



THE TOWN OF

*Highland Park*  
TEXAS

*An American Community Making a Difference*



**Annual Comprehensive Financial Report**  
**Fiscal Year Ended September 30, 2021**



**Town of Highland Park, Texas**  
Annual Comprehensive Financial Report  
Fiscal Year Ended September 30, 2021

Prepared by:  
Finance Department



**Town of Highland Park, Texas**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended September 30, 2021**  
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# Introductory Section





February 15, 2022

The Honorable Mayor, Town Council and the Citizens  
of the Town of Highland Park:

The Town of Highland Park (“Town”) Financial Management Policies require that the Town’s Finance Department prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Accordingly, the Annual Comprehensive Financial Report for the Town of Highland Park, Texas for the fiscal year ended September 30, 2021, is hereby issued.

This report consists of management’s representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making the representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town’s financial statements have been audited by Weaver and Tidwell, LLP, , a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended September 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town’s financial statements for the fiscal year ended September 30, 2021, are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town’s MD&A can be found immediately following the report of the independent auditor.

## **Profile of the Town**

The Town was incorporated in 1913 and chartered as a home-rule city under Texas law in 1975. The Town is a fully developed upper-class residential community located in the heart of Dallas, just a few miles north of the Dallas central business district. The Town occupies approximately 2.2 square miles and serves a population of about 8,864. The Town is empowered by state statute to levy a property tax on both real and business personal property located within its boundaries.

The Town operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor and five (5) Council members. The Town Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the Town Administrator (manager) and Town Attorney. The Town Administrator is responsible for carrying out the policies and ordinances of the Town Council, for overseeing the day-to-day operations of the Town, and for appointing heads of various departments. The Mayor and Town Council members serve two (2) year terms with a limit of three (3) terms in either capacity. All elected officials are elected at large.

The Town provides a full range of services, including public safety (police, fire and emergency medical), maintenance of streets and infrastructure, sanitation services, maintenance of the treated water distribution system and both sanitary and storm sewer collection and transmission systems, library services as well as general administrative services.

The annual budget serves as the foundation of the Town's financial planning and control. The respective department heads prepare and submit line item budget requests for the operations and maintenance portion of their respective departments as well as a listing of capital items for consideration. The personnel portion of the budget is developed by the Town's Director of Administrative Services and Chief Financial Officer, utilizing market data compiled from other cities and compensation professionals. The Town Administrator uses these requests as the starting point for developing a proposed budget. The Town's Charter requires that the proposed budget be submitted to the Town Secretary no later than August 31<sup>st</sup> with adoption taking place no later than September 15<sup>th</sup>. The entire budget process includes public involvement as the various elements composing the budget are reviewed in open and advertised public meetings. The appropriated budget is prepared by fund and department (*e.g.* Public Safety). Department heads may make transfers of appropriations within a department's budgeted operations and maintenance levels, however, reallocation of personnel and capital appropriations must be approved by the Town Administrator. Amendments to budget dollar amounts must be approved by the Town Council. Budget-to-actual comparisons are provided in this report for the General Fund on page 20 and other budgeted governmental funds on 57,58 and 64-70.

## **Local Economy**

Property tax revenues provide a significant portion of the Town's total governmental revenue within its General Fund. Historically, the Town has realized strong property value growth year-to-year, which was also experienced for fiscal year 2021. The property tax rate remained unchanged from 2020, resulting in property tax revenues being higher than the prior year. Even with one of the lowest municipal property tax rate in the Dallas/Ft. Worth Metroplex, property tax revenues are still considered a viable revenue source.

Building activity, which is an indicator of the economy, was slightly higher compared to the prior fiscal year. The Town experienced the addition of new homes, remodeling of existing homes as well as the construction of a fitness center and parking garage at the Dallas County Club. Sales tax revenue, another indicator of the economy, was significantly higher compared to the prior fiscal year. This was largely attributable to increased retail activity in spite of corona virus pandemic. While Town Management remains optimistic that revenues will continue to grow, particularly as the pandemic subsides, the Town is closely monitoring local economic indicators with the intention of being able to respond as needed.

## **Relevant Financial Policies**

The Town's financial operations are guided by the Statement of Financial Management Policies as adopted by the Town Council. The purpose of these policies is to provide guidelines, in accordance with the applicable Texas Statutes and the Town of Highland Park Charter, Ordinances and Resolutions, for the planning and direction of the financial affairs of the Town. The intended goal of the Statement of Financial Management Policies is to enable the Town to adhere to the principles of sound municipal finance and to continue its long-term stable and positive financial condition.

## **Long-term Financial Planning**

At September 30, 2021, General Fund unassigned fund balance exceeded the reserve amount required by its fund balance policy of 17% of operating expenditures. Moreover, the unrestricted net position requirement of 25% operating expenses within the Enterprise Fund was also met. The General Fund ended the year with an unassigned fund balance equivalent to 34.1% of current year expenditures, while the Enterprise Fund unrestricted net position was 89.7% of current year operating expenses. In addition, the Enterprise Fund had \$2,355,374 in encumbrances at year end. The unrestricted net position equates to 67.6% of current year operating expenses, including transfers out, once this item is taken into account.

Town management, in conjunction with the Council, developed and adopted a formal Capital Improvement Plan (CIP) for the Town during the year. The development of a formal CIP resulted in a separate multi-year capital budget, which is in addition to the Town's annual operating budget. Projects selected for inclusion in the CIP are evaluated based on several areas: safety, impact on Town services, quality of life, necessity, outside financial sources, and budgetary impact.

The Town is committed to continue funding its capital program on a pay-as-you-go basis. The development of a formal CIP and the use of fund balances within the General and Utility Fund in excess of the established minimums will each play a significant role in the Town's short-term and long-term financial strategies.

## **Awards**

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Highland Park for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the thirty-ninth time that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The Town also received the GFOA's Distinguished Budget Presentation Award for its annual budget dated October 1, 2020. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

**Acknowledgments**

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Town. We would like to express our appreciation to all staff members who assisted and contributed to its preparation. We would also like to thank the Mayor and Town Council members for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectively submitted,



\_\_\_\_\_  
Bill Lindley  
Town Administrator



\_\_\_\_\_  
Steven J. Alexander  
Director of Administrative Services & CFO



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of Highland Park  
Texas**

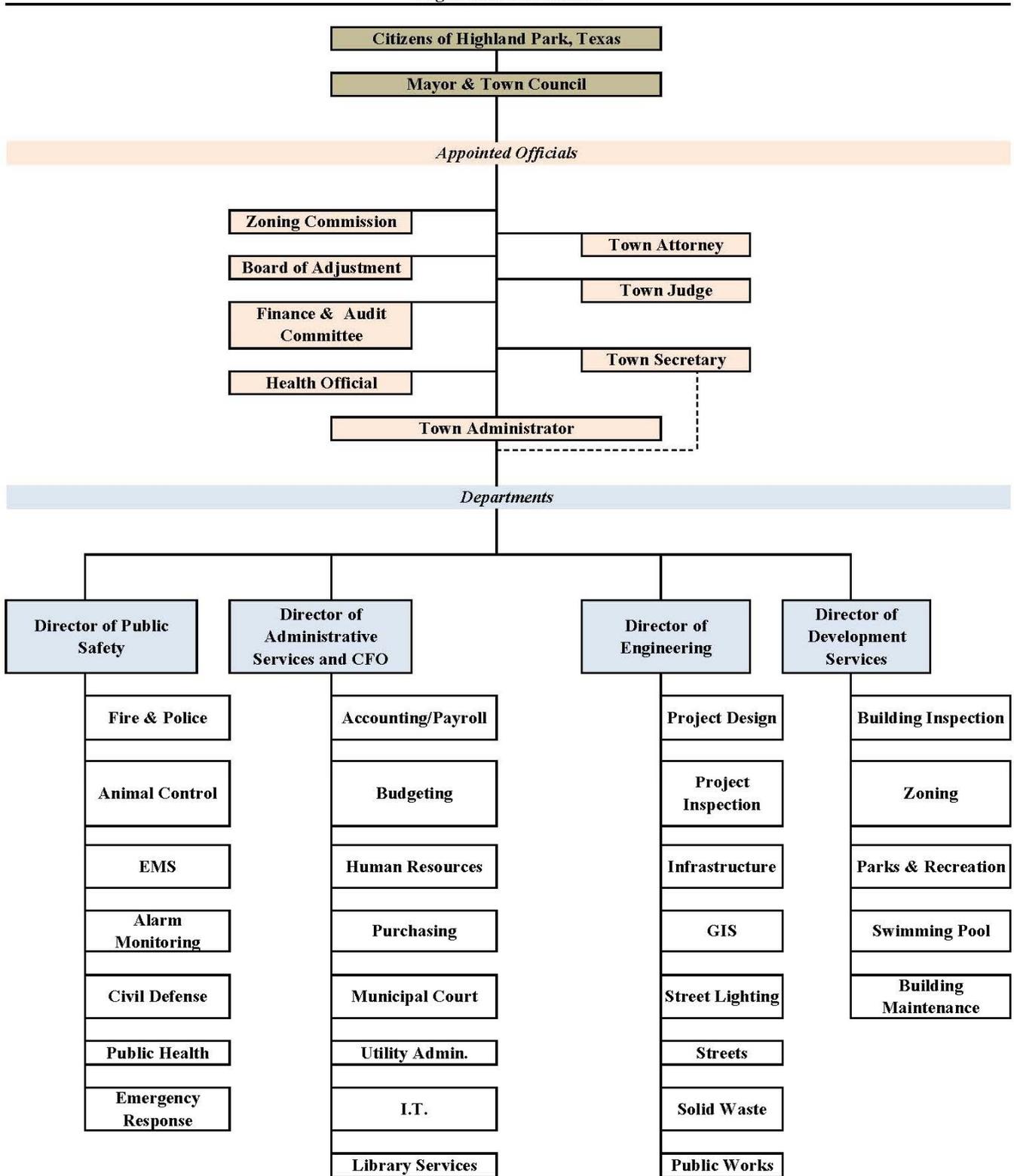
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

**Town of Highland Park, Texas  
Organizational Structure**



**Town of Highland Park  
Principal Officials**

**Town Council**

Margo Goodwin, **Mayor**  
David Dowler, **Mayor Pro Tem**  
Jimmy Grisham, **Council Member**  
Marc Myers, **Council Member**  
Lydia Novakov, **Council Member**  
Craig Penfold, **Council Member**

**Town Administrator**

Bill Lindley

**Town Attorney**

Matthew C. G. Boyle

**Town Judge**

Albert D. Hammack

**Local Health Authority**

Michael L. McCullough, M.D.

**Town Secretary**

Joanna Mekeal

**Director of Administrative Services and CFO**

Steven J. Alexander

**Director of Public Safety**

Paul Sandman

**Director of Development Services**

Hugh Pender, CBO

**Director of Engineering**

Lori Chapin, P.E.

**Town Librarian**

Kortney Nelson



# Financial Section



## Independent Auditor's Report

The Honorable Mayor  
and Members of the Town Council  
Town of Highland Park, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Highland Park, Texas (the "Town") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

The Town's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The Honorable Mayor  
and Members of the Town Council  
Town of Highland Park, Texas

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other postemployment benefits information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to this required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining statements and the introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining 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 combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The Honorable Mayor  
and Members of the Town Council  
Town of Highland Park, Texas

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
February 15, 2022



## Management's Discussion and Analysis (Unaudited)

As management of the Town of Highland Park (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### Financial Highlights

The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$136,703,165 (net position). Of this amount, \$48,526,803 is classified as unrestricted net position and may be used to meet the Town's ongoing obligations to citizens and creditors, including funding of the Town's 'pay as you go' capital improvement plan.

- The Town's total net position increased a total of \$15,927,125, of which \$8,927,613 is due to the sale of land on Conveyor Lane. The remainder, \$6,999,512, is the result of operations. The majority of the increase is related to investments the Town made in capital assets, some of which is reflected in unrestricted net position.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$30,444,925, an increase of \$9,199,501 in comparison with the prior year. Approximately 25.3% of the reported combined ending fund balances, or \$7,717,749, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,717,749 or, 34.1% of total General Fund expenditures and the unrestricted net position for the Enterprise Fund was \$9,543,879, or 89.7% of total Enterprise Fund operating expenses and transfers out. The Enterprise Fund had \$2,355,374 in encumbrances at year-end.
- Total governmental capital outlay of \$6,175,462 was primarily funded through resources within the Capital Projects Fund set aside for that purpose or funding received from external entities to improve infrastructure within the Town.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-Wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of the Town's assets, liabilities and deferred inflows and outflows of resources with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish between governmental activities (i.e., functions of the Town that are principally supported by taxes and intergovernmental revenues) and business-type activities (i.e., functions that are intended to recover all or a significant portion of their cost through user fees and charges). The governmental activities of the Town include general government, public safety, streets, library services and parks and recreation. The business-type activities of the Town include the distribution and sale of treated water, and the collection and disposal of sewerage and solid waste.

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains ten individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Capital Projects Fund, and the Stormwater Drainage Fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for the General Fund. A budgetary comparison statement is provided for the General Fund to demonstrate compliance with the budget. The Town also adopts annual appropriated budgets for each of the other nine governmental funds. Budgetary comparison schedules are provided for each of these funds within the combining and individual fund financial statements and schedules section of this report.

**Proprietary Funds:** The Town maintains two different types of proprietary funds. The Enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the enterprise fund to account for its distribution and sale of treated water, the collection and disposal of sanitary sewer and the collection and disposal of solid waste. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its fleet of vehicles, building maintenance and management information systems. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 25-28 of this report.

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-48 of this report.

**Other Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information pertaining to the Town's funding of its obligation to provide pension benefits to Town employees through the Texas Municipal Retirement System and the Town's funding of its other postemployment benefit liability. Also included are the combining and individual fund financial statements and schedules. This supplementary information may be found on pages 49-75 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$136,703,165 at the close of the most recent fiscal year.

The largest portion of the Town's net position (63.8%) is its investment in capital assets (e.g., land, buildings, machinery and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Additionally, \$933,776 is restricted for Public Safety, Library, and PEG. The remaining balance of \$48,526,803, is classified as unrestricted net position and may be used to meet the Town's ongoing obligations to citizens and creditors, including funding of the Town's 'pay as you go' capital improvement plan.

**Town of Highland Park, Texas Net Position**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 45,457,079	\$ 34,935,491	\$ 12,293,746	\$ 11,242,466	\$ 57,750,825	\$ 46,177,957
Capital assets	60,174,264	55,709,989	27,941,293	27,112,999	88,115,557	82,822,988
Total assets	105,631,343	90,645,480	40,235,039	38,355,465	145,866,382	129,000,945
Deferred outflows of resources	1,603,629	1,526,880	204,678	204,159	1,808,307	1,731,039
Current liabilities	3,315,689	2,006,319	2,587,716	1,413,967	5,903,405	3,420,286
Long-term liabilities	2,234,792	3,332,783	241,471	340,644	2,476,263	3,673,427
Total liabilities	5,550,481	5,339,102	2,829,187	1,754,611	8,379,668	7,093,713
Deferred inflows of resources	2,354,873	2,597,977	236,983	264,254	2,591,856	2,862,231
Net position						
Investment in capital assets	59,412,918	55,637,115	27,829,668	26,981,741	87,242,586	82,618,856
Restricted	933,776	850,463	-	-	933,776	850,463
Unrestricted	38,982,924	27,747,703	9,543,879	9,559,018	48,526,803	37,306,721
<b>Total net position</b>	<b>\$ 99,329,618</b>	<b>\$ 84,235,281</b>	<b>\$ 37,373,547</b>	<b>\$ 36,540,759</b>	<b>\$ 136,703,165</b>	<b>\$ 120,776,040</b>

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Town of Highland Park, Texas Change in Net Position**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenue						
Program revenues						
Charges for services	\$ 3,718,537	\$ 4,126,916	\$ 11,047,240	\$ 11,363,772	\$ 14,765,777	\$ 15,490,688
Operating grants and contributions	61,884	87,347	-	-	61,884	87,347
Capital grants and contributions	1,988,732	5,129,895	62,000	199,000	2,050,732	5,328,895
General revenues						
Property tax	15,184,505	14,833,790	-	-	15,184,505	14,833,790
Other taxes and fees	7,068,548	5,507,238	-	-	7,068,548	5,507,238
Other	9,548,624	1,925,468	55,123	148,872	9,603,747	2,074,340
total revenues	<u>37,570,830</u>	<u>31,610,654</u>	<u>11,164,363</u>	<u>11,711,644</u>	<u>48,735,193</u>	<u>43,322,298</u>
Expenses						
General government	2,981,564	3,765,097	8,480,641	8,905,337	11,462,205	12,670,434
Public safety	12,512,997	17,180,703	-	-	12,512,997	17,180,703
Town services	498,352	554,707	-	-	498,352	554,707
Streets	2,811,780	2,628,353	-	-	2,811,780	2,628,353
Street lighting	117,267	168,476	-	-	117,267	168,476
Library	939,472	938,552	-	-	939,472	938,552
Parks	1,988,991	2,102,759	-	-	1,988,991	2,102,759
Swimming pool	208,344	186,375	-	-	208,344	186,375
Municipal court	507,601	522,465	-	-	507,601	522,465
Finance	864,940	1,190,417	-	-	864,940	1,190,417
Building inspection	896,119	781,322	-	-	896,119	781,322
Total expenses	<u>24,327,427</u>	<u>30,019,226</u>	<u>8,480,641</u>	<u>8,905,337</u>	<u>32,808,068</u>	<u>38,924,563</u>
Excess of revenues over expenditures	13,243,403	1,591,428	2,683,722	2,806,307	15,927,125	4,397,735
Transfers	1,850,934	1,365,219	(1,850,934)	(1,365,219)	-	-
Changes in net position	<u>15,094,337</u>	<u>2,956,647</u>	<u>832,788</u>	<u>1,441,088</u>	<u>15,927,125</u>	<u>4,397,735</u>
Net position, beginning of year	84,235,281	81,278,634	36,540,759	35,099,671	120,776,040	116,378,305
<b>Net position - ending</b>	<u>\$ 99,329,618</u>	<u>\$ 84,235,281</u>	<u>\$ 37,373,547</u>	<u>\$ 36,540,759</u>	<u>\$ 136,703,165</u>	<u>\$ 120,776,040</u>

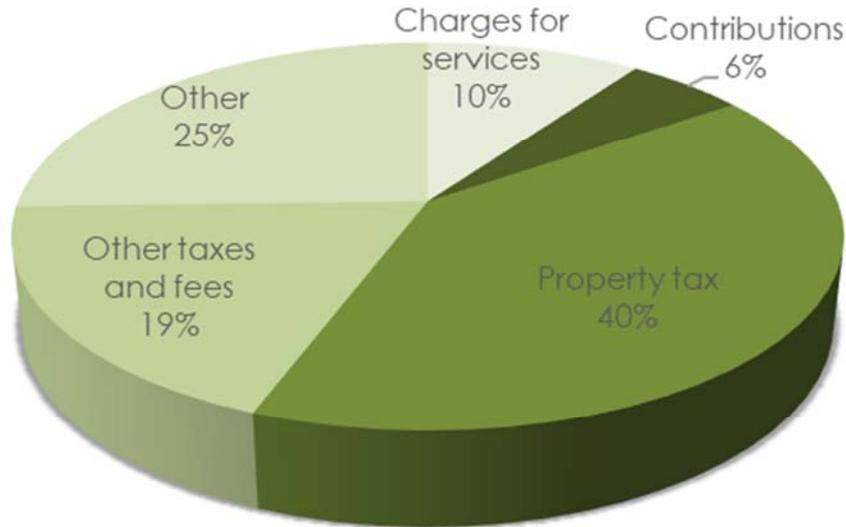
For the fiscal year 2021, the Town's total net position increased \$15,927,125, of which \$8,927,613 is due to the sale of land on Conveyor Lane. The remainder, \$6,999,512 is the result of operations. During the year, the Town experienced an increase in property tax revenue, which was directly related to an increase in taxable assessed value. There was no change in the property tax rate of \$0.23 per \$100 of taxable assessed value.

**Governmental Activities:** Governmental activities, excluding transfers, increased the Town's net position by \$13,243,403. Charges for services decreased by \$408,379 (9.9%). This decrease is primarily attributed to a decrease in court fines. Capital grants and contributions decreased by \$3,141,163 (61.2%). The decrease is primarily due to the availability of funding from Dallas Area Rapid Transit (DART) for the implementation of the Transit Related Improvement Program (TRIP). Reimbursements are based on eligible expenditures, subject to the timing of sales tax and other receipts over the nine year term of the agreement. The Town is currently in year five of the nine year agreement.

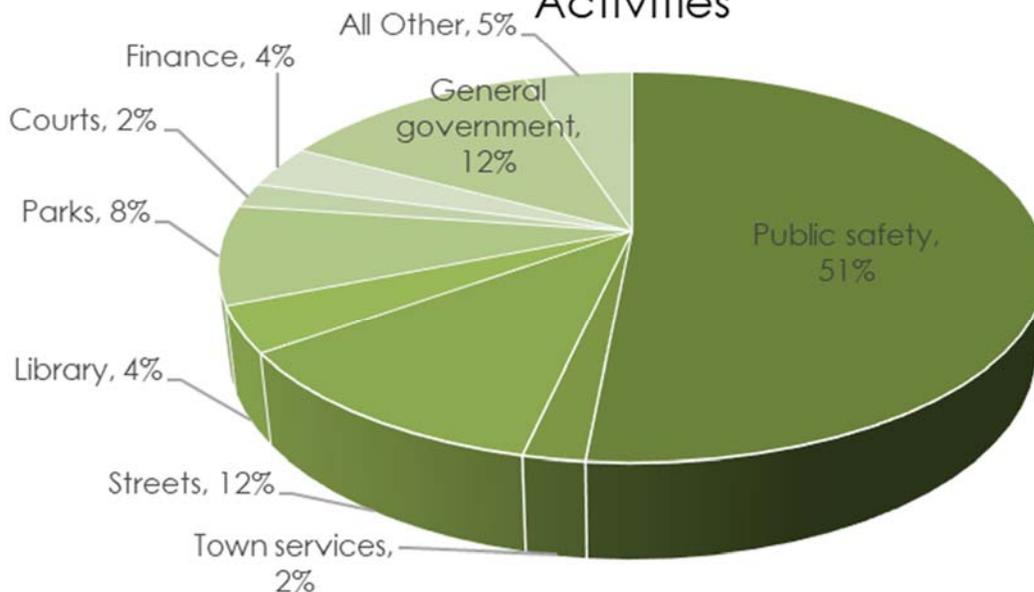
Total revenues for fiscal year 2021 increased by \$5,960,176 (18.9%) from 2020, primarily due to the sale of land located on Conveyor Lane for \$9,161,467 offset by decreases in capital grants and contributions. Total expenses decreased by \$5,691,799 (19.0%) from 2020, which largely affects the Department of Public Safety and Administration due to personnel counts. Pension expense in the General Fund is the sum of the Town's monthly payments to TMRS. On the Statement of Activities, this expense is adjusted for the changes in deferred inflows and deferred outflows shown on the Statement of Net Position. These deferred inflows and deferred outflows can be significantly affected by plan changes, changes in investment return and the amortization of prior year balances. In fiscal year 2020, pension expense was \$6,761,696, related largely to plan changes approved by Town Council that were required to be recognized in the year incurred.

In fiscal year 2021, there were no plan changes. Moreover, strong investment returns in the current and prior years are being amortized, which reduces pension expense. Pension expense was \$30,877 in fiscal year 2021.

## Revenue by Source - Governmental Activities



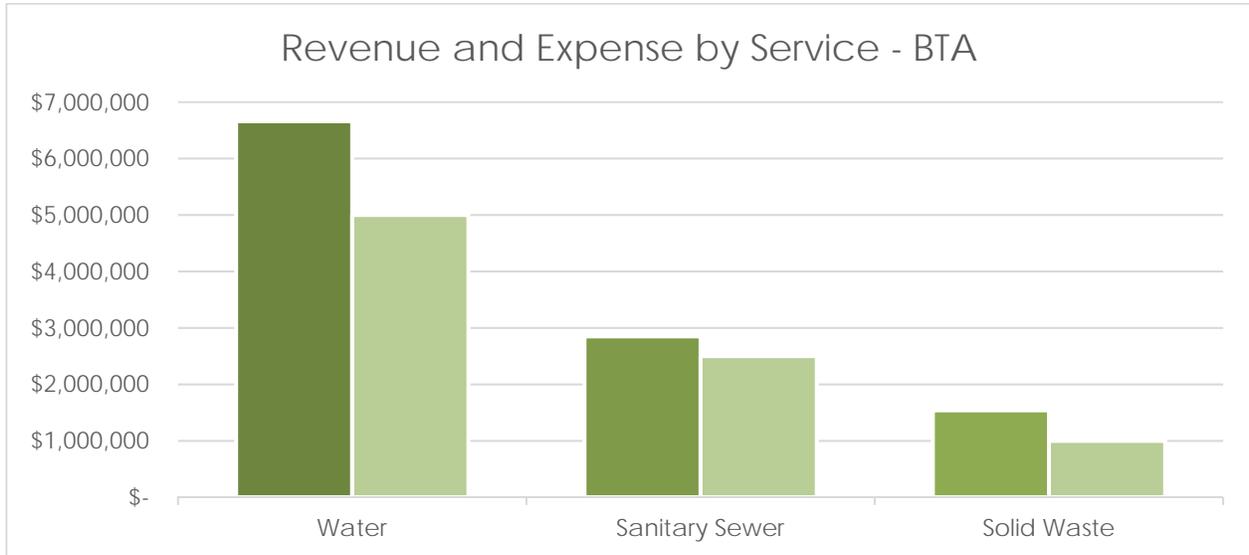
## Expense by Function - Governmental Activities



**Business-type Activities:** The rate structures for business-type activities are developed with the intent of generating resources sufficient to fund the cost of the respective service provided and for infrastructure replacement and/or rehabilitation. Net position from operations for business-type activities, excluding transfers, increased \$2,683,722.

Total business-type revenues for 2021 decreased by \$547,281 (4.7%) from 2020 revenues. Charges for services decreased by \$316,532. These increases are attributed to lower water consumption during the fiscal year.

**Transfers:** Transactions of a significant nature that did not impact the Town’s total net position involved transfers made in conjunction with the Town’s capital improvement program. Annually, the Utility Fund transfers a portion of its current resources to the Town’s Capital Improvement Fund. Since fiscal year 2013 an inter-fund transfer is made to the General Fund for the purpose of funding a portion of the administrative costs of running the Town that is attributed to the Utility Fund. Transfers in the amount of \$1,301,700, were made from the Enterprise Fund to the General Fund for these purposes.



**Financial Analysis of the Government’s Funds**

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds:** The focus of the Town’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town’s governmental funds reported combined ending fund balances of \$30,444,925, an increase of \$9,199,501 in comparison with the prior year. This increase consists of the net result of activities described below for each of the individual governmental funds.

Approximately 25.3% of total fund balance, or \$7,717,749, constitutes unassigned fund balance, which is available for spending at the Town’s discretion. The remainder of fund balance includes amounts not available for new spending because it is 1) nonspendable and is for inventory and prepaid items (\$19,830); 2) is restricted for special revenue funds and for use by the Library, DPS, Court, and Public, Educational, and Government (PEG) Access Channels (\$933,776); 3) committed for capital acquisition and storm water drainage improvements (\$17,665,734); or 4) assigned for capital projects, drainage, compensated absences, and to liquidate contracts and purchase orders of the prior period (\$4,107,836).

The General Fund is the primary operating fund of the Town. The total fund balance of the Town’s General Fund increased by \$11,636,563 during the current fiscal year; this was primarily the net result of (1) an excess of revenues over expenditures of \$3,513,847 as well as the sale of land on Conveyor Lane \$9,161,467; (2) a budgeted transfer-out in the amount of \$2,365,052 from current revenues primarily to the Capital Projects Fund; (3) a transfer-in of \$1,301,700 from the Utility Fund for the purpose of funding the Utility Fund’s portion of administrative costs related to Town operations.

As a measure of the General Fund’s liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 34.1% of total General Fund expenditures, while total fund balance represents 85.7% of that same amount.

The Capital Projects Fund ended the fiscal year with a total fund balance of \$7,326,906, all committed or assigned for capital acquisitions and projects. The total fund balance of this fund decreased by \$1,715,446 during the current fiscal year; this was the net result of (1) a deficiency of revenues over expenditures (\$4,414,705) (2) \$3,053,916 in transfers into the Capital Projects Fund (General Fund \$2,345,052, Enterprise Fund \$618,336, and the DPS Technology Fund \$90,528); and (3) a transfer to the Utility Fund of \$179,657 and a transfer to the Stormwater Drainage Fund of \$175,000. Transfers into the Capital Projects Fund from the General Fund were reduced in the current year due to the uncertainty in revenue streams due to the Covid-19 pandemic.

The Stormwater Drainage Fund ended the fiscal year with a total fund balance of \$2,946,700, all committed or assigned for stormwater drainage improvements and projects. Of this amount, \$2,856,758 is committed for stormwater drainage improvements. The total fund balance of this fund decreased by \$785,439 during the current fiscal year; this was the net result of (1) a deficiency of revenues over expenditures of \$857,139; and (2) net transfers-in of \$71,700.

**Proprietary Funds:** The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Town's Enterprise Fund at the end of the year amounted to \$9,543,879, a decrease of \$15,139, while total net position increased \$832,788. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

### **General Fund Budgetary Highlights**

Actual fiscal year 2021 General Fund revenues were \$2,193,850 (9.2%) more than the final amended budget, primarily due to stronger than expected sales tax revenue. Actual fiscal year 2021 General Fund expenditures were \$733,095 (3.1%) less than the final amended budget.

### **Capital Assets**

The Town's investment in capital assets for its governmental and business type activities as of September 30, 2021, amounts to \$88,115,557 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and park facilities. The net increase in the Town's investment in capital assets for the current fiscal year was \$5,292,569, or 6.4% and primarily related to infrastructure improvements to the Town's utility and roadway system as well as the purchase of a new public safety communication system.

Additional information on the Town's capital assets can be found in Note 4 on pages 38-39 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

Despite the ongoing pandemic, the development of the fiscal year 2021-22 Operating Budget provides a more optimistic outlook than in fiscal year 2020-21, largely due to the effects of the pandemic not being as severe on the local economy as initially predicted. Property values continue to improve and building activity continues to remain relatively constant as well. Significant factors considered in preparing the budget include:

- Taxable property values for the 2021 tax year increased by approximately \$249,000,000 (3.8%). As a result, property tax revenues will be higher due to the increase in values. The Town retained the tax rate of \$0.23/\$100 of taxable assessed valuation.
- Sales taxes have grown during 2021 in spite of the pandemic. The Town is projecting sales tax revenue of \$4,278,043 for the 2022 budget year, which is 18.8% above the amount budgeted for 2021.
- Water sales have decreased during 2021 compared to 2020. Water consumption in 2021 was below the five-year average which is what water sales are based on in the 2022 budget. Water and wastewater rates were adjusted by 3.0%. As a result, the water sales budget for 2022 is 12.3% higher than the amount collected in 2021.

## **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Highland Park  
Finance Department  
4700 Drexel Drive  
Highland Park, Texas 75205

# Basic Financial Statements



Town of Highland Park, Texas  
Statement of Net Position  
September 30, 2021

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 32,842,284	\$ 7,190,573	\$ 40,032,857
Investments	5,505,380	2,505,381	8,010,761
Receivables (net of allowances for uncollectibles)	6,295,883	1,813,301	8,109,184
Inventories	11,558	182,169	193,727
Prepays	8,272	3,077	11,349
Restricted assets			
Cash and cash equivalents	793,702	599,245	1,392,947
Capital assets (net of accumulated depreciation, where applicable)			
Depreciable	47,355,801	25,868,931	73,224,732
Non-depreciable	12,818,463	2,072,362	14,890,825
<b>Total assets</b>	<b>105,631,343</b>	<b>40,235,039</b>	<b>145,866,382</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension contributions	1,060,446	125,494	1,185,940
Deferred pension experience loss	371,259	50,567	421,826
Deferred OPEB contributions	22,497	3,745	26,242
Deferred OPEB experience loss	14,752	2,455	17,207
Deferred OPEB assumption change loss	134,675	22,417	157,092
<b>Total deferred outflows of resources</b>	<b>1,603,629</b>	<b>204,678</b>	<b>1,808,307</b>
<b>LIABILITIES</b>			
Vouchers payable	1,599,751	701,848	2,301,599
Retainage payable	72,854	19,368	92,222
Accrued liabilities	500,955	1,159,900	1,660,855
Deposits	61,232	599,245	660,477
Noncurrent liabilities			
Due within one year - compensated absences	937,194	107,355	1,044,549
Due in more than one year			
Compensated absences	1,055,252	49,703	1,104,955
Net pension liability	235,316	10,681	245,997
Total OPEB liability	1,087,927	181,087	1,269,014
<b>Total liabilities</b>	<b>5,550,481</b>	<b>2,829,187</b>	<b>8,379,668</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension experience gain	58,696	13,398	72,094
Deferred pension assumption gain	85,135	9,807	94,942
Deferred pension investment gain	2,150,805	203,749	2,354,554
Deferred OPEB experience gain	40,016	6,662	46,678
Deferred OPEB assumption change gain	20,221	3,367	23,588
<b>Total deferred inflows of resources</b>	<b>2,354,873</b>	<b>236,983</b>	<b>2,591,856</b>
<b>NET POSITION</b>			
Net Investment in capital assets	59,412,918	27,829,668	87,242,586
Restricted for:			
Public safety	485,511	-	485,511
Library	304,187	-	304,187
PEG	144,078	-	144,078
Unrestricted	38,982,924	9,543,879	48,526,803
<b>TOTAL NET POSITION</b>	<b>\$ 99,329,618</b>	<b>\$ 37,373,547</b>	<b>\$ 136,703,165</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

Town of Highland Park, Texas  
Statement of Activities  
Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants And Contributions	Capital Grants And Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities				
General government	\$ 2,981,564	\$ 455,092	\$ 20,000	\$ 251,925
Department of public safety	12,512,997	903,656	-	-
Town services	498,352	-	-	-
Street department	2,811,780	-	-	1,736,807
Street lighting department	117,267	-	-	-
Library	939,472	6,245	41,884	-
Parks department	1,988,991	21,000	-	-
Swimming pool	208,344	110,508	-	-
Municipal court	507,601	665,870	-	-
Finance department	864,940	-	-	-
Building inspection department	896,119	1,556,166	-	-
Total governmental activities	24,327,427	3,718,537	61,884	1,988,732
Business-type activities				
Enterprise	8,480,641	11,047,240	-	62,000
Total business-type activities	8,480,641	11,047,240	-	62,000
Total primary government	\$ 32,808,068	\$ 14,765,777	\$ 61,884	\$ 2,050,732

**GENERAL REVENUES**

Property taxes  
Sales taxes  
Other taxes  
Franchise taxes  
Penalties and interest on taxes  
Interest on investments  
Gain on sale of capital assets  
Miscellaneous income  
Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

**NET POSITION, END OF YEAR**

The Notes to the Basic Financial Statements are an integral part of this statement.

**Net (Expense) Revenue and Changes in Net Position**  
**Primary Government**

<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
\$ (2,254,547)	\$ -	\$ (2,254,547)
(11,609,341)	-	(11,609,341)
(498,352)	-	(498,352)
(1,074,973)	-	(1,074,973)
(117,267)	-	(117,267)
(891,343)	-	(891,343)
(1,967,991)	-	(1,967,991)
(97,836)	-	(97,836)
158,269	-	158,269
(864,940)	-	(864,940)
660,047	-	660,047
<u>(18,558,274)</u>	<u>-</u>	<u>(18,558,274)</u>
-	2,628,599	2,628,599
<u>-</u>	<u>2,628,599</u>	<u>2,628,599</u>
\$ (18,558,274)	\$ 2,628,599	\$ (15,929,675)
\$ 15,184,505	\$ -	\$ 15,184,505
5,663,645	-	5,663,645
432,488	-	432,488
884,641	-	884,641
87,774	-	87,774
153,769	55,123	208,892
8,935,313	-	8,935,313
459,542	-	459,542
1,850,934	(1,850,934)	-
<u>33,652,611</u>	<u>(1,795,811)</u>	<u>31,856,800</u>
15,094,337	832,788	15,927,125
<u>84,235,281</u>	<u>36,540,759</u>	<u>120,776,040</u>
<u>\$ 99,329,618</u>	<u>\$ 37,373,547</u>	<u>\$ 136,703,165</u>

Town of Highland Park, Texas  
Balance Sheet - Governmental Funds  
September 30, 2021

	General Fund	Capital Projects Fund	Stormwater Drainage	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and equivalents	\$16,337,805	\$ 5,487,356	\$ 3,109,289	\$ 793,702	\$ 25,728,152
Investments	3,000,000	2,505,380	-	-	5,505,380
Receivables, net					
Interest	2,053	4,145	-	-	6,198
Taxes	1,434,323	-	-	-	1,434,323
Other	289,567	-	-	-	289,567
Fines	198,440	-	-	-	198,440
Intergovernmental	-	4,367,355	-	-	4,367,355
Inventories	11,558	-	-	-	11,558
Prepays	8,272	-	-	-	8,272
<b>TOTAL ASSETS</b>	<b>\$21,282,018</b>	<b>\$12,364,236</b>	<b>\$ 3,109,289</b>	<b>\$ 793,702</b>	<b>\$ 37,549,245</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Vouchers payable	\$ 768,908	\$ 573,463	\$ 162,589	\$ 4,004	\$ 1,508,964
Retainage payable	-	72,854	-	-	72,854
Accrued liabilities	477,297	23,658	-	-	500,955
Deposits	61,232	-	-	-	61,232
<b>Total liabilities</b>	<b>1,307,437</b>	<b>669,975</b>	<b>162,589</b>	<b>4,004</b>	<b>2,144,005</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	166,954	-	-	-	166,954
Unavailable revenue - ambulance	227,566	-	-	-	227,566
Unavailable revenue - fines	198,440	-	-	-	198,440
Unavailable revenue - intergovernmental revenue	-	4,367,355	-	-	4,367,355
<b>Total deferred inflows of resources</b>	<b>592,960</b>	<b>4,367,355</b>	<b>-</b>	<b>-</b>	<b>4,960,315</b>
<b>FUND BALANCES</b>					
Nonspendable					
Inventories	11,558	-	-	-	11,558
Prepays	8,272	-	-	-	8,272
Restricted					
Crime prevention	-	-	-	62,202	62,202
Court technology	-	-	-	112,384	112,384
Court security	-	-	-	24,575	24,575
DPS technology	-	-	-	286,350	286,350
Library	-	-	-	304,187	304,187
PEG	144,078	-	-	-	144,078
Committed					
Capital acquisition	10,139,152	4,669,824	-	-	14,808,976
Stormwater drainage improvements	-	-	2,856,758	-	2,856,758
Assigned					
Compensated absences	937,194	-	-	-	937,194
Capital projects	-	2,657,082	-	-	2,657,082
Drainage	-	-	89,942	-	89,942
Other	423,618	-	-	-	423,618
Unassigned	7,717,749	-	-	-	7,717,749
<b>Total fund balances</b>	<b>19,381,621</b>	<b>7,326,906</b>	<b>2,946,700</b>	<b>789,698</b>	<b>30,444,925</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$21,282,018</b>	<b>\$12,364,236</b>	<b>\$ 3,109,289</b>	<b>\$ 793,702</b>	<b>\$ 37,549,245</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

## Town of Highland Park, Texas

### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position September 30, 2021

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	\$ 30,444,925
Amounts reported for governmental activities in the statement of net position are different because:	
Deferred outflows related to pension and OPEB are not reported in the funds	1,603,629
Deferred inflows related to pension and OPEB are not reported in the funds.	(2,354,873)
Capital assets used in governmental activities, including the internal service fund, are not reported in the funds.	60,174,264
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	166,954
Ambulance receivables unavailable to pay for current period expenditures are deferred in the funds.	227,566
Court fine receivables unavailable to pay for current period expenditures are deferred in the funds.	198,440
Construction reimbursement receivables from various governmental entities that are unavailable to pay for current period expenditures unavailable to pay for current period expenditures	4,367,355
Net pension liability is not reported in the funds.	(235,316)
The long-term liability for other postemployment benefits is not recorded in the funds.	(1,087,927)
Payables for compensated absences are not reported in the funds.	(1,992,446)
Internal service funds are used by the Town's management: The assets and liabilities of the internal service funds are included with the governmental activities. The net property of \$4,524,735, as is relates to the internal service funds is included in the capital asset amount above.	7,817,047
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 99,329,618</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

**Town of Highland Park, Texas**  
Statement of Revenues, Expenditures, and Changes  
in Fund Balances - Governmental Funds  
For the Fiscal Year Ended September 30, 2021

	General Fund	Capital Projects Fund	Stormwater Drainage	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$15,201,900	\$ -	\$ -	\$ -	\$15,201,900
Sales taxes	5,663,645	-	-	-	5,663,645
Other taxes	432,488	-	-	-	432,488
Franchise fees	884,641	-	-	-	884,641
Penalties and interest	87,774	-	-	-	87,774
Licenses and permits	1,592,042	-	-	-	1,592,042
Service fees	1,333,957	-	427,247	88,207	1,849,411
Fines and forfeitures	245,039	-	-	-	245,039
Investment income	61,012	40,400	16,302	2,872	120,586
Contributions	15,200	-	-	41,884	57,084
Intergovernmental revenue	251,925	1,762,952	-	-	2,014,877
Miscellaneous	365,909	-	-	93,633	459,542
<b>Total revenues</b>	<b>26,135,532</b>	<b>1,803,352</b>	<b>443,549</b>	<b>226,596</b>	<b>28,609,029</b>
<b>EXPENDITURES</b>					
Current					
General government	2,355,658	-	275,426	-	2,631,084
Department of public safety	13,503,896	-	-	-	13,503,896
Town services	492,338	-	-	-	492,338
Street department	796,618	1,092,697	-	-	1,889,315
Street lighting department	136,636	-	-	-	136,636
Library	847,034	-	-	21,581	868,615
Parks department	1,964,092	-	-	-	1,964,092
Swimming pool	180,174	-	-	-	180,174
Municipal court	480,529	-	-	26,064	506,593
Finance department	935,897	-	-	-	935,897
Building inspection department	903,973	-	-	-	903,973
Capital outlay	24,840	5,125,360	1,025,262	-	6,175,462
<b>Total expenditures</b>	<b>22,621,685</b>	<b>6,218,057</b>	<b>1,300,688</b>	<b>47,645</b>	<b>30,188,075</b>
Excess (deficiency) of revenues over expenditures	3,513,847	(4,414,705)	(857,139)	178,951	(1,579,046)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,326,300	3,053,916	175,000	-	4,555,216
Transfers out	(2,365,052)	(354,657)	(103,300)	(115,128)	(2,938,137)
Proceeds from sale of capital assets	9,161,468	-	-	-	9,161,468
<b>Net other financing sources (uses)</b>	<b>8,122,716</b>	<b>2,699,259</b>	<b>71,700</b>	<b>(115,128)</b>	<b>10,778,547</b>
<b>Net change in fund balances</b>	<b>11,636,563</b>	<b>(1,715,446)</b>	<b>(785,439)</b>	<b>63,823</b>	<b>9,199,501</b>
Fund balances, beginning of year	7,745,058	9,042,352	3,732,139	725,875	21,245,424
<b>FUND BALANCES, END OF YEAR</b>	<b>\$19,381,621</b>	<b>\$ 7,326,906</b>	<b>\$ 2,946,700</b>	<b>\$ 789,698</b>	<b>\$30,444,925</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

## Town of Highland Park, Texas

Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended September 30, 2021

**Net change in fund balances - total governmental funds** \$ 9,199,501

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

Change in fund balances – total governmental funds

Governmental funds report capital outlay as expenditures, however in the Statement of Activities these costs are allocated over their estimated useful lives. This is the amount of capital additions reported as capital outlays. 6,175,462

The depreciation of capital assets used in governmental activities, excluding the Internal Service Funds, is not reported in the funds. (2,185,568)

Compensated absences are reported as the amount earned in the Statement of Activities but as the amount paid in the funds. This is the net change in the liability for the year. (44,145)

Property taxes levied and ambulance service revenue earned, but not available, are deferred in the governmental funds, but are recognized when earned (net of estimated uncollectible) in the Statement of Activities. This is the net change in unavailable property taxes, ambulance fees and court fines for the year. 14,650

Intergovernmental revenues earned but not available are deferred in the governmental funds, but are recognized when earned in the Statement of Activities. This is the net change in unavailable intergovernmental revenue for the year (26,145)

Pension and OPEB expense is reported as the amount paid in the funds. In the Statement of Activities, this expense is increased or decreased based on changes in deferred outflows and deferred inflows in the Statement of Net Position. 1,304,218

Internal service funds are used by management to charge the costs of certain activities, such as the purchase of equipment, to individual funds. The net revenue (expense), of internal service funds is reported with the governmental activities. 656,364

Change in net position - governmental activities \$ 15,094,337

**Town of Highland Park, Texas**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance – Budget and Actual  
Major Fund - General Fund  
For the Fiscal Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 14,922,693	\$ 14,922,693	\$ 15,201,900	\$ 279,207
Sales taxes	3,600,000	3,600,000	5,663,645	2,063,645
Other taxes	319,998	319,998	432,488	112,490
Franchise fees	916,811	916,811	884,641	(32,170)
Penalties and interest	73,558	73,558	87,774	14,216
Licenses and permits	1,262,194	1,537,194	1,592,042	54,848
Service fees	1,504,349	1,504,349	1,333,957	(170,392)
Fines and forfeitures	472,491	472,491	245,039	(227,452)
Investment income	95,776	95,776	61,012	(34,764)
Contributions	13,000	13,000	15,200	2,200
Intergovernmental revenue	-	200,320	251,925	51,605
Miscellaneous	280,525	285,492	365,909	80,417
Total revenues	23,461,395	23,941,682	26,135,532	2,193,850
<b>EXPENDITURES</b>				
Current				
General government	1,874,357	2,431,921	2,355,658	76,263
Department of public safety	13,439,034	13,784,895	13,503,896	280,999
Town services	562,003	562,003	492,338	69,665
Street department	334,172	811,032	796,618	14,414
Street lighting department	185,480	185,480	136,636	48,844
Library	867,909	929,269	847,034	82,235
Parks department	1,662,699	1,964,923	1,964,092	831
Swimming pool	199,422	204,389	180,174	24,215
Municipal court	522,561	532,997	480,529	52,468
Finance department	958,024	977,156	935,897	41,259
Building inspection department	791,431	945,875	903,973	41,902
Capital outlay	24,840	24,840	24,840	-
Total expenditures	21,421,932	23,354,780	22,621,685	733,095
Excess (deficiency) of revenues over expenditures	2,039,463	586,902	3,513,847	2,926,945
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,326,300	1,326,300	1,326,300	-
Transfers out	(3,912,779)	(2,365,052)	(2,365,052)	-
Proceeds from sale of capital assets	-	-	9,161,468	9,161,468
Total other financing sources (uses)	(2,586,479)	(1,038,752)	8,122,716	9,161,468
Net change in fund balances	(547,016)	(451,850)	11,636,563	12,088,413
Fund balance, beginning of year	7,745,058	7,745,058	7,745,058	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 7,198,042</b>	<b>\$ 7,293,208</b>	<b>\$ 19,381,621</b>	<b>\$ 12,088,413</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

Town of Highland Park, Texas  
Statement of Net Position  
Proprietary Funds  
September 30, 2021

	Enterprise Fund	Governmental Activities Internal Service Funds
<b>ASSETS</b>		
Current assets		
Cash and equivalents	\$ 7,190,573	\$ 7,907,834
Investments	2,505,381	-
Receivables (net of allowance for uncollectibles)		
Water, Sewer and Sanitation		
Billed	1,309,563	-
Unbilled	499,592	-
Interest	4,146	-
Inventories	182,169	-
Prepays	3,077	-
Total current assets	<u>11,694,501</u>	<u>7,907,834</u>
Noncurrent assets		
Restricted cash and cash equivalents	599,245	-
Capital assets		
Land	4,895	-
Buildings and improvements	20,197	146,429
Improvements other than buildings	39,560,676	-
Vehicles and rolling stock	-	4,270,595
Machinery and equipment	2,055,808	5,919,208
Office furniture and equipment	25,326	-
Construction in progress	2,067,467	780,000
Accumulated depreciation	<u>(15,793,076)</u>	<u>(6,591,497)</u>
Capital assets, net of accumulated depreciation	<u>27,941,293</u>	<u>4,524,735</u>
Total noncurrent assets	<u>28,540,538</u>	<u>4,524,735</u>
Total assets	<u>40,235,039</u>	<u>12,432,569</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred pension contributions	125,494	-
Deferred pension experience loss	50,567	-
Deferred OPEB contributions	3,745	-
Deferred OPEB experience loss	2,455	-
Deferred OPEB assumption change loss	<u>22,417</u>	<u>-</u>
Total deferred outflows of resources	<u>204,678</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>40,439,717</u>	<u>12,432,569</u>
<b>LIABILITIES</b>		
Current liabilities		
Vouchers payable	701,848	90,787
Retainage payable	19,368	-
Accrued liabilities	1,159,900	-
Deposits	599,245	-
Compensated absences	<u>107,355</u>	<u>-</u>
Total current liabilities	<u>2,587,716</u>	<u>90,787</u>
Noncurrent liabilities		
Compensated absences	49,703	-
Net pension liability	10,681	-
OPEB liability	<u>181,087</u>	<u>-</u>
Total noncurrent liabilities	<u>241,471</u>	<u>-</u>
Total liabilities	<u>2,829,187</u>	<u>90,787</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred pension investment gain	203,749	-
Deferred pension experience gain	13,398	-
Deferred pension assumption gain	9,807	-
Deferred OPEB experience gain	6,662	-
Deferred OPEB assumption change gain	<u>3,367</u>	<u>-</u>
Total deferred inflows of resources	<u>236,983</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>3,066,170</u>	<u>90,787</u>
<b>NET POSITION</b>		
Net investment in capital assets	27,829,668	4,524,735
Unrestricted	<u>9,543,879</u>	<u>7,817,047</u>
<b>TOTAL NET POSITION</b>	<u>\$ 37,373,547</u>	<u>\$ 12,341,782</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**Town of Highland Park, Texas**  
Statement of Revenues, Expenses, and Changes  
in Fund Net Position - Proprietary Funds  
Year Ended September 30, 2021

	Enterprise Fund	Governmental Activities Internal Service Fund
<b>OPERATING REVENUES</b>		
Water sales	\$ 6,456,444	\$ -
Sewer services	2,783,879	-
New connections	35,650	-
Plumbing permits	65,775	-
Penalties for late payments	62,429	-
Inter-department water sales	96,308	-
Charges for services	1,538,674	1,677,857
Miscellaneous	8,081	40,142
	<hr/>	<hr/>
Total operating revenues	11,047,240	1,717,999
<b>OPERATING EXPENSES</b>		
Personnel services	1,687,829	-
Materials and supplies	2,406,390	57,259
Services and charges	3,054,846	315,575
Depreciation	1,331,576	734,484
	<hr/>	<hr/>
Total operating expenses	8,480,641	1,107,318
Operating income	2,566,599	610,681
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	55,123	33,183
Intergovernmental contributions for capital acquisitions	-	4,800
Gain (loss) on sale of assets	-	7,700
	<hr/>	<hr/>
Total nonoperating revenues (expenses)	55,123	45,683
Income before contributions and transfers	2,621,722	656,364
Capital contributions	62,000	-
Transfers in	302,957	-
Transfers out	(2,153,891)	-
	<hr/>	<hr/>
Change in net position	832,788	656,364
Net position, beginning of year	36,540,759	11,685,418
	<hr/>	<hr/>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 37,373,547</b>	<b>\$ 12,341,782</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

Town of Highland Park, Texas  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2021

	Enterprise Fund	Governmental Activities Internal Service Fund
<b>OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 11,022,499	\$ -
Cash received from interfund services	-	1,820,106
Cash payments to other suppliers for goods and services	(4,275,657)	(395,864)
Cash payments to employees	(1,822,647)	-
Net cash provided by operating activities	4,924,195	1,424,242
<b>NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers to other funds	(1,920,036)	-
Transfers from other funds	302,957	-
Net cash used for noncapital financing activities	(1,617,079)	-
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(2,331,725)	(1,208,865)
Intergovernmental contributions for capital acquisition	-	4,800
Proceeds from sale of capital assets	-	7,700
Net cash used for capital and related financing activities	(2,331,725)	(1,196,365)
<b>INVESTING ACTIVITIES</b>		
Investment income	88,884	40,185
Sale of investments	4,500,000	2,000,000
Purchase of investments	(2,000,000)	-
Net cash provided by investing activities	2,588,884	2,040,185
Net change in cash and cash equivalents	3,564,275	2,268,062
Cash and cash equivalents, beginning of year	4,225,543	5,639,772
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>7,789,818</b>	<b>7,907,834</b>
<b>RECONCILIATION TO STATEMENT OF NET POSITION</b>		
Cash and cash equivalents	\$ 7,190,573	\$ 7,907,834
Restricted cash and cash equivalents	599,245	-
	<b>\$ 7,789,818</b>	<b>\$ 7,907,834</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

**Town of Highland Park, Texas**  
Statement of Cash Flows – Continued  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2021

	<u>Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET</b>		
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating income	\$ 2,566,599	\$ 610,681
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,331,576	734,484
(Increase) decrease in assets and deferred outflows		
Accounts receivable	(24,741)	28,375
Inventory	3,871	-
Prepaid items	104	-
Deferred outflows of resources - pension and OPEB	(519)	-
Increase (decrease) in liabilities and deferred inflows		
Accounts payable	61,209	50,702
Accrued liabilities	1,096,897	-
Deposits payable	10,962	-
Compensated absences	12,536	-
Pension and OPEB liability	(107,028)	-
Deferred inflows of resources - pension and OPEB	(27,271)	-
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 4,924,195</u>	<u>\$ 1,424,242</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital asset transfer to governmental activities	\$ (233,855)	\$ -
Developer contributions	\$ 62,000	\$ -

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

#### **Note 1. Summary of Significant Accounting Policies**

The accounting and reporting policies of the Town of Highland Park, Texas (Town), relating to the financial statements for the year ended September 30, 2021, conform to generally accepted accounting principles for local governmental units. The more significant accounting policies are summarized below.

##### **Reporting Entity**

In defining the scope of the Town for financial reporting purposes, the Town conforms to the criteria of the Government Accounting Standards Board (GASB) Statement 14, The Financial Reporting Entity as amended by GASB Statement 39, Determining Whether Certain Organizations are Component Units and GASB Statement 61, The Financial Reporting Entity: Omnibus. The Town's basic financial statements include all organizations and activities determined to be part of the Town's reporting entity. No other governmental organizations are includable within the Town's reporting entity.

##### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates 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 or segment. 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 or segment 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 among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

##### **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, as are 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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the 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 to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to claims and judgments, are recorded only when payment is due.

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

Property taxes, franchise taxes, ambulance fees and fines, licenses, intergovernmental activities and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period, subject to availability. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's water and sewer function and various other functions of the Town and charges of the internal service funds to the water and sewer funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds are accounted for using an economic resources measurement focus. The accounting objectives are a determination of change in net position, financial position and changes in cash flows. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the proprietary fund's activities are included on its statement of net position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Fund and of the Town's Internal Service Funds are charges to customers for sales and services. Operating expenses for Enterprise Funds and Internal Service Funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources, as they are needed.

The Town reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund – The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Stormwater Drainage Fund – The Stormwater Drainage Fund is a capital projects fund that accounts for the collection of fees to protect the public health and safety from loss of life and property caused by surface water overflows, surface water stagnation and pollution arising from non-point source runoff within the Town.

The Town's Special Revenue Funds are used to account for revenue sources that are legally restricted to expenditures for specified purposes and include the following:

Forfeited Property Fund – Accounts for the receipt of forfeited assets as a result of criminal activities and the funding of crime prevention programs and equipment.

Court Technology Fund – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to technological enhancements for Municipal Court.

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

Court Security Fund – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to security for Municipal Court.

DPS Technology Fund – Accounts for the receipt and expenditure of resources allocated to technology acquisitions and upgrades for the Department of Public Safety.

Library Fund – Accounts for the receipt of royalty revenues restricted to the Library.

Truancy Prevention – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to juvenile case managers.

Municipal Jury – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to juror reimbursements.

The Town reports the following major enterprise fund:

Enterprise Fund – The Town’s Enterprise Fund is used to account for operations of the Town’s sale of treated water and the disposal of sewage, as well as the collection and disposal of solid waste and recyclables, for its citizens.

Additionally, the government reports the following fund type:

Internal Service Funds – The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments within the Town. The Equipment Replacement Fund is used to account for the acquisition and disposal of vehicles and large dollar equipment for the Town. The Building Maintenance Fund is used to account for repairs and maintenance to buildings owned by the Town. The Technology Replacement Fund is used to account for the replacement of technology equipment.

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, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

### **Budgets and Budgetary Accounting**

The Town’s general policies and procedures in establishing the budgetary data reflected in the financial statements are described below.

1. The Town Administrator acts as budget officer and prepares a proposed budget covering the expenditures of the Town in accordance with the provisions of the Town Charter.
2. A copy of the proposed budget is filed in the office of the Town Secretary no less than 30 days prior to the end of the fiscal year in accordance with provisions of the Town Charter.
3. A public hearing is conducted at a regular Town Council meeting to obtain citizen comments.
4. Notice of a public hearing relating to budget adoption is duly advertised by the Town Secretary in accordance with the provision of Vernon’s Annotated Civil Statutes.
5. Prior to September 30, the budget is legally enacted through passage of an ordinance.
6. Amendments to the budget are made at regularly scheduled Town Council meetings.
7. The Town’s budget is a line-item budget. Overall control is the responsibility of the Town Administrator with each respective department head being responsible for the administration of their departmental budgets. The department head has the flexibility of transferring appropriations between line items within the department as long as the total departmental appropriations are not exceeded. The exception to this policy is that no recognized salary or capital budgetary savings can be transferred without prior authorization of the Town Administrator.

**Town of Highland Park, Texas**  
 Notes to the Basic Financial Statements

8. Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three years pass without any disbursement from or encumbrance of the appropriation.
9. Formal budgetary integration is employed as a management control device during the current year for the General Fund, Enterprise Fund and Internal Service Funds.
10. Legally adopted budgets for the General Fund, Capital Projects Fund, Stormwater Drainage Fund and each of the nonmajor governmental funds are annually adopted on the modified accrual basis of accounting. Budgeted amounts are as amended. Expenditures in excess of the budget may occur within individual expenditure accounts without Town Council approval. The Town Council must approve all expenditures in excess of the budget on a departmental basis.
11. The legally adopted budgets for the Enterprise Fund and Internal Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that capital outlays are treated as expenses.

**Inventories of Supplies**

Inventories of supplies are stated at cost (first-in, first-out) and are determined by physical count. Inventory item expenditures are recognized when used under the consumption method.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid in the government-wide and fund financial statements. The Town uses the consumption method in the governmental funds.

**Property, Plant and Equipment**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at cost at the date of acquisition or acquisition value at the date of donation if acquired by gift. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment of the Town, is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Improvements other than buildings	12-20
Machinery and equipment	5-20
Office furniture and equipment	10
Computer equipment	3-5
Police sedans	5
Pickups/small trucks	5
Medium/heavy trucks	6-7
Fire apparatus	15

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

#### Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources and pension expense, Town specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the Town's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Information regarding the Town's Net Pension Liability is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, GASB Statement No. 78, Pensions Provided by Certain Multiple-Employer Defined Benefit Plans, GASB Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73.

#### Defined Benefit Other Postemployment Benefit Plan

The Town has a single employer defined benefit other postemployment benefit (OPEB) plan (Plan). For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future reporting period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has the following items that qualify for reporting in this category.

- Pension and OPEB contributions/benefit payments after measurement date – These contributions/benefit payments are deferred and reported as a reduction in net pension or OPEB liability in the year subsequent to their deferral.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference due to changes of assumptions related to OPEB – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future reporting period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has the following items that qualify for reporting in this category.

- Difference in expected and actual pension/OPEB experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

- Difference due to changes of assumptions related to pension and OPEB – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five-year period.
- Unavailable revenue in governmental funds – These resources unavailable for revenue recognition are deferred and recognized as revenue when available.

#### Accumulated Unpaid Compensated Absences

It is the Town's policy to permit employees to accumulate certain earned unused vacation, comp time and sick pay benefits. Liabilities for compensated absences are reported in the governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement). Accumulated personnel leave is accrued in the Enterprise Fund and in the government-wide statements as a current liability based upon unpaid amounts as of September 30, 2021, that must be paid by December 31, 2021, and amounts that become vested as of September 30, 2021, that must be paid within a one-year period. Otherwise, remaining amounts that have been earned but are not expected to be paid within a one-year period are included as long-term liabilities in the Enterprise Fund and in the government-wide statements.

#### Encumbrances

Encumbrances outstanding at the end of the year are not included in the expenditures of the Governmental Funds and expenses of the Enterprise Fund. Assigned fund balance is established in the governmental funds and a budget reappropriation made for those amounts the Town intends to pay during the next year applicable to next year's budget appropriations.

#### Fund Balance

Fund balance classifications, under GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions are Nonspendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with this statement, the Town classifies governmental fund balances as follows:

Nonspendable – includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories and prepaid items.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Town through formal action of the highest level of decision-making authority. Committed fund balance is reported pursuant to an Ordinance passed by the Town Council.

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

Assigned – includes fund balance amounts that are self-imposed by the Town to be used for a particular purpose. Fund balance can be assigned by the Town’s Council or the Director of Administrative Services & Chief Financial Officer as established in the Town’s Statement of Financial Management Policies. This classification includes insurance deductibles, encumbrances, program start-up costs, compensated absences, projected budget deficit for subsequent years and other legal uses.

Unassigned – includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

Generally, the Town would first apply restricted resources, then committed, assigned and unassigned resources when an expense is incurred for purposes for which more than one classification of fund balance is available.

Minimum Fund Balance Policy – It is the policy of the Town to achieve and maintain an unassigned fund balance in the General Fund equal to 17% of non-capital expenditures.

### Property Tax

Property taxes attach as an enforceable lien on property located in the Town as of January 1. Taxes are levied on October 1 for the current fiscal year and are due and payable on or before January 31 of the following year. Dallas County bills and collects property taxes on behalf of the Town. The property tax revenues are recognized when levied to the extent that they result in current receivables. The tax rate for the current year was \$0.23 on each \$100 of assessed valuation.

### Note 2. Deposits and Investments

The Town’s management of deposits and investments are directed by its Statement of Investment Policies (Policies), adopted by the Town Council. The Policies are in accordance with the laws of the State of Texas, where applicable. The Policies identify authorized investments and investment terms, collateral requirements, safekeeping requirements for collateral and investments and certain investment practices. Authorized investments include obligations of the United States or its agencies and instrumentalities (excluding mortgage-backed securities), direct obligations of the State of Texas or its agencies and instrumentalities, collateralized certificates of deposit, eligible local government investment pools and money market mutual funds meeting specific conditions.

Repurchase agreements, reverse purchase agreements, bankers’ acceptances and commercial paper are also authorized to the extent that they may be contained in the portfolios of approved local government investment pools. Investments are held until maturity or until fair values equal or exceed cost.

In accordance with GASB Statement No. 31 and No. 72, the Town’s participating investments with a remaining maturity at time of purchase of less than one year and non-participating investments are reported utilizing an amortized cost measure. Participating investments with a remaining maturity at date of purchase of more than one year are reported at fair value.

Any unrealized gain/loss resulting from the valuation is recognized in the respective funds that participate in the Town’s investment pool. The gain/loss resulting from valuation is reported within the revenue account “investment income” on the Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds and the Statement of Revenues, Expenses and Changes in Fund Net Position for Proprietary Funds.

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

The Town’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturity of three (3) months or less from the date of acquisition.

The Town’s carrying amounts of cash and cash equivalents and investments as of September 30, 2021, as reflected in the financial statements, are:

Cash and cash equivalents	\$ 40,032,857
Restricted cash and cash equivalents	1,392,947
Investments	<u>8,010,761</u>
	<u>\$ 49,436,565</u>

The Town’s deposits, including certificates of deposits, are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized with securities pledged to the Town, and held in the Town’s name. The balances held at financial institutions at year-end were \$41,985,130.

Deposits and investments as of September 30, 2021, consist of the following:

Deposits	\$ 41,425,804
Certificates of deposit	<u>8,010,761</u>
	<u>\$ 49,436,565</u>

The table below identifies the investment types that are allowed for the Town by the Public Funds Investment Act (Government Code Chapter 2265.) The table also identifies certain provisions of the Town’s investment policy that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	3 Years	80%	None
U.S. Government Agency Securities and Instruments of Government-Sponsored Corporations	3 Years	80%	None
Authorized Local Government Investment Pool (per Pool)	3 Years	75%	None
Fully Collateralized Certificates of Deposit	3 Years	80%	50%
SEC-Regulated No-Load Money Market Mutual Fund (per Fund)	3 Years	25%	50%
Municipal Bonds	3 Years	25%	5%

The Town maintains a comprehensive and proactive cash management program which is designed to monitor and control all Town funds to ensure maximum utilization and yield a market rate of return. The basic and underlying strategy of this program is that all the Town’s funds are earning interest. The Town’s investment strategy emphasizes low credit risk, diversification, and the management of maturities.

Interest Rate Risk – In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 270 days. As of September 30, 2021, the Town did not invest in any securities which are highly sensitive to interest rate fluctuations.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At September 30, 2021, the Town had no investments subject to credit risk.

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

Concentration of Credit Risk – Diversification of investment instruments shall be utilized to avoid incurring unreasonable risks resulting from over-concentration of investments in a specific maturity, a specific issue or a specific class of securities. With the exception of U.S. Government securities (debt obligations issued by the U.S. Government, its agencies or instrumentalities) as authorized in the Town’s investment policy, no more than 80% of the total investment portfolio will be invested in any one security type or with a single financial institution, with the exception of the Town’s designated depository bank. Diversification of the portfolio considers diversification by maturity dates and diversification by investment instrument.

Custodial Credit Risk – Deposits – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Texas Government Code, Section 2257, collateral for Public Funds establishes the requirement of and the criteria for securing deposited public funds. The Town’s investment policy further defines eligible securities acceptable for securing Town deposits at a level equal to at least 102% of deposits plus any accrued interest less any amount insured by the Federal Deposit Insurance Corporation. As of September 30, 2021, the Town’s deposits with its financial institution in excess of federal depository insurance limits were fully collateralized.

Custodial Credit Risk – Investments – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town avoids custodial credit risk on investments through its investment policy which further limits eligible instruments for investments of public funds. As of September 30, 2021, the Town had no custodial credit risk on its investments.

**Note 3. Receivables**

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities			Business-Type Activities
	General	Capital Projects	Total Governmental Funds	Enterprise
Taxes receivable	\$ 1,491,440	\$ -	\$ 1,491,440	\$ -
Allowance for uncollectible taxes	(57,117)	-	(57,117)	-
	<u>1,434,323</u>	<u>-</u>	<u>1,434,323</u>	<u>-</u>
Accounts receivable	753,885	-	753,885	1,824,212
Allowance for uncollectible accounts	(265,878)	-	(265,878)	(15,057)
	<u>488,007</u>	<u>-</u>	<u>488,007</u>	<u>1,809,155</u>
Interest receivables	2,053	4,145	6,198	4,146
Intergovernmental	-	4,367,355	4,367,355	
	<u>2,053</u>	<u>4,371,500</u>	<u>4,373,553</u>	<u>4,146</u>
Total	<u>\$ 1,924,383</u>	<u>\$ 4,371,500</u>	<u>\$ 6,295,883</u>	<u>\$ 1,813,301</u>

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

**Note 4. Capital Assets**

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

	Balance October 1, 2020	Additions	Sales or Other Dispositions	Adjustments/ Transfers	Balance September 30, 2021
<b>General Capital Assets</b>					
Capital assets not being depreciated					
Land	\$ 4,193,026	\$ -	\$ (233,855)	\$ 233,855	\$ 4,193,026
Construction in progress	3,619,288	6,150,622	-	(1,924,473)	7,845,437
Total capital assets not being depreciated	7,812,314	6,150,622	(233,855)	(1,690,618)	12,038,463
Capital assets being depreciated					
Buildings	22,374,494	-	-	-	22,374,494
Capital improvements	49,632,345	-	-	1,924,473	51,556,818
Furniture and fixtures	40,444	-	-	-	40,444
Office equipment	400,155	-	-	-	400,155
Machinery and equipment	1,575,290	24,840	-	-	1,600,130
Total capital assets being depreciated	74,022,728	24,840	-	1,924,473	75,972,041
Less accumulated depreciation for					
Buildings	(5,417,505)	(680,713)	-	-	(6,098,218)
Capital improvements	(22,853,418)	(1,469,544)	-	-	(24,322,962)
Furniture and fixtures	(28,955)	(3,455)	-	-	(32,410)
Office equipment	(377,192)	(12,391)	-	-	(389,583)
Machinery and equipment	(1,498,337)	(19,465)	-	-	(1,517,802)
Total accumulated depreciation	(30,175,407)	(2,185,568)	-	-	(32,360,975)
<b>Capital assets being depreciated, net</b>	<b>43,847,321</b>	<b>(2,160,728)</b>	<b>-</b>	<b>1,924,473</b>	<b>43,611,066</b>
<b>Internal Service Fund Capital Assets</b>					
Capital assets not being depreciated					
Construction in progress	-	780,000	-	-	780,000
Total capital assets not being depreciated	-	780,000	-	-	780,000
Capital assets being depreciated					
Building improvements	107,177	39,252	-	-	146,429
Machinery and equipment	5,808,087	276,231	(165,110)	-	5,919,208
Vehicles and rolling stock	4,513,506	113,382	(356,293)	-	4,270,595
Total capital assets being depreciated	10,428,770	428,865	(521,403)	-	10,336,232
Less accumulated depreciation for					
Building improvements	(1,509)	(5,926)	-	-	(7,435)
Machinery and equipment	(3,747,886)	(361,178)	165,110	-	(3,943,954)
Vehicles and rolling stock	(2,629,021)	(367,380)	356,293	-	(2,640,108)
Total accumulated depreciation	(6,378,416)	(734,484)	521,403	-	(6,591,497)
Total capital assets being depreciated, net	4,050,354	(305,619)	-	-	3,744,735
<b>Governmental activities capital assets, net</b>	<b>\$ 55,709,989</b>	<b>\$ 4,464,275</b>	<b>\$ (233,855)</b>	<b>\$ 233,855</b>	<b>\$ 60,174,264</b>

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

	October 1, 2020	Additions	Sales or Other Dispositions	Adjustments/ Transfers	September 30, 2021
<b>Business-type Activities</b>					
Capital assets not being depreciated					
Land	\$ 238,750	\$ -	\$ -	\$ (233,855)	\$ 4,895
Construction in progress	2,285,276	2,157,171	-	(2,374,980)	2,067,467
Total capital assets not being depreciated	2,524,026	2,157,171	-	(2,608,835)	2,072,362
Capital assets being depreciated					
Buildings	20,197	-	-	-	20,197
Improvements other than buildings	36,949,142	236,554	-	2,374,980	39,560,676
Machinery and equipment	2,055,808	-	-	-	2,055,808
Office furniture and equipment	25,326	-	-	-	25,326
Total capital assets being depreciated	39,050,473	236,554	-	2,374,980	41,662,007
Less accumulated depreciation for					
Building	(20,197)	-	-	-	(20,197)
Capital improvements	(13,006,431)	(1,033,777)	-	-	(14,040,208)
Machinery and equipment	(1,412,826)	(297,244)	-	-	(1,710,070)
Office equipment	(22,046)	(555)	-	-	(22,601)
Total accumulated depreciation	(14,461,500)	(1,331,576)	-	-	(15,793,076)
Total capital assets being depreciated, net	24,588,973	(1,095,022)	-	2,374,980	25,868,931
<b>Business-type activities capital assets, net</b>	<b>\$ 27,112,999</b>	<b>\$ 1,062,149</b>	<b>\$ -</b>	<b>\$ (233,855)</b>	<b>\$ 27,941,293</b>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 694,046
Public safety	120,179
Town services	6,014
Street department	1,127,455
Street lighting department	1,646
Library	70,528
Parks department	137,530
Swimming pool	28,170
	<hr/>
Total depreciation expense - general capital assets	\$ 2,185,568
Internal service fund	<hr/> 734,484
Total Governmental Activities	<hr/> <hr/> 2,920,052
<b>Business-type activities / Enterprise fund</b>	<hr/> <hr/> <b>\$ 1,331,576</b>

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

**Note 5. Interfund Transactions**

Interfund transfers are made throughout the fiscal year for a variety of reasons. Transfers made during fiscal year 2021 were as follows:

Transfer Fund	Transfer In	Transfer Out	Purpose of Transfer	
			In	Out
General fund	\$ 1,326,300	\$ 2,365,052	1	2
Capital projects fund	3,053,916	354,657	2	1 and 2
Stormwater drainage fund	175,000	103,300	2	1
Nonmajor governmental funds	-	115,128	-	2 and 3
Enterprise fund	302,957	1,920,036	1 and 2	1 and 2
<b>Total</b>	<b>\$ 4,858,173</b>	<b>\$ 4,858,173</b>		

- 1) Indirect cost allocation
- 2) Capital funding
- 3) Personnel funding

Additionally, the Enterprise fund transferred land valued at \$233,855 to governmental activities. In the government-wide statement of activities, this transaction is reflected as a transfer out of business-type activities and a transfer into governmental activities.

**Note 6. Long-term Liabilities**

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Beginning of Year	Additions	Deletions	End of Year	Within One Year
Governmental activities					
Compensated absences	\$ 1,948,301	\$ 1,541,109	\$ (1,496,964)	\$ 1,992,446	\$ 937,194
<b>Total</b>	<b>\$ 1,948,301</b>	<b>\$ 1,541,109</b>	<b>\$ (1,496,964)</b>	<b>\$ 1,992,446</b>	<b>\$ 937,194</b>
Business-type activities					
Compensated absences	\$ 144,522	\$ 191,587	\$ (179,051)	\$ 157,058	\$ 107,355
<b>Total</b>	<b>\$ 2,092,823</b>	<b>\$ 1,732,696</b>	<b>\$ (1,676,015)</b>	<b>\$ 2,149,504</b>	<b>\$ 1,044,549</b>

The compensated absences liability, as well as the net pension liability and other postemployment benefit obligation attributable to the governmental activities will be liquidated by the General Fund.

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

**Note 7. Retirement Plans**

**Texas Municipal Retirement System**

**Plan Description**

The Town participates as one of over 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tMrs.com](http://www.tMrs.com).

All eligible employees of the Town are required to participate in TMRS.

**Benefits Provided**

TMRS provides retirement, disability and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent 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.

A summary of plan provisions for the Town are as follows:

Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated service credit	0%
Annuity increase (to retirees)	0% of CPI

**Employees Covered by Benefit Terms**

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

Retirees or beneficiaries currently receiving benefits	124
Inactive employees entitled to but not yet receiving benefits	42
Active employees	120
	<hr/>
	286
	<hr/> <hr/>

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

**Contributions**

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. Employer contributions are actuarially determined and for the fiscal year ended September 30, 2021, the Town made actuarially required contributions of \$1,280,300 and total contributions of \$1,522,632 or 9.3% of covered payroll.

**Net Pension Liability**

The Town's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

**Actuarial Assumptions**

The Total Pension Liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.5% to 11.50%, including inflation
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees is used with a four-year set-forward for males and a three-year set-forward for females.

Actuarial assumptions used in the December 31, 2020, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2014 through December 31, 2018. Healthy post-retirement mortality rates and annuity purchase rates are based on a Mortality Experience Investigation Study covering 2014 through 2018, and dated December 31, 2019. 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.

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global equity	30.0%	7.80%
Core fixed income	10.0%	3.80%
Non-core fixed income	20.0%	6.60%
Real return	10.0%	6.40%
Real estate	10.0%	6.50%
Absolute return	10.0%	6.00%
Private equity	10.0%	10.30%
<b>Total</b>	<b>100%</b>	

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

**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 (Asset) Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balance at December 31, 2019	\$ 84,338,503	\$ 82,856,125	\$ 1,482,378
Changes for the year:			
Service cost	1,864,737	-	1,864,737
Interest	5,559,516	-	5,559,516
Change in benefit terms			
Difference between expected and actual experience	(92,870)	-	(92,870)
Changes in assumptions	-	-	-
Employer contributions	-	1,332,360	(1,332,360)
Employee contributions	-	996,424	(996,424)
Net investment income	-	6,281,265	(6,281,265)
Benefit payments, including refunds of employee contributions	(5,815,356)	(5,815,356)	-
Administrative expense	-	(40,696)	40,696
Other changes	-	(1,589)	1,589
Net changes	1,516,027	2,752,408	(1,236,381)
<b>Balance at December 31, 2020</b>	<b>\$ 85,854,530</b>	<b>\$ 85,608,533</b>	<b>\$ 245,997</b>

**Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate**

The following presents the net pension (asset) liability of the Town, calculated using the discount rate of 6.75%, as well as what the Town's net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
Town's net pension liability	\$ 10,351,686	\$ 245,997	\$ (8,254,912)

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

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

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

For the year ended September 30, 2021, the Town recognized pension expense of \$30,877.

At September 30, 2021, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 421,826	\$ 72,094
Changes of assumptions	-	94,942
Net differences between projected and actual pension plan earnings on pension plan investments	-	2,354,554
Contributions subsequent to the measurement date	1,185,940	-
<b>Total</b>	<b>\$ 1,607,766</b>	<b>\$ 2,521,590</b>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,185,940 will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30,	
2021	\$ (788,074)
2022	216,198
2023	(1,380,425)
2024	(147,463)
<b>Total</b>	<b>\$ (2,099,764)</b>

**Deferred Compensation Plan**

The Town offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457 to its employees. Under this plan, employees may defer receipt of income. The plan is administered by the Mission Square Retirement. All assets and income are held in trust for the exclusive benefit of participants and their beneficiaries and the Town has no fiduciary responsibilities over the plan. It is therefore not reported in the financial statements of the Town.

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

**Note 8. Postemployment Benefits Other Than Pensions**

The Town offers retired employees and their dependents the option to retain health and dental insurance coverage under the Town’s insurance carrier until age 65 through a single employer defined benefit plan. The Town does not contribute funds for this coverage and retirees are required to pay all insurance premiums. While the Town does not directly pay premiums for retirees, the Town’s cost for insurance coverage is affected by the inclusion of these individuals in the group. This effect on cost is considered to be an implicit rate subsidy. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate report. Benefit provisions for retirees are not mandated by any form of employment agreement and the continued provision of these benefits is based entirely on the discretion of the Town Council.

Before the age of 65, retired employees are allowed to remain on the Town’s healthcare insurance.

The Town bills retirees quarterly in advance for the cost of their premiums and the Town remits these premiums at the same time it remits premiums for active employees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

A measurement date of December 31, 2020, was used for the September 30, 2021, liability and expense. The information that follows was determined as of a valuation date of December 31, 2019.

At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to but not yet receiving benefits -	-
Active employees	<u>121</u>
<b>Total employees</b>	<u><u>169</u></u>

Total OPEB Liability: The Town’s total OPEB liability of \$1,269,014 (\$1,087,927 governmental activities and \$181,087 business-type activities) was measured as of December 31, 2020, and was determined by an actuarial valuation as of December 31, 2019.

Actuarial Assumptions: The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>December 31, 2019</u>
Actuarial Cost Method	Individual Entry-Age
Discount Rate	2.00% as of December 31, 2020 (2.75% as of December 31, 2019)
Inflation	2.50%
Salary Increase	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018, as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the Mortality Projection (MP) tables to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.15% after 15 years
Participation Rates	25% for eligible employees who retire at the age of 50 or later; 0% for eligible employees who retire before age 50

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

Discount Rate: For plans that do not have a formal trust that meets GASB’s requirements, the discount rate equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The discount rate was based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”.

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balances as of October 1, 2019	\$ 1,124,026
Changes for the year:	
Service cost	57,813
Interest of total OPEB liability	30,984
Difference between expected and actual experience	19,936
Effect of assumptions changes (discount rate change)	88,745
Benefit payments, age adjusted premiums, net of retiree contributions	(52,490)
<b>Balances as of September 30, 2020</b>	<b>\$ 1,269,014</b>

Sensitivity of the total OPEB liability to changes in the discount rate and health care cost trend rates: The total OPEB liability of the Town has been calculated using a discount rate of 2.00%. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	1% Decrease 1.00%	Current Discount Rate Assumption 2.00%	1% Increase 3.00%
Total OPEB Liability	\$ 1,398,194	\$ 1,269,014	\$ 1,152,201

The total OPEB liability of the Town has been calculated using the assumed health care cost trend rates of 7.5% decreasing to 4.25%. The following presents the total OPEB liability using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	\$ 1,117,405	\$ 1,269,014	\$ 1,449,822

**Town of Highland Park, Texas**  
Notes to the Basic Financial Statements

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended September 30, 2021, the Town recognized OPEB expense of \$106,939. At September 30, 2021, the Town reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences in experience	\$ 17,207	\$ 46,678
Changes of assumptions	157,092	23,588
Benefit payments subsequent to the measurement date	<u>26,242</u>	<u>-</u>
	<u><u>\$ 200,541</u></u>	<u><u>\$ 70,266</u></u>

Benefit payments subsequent to the measurement date and before fiscal year-end will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2022.

Other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30,	Amortization of Future Deferred (Inflows) Outflows of Resources
<u>                    </u>	<u>                    </u>
2022	\$ 18,142
2023	18,142
2024	18,142
2025	15,099
2026	14,421
Thereafter	<u>20,087</u>
	<u><u>\$ 104,033</u></u>

**Note 9. Commitments and Contingencies**

The Town purchases treated water from a third-party through a contract which expires on April 18, 2032.

Sewage service is provided to the Town under a contract with a third-party which expires in 2044.

The Town contracts for the use of a sanitary landfill for solid waste disposal with a third-party. This landfill was permitted by the State of Texas in 1995 with a projected life of 37 years.

The Town contracts for solid waste collection services and collection of recyclable materials with a third-party which expires April 30, 2027.

The Town is a party in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Town's management that the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

As discussed in Note 1, Summary of Significant Accounting Policies, Budgets and Budgetary Accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Town had \$5,717,152 of encumbrances expected to be honored upon performance by the vendor in the next year as follows:

General Fund	\$	423,618
Capital Projects Fund		2,657,082
Enterprise Fund		2,355,374
Equipment Replacement Fund		48,522
Technology Replacement Fund		109,745
Stormwater Drainage Fund		89,942
Building Maintenance Fund		23,324
Library Fund		9,545

**Required Supplementary Information  
(Unaudited)**

## Town of Highland Park, Texas

### Schedule of Changes in the Net Pension (Asset) Liability and Related Ratios

#### Texas Municipal Retirement System

For the Last Seven Measurement Years Ended December 31

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 1,864,737	\$ 1,798,273	\$ 1,709,542
Interest	5,559,516	5,372,028	4,887,236
Changes of benefit terms			
Effect of plan changes	-	4,682,521	-
Differences between expected and actual experience	(92,870)	732,922	3,684
Change in assumptions*	-	(170,894)	-
Benefit payments, including refunds of employee contributions	<u>(5,815,356)</u>	<u>(4,160,576)</u>	<u>(4,129,918)</u>
Net change in total pension liability	1,516,027	8,254,274	2,470,544
Total pension liability - beginning	<u>84,338,503</u>	<u>76,084,229</u>	<u>73,613,685</u>
<b>TOTAL PENSION LIABILITY - ENDING (a)</b>	<u>85,854,530</u>	<u>84,338,503</u>	<u>76,084,229</u>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - employer	1,332,360	848,997	805,639
Contributions - employee	996,424	947,885	899,083
Net investment income	6,281,265	11,408,726	(2,355,801)
Benefit payments, including refunds of employee contributions	(5,815,356)	(4,160,576)	(4,129,918)
Administrative expense	(40,696)	(64,536)	(45,565)
Other	<u>(1,589)</u>	<u>(1,938)</u>	<u>(2,381)</u>
Net change in plan fiduciary net position	2,752,408	8,978,558	(4,828,943)
Plan fiduciary net position - beginning	<u>82,856,125</u>	<u>73,877,567</u>	<u>78,706,510</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING (b)</b>	<u>\$85,608,533</u>	<u>\$82,856,125</u>	<u>\$73,877,567</u>
<b>NET PENSION (ASSET) LIABILITY - ENDING (a)-(b)</b>	<u>\$ 245,997</u>	<u>\$ 1,482,378</u>	<u>\$ 2,206,662</u>
<b>Plan fiduciary net position as a percentage of total pension (asset) liability</b>	99.71%	98.24%	97.10%
<b>Covered payroll</b>	\$14,234,630	\$13,541,213	\$12,844,042
<b>Net pension (asset) liability as a percentage of covered payroll</b>	1.73%	10.95%	17.18%

\*The long-term expected rate of return on pension plan investments decreased from 7% to 6.75% in 2015.

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension (asset) liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods for which such information is available are presented.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,643,029	\$ 1,581,867	\$ 1,408,625	\$ 1,355,468
4,735,388	4,601,305	4,443,414	4,389,441
-	-	-	-
76,301	(335,432)	1,099,257	(973,479)
-	-	1,761,337	-
<u>(4,346,827)</u>	<u>(3,436,976)</u>	<u>(4,781,270)</u>	<u>(3,272,671)</u>
2,107,891	2,410,764	3,931,363	1,498,759
<u>71,505,794</u>	<u>69,095,030</u>	<u>65,163,667</u>	<u>63,664,908</u>
<u>73,613,685</u>	<u>71,505,794</u>	<u>69,095,030</u>	<u>65,163,667</u>
668,603	374,590	444,414	636,106
866,707	835,073	787,570	805,198
9,925,987	4,678,472	107,358	4,038,451
<u>(4,346,827)</u>	<u>(3,436,976)</u>	<u>(4,781,270)</u>	<u>(3,272,671)</u>
(51,461)	(52,856)	(65,395)	(42,166)
<u>(2,608)</u>	<u>(2,848)</u>	<u>(3,230)</u>	<u>(3,467)</u>
7,060,401	2,395,455	(3,510,553)	2,161,451
<u>71,646,109</u>	<u>69,250,654</u>	<u>72,761,207</u>	<u>70,599,756</u>
<u>\$78,706,510</u>	<u>\$71,646,109</u>	<u>\$69,250,654</u>	<u>\$72,761,207</u>
<u>\$ (5,092,825)</u>	<u>\$ (140,315)</u>	<u>\$ (155,624)</u>	<u>\$ (7,597,540)</u>
106.92%	100.20%	100.23%	111.66%
\$12,381,528	\$11,929,614	\$11,271,001	\$11,502,823
-41.13%	-1.18%	-1.38%	-66.05%

**Town of Highland Park, Texas**  
 Schedule of Contributions  
 Texas Municipal Retirement System  
 For the Last Seven Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 1,280,300	\$ 747,949	\$ 728,484
Contributions in relation to the actuarially determined contribution	<u>(1,522,632)</u>	<u>(1,195,508)</u>	<u>(839,877)</u>
<b>CONTRIBUTIONS DEFICIENCY (EXCESS)</b>	<u>\$ (242,332)</u>	<u>\$ (447,559)</u>	<u>\$ (111,393)</u>
Covered payroll	\$ 13,710,838	\$ 13,825,301	\$ 13,392,486
Contributions as a percentage of covered payroll	9.3%	8.65%	6.27%

**Notes to Schedule**

Valuation date Actuarially determined contribution rates are calculated as of December 31 each year and become effective in January, 12 months and a day later

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary increases	3.5% to 11.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2020 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2020 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generation basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information:	There were no benefit changes during the year.

The information in this schedule has been determined as of the measurement date (December 31) of the Town's net pension (asset) liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 68, only periods for which such information is available are presented.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 699,391	\$ 600,931	\$ 408,628	\$ 504,539
<u>(770,984)</u>	<u>(600,931)</u>	<u>(408,628)</u>	<u>(504,539)</u>
<u>\$ (71,593)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 12,697,397	\$ 12,306,527	\$ 12,214,139	\$ 11,452,658
6.07%	4.88%	3.35%	4.41%

## Town of Highland Park, Texas

### Schedule of Changes in Total OPEB Liability and Related Ratios

For the Last Four Measurement Years Ended December 31

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>TOTAL OPEB LIABILITY</b>				
Service cost	\$ 57,813	\$ 45,081	\$ 44,723	\$ 39,166
Interest	30,984	39,551	35,710	38,395
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience of the total OPEB liability	19,936	(62,317)	(2,483)	-
Changes of assumptions	88,745	80,071	(39,236)	47,917
Benefit payments	(52,490)	(43,749)	(59,608)	(54,711)
 Net change in total OPEB liability	 144,988	 58,637	 (20,894)	 70,767
 Total OPEB liability - beginning	 <u>1,124,026</u>	 <u>1,065,389</u>	 <u>1,086,283</u>	 <u>1,015,516</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b><u>\$ 1,269,014</u></b>	<b><u>\$ 1,124,026</u></b>	<b><u>\$ 1,065,389</u></b>	<b><u>\$ 1,086,283</u></b>
 <b>Covered-employee payroll</b>	 \$ 14,234,615	 \$ 13,541,213	 \$ 12,846,283	 \$ 12,381,528
 <b>Total OPEB liability as a percentage of covered-employee payroll</b>	 8.91%	 8.30%	 8.29%	 8.77%

Other Information:

The information in this schedule has been determined as of the measurement date (December 31) of the Town's total OPEB liability and is intended to show information for 10 years. However, until a full 10-year trend is compiled in accordance with the provisions of GASB 75, only periods for which such information is available are presented.

# Combining and Individual Fund Financial Statements and Schedules



**Town of Highland Park, Texas**  
 Budgetary Comparison Schedule  
 Capital Projects Fund  
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 21,796	\$ 21,796	\$ 40,400	\$ 18,604
Intergovernmental	1,607,231	1,607,231	1,762,952	155,721
Miscellaneous	550,000	550,000	-	(550,000)
Total revenues	2,179,027	2,179,027	1,803,352	(375,675)
<b>EXPENDITURES</b>				
Current				
Street Department	1,123,286	1,123,286	1,092,697	30,589
Capital Outlay	3,896,874	5,856,364	5,125,360	731,004
Total expenditures	5,020,160	6,979,650	6,218,057	761,593
Excess (deficiency) of revenues over expenditures	(2,841,133)	(4,800,623)	(4,414,705)	385,918
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	3,053,916	3,053,916	3,053,916	-
Transfers Out	(354,657)	(354,657)	(354,657)	-
Total other financing sources (uses)	2,699,259	2,699,259	2,699,259	-
Net change in fund balances	(141,874)	(2,101,364)	(1,715,446)	385,918
Fund balance, beginning of year	9,042,352	9,042,352	9,042,352	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 8,900,478</b>	<b>\$ 6,940,988</b>	<b>\$ 7,326,906</b>	<b>\$ 385,918</b>

**Town of Highland Park, Texas**  
 Budgetary Comparison Schedule  
 Stormwater Drainage Fund  
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Service fees	\$ 433,031	\$ 433,031	\$ 427,247	\$ (5,784)
Investment income	35,705	35,705	16,302	(19,403)
Total revenues	468,736	468,736	443,549	(25,187)
<b>EXPENDITURES</b>				
Current				
General Government	362,900	362,900	275,426	87,474
Capital Outlay	1,380,400	1,380,400	1,025,262	355,138
Total expenditures	1,743,300	1,743,300	1,300,688	442,612
Deficiency of revenues over expenditures	(1,274,564)	(1,274,564)	(857,139)	417,425
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	175,000	175,000	175,000	-
Transfers Out	(103,300)	(103,300)	(103,300)	-
Total other financing sources (uses)	71,700	71,700	71,700	-
Net change in fund balances	(1,202,864)	(1,202,864)	(785,439)	417,425
Fund balance, beginning of year	3,732,139	3,732,139	3,732,139	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 2,529,275</b>	<b>\$ 2,529,275</b>	<b>\$ 2,946,700</b>	<b>\$ 417,425</b>

**Town of Highland Park, Texas**  
Nonmajor Governmental Funds  
Special Revenue Funds

**NONMAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS**

**Forfeited Property Fund** – Accounts for the receipt of forfeited assets as a result of criminal activities and the funding of crime prevention programs and equipment.

**Court Technology Fund** – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to technological enhancements for Municipal Court.

**Court Security Fund** – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to security for Municipal Court.

**DPS Technology Fund** – Accounts for the receipt and expenditure of resources allocated to technology acquisitions and upgrades for the Department of Public Safety.

**Library Fund** – Accounts for royalty receipts that are restricted for the library.

**Truancy Prevention Fund** – This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to juvenile case managers.

**Municipal Jury Fund**– This special revenue fund accounts for the Local Consolidated Fee charged to defendants as specified by state law as related to juror reimbursements.

Town of Highland Park, Texas  
Combining Balance Sheet  
Nonmajor Governmental Funds  
September 30, 2021

	Special Revenue Funds			
	Forfeited Property	Court Technology	Court Security	DPS Technology
<b>ASSETS</b>				
Cash and equivalents	\$ 31,015	\$ 113,175	\$ 24,575	\$ 286,350
<b>TOTAL ASSETS</b>	<u>\$ 31,015</u>	<u>\$ 113,175</u>	<u>\$ 24,575</u>	<u>\$ 286,350</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers payable	\$ 2,662	\$ 791	\$ -	\$ -
Total liabilities	2,662	791	-	-
<b>FUND BALANCES</b>				
Restricted				
Crime prevention	28,353	-	-	-
Court technology	-	112,384	-	-
Court security	-	-	24,575	-
DPS technology	-	-	-	286,350
Library	-	-	-	-
Total fund balances	<u>28,353</u>	<u>112,384</u>	<u>24,575</u>	<u>286,350</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 31,015</u>	<u>\$ 113,175</u>	<u>\$ 24,575</u>	<u>\$ 286,350</u>

**Special Revenue Funds - Continued**

<u>Library</u>	<u>Truancy Prevention</u>	<u>Municipal Jury</u>	<u>Total Nonmajor Funds</u>
\$ 304,738	\$ 33,186	\$ 663	\$ 793,702
\$ 304,738	\$ 33,186	\$ 663	\$ 793,702
\$ 551	\$ -	\$ -	\$ 4,004
551	-	-	4,004
-	33,186	663	62,202
-	-	-	112,384
-	-	-	24,575
-	-	-	286,350
304,187	-	-	304,187
304,187	33,186	663	789,698
\$ 304,738	\$ 33,186	\$ 663	\$ 793,702

**Town of Highland Park, Texas**

Combining Statement of Revenues, Expenditures, and

Changes in Fund Balances

Nonmajor Governmental Funds

Year Ended September 30, 2021

	<b>Special Revenue Funds</b>			
	<b>Forfeited Property</b>	<b>Court Technology</b>	<b>Court Security</b>	<b>DPS Technology</b>
<b>REVENUES</b>				
Service fees	\$ -	\$ 34,034	\$ 33,302	\$ -
Investment income	90	399	71	1,116
Contributions	-	-	-	-
Miscellaneous	926	-	-	92,707
Total revenues	1,016	34,433	33,373	93,823
<b>EXPENDITURES</b>				
Current				
Library	-	-	-	-
Municipal court	-	26,064	-	-
Total expenditures	-	26,064	-	-
Excess (deficiency) of revenues over (under) expenditures	1,016	8,369	33,373	93,823
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(24,600)	(90,528)
Total other financing sources (uses)	-	-	(24,600)	(90,528)
Net change in fund balances	1,016	8,369	8,773	3,295
Fund balances, beginning of year	27,337	104,015	15,802	283,055
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 28,353</b>	<b>\$ 112,384</b>	<b>\$ 24,575</b>	<b>\$ 286,350</b>

Special Revenue Funds - Continued			Total Nonmajor Governmental Funds
Library	Truancy Prevention	Municipal Jury	
\$ -	\$ 20,462	\$ 409	\$ 88,207
1,124	71	1	2,872
41,884	-	-	41,884
-	-	-	93,633
43,008	20,533	410	226,596
21,581	-	-	21,581
-	-	-	26,064
21,581	-	-	47,645
21,427	20,533	410	178,951
-	-	-	(115,128)
-	-	-	(115,128)
21,427	20,533	410	63,823
282,760	12,653	253	725,875
\$ 304,187	\$ 33,186	\$ 663	\$ 789,698

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Forfeited Property Fund  
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 241	\$ 241	\$ 90	\$ (151)
Miscellaneous	2,500	2,500	926	(1,574)
Total revenues	2,741	2,741	1,016	(1,725)
<b>EXPENDITURES</b>				
Current				
Public Safety	1,000	1,000	-	1,000
Total expenditures	1,000	1,000	-	1,000
Excess (deficiency) of revenues over expenditures	1,741	1,741	1,016	(725)
Net change in fund balances	1,741	1,741	1,016	(725)
Fund balance, beginning of year	27,337	27,337	27,337	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 29,078</b>	<b>\$ 29,078</b>	<b>\$ 28,353</b>	<b>\$ (725)</b>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Court Technology Fund  
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Service fees	\$ 35,977	\$ 35,977	\$ 34,034	\$ (1,943)
Investment income	1,014	1,014	399	(615)
Total revenues	36,991	36,991	34,433	(2,558)
<b>EXPENDITURES</b>				
Current				
Municipal court	28,069	28,069	26,064	2,005
Total expenditures	28,069	28,069	26,064	2,005
Excess (deficiency) of revenues over expenditures	8,922	8,922	8,369	(553)
Net change in fund balances	8,922	8,922	8,369	(553)
Fund balance, beginning of year	104,015	104,015	104,015	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 112,937</b>	<b>\$ 112,937</b>	<b>\$ 112,384</b>	<b>\$ (553)</b>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Court Security Fund  
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Service fees	\$ 39,665	\$ 39,665	\$ 33,302	\$ (6,363)
Investment income	127	127	71	(56)
Total revenues	39,792	39,792	33,373	(6,419)
Excess (deficiency) of revenues over expenditures	39,792	39,792	33,373	(6,419)
<b>OTHER FINANCING USES</b>				
Transfers out	(24,600)	(24,600)	(24,600)	-
Total other financing uses	(24,600)	(24,600)	(24,600)	-
Net change in fund balances	15,192	15,192	8,773	(6,419)
Fund balance, beginning of year	15,802	15,802	15,802	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 30,994</b>	<b>\$ 30,994</b>	<b>\$ 24,575</b>	<b>\$ (6,419)</b>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 DPS Technology Fund  
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 2,868	\$ 2,868	\$ 1,116	\$ (1,752)
Miscellaneous	90,528	90,528	92,707	2,179
Total revenues	<u>93,396</u>	<u>93,396</u>	<u>93,823</u>	<u>427</u>
Excess of revenues over expenditures	<u>93,396</u>	<u>93,396</u>	<u>93,823</u>	<u>427</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(90,528)</u>	<u>(90,528)</u>	<u>(90,528)</u>	<u>-</u>
Total other financing uses	<u>(90,528)</u>	<u>(90,528)</u>	<u>(90,528)</u>	<u>-</u>
Net change in fund balances	2,868	2,868	3,295	427
Fund balance, beginning of year	<u>283,055</u>	<u>283,055</u>	<u>283,055</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 285,923</u></u>	<u><u>\$ 285,923</u></u>	<u><u>\$ 286,350</u></u>	<u><u>\$ 427</u></u>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Library Fund  
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 2,580	\$ 2,580	\$ 1,124	\$ (1,456)
Contributions	39,980	39,980	41,884	1,904
Total revenues	42,560	42,560	43,008	448
<b>EXPENDITURES</b>				
Current				
Library	33,480	33,480	21,581	11,899
Total expenditures	33,480	33,480	21,581	11,899
Excess of revenues over expenditures	9,080	9,080	21,427	12,347
Net change in fund balances	9,080	9,080	21,427	12,347
Fund balance, beginning of year	282,760	282,760	282,760	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 291,840</b>	<b>\$ 291,840</b>	<b>\$ 304,187</b>	<b>\$ 12,347</b>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Truancy Prevention Fund  
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Service fees	\$ 24,000	\$ 24,000	\$ 20,462	\$ (3,538)
Investment income	96	96	71	(25)
Total revenues	<u>24,096</u>	<u>24,096</u>	<u>20,533</u>	<u>(3,563)</u>
Excess (deficiency) of revenues over expenditures	<u>24,096</u>	<u>24,096</u>	<u>20,533</u>	<u>(3,563)</u>
Net change in fund balances	24,096	24,096	20,533	(3,563)
Fund balance, beginning of year	<u>12,653</u>	<u>12,653</u>	<u>12,653</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 36,749</u></u>	<u><u>\$ 36,749</u></u>	<u><u>\$ 33,186</u></u>	<u><u>\$ (3,563)</u></u>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Municipal Jury Fund  
 For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Service fees	\$ 480	\$ 480	\$ 409	\$ (71)
Investment income	6	6	1	(5)
Total revenues	<u>486</u>	<u>486</u>	<u>410</u>	<u>(76)</u>
Excess (deficiency) of revenues over expenditures	<u>486</u>	<u>486</u>	<u>410</u>	<u>(76)</u>
Net change in fund balances	486	486	410	(76)
Fund balance, beginning of year	<u>253</u>	<u>253</u>	<u>253</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 739</u></u>	<u><u>\$ 739</u></u>	<u><u>\$ 663</u></u>	<u><u>\$ (76)</u></u>

## INTERNAL SERVICE FUNDS

**Equipment Replacement Fund** – Accounts for the acquisition and disposal of vehicles and large dollar equipment for the Town.

**Building Maintenance Fund** – Accounts for repairs and maintenance to buildings owned by the Town.

**Technology Replacement Fund** – Accounts for the replacement of technology equipment.



**Town of Highland Park, Texas**  
Combining Statement of Net Position  
Internal Service Funds  
September 30, 2021

	<u>Equipment Replacement Fund</u>	<u>Building Maintenance Fund</u>	<u>Technology Replacement Fund</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 3,484,783	\$ 1,209,344	\$ 3,213,707	\$ 7,907,834
Total current assets	3,484,783	1,209,344	3,213,707	7,907,834
<b>CAPITAL ASSETS</b>				
Buildings and improvements	-	146,429	-	146,429
Vehicles and rolling stock	4,270,595	-	-	4,270,595
Machinery and equipment	853,912	86,207	4,979,089	5,919,208
Construction in progress	780,000	-	-	780,000
Accumulated depreciation	(3,104,933)	(30,254)	(3,456,310)	(6,591,497)
Net capital assets	2,799,574	202,382	1,522,779	4,524,735
Total assets	6,284,357	1,411,726	4,736,486	12,432,569
<b>LIABILITIES</b>				
Current liabilities				
Vouchers payable	73,732	17,055	-	90,787
Total current liabilities	73,732	17,055	-	90,787
<b>NET POSITION</b>				
Net investment in capital assets	2,799,574	202,382	1,522,779	4,524,735
Unrestricted	3,411,051	1,192,289	3,213,707	7,817,047
Total net position	6,210,625	1,394,671	4,736,486	12,341,782
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 6,284,357</u>	<u>\$ 1,411,726</u>	<u>\$ 4,736,486</u>	<u>\$ 12,432,569</u>

**Town of Highland Park, Texas**

Combining Statement of Revenues, Expenses,  
and Changes in Fund Net Position  
Internal Service Funds  
For the Fiscal Year Ended September 30, 2021

	<b>Equipment Replacement Fund</b>	<b>Building Maintenance Fund</b>	<b>Technology Replacement Fund</b>	<b>Total Internal Service Funds</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 610,000	\$ 477,300	\$ 590,557	\$ 1,677,857
Miscellaneous	-	40,142	-	40,142
Total operating revenues	610,000	517,442	590,557	1,717,999
<b>OPERATING EXPENSES</b>				
Materials and supplies	-	35,975	21,284	57,259
Services and charges	581	314,994	-	315,575
Depreciation	523,908	11,673	198,903	734,484
Total operating expenses	524,489	362,642	220,187	1,107,318
Operating income	85,511	154,800	370,370	610,681
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	14,957	4,328	13,898	33,183
Intergovernmental contributions	-	-	4,800	4,800
Gain (loss) on sale of assets	7,700	-	-	7,700
Total non-operating revenues (expenses)	22,657	4,328	18,698	45,683
Change in net position	108,168	159,128	389,068	656,364
Net position, beginning of year	6,102,457	1,235,543	4,347,418	11,685,418
<b>NET POSITION, END OF YEAR</b>	<b>\$ 6,210,625</b>	<b>\$ 1,394,671</b>	<b>\$ 4,736,486</b>	<b>\$ 12,341,782</b>

**Town of Highland Park, Texas**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended September 30, 2021

	<b>Equipment Replacement Fund</b>	<b>Building Maintenance Fund</b>	<b>Technology Replacement Fund</b>	<b>Total Internal Service Funds</b>
<b>OPERATING ACTIVITIES</b>				
Cash received from interfund services	\$ 683,732	\$ 517,442	\$ 618,932	\$ 1,820,106
Cash payments to suppliers for goods and services	(581)	(345,485)	(49,798)	(395,864)
Net cash provided by operating activities	683,151	171,957	569,134	1,424,242
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(893,382)	(39,252)	(276,231)	(1,208,865)
Intergovernmental contributions for capital acquisitions	-	-	4,800	4,800
Proceeds from sale of capital assets	7,700	-	-	7,700
Net cash used in capital and related financing activities	(885,682)	(39,252)	(271,431)	(1,196,365)
<b>INVESTING ACTIVITIES</b>				
Sales of investments	1,250,000	-	750,000	2,000,000
Investment income	17,312	4,328	18,545	40,185
Net cash provided by investing activities	1,267,312	4,328	768,545	2,040,185
Net change in cash and cash equivalents	1,064,781	137,033	1,066,248	2,268,062
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>2,420,002</b>	<b>1,072,311</b>	<b>2,147,459</b>	<b>5,639,772</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 3,484,783</b>	<b>\$ 1,209,344</b>	<b>\$ 3,213,707</b>	<b>\$ 7,907,834</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income	\$ 85,511	\$ 154,800	\$ 370,370	\$ 610,681
Adjustments to reconcile operating income to net cash provided by operating activities:				
Item not requiring cash				
Depreciation	523,908	11,673	198,903	734,484
Change in				
Increase (decrease) in accounts receivable	-	-	28,375	28,375
Increase (decrease) in vouchers payable	73,732	5,484	(28,514)	50,702
Total adjustments	597,640	17,157	198,764	813,561
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 683,151</b>	<b>\$ 171,957</b>	<b>\$ 569,134</b>	<b>\$ 1,424,242</b>



# Statistical Section



**Statistical Section**  
(Unaudited)

This part of the Town's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and related supplementary information says about the Town's overall financial health.

	<u>Page</u>
<b>Financial Trends – Schedules 1-5</b>	80
<p>This section contains information to help the reader understand how the Town's financial performance and well-being have changed over time.</p>	
<b>Revenue Capacity – Schedules 6-9</b>	92
<p>This section contains information to help the reader assess the Town's most significant local revenue source, the property tax.</p>	
<b>Debt Capacity – Schedules 10-11</b>	96
<p>This section contains information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</p>	
<b>Demographic and Economic Information – Schedules 12-14</b>	98
<p>This section contains information to help the reader understand the environment within which the Town's financial activities take place.</p>	
<b>Operating Information – Schedules 15-17</b>	102
<p>This section contains information to help the reader understand how the information in The Town's financial report relates to the services the Town provides and the activities it performs.</p>	

**Town of Highland Park, Texas**  
 Net Position by Component  
 Last Ten Fiscal Years  
*(Accrual Basis of Accounting)*

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 36,283,176	\$ 42,861,512	\$ 49,151,886	\$ 47,756,610
Restricted	-	-	-	7,160,695
Unrestricted	<u>20,652,750</u>	<u>16,332,102</u>	<u>10,753,328</u>	<u>13,107,840</u>
Total governmental activities	56,935,926	59,193,614	59,905,214	68,025,145
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	17,422,351	18,280,047	19,377,428	20,559,598
Restricted	-	-	-	862,321
Unrestricted	<u>1,933,334</u>	<u>2,493,350</u>	<u>2,059,231</u>	<u>3,343,815</u>
Total business-type activities	19,355,685	20,773,397	21,436,659	24,765,734
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	53,705,527	61,141,559	68,529,314	68,316,208
Restricted	-	-	-	8,023,016
Unrestricted	<u>22,586,084</u>	<u>18,825,452</u>	<u>12,812,559</u>	<u>16,451,655</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 76,291,611</u>	<u>\$ 79,967,011</u>	<u>\$ 81,341,873</u>	<u>\$ 92,790,879</u>

Source: Town Annual Comprehensive Financial Report

Schedule 1

2016	2017	2018	2019	2020	2021
\$ 46,764,910	\$ 46,950,588	\$ 48,600,002	\$ 51,296,854	\$ 55,637,115	\$ 59,412,918
6,427,046	5,070,790	4,650,021	678,207	850,463	933,776
15,495,335	17,931,929	21,461,168	29,303,573	27,747,703	38,982,924
68,687,291	69,953,307	74,711,191	81,278,634	84,235,281	99,329,618
21,977,963	25,064,820	24,380,192	24,989,944	26,981,741	27,829,668
757,365	588,189	540,101	-	-	-
4,878,494	4,783,514	8,134,055	10,109,727	9,559,018	9,543,879
27,613,822	30,436,523	33,054,348	35,099,671	36,540,759	37,373,547
68,742,873	72,015,408	72,980,194	76,286,798	82,618,856	87,242,586
7,184,411	5,658,979	5,190,122	678,207	850,463	933,776
20,373,829	22,715,443	29,595,223	39,413,300	37,306,721	48,526,803
<u>\$ 96,301,113</u>	<u>\$ 100,389,830</u>	<u>\$ 107,765,539</u>	<u>\$ 116,378,305</u>	<u>\$ 120,776,040</u>	<u>\$ 136,703,165</u>

**Town of Highland Park, Texas**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
*(Accrual Basis of Accounting)*

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 1,033,107	\$ 1,973,256	\$ 3,277,962	\$ 2,757,174
Department of public safety	10,214,838	10,575,157	10,831,500	10,864,166
Town services	-	-	-	-
Street department	1,117,699	1,175,073	1,850,685	1,830,746
Street lighting department	206,703	237,734	190,317	188,515
Library	768,755	712,953	701,144	813,700
Parks department	1,240,538	1,350,947	1,429,901	1,393,455
Swimming pool	192,559	199,939	181,970	193,642
Sanitation	1,039,230	1,073,427	1,133,782	1,094,766
Municipal court	319,953	329,474	320,071	352,954
Finance department	473,970	733,642	780,928	765,516
Building inspection department	392,023	406,813	426,574	475,766
Total governmental activities expenses	16,999,375	18,768,415	21,084,834	20,730,400
Business-type activities:				
Enterprise	6,702,773	6,278,852	6,411,751	6,027,849
Total business-type activities expenses	6,702,773	6,278,852	6,411,751	6,027,849
Total primary government expenses	23,702,148	25,047,267	27,496,585	26,758,249
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services				
General government	376,375	376,083	386,948	500,509
Department of public safety	666,846	761,759	737,090	745,218
Street department	134,859	144,332	138,687	153,689
Library	15,347	10,512	10,310	11,033
Parks department	10,560	10,520	11,482	14,086
Swimming pool	103,531	105,095	97,840	95,699
Sanitation*	1,254,088	1,242,590	1,231,340	1,236,438
Municipal court	684,318	845,028	787,331	789,631
Building inspection department	926,297	963,254	1,232,986	1,370,473
Operating grants and contributions	-	101,770	98,069	77,503
Capital grants and contributions	-	1,175,308	702,885	338,170
Total governmental activities program revenues	4,172,221	5,736,251	5,434,968	5,332,449
Business-type activities:				
Charges for services	8,237,561	8,640,478	8,109,508	8,735,372
Capital grants and contributions	627,941	-	42,880	780,300
Total business-type activities program revenues	8,865,502	8,640,478	8,152,388	9,515,672
Total primary government program revenues	13,037,723	14,376,729	13,587,356	14,848,121
<b>NET (EXPENSE/REVENUE)</b>				
Governmental activities	(12,827,154)	(13,032,164)	(15,649,866)	(15,397,951)
Business-type activities	2,162,729	2,361,626	1,740,637	3,487,823
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<b>\$ (10,664,425)</b>	<b>\$ (10,670,538)</b>	<b>\$ (13,909,229)</b>	<b>\$ (11,910,128)</b>

\*Beginning in fiscal year 2017, sanitation activities are being reported in the Enterprise fund.

Source: Town Annual Comprehensive Financial Report

2016	2017	2018	2019	2020	2021
\$ 2,384,232	\$ 2,619,896	\$ 2,356,690	\$ 3,098,785	\$ 3,765,097	\$ 2,981,564
12,739,997	12,791,955	12,945,374	13,740,569	17,180,703	12,512,997
581,762	535,389	546,896	536,719	554,707	498,352
1,833,046	2,124,658	2,525,487	2,353,901	2,628,353	2,811,780
173,948	174,281	163,948	171,973	168,476	117,267
858,706	748,880	861,484	932,961	938,552	939,472
1,440,116	1,560,182	1,617,882	1,958,178	2,102,759	1,988,991
207,793	232,174	217,285	212,452	186,375	208,344
1,093,055	-	-	-	-	-
411,642	394,023	460,418	508,203	522,465	507,601
757,264	780,238	830,269	970,798	1,190,417	864,940
526,709	553,578	845,846	774,762	781,322	896,119
23,008,270	22,515,254	23,371,579	25,259,301	30,019,226	24,327,427
6,303,437	7,684,059	8,097,351	7,853,843	8,905,337	8,480,641
6,303,437	7,684,059	8,097,351	7,853,843	8,905,337	8,480,641
29,311,707	30,199,313	31,468,930	33,113,144	38,924,563	32,808,068
403,852	416,071	421,736	532,944	598,382	455,092
871,979	856,381	807,058	1,144,249	1,230,719	903,656
-	-	-	-	-	-
10,770	8,729	10,376	9,742	5,664	6,245
11,722	11,643	22,724	13,339	27,563	21,000
98,254	100,667	198,587	108,690	75,648	110,508
1,235,509	-	-	-	-	-
1,016,752	1,194,712	1,099,949	1,434,027	821,654	665,870
1,008,806	1,453,459	1,239,753	1,418,085	1,367,286	1,556,166
38,436	38,422	46,118	53,800	87,347	61,884
892,238	402,065	3,476,027	4,810,374	5,129,895	1,988,732
5,588,318	4,482,149	7,322,328	9,525,250	9,344,158	5,769,153
9,685,418	10,884,396	11,683,600	10,958,440	11,363,772	11,047,240
551,244	768,705	373,600	130,135	199,000	62,000
10,236,662	11,653,101	12,057,200	11,088,575	11,562,772	11,109,240
15,824,980	16,135,250	19,379,528	20,613,825	20,906,930	16,878,393
(17,419,952)	(18,033,105)	(16,049,251)	(15,734,051)	(20,675,068)	(18,558,274)
3,933,225	3,969,042	3,959,849	3,234,732	2,657,435	2,628,599
\$ (13,486,727)	\$ (14,064,063)	\$ (12,089,402)	\$ (12,499,319)	\$ (18,017,633)	\$ (15,929,675)

**Town of Highland Park, Texas**  
Changes in Net Position - Continued  
Last Ten Fiscal Years  
*(Accrual Basis of Accounting)*

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 9,640,285	\$ 9,744,640	\$ 10,053,948	\$ 10,671,716
Sales taxes	2,923,273	2,952,203	3,437,806	3,514,625
Other taxes	146,057	160,250	189,232	175,550
Franchise taxes	1,078,503	965,140	1,024,422	1,051,658
Penalty and interest on taxes	45,662	46,903	54,809	49,867
Investment income	80,420	56,257	53,695	49,550
Intergovernmental	-	-	-	-
Miscellaneous and gain (loss) on sale of assets	510,315	416,286	462,208	451,252
Transfers	1,900,955	948,173	1,085,346	1,003,851
Total governmental activities	<u>16,325,470</u>	<u>15,289,852</u>	<u>16,361,466</u>	<u>16,968,069</u>
Business-type activities:				
Investment and miscellaneous income	12,168	4,259	7,971	6,519
Transfers	(1,900,955)	(948,173)	(1,085,346)	(1,003,851)
Total business-type activities	<u>(1,888,787)</u>	<u>(943,914)</u>	<u>(1,077,375)</u>	<u>(997,332)</u>
Total primary government	14,436,683	14,345,938	15,284,091	15,970,737
<b>CHANGE IN NET POSITION</b>				
Governmental activities	3,498,316	2,257,688	711,600	1,570,118
Business-type activities	273,942	1,417,712	663,262	2,490,491
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 3,772,258</u>	<u>\$ 3,675,400</u>	<u>\$ 1,374,862</u>	<u>\$ 4,060,609</u>

2016	2017	2018	2019	2020	2021
\$ 11,593,666	\$ 12,627,053	\$ 13,253,603	\$ 13,771,347	\$ 14,833,790	\$ 15,184,505
3,616,074	3,480,389	4,071,324	4,312,342	4,198,191	5,663,645
191,407	219,135	270,661	329,814	286,304	432,488
1,021,287	1,037,496	1,036,561	1,085,951	938,957	884,641
48,196	55,376	105,698	83,002	83,786	87,774
92,266	206,841	443,110	760,221	421,252	153,769
-	-	-	-	-	-
429,777	488,288	521,421	541,134	1,504,216	9,394,855
1,099,425	1,184,543	1,401,658	1,417,683	1,365,219	1,850,934
18,092,098	19,299,121	21,104,036	22,301,494	23,631,715	33,652,611
14,288	38,202	109,027	228,274	148,872	55,123
(1,066,425)	(1,184,543)	(1,401,658)	(1,417,683)	(1,365,219)	(1,850,934)
(1,052,137)	(1,146,341)	(1,292,631)	(1,189,409)	(1,216,347)	(1,795,811)
17,039,961	18,152,780	19,811,405	21,112,085	22,415,368	31,856,800
672,146	1,266,016	5,054,785	6,567,443	2,956,647	15,094,337
2,881,088	2,822,701	2,667,218	2,045,323	1,441,088	832,788
\$ 3,553,234	\$ 4,088,717	\$ 7,722,003	\$ 8,612,766	\$ 4,397,735	\$ 15,927,125



**Town of Highland Park, Texas**

## Governmental Funds Tax Revenues by Source

Last Ten Fiscal Years

*(Modified Accrual Basis of Accounting)***Schedule 3**

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Sales Tax</b>	<b>Franchise Tax</b>	<b>Mixed Beverage Tax</b>	<b>Total</b>
2012	\$9,640,285	\$2,923,273	\$1,078,503	\$ 146,057	\$ 13,788,118
2013	9,744,640	2,952,203	965,140	160,250	13,822,233
2014	10,053,948	3,437,806	1,024,422	189,232	14,705,408
2015	10,671,716	3,514,625	1,051,658	175,550	15,413,549
2016	11,593,666	3,606,074	1,021,287	191,407	16,412,434
2017	12,627,053	3,480,389	1,037,496	219,135	17,364,073
2018	13,253,603	4,071,324	1,036,561	270,661	18,632,149
2019	13,771,347	4,312,342	1,085,951	329,814	19,499,454
2020	14,833,790	4,198,191	938,957	286,304	20,257,242
2021	15,201,900	5,663,645	884,641	432,488	22,182,674

Source: Town Annual Comprehensive Financial Report

**Town of Highland Park, Texas**  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
*(Modified Accrual Basis of Accounting)*

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>GENERAL FUND</b>				
Nonspendable	\$ 15,227	\$ 148,475	\$ 32,055	\$ 12,844
Restricted	128,634	-	-	24,000
Committed	-	-	-	-
Assigned	338,756	614,758	625,122	883,224
Unassigned	<u>3,935,117</u>	<u>3,203,691</u>	<u>4,296,843</u>	<u>4,047,254</u>
Total general fund	4,417,734	3,966,924	4,954,020	4,967,322
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	170	253	-	-
Restricted	59,441	246,497	281,565	401,476
Committed	12,400,573	3,684,791	2,234,474	4,002,298
Assigned	<u>2,080,320</u>	<u>6,032,322</u>	<u>172,921</u>	<u>219,488</u>
Total all other governmental funds	<u>14,540,504</u>	<u>9,963,863</u>	<u>2,688,960</u>	<u>4,623,262</u>
<b>TOTAL GOVERNMENTAL FUNDS</b>	<u><u>\$ 18,958,238</u></u>	<u><u>\$ 13,930,787</u></u>	<u><u>\$ 7,642,980</u></u>	<u><u>\$ 9,590,584</u></u>

Source: Town Annual Comprehensive Financial Report

Schedule 4

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 22,992	\$ 159,937	\$ 14,469	\$ 11,759	\$ 14,705	\$ 19,830
14,000	14,000	14,000	-	124,588	144,078
-	-	-	-	974,559	10,139,152
1,136,308	1,377,190	1,205,592	1,180,056	1,960,441	1,360,812
<u>3,517,765</u>	<u>3,885,817</u>	<u>4,540,892</u>	<u>5,219,327</u>	<u>4,670,765</u>	<u>7,717,749</u>
4,691,065	5,436,944	5,774,953	6,411,142	7,745,058	19,381,621
-	-	-	-	-	-
516,425	628,530	625,198	678,207	725,875	789,698
5,810,044	7,523,730	6,767,959	8,658,185	10,077,807	7,526,582
<u>833,609</u>	<u>1,054,012</u>	<u>2,582,157</u>	<u>2,459,396</u>	<u>2,696,684</u>	<u>2,747,024</u>
7,160,078	9,206,272	9,975,314	11,795,788	13,500,366	11,063,304
<u>\$ 11,851,143</u>	<u>\$ 14,643,216</u>	<u>\$ 15,750,267</u>	<u>\$ 18,206,930</u>	<u>\$ 21,245,424</u>	<u>\$ 30,444,925</u>

**Town of Highland Park, Texas**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
*(Modified Accrual Basis of Accounting)*

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>REVENUES</b>				
Taxes	\$ 13,805,491	\$ 13,767,078	\$ 14,691,139	\$ 15,505,358
Penalties and interest	45,662	46,903	54,809	49,867
Licenses and permits	995,508	1,041,353	1,273,423	1,424,885
Service and franchise fees	2,875,018	2,928,470	2,914,043	2,960,189
Fines and forfeitures	351,545	442,995	429,429	406,839
Investment income	72,398	49,886	42,428	37,436
Intergovernmental	-	-	-	-
Contributions	99,042	1,277,078	800,954	415,673
Miscellaneous	316,099	373,058	340,951	450,151
<b>Total revenues</b>	<b>18,560,763</b>	<b>19,926,821</b>	<b>20,547,176</b>	<b>21,250,398</b>
<b>EXPENDITURES</b>				
General government	1,126,197	1,822,661	2,324,629	2,188,987
Department of public safety	9,984,927	10,289,647	10,442,551	11,189,760
Town services	-	362,468	-	-
Street department	374,173	199,859	349,310	377,557
Street lighting department	169,907	639,355	175,276	186,869
Library	625,146	1,267,715	625,195	743,172
Parks department	1,220,933	168,316	1,353,546	1,385,583
Swimming pool	162,743	315,970	153,275	166,016
Municipal court	297,165	731,295	276,807	352,954
Finance department	471,900	405,514	781,748	791,310
Building inspection department	392,023	1,069,999	422,026	475,766
Sanitation*	1,039,230	8,418,334	1,102,043	1,094,766
Capital outlay	2,775,231	-	9,611,560	1,353,905
<b>Total expenditures</b>	<b>18,639,575</b>	<b>25,691,133</b>	<b>27,617,966</b>	<b>20,306,645</b>
Excess (deficiency) of revenues over (under) expenditures	(78,812)	(5,764,312)	(7,070,790)	943,753
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,794,899	3,424,075	2,713,791	3,896,967
Transfers out	(2,693,944)	(2,689,222)	(1,932,120)	(2,893,116)
Proceeds from sale of capital assets	5,817	2,008	1,312	-
<b>Total other financing sources (uses)</b>	<b>2,106,772</b>	<b>736,861</b>	<b>782,983</b>	<b>1,003,851</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 2,027,960</b>	<b>\$ (5,027,451)</b>	<b>\$ (6,287,807)</b>	<b>\$ 1,947,604</b>

\* Beginning in fiscal year 2017, sanitation activities are being reported in the Enterprise fund.

Source: Town Annual Comprehensive Financial Report

Schedule 5

2016	2017	2018	2019	2020	2021
\$ 16,392,412	\$ 16,293,063	\$ 17,608,789	\$ 18,413,771	\$ 19,257,224	\$ 21,298,033
48,196	55,376	105,698	83,002	83,786	87,774
1,050,004	1,499,728	1,228,621	1,444,633	1,411,594	1,592,042
3,108,151	3,096,463	3,066,496	3,337,171	2,808,609	2,734,052
474,179	462,396	434,024	514,011	299,002	245,039
67,366	153,834	343,893	567,086	318,868	120,586
-	-	1,287,770	5,193,320	2,513,332	2,014,877
930,674	440,487	46,118	53,800	60,519	57,084
347,894	420,032	444,854	447,510	437,957	459,542
22,418,876	22,421,379	24,566,263	30,054,304	27,190,891	28,609,029
1,777,454	2,014,024	2,029,119	2,120,711	2,254,606	2,631,084
11,177,755	11,517,024	12,368,726	12,687,420	13,275,151	13,504,159
503,180	522,547	534,106	524,494	548,693	492,338
1,133,508	1,416,617	1,507,748	1,605,049	1,872,132	1,889,052
160,212	172,221	159,411	170,327	166,830	136,636
776,121	678,146	789,510	862,433	868,024	868,615
1,307,206	1,445,195	1,536,638	1,754,729	1,697,430	1,964,092
181,082	205,460	191,718	186,096	158,801	180,174
400,708	393,816	458,972	508,203	522,465	506,593
757,116	811,923	829,268	897,434	940,857	935,897
526,709	553,578	845,846	774,762	781,322	903,973
1,093,055	-	-	-	-	-
1,463,636	1,061,411	3,427,686	6,923,666	3,405,116	6,175,462
21,257,742	20,791,962	24,678,748	29,015,324	26,491,427	30,188,075
1,161,134	1,629,417	(112,485)	1,038,980	699,464	(1,579,046)
5,109,975	5,612,637	5,894,153	5,645,458	5,249,478	4,555,216
(4,010,550)	(4,452,992)	(4,683,117)	(4,227,775)	(3,884,259)	(2,938,137)
-	3,011	8,500	-	973,811	9,161,468
1,099,425	1,162,656	1,219,536	1,417,683	2,339,030	10,778,547
\$ 2,260,559	\$ 2,792,073	\$ 1,107,051	\$ 2,456,663	\$ 3,038,494	\$ 9,199,501

**Town of Highland Park, Texas**

**Schedule 6**

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Estimated Market Value			Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Business Personal Property	Less: Tax-Exempt Property		
2012	\$5,057,262,630	\$ 56,732,470	\$ 1,057,634,320	\$ 4,056,360,780	0.220000
2013	5,057,223,790	61,252,130	1,038,248,559	4,080,227,361	0.220000
2014	5,220,705,430	72,506,290	1,053,795,597	4,239,416,123	0.220000
2015	5,650,613,160	79,298,850	1,195,241,564	4,534,670,446	0.220000
2016	6,184,790,790	78,087,300	1,342,579,935	4,920,298,155	0.220000
2017	6,703,062,340	91,050,750	1,450,954,097	5,343,158,993	0.220000
2018	7,349,615,600	88,973,310	1,424,570,127	6,014,018,783	0.220000
2019	7,622,177,870	99,755,280	1,448,721,270	6,273,211,880	0.220000
2020	7,853,250,380	106,359,070	1,495,372,440	6,464,237,010	0.230000
2021	8,041,214,480	108,081,240	1,551,372,473	6,597,923,247	0.230000

Source: Dallas Central Appraisal District

Town of Highland Park, Texas  
 Property Tax Rates  
 Direct and Overlapping Governments  
 Last Ten Fiscal Years

Schedule 7

Fiscal Year	Direct Rate	Overlapping Rates					
	Town of	County			School District		
	Highland Park Operating/ General Rate	Dallas County	Hospital District	College District	Total County	Highland Park I.S.D.	Dallas I.S.D.
2012	0.220000	0.243100	0.271000	0.119380	0.633480	1.134200	1.290350
2013	0.220000	0.243100	0.271000	0.119380	0.633480	1.134200	1.282090
2014	0.220000	0.243100	0.276000	0.124700	0.643800	1.126700	1.282090
2015	0.220000	0.243100	0.286000	0.124700	0.653800	1.118100	1.282090
2016	0.220000	0.243100	0.286000	0.123650	0.652750	1.111900	1.282090
2017	0.220000	0.243100	0.279400	0.122930	0.645430	1.152700	1.282090
2018	0.220000	0.253100	0.279400	0.124240	0.656740	1.203200	1.282090
2019	0.220000	0.253100	0.279400	0.124240	0.656740	1.235500	1.412040
2020	0.230000	0.253100	0.269500	0.124000	0.646600	1.165500	1.310390
2021	0.230000	0.249740	0.266100	0.124000	0.639840	1.151900	1.296740

Source: Dallas Central Appraisal District

Town of Highland Park, Texas

Principal Property Taxpayers

September 30, 2021 and 2012

Schedule 8

Property Tax Payer	2021			2012		
	Assessed Value	Rank	% of Taxable Assessed Value	Assessed Value	Rank	% of Taxable Assessed Value
HP Village Partners	\$ 200,666,570	1	3.04%	\$ 105,007,490	1	2.38%
Crow, Harlan	43,714,560	2	0.66%	19,269,952	4	0.44%
Cox, Edwin L Trust	40,224,530	3	0.61%	17,045,928	5	0.39%
Muse, John R	39,470,000	4	0.60%	23,740,456	3	0.54%
Dallas Country Club	33,284,050	5	0.50%	37,580,080	2	0.85%
Ware, Leslie	33,145,200	6	0.50%			
L & B Depp UCEPP 5500	23,500,000	7	0.36%	16,700,000	6	0.38%
Jones, Jerral W. & Gene C.	22,448,224	8	0.34%	13,580,656	10	0.31%
Intercity Investment	20,007,660	9	0.30%			
Mitchell, Amy E	19,419,440	10	0.29%	16,320,720	7	0.37%
Corrigan Properties, Inc	-		0.00%	15,250,000	8	0.35%
Margaret Crow Life Estate	-		0.00%	13,615,248	9	0.31%
<b>Total</b>	<b>475,880,234</b>		<b>7.21%</b>	<b>278,110,530</b>		<b>6.31%</b>
<b>Total Assessed Valuation</b>	<b>\$ 6,597,923,247</b>		<b>100.00%</b>	<b>\$ 4,406,947,910</b>		<b>100.00%</b>

Source: Dallas County Tax Office

Town of Highland Park, Texas  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

Schedule 9

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Periods	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percentage of Levy*
2012	\$ 9,696,331	\$ 9,622,922	99.2%	\$ 20,881	\$ 9,643,803	99.5%
2013	9,783,604	9,683,980	99.0%	23,628	9,707,608	99.2%
2014	10,118,831	10,002,650	98.9%	14,357	10,017,007	99.0%
2015	10,836,257	10,732,287	99.0%	4,217	10,736,504	99.1%
2016	11,715,800	11,580,927	98.8%	24,588	11,605,515	99.1%
2017	12,686,330	12,564,113	99.0%	49,522	12,613,635	99.4%
2018	13,236,917	13,173,165	99.5%	27,612	13,200,777	99.7%
2019	13,805,559	13,677,917	99.1%	79,104	13,757,021	99.6%
2020	14,870,511	14,753,266	99.2%	46,721	14,799,987	99.5%
2021	15,208,071	15,115,453	99.4%	-	15,115,453	99.4%

\*Percentage of Levy Collected to Date does not reflect the effect of post levy adjustments.

Source: Dallas County Tax Collection System - Tax Collector Monthly Reports

**Town of Highland Park, Texas**  
 Computation of Direct and Overlapping Debt  
 Year Ended September 30, 2021

**Schedule 10**

Governmental Unit	Gross Bonded Debt	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Town of Highland Park	\$ -	0.000%	\$ -
Dallas County	116,665,000	2.580%	3,009,957
Dallas Community College District	115,750,000	2.510%	2,905,325
Dallas County Hospital District	575,530,000	2.580%	14,848,674
Dallas County Schools	16,679,652	2.780%	463,694
Dallas Independent School District	3,259,600,000	0.240%	7,823,040
Highland Park Independent School District	349,910,000	37.150%	129,991,565
	<u>\$4,434,134,652</u>		<u>\$ 159,042,255</u>
<b>Total Direct and Overlapping Debt to Total Taxable Assessed Valuation</b>			<u>2.41%</u>
<b>Per Capita Overlapping Debt</b>			<u>\$ 17,942</u>

Source: Municipal Advisory Council of Texas Estimated Overlapping Debt Statement

**Note:**The estimated Percentage Applicable is the ratio of total taxable values in Highland Park compared to total for each respective governmental unit.

As a home rule city, the Town of Highland Park is not limited by the law in the amount of debt it may issue. The Town's charter (Section 9.10) states:

The Town shall have the power to borrow money on the credit of the Town and to issue general obligation bonds and other evidence of indebtedness for permanent public improvements or for any other public purpose not prohibited by the Constitution and laws of the state of Texas, and to issue refunding bonds to refund outstanding bonds and other evidences of indebtedness of the Town previously issued. All such bonds shall be issued in conformity with the laws of the State of Texas.

The Town has no issued debt outstanding as of September 30, 2021.

Town of Highland Park, Texas  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years

Schedule 12

Fiscal Year Ended Sept 30	Population <sup>(1)</sup>	Personal Income*	Per Capita Personal Income <sup>(5)/*</sup>	Unemployment Rate <sup>(4)</sup>
2012	8,686	\$ 1,152,354,248	\$ 132,668	7.30%
2013	8,815	1,134,984,140	128,756	4.90%
2014	8,862	1,083,166,812	122,226	5.00%
2015	8,950	1,107,947,350	123,793	4.00%
2016	9,189	1,137,533,877	123,793	4.10%
2017	9,150	1,097,751,914	119,973	3.40%
2018	9,208	1,312,370,200	142,525	3.40%
2019	9,180	1,531,609,560	166,842	3.20%
2020	9,083	1,353,993,727	149,069	3.20%
2021	8,864	1,321,347,616	149,069	3.20%

**Sources:** US Census Bureau's QuickFacts report, US Census Population Estimate Beginning in 2011, US Department of Labor - Bureau of Labor Statistic

Town of Highland Park, Texas  
Principal Employers  
Current Year and Nine Years Ago

Schedule 13

2021			2012		
Employer	Number of Establishments	Employees	Business Sector	Number of Establishments	Employees
Retail trade	60	622	Real Estate & Rental Leasing	27	82
Wholesale trade	D	20 to 99	Retail Trade	51	584
Information	D	20 to 99	Accommodations & Food	10	313
Finance and insurance	D	250 to 499	Other Services (Except Public Administration)	13	81
Professional, scientific and technical services	61	142	Professional, Scientific & Technical Services	43	158
Real estate and rental leasing	D	20 to 99	Information	5	*
Administrative and support and Waste Management and remediation services	18	78	Administrative & Support & Waste Management & Remediation	13	28
Education services	3	10	Health Care & Social Assistance	22	*
Health care and social assistance	30	106	Arts, Entertainment & Recreation	8	*
Arts, entertainment and recreation	9	335	Education Services	3	*
Accommodations and food services	16	495			
Other services (except public administration)	12	204			

\*Information not available

NOTE: The Town of Highland Park is a relatively small municipality, with a radius of about 2.2 square miles. The Town's most recent estimated population is approximately 8,864. Since there is no chamber of commerce in Highland Park, the only available information on employers is the Economic Census from the U.S. Census Bureau. This Census does not include information on individual businesses; rather, it contains only aggregate information by business sector. The information presented is from the most recent applicable Economic Census: 2021 was obtained from the 2017 Economic Census, and 2012 data was obtained

"D" = Individual company data withheld according to the U.S. Census Bureau website.



**Town of Highland Park, Texas**  
**Construction and Property Values**  
**Last Ten Fiscal Years**

**Schedule 14**

Fiscal Year	Commercial Construction*		Residential Construction*		Property Value**	
	Number of Permits	Value	Number of Permits	Value	Real Property	Personal Property
2012	34	\$ 3,235,348	903	\$64,144,609	\$ 5,407,849,850	\$56,732,470
2013	33	4,517,931	1,150	69,905,735	5,423,170,690	61,252,130
2014	34	8,632,850	1,110	91,191,908	5,580,077,680	72,506,290
2015	48	12,690,806	1,162	100,306,992	6,040,379,500	79,298,850
2016	29	8,623,479	1,164	102,641,000	6,588,993,380	78,087,300
2017	30	23,812,724	1,083	110,263,580	7,125,427,370	91,050,750
2018	22	45,226,370	1,117	83,254,000	7,136,257,020	80,221,100
2019	19	15,979,770	1,062	***	7,622,177,870	99,755,280
2020	26	16,227,820	808	***	7,856,250,380	106,359,070
2021	23	33,720,046	1,239	***	8,041,214,480	108,081,240

\*Source: Town of Highland Park Permitting and Inspections Department

\*\*Source: Dallas Central Appraisal District

\*\*\*Source: Pursuant to HB 852, which was passed May 21 by the 2019 Texas Legislature, cities may not base building permit revenue or inspection fees on the value of a residential dwelling or on the cost of constructing or improving the building.

**Town of Highland Park, Texas**  
 Full-Time Equivalent Employees by Function  
 Last Ten Fiscal Years

<b>FUNCTION/PROGRAM</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General government	2.6	5.0	5.0	5.0
Public safety	69.0	69.0	69.0	69.0
Town services	-	-	-	-
Street	3.3	3.3	3.3	3.3
Street lighting	1.8	2.0	1.0	1.0
Library	5.4	3.0	4.0	4.0
Parks	9.0	9.0	9.0	9.0
Municipal court	2.7	2.0	2.0	2.0
Finance	5.0	5.0	5.0	5.0
Building inspection	3.0	3.0	3.0	3.0
Service center	0.2	-	-	-
Information technology	-	1.0	1.0	1.0
Utility administration	6.8	4.0	4.0	4.0
Water	4.4	4.4	4.4	4.4
Sewer	2.3	2.3	2.3	2.3
Sanitation	-	-	-	-
Engineering	4.5	4.5	5.0	5.0
Stormwater administration	0.5	0.5	-	-
<b>TOTAL CITY POSITIONS</b>	<b>120.5</b>	<b>118.0</b>	<b>118.0</b>	<b>118.0</b>

Source: Official Town Budget

Schedule 15

2016	2017	2018	2019	2020	2021
2.0	2.0	2.0	2.0	2.0	2.0
70.0	70.5	73.0	73.0	73.0	73.0
3.0	3.0	3.0	3.0	3.0	3.0
3.3	3.3	3.3	3.3	3.3	3.0
1.0	1.0	1.0	1.0	1.0	1.0
4.0	4.0	4.0	5.0	5.5	5.0
9.0	9.0	7.0	7.0	7.0	7.0
2.0	2.0	2.0	2.0	2.0	2.0
5.0	5.0	5.0	5.0	5.0	5.0
4.0	4.0	5.0	5.0	5.0	5.0
-	-	-	-	-	-
1.0	1.0	1.0	1.0	1.0	1.0
3.0	3.0	3.0	3.0	3.0	3.0
4.4	4.4	5.4	5.4	5.4	5.0
2.3	2.3	2.3	2.3	2.3	2.0
-	-	-	-	-	-
5.0	5.0	4.0	4.0	4.0	4.0
-	-	-	-	-	-
119.0	119.5	121.0	122.0	122.5	121.0

**Town of Highland Park, Texas**  
 Operating Indicators by Function  
 Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>FUNCTION/PROGRAM</b>				
Administration				
Service requested processed	5,286	4,858	5,479	4,483
Public safety				
Call responses: Police	10,159	10,434	9,744	10,352
Call responses: Fire	778	751	914	812
Call responses: EMS	392	398	386	399
Citations issued	8,099	9,189	8,069	7,958
Street				
Asphalt repairs (tons)	524	676	335	554
Storm inlets	1,080	1,346	1,224	1,536
Library				
Total circulation	57,171	43,814	43,964	45,588
Valid library cards	2,945	2,568	2,359	2,456
Swimming pool				
Annual passes sold	1,501	1,523	1,467	1,344
Daily passes sold	2,554	3,260	2,100	2,752
Finance/personnel				
Accounts payable checks disbursed	3,128	3,150	3,533	3,378
Payroll checks/ACH disbursed	4,696	4,670	4,375	4,001
Building inspection				
Total inspections	3,088	3,121	2,982	3,924
Total permits issued	1,825	1,183	1,922	1,862
Water:				
Meters read	66,736	67,263	65,665	66,302
Meters installed/repaired	19	631	453	537
Sewer:				
Service calls	40	26	50	54
Mains cleaned	1,087	533	665	562

Source: Town Departments

## Schedule 16

2016	2017	2018	2019	2020	2021
4,744	4,103	4,434	4,389	4,034	4,130
10,945	10,530	10,137	9,281	9,229	9,086
815	621	717	824	824	958
417	369	366	379	352	431
9,596	12,054	11,505	11,695	7,158	5,556
300	250	295	250	250	283
1,400	1,518	1,400	1,425	1,431	1,490
47,449	47,317	44,398	48,148	48,403	57,654
2,577	2,739	2,570	2,100	2,120	2,057
1,360	1,365	1,381	1,223	1,086	1,481
3,059	2,540	2,608	2,487	-	1,897
3,450	3,160	2,870	2,953	3,149	3,387
4,026	3,963	3,995	4,366	4,177	4,214
4,449	4,347	4,633	4,611	3,896	3,516
1,865	1,748	1,742	1,640	1,724	1,917
66,777	66,136	67,542	66,451	66,521	66,750
252	107	449	577	582	334
29	22	25	22	27	30
522	585	458	464	462	383

**Town of Highland Park, Texas**  
 Capital Asset Statistics by Function  
 Last Ten Fiscal Years

<b>FUNCTION/PROGRAM</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Administration				
Municipal building	1	1	1	1
Public safety				
Stations	1	1	1	1
Fire vehicles	3	3	3	3
EMS vehicles	3	3	3	3
Patrol vehicles	10	10	10	10
Street				
Street (miles)	42	42	42	42
Library				
Libraries	1	1	1	1
Parks				
Parks	22	22	22	22
Tennis courts	8	8	8	8
Swimming pools	1	1	1	1
Water:				
Water mains (miles)	40	40	40	40
Fire hydrants	252	252	252	252
Sewer				
Wastewater collection system (miles)	37	37	37	37

Source: Town Departments

Schedule 17

2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
3	3	3	3	3	3
10	10	10	10	10	10
42	42	42	42	42	42
1	1	1	1	1	1
22	22	22	22	22	22
8	8	8	8	8	7
1	1	1	1	1	1
40	40	40	40	40	40
252	252	252	252	252	252
37	37	37	37	37	37

