) of Revenues Over (Under) Expenditures	143,204	93,770
 OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	2,466	-
TOTAL OTHER FINANCING SOURCES (USES)	2,466	-
Net Change in Fund Balance	145,670	93,770
Fund Balances at Beginning of Year	573,471	479,701
Fund Balances at End of Year	\$ 719,141	\$ 573,471

TOWN OF HOLLYWOOD PARK
 COMPARATIVE BALANCE SHEETS
 VENUE TAX FUND
 SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 1,189,698	\$ 946,771
Sales Tax Receivables	63,347	65,010
TOTAL ASSETS	\$ 1,253,045	\$ 1,011,781
 LIABILITIES & FUND BALANCES		
<i>Liabilities:</i>		
Due to Other Funds	\$ -	\$ -
<i>Total Liabilities</i>	-	-
 <i>Fund Balances:</i>		
Restricted	1,253,045	1,011,781
<i>Total Fund Balance</i>	1,253,045	1,011,781
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,253,045	\$ 1,011,781

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 VENUE TAX FUND
 SEPTEMBER 30, 2024 AND 2023

	2024	2023
REVENUES		
Sales Taxes	\$ 390,478	\$ 367,346
Interest Income	56,433	32,816
TOTAL REVENUES	446,911	400,162
 EXPENDITURES		
<i>Debt Service:</i>		
Principal	120,000	115,000
Interest and Fiscal Charges	85,647	87,963
TOTAL EXPENDITURES	205,647	202,963
Net Change in Fund Balance	241,264	197,199
 Beginning Fund Balance	1,011,781	814,582
 Ending Fund Balance	\$ 1,253,045	\$ 1,011,781

TOWN OF HOLLYWOOD PARK
 COMPARATIVE BALANCE SHEETS
 GRANTS AND DONATIONS FUND
 SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 42,605	\$ 310,790
Prepaid Items	9,375	28,125
TOTAL ASSETS	\$ 51,980	\$ 338,915
LIABILITIES & FUND BALANCES		
<i>Liabilities:</i>		
Accounts Payable	\$ 51,980	84
Unearned Revenue	-	303,276
<i>Total Liabilities</i>	51,980	303,360
<i>Fund Balances:</i>		
Nonspendable	9,375	28,125
Restricted	(9,375)	7,430
<i>Total Fund Balance</i>	-	35,555
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 51,980	\$ 338,915

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GRANTS AND DONATIONS FUND
 SEPTEMBER 30, 2024 AND 2023

	2024	2023
REVENUES		
Grants and Donations	\$ 321,501	\$ 222,910
Interest Income	11,533	16,199
TOTAL REVENUES	333,034	239,109
EXPENDITURES		
<i>Current:</i>		
General and Administrative	134,021	-
Police	1,627	32,882
Fire	21,235	1,623
Capital Outlay	231,604	80,898
TOTAL EXPENDITURES	388,487	115,403
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,453)	123,706
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	19,898	(106,531)
TOTAL OTHER FINANCING SOURCES (USES)	19,898	(106,531)
Net Change in Fund Balance	(35,555)	17,175
Beginning Fund Balance	35,555	18,380
Ending Fund Balance	\$ -	\$ 35,555

TOWN OF HOLLYWOOD PARK
 COMBINING BALANCE SHEETS
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2024

	Special Revenue Funds				
	Court Technology	Court Security	Street Maintenance	PEG Fund	Voigt Center Maintenance
ASSETS					
Cash and Cash Equivalents	\$ 51,429	\$ 66,139	\$ 595,304	\$ -	\$ 96
Other Receivables	-	-	31,674	1,278	5,793
TOTAL ASSETS	<u>\$ 51,429</u>	<u>\$ 66,139</u>	<u>\$ 626,978</u>	<u>\$ 1,278</u>	<u>\$ 5,889</u>
LIABILITIES & FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ -	\$ -	\$ -	\$ 670	\$ -
<i>Total Liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670</u>	<u>-</u>
<i>Fund Balances:</i>					
Restricted For:					
Tourism Development	-	-	-	-	5,889
Municipal Court	51,429	66,139	-	-	-
Police Department	-	-	-	-	-
Public Service	-	-	-	608	-
Street Maintenance	-	-	626,978	-	-
<i>Total Fund Balances, (Deficit)</i>	<u>51,429</u>	<u>66,139</u>	<u>626,978</u>	<u>608</u>	<u>5,889</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 51,429</u>	<u>\$ 66,139</u>	<u>\$ 626,978</u>	<u>\$ 1,278</u>	<u>\$ 5,889</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>
\$ -	\$172,680	\$166,196	\$ 1,051,844
<u>-</u>	<u>1,931</u>	<u>-</u>	<u>40,676</u>
<u>\$ -</u>	<u>\$174,611</u>	<u>\$166,196</u>	<u>\$ 1,092,520</u>
\$ 4,942	\$ -	\$ 583	\$ 6,195
<u>4,942</u>	<u>-</u>	<u>583</u>	<u>6,195</u>
-	174,611	-	180,500
-	-	-	117,568
(4,942)	-	165,613	160,671
-	-	-	608
<u>-</u>	<u>-</u>	<u>-</u>	<u>626,978</u>
<u>(4,942)</u>	<u>174,611</u>	<u>165,613</u>	<u>1,086,325</u>
<u>\$ -</u>	<u>\$174,611</u>	<u>\$166,196</u>	<u>\$ 1,092,520</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, 2024

	Special Revenue Funds				
	Court Technology	Court Security	Street Maintenance	PEG Fund	Voigt Center Maintenance
REVENUES					
Hotel Tax	\$ -	\$ -	\$ -	\$ -	29,741
Sales Tax	-	-	195,239	-	-
Fines and Penalties	12,088	28,030	-	-	-
Interest Income	2,581	2,779	25,879	-	-
TOTAL REVENUES	<u>14,669</u>	<u>30,809</u>	<u>221,118</u>	<u>-</u>	<u>29,741</u>
EXPENDITURES					
Current:					
Administration	-	-	-	-	-
Police	5,585	-	-	-	-
Recreation	-	-	-	-	130,752
TOTAL EXPENDITURES	<u>5,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,752</u>
Net Excess Fund Balance	9,084	30,809	221,118	-	(101,011)
OTHER FINANCING SOURCES (USES)					
Transfers In (Out)	-	(4,365)	-	-	106,900
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(4,365)</u>	<u>-</u>	<u>-</u>	<u>106,900</u>
Net Change in Fund Balance	9,084	26,444	221,118	-	5,889
Fund Balances, (Deficit) at Beginning of Year	42,345	39,695	405,860	608	-
Fund Balances, (Deficit) at End of Year	<u>\$ 51,429</u>	<u>\$ 66,139</u>	<u>\$ 626,978</u>	<u>\$ 608</u>	<u>\$ 5,889</u>

<u>Special Revenue Funds</u>			<u>Total</u>
<u>Asset</u> <u>Forfeiture</u>	<u>Hotel</u> <u>Tax</u>	<u>Asset</u> <u>Seizure</u>	<u>Nonmajor</u> <u>Funds</u>
\$ -	\$ 9,914	\$ -	\$ 39,655
-	-	-	195,239
1,000	-	92,583	133,701
-	8,685	6,160	46,084
<u>1,000</u>	<u>18,599</u>	<u>98,743</u>	<u>414,679</u>
-	21,163	-	21,163
1,645	-	40,250	47,480
-	-	-	130,752
<u>1,645</u>	<u>21,163</u>	<u>40,250</u>	<u>199,395</u>
(645)	(2,564)	58,493	215,284
-	23,930	-	126,465
-	23,930	-	126,465
(645)	21,366	58,493	341,749
<u>(4,297)</u>	<u>153,245</u>	<u>107,120</u>	<u>744,576</u>
<u>\$ (4,942)</u>	<u>\$174,611</u>	<u>\$ 165,613</u>	<u>\$ 1,086,325</u>

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF NET POSITION
 PROPRIETARY FUND – SEWER SYSTEM
 SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 218,259	\$ 206,253
Accounts Receivable	11,823	8,563
TOTAL ASSETS	230,082	214,816
LIABILITIES		
Accounts Payable	\$ 10,171	\$ 10,030
TOTAL LIABILITIES	10,171	10,030
NET POSITION		
Unrestricted	219,911	204,786
TOTAL NET POSITION	\$ 219,911	\$ 204,786

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, 2024 AND 2023

	2024	2023
Operating Revenues		
Charges for Utility Services	\$ 123,083	\$ 116,152
Total Operating Revenues	123,083	116,152
 Operating Expenses Before Depreciation		
Waste Water Treatment Fees	119,181	106,589
Total Operating Expenses Before Depreciation	119,181	106,589
 Operating Income (Loss)	3,902	9,563
 Other Income (Expense):		
Interest Income	11,223	7,259
Total Other Income (Expense)	11,223	7,259
 Change in Net Position	15,125	16,822
 Net Position at Beginning of Year	204,786	187,964
 Net Position at End of Year	\$ 219,911	\$ 204,786

TOWN OF HOLLYWOOD PARK
 COMPARATIVE STATEMENTS OF CASH FLOWS
 PROPRIETARY FUND – SEWER SYSTEM
 FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 119,823	\$ 116,152
Cash Paid to Suppliers for Goods and Services	<u>(119,040)</u>	<u>(116,953)</u>
Net Cash Provided (Used) by Operating Activities	<u>783</u>	<u>(801)</u>
 Cash Flows From Investing Activities:		
Investment Interest Received	<u>11,223</u>	<u>7,259</u>
Net Cash Provided (Used) by Investing Activities	<u>11,223</u>	<u>7,259</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 12,006	 6,458
 Cash and Cash Equivalents at Beginning of Year	 <u>206,253</u>	 <u>199,795</u>
 Cash and Cash Equivalents at End of Year	 <u>\$ 218,259</u>	 <u>\$ 206,253</u>
 Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 3,902	\$ 9,563
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Increase (Decrease) in Current Liabilities:		
Accounts Payable	<u>141</u>	<u>(10,364)</u>
Total Adjustments to Reconcile Operating Activities	<u>(3,119)</u>	<u>(10,364)</u>
 Net Cash Provided (Used) by Operating Activities	 <u>\$ 783</u>	 <u>\$ (801)</u>



HOLLYWOOD
— PARK —