



THE TOWN OF

*Highland Park*  
TEXAS

# Annual Comprehensive Financial Report

Fiscal Year Ended  
September 30, 2022



**Town of Highland Park, Texas**  
Annual Comprehensive Financial Report  
Fiscal Year Ended September 30, 2022

Prepared by:  
Finance Department



**Town of Highland Park, Texas**  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended September 30, 2022  
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# Introductory Section





February 7, 2023

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, 2022, 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, 2022, 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, 2022, 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 24 and other budgeted governmental funds on pages 59,60, and 66-72.

## **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 2022. The property tax rate remained unchanged from 2021, resulting in property tax revenues being higher than the prior year. Even with one of the lowest municipal property tax rates 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 lower compared to the prior fiscal year. The Town experienced the addition of new homes, the remodeling of existing homes, construction of a tennis facility at the Dallas Country Club and a commercial remodel for a retail store at the Highland Park Shopping Village. In the prior year, the construction of a fitness center and parking garage at the Dallas Country Club contributed significantly to building permit revenue. 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 within the community, particularly at the Highland Park Shopping Village and The Shops of Highland Park. While town management remains optimistic that revenues will continue to grow, 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, 2022, 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 37.3% of current year expenditures. The Town's Enterprise Fund encompasses water and sewer operations as well as solid waste services. Working capital, adjusted for less liquid current assets such as prepaid expenses, inventory and unbilled receivables represents 89.1% of operating expenses, including transfers out. In addition, the Enterprise Fund had \$1,677,696 in encumbrances at year end. The working capital position equates to 73.8% 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 Enterprise 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 (Certificate of Achievement) to the Town of Highland Park for its annual comprehensive financial report for the fiscal year ended September 30, 2021. This was the fortieth 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, 2021. 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**

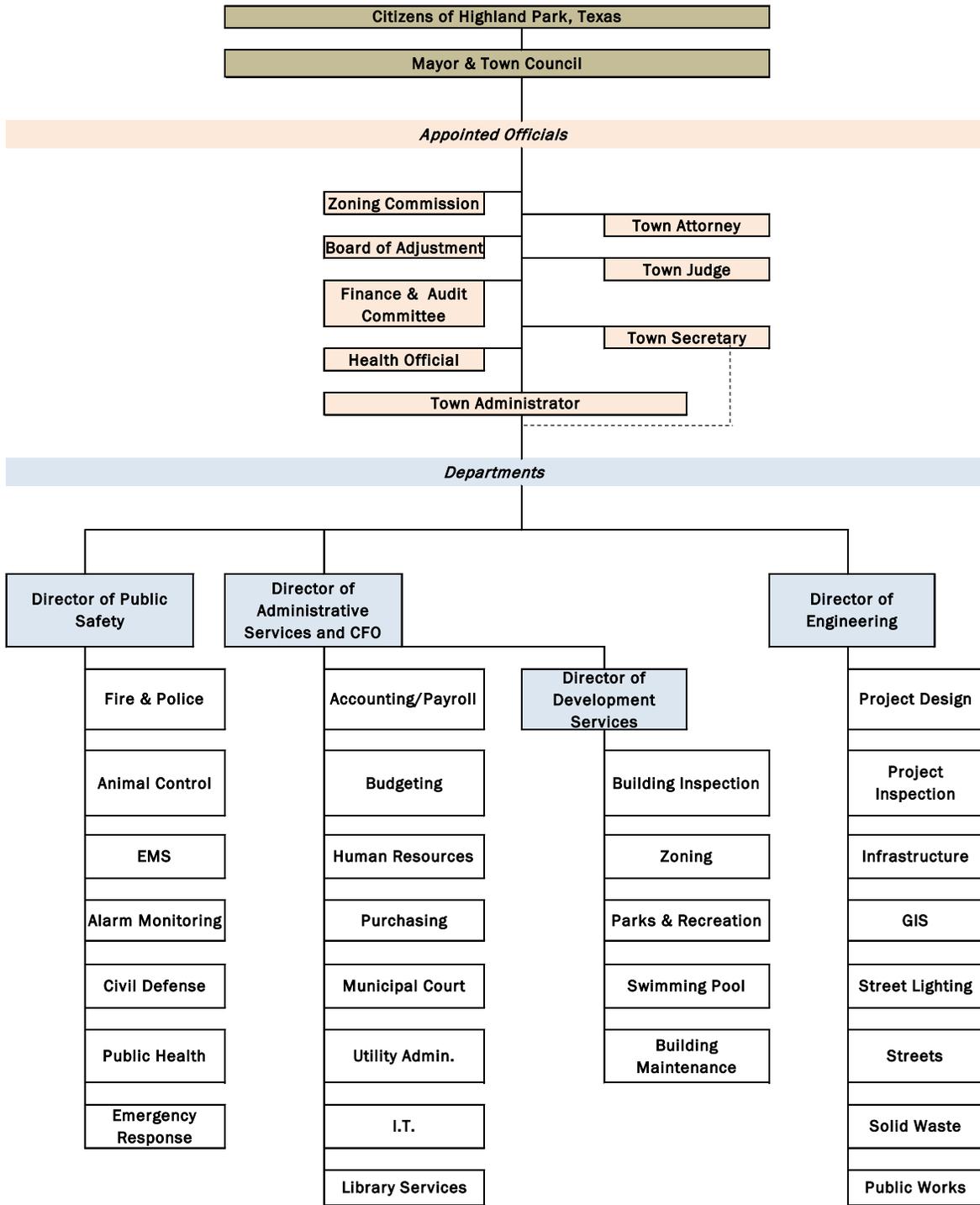
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

Town of Highland Park, Texas  
Organizational Structure



**Town of Highland Park, Texas  
Principal Officials**

**Town Council**

Will C. Beecherl, **Mayor**  
Craig Penfold, **Mayor Pro Tem**  
Marc Myers, **Council Member**  
Lydia Novakov, **Council Member**  
Don Snell, **Council Member**  
Leland White, **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 Audit of the Financial Statements

#### Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2022, 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.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

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

**Supplementary 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 and individual fund financial statements and schedules, 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 and individual fund financial statements and schedules 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 and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information Included in the Annual Comprehensive Financial Report**

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2023, 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.

Conroe, Texas  
February 7, 2023



## 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, 2022. 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 \$147,521,387 (net position). Of this amount, \$56,711,945 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 and equipment replacement program.

- The Town's total net position increased a total of \$10,818,222, of which \$6,921,191 is the result of operations. The remainder is related to the Town's pension asset with TMRS and investments in capital assets.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$35,140,369, an increase of \$4,695,444 in comparison with the prior year. Approximately 24.9% of the reported combined ending fund balances, or \$8,759,561, 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 \$8,759,561 or, 37.3% of total General Fund expenditures and the unrestricted net position for the Enterprise Fund was \$10,960,785, or 100.2% of total Enterprise Fund operating expenses and transfers out. The Enterprise Fund had \$1,677,695 in encumbrances at year-end. It is important to note that this fund encompasses the water and sewer utility as well as solid waste. Moreover, working capital adjusted for less liquid current assets such as prepaids, inventory and unbilled receivables is used as a measure of funds available for spending.
- Total governmental capital outlay of \$3,329,655 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 sewer 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 29-50 of this report.

**Supplementary 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 51-77 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 \$147,521,387 at the close of the most recent fiscal year.

The largest portion of the Town's net position (60.9%) is its net 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, \$1,020,206 is restricted for Public Safety, Library, and PEG. The remaining balance of \$56,711,945, 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 59,684,855	\$ 45,457,079	\$ 12,869,587	\$ 12,293,746	\$ 72,554,442	\$ 57,750,825
Capital assets	60,757,397	60,174,264	29,765,675	27,941,293	90,523,072	88,115,557
Total assets	120,442,252	105,631,343	42,635,262	40,235,039	163,077,514	145,866,382
Deferred outflows of resources	1,640,083	1,603,629	208,185	204,678	1,848,268	1,808,307
Current liabilities	4,632,200	3,171,986	1,758,209	2,587,716	6,390,409	5,759,702
Long-term liabilities	1,837,305	2,378,495	199,187	241,471	2,036,492	2,619,966
Total liabilities	6,469,505	5,550,481	1,957,396	2,829,187	8,426,901	8,379,668
Deferred inflows of resources	8,376,104	2,354,873	601,390	236,983	8,977,494	2,591,856
Net position						
Investment in capital assets	60,465,360	59,412,918	29,323,876	27,829,668	89,789,236	87,242,586
Restricted	1,020,206	933,776	-	-	1,020,206	933,776
Unrestricted	45,751,160	38,982,924	10,960,785	9,543,879	56,711,945	48,526,803
<b>Total net position</b>	<b>\$ 107,236,726</b>	<b>\$ 99,329,618</b>	<b>\$ 40,284,661</b>	<b>\$ 37,373,547</b>	<b>\$ 147,521,387</b>	<b>\$ 136,703,165</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	
	2022	2021	2022	2021	2022	2021
Revenue						
Program revenues						
Charges for services	\$ 3,623,420	\$ 3,718,537	\$ 12,804,325	\$ 11,047,240	\$ 16,427,745	\$ 14,765,777
Operating grants and contributions	262,223	61,884	-	-	262,223	61,884
Capital grants and contributions	1,929,053	1,988,732	639,000	62,000	2,568,053	2,050,732
General revenues						
Property tax	15,484,800	15,184,505	-	-	15,484,800	15,184,505
Other taxes and fees	8,503,842	7,068,548	-	-	8,503,842	7,068,548
Other	1,195,676	9,548,624	81,056	55,123	1,276,732	9,603,747
Total revenues	<u>30,999,014</u>	<u>37,570,830</u>	<u>13,524,381</u>	<u>11,164,363</u>	<u>44,523,395</u>	<u>48,735,193</u>
Expenses						
General government	2,557,394	2,981,564	9,076,184	8,480,641	11,633,578	11,462,205
Public safety	13,248,640	12,512,997	-	-	13,248,640	12,512,997
Development services	361,578	498,352	-	-	361,578	498,352
Streets	3,235,368	2,811,780	-	-	3,235,368	2,811,780
Street lighting	-	117,267	-	-	-	117,267
Library	965,287	939,472	-	-	965,287	939,472
Parks	1,827,180	1,988,991	-	-	1,827,180	1,988,991
Swimming pool	260,564	208,344	-	-	260,564	208,344
Municipal court	514,243	507,601	-	-	514,243	507,601
Finance	891,370	864,940	-	-	891,370	864,940
Building inspection	767,365	896,119	-	-	767,365	896,119
Total expenses	<u>24,628,989</u>	<u>24,327,427</u>	<u>9,076,184</u>	<u>8,480,641</u>	<u>33,705,173</u>	<u>32,808,068</u>
Excess of revenues over expenditures	6,370,025	13,243,403	4,448,197	2,683,722	10,818,222	15,927,125
Transfers	1,537,083	1,850,934	(1,537,083)	(1,850,934)	-	-
Changes in net position	7,907,108	15,094,337	2,911,114	832,788	10,818,222	15,927,125
Net position, beginning of year	99,329,618	84,235,281	37,373,547	36,540,759	136,703,165	120,776,040
<b>Net position - ending</b>	<u>\$ 107,236,726</u>	<u>\$ 99,329,618</u>	<u>\$ 40,284,661</u>	<u>\$ 37,373,547</u>	<u>\$ 147,521,387</u>	<u>\$ 136,703,165</u>

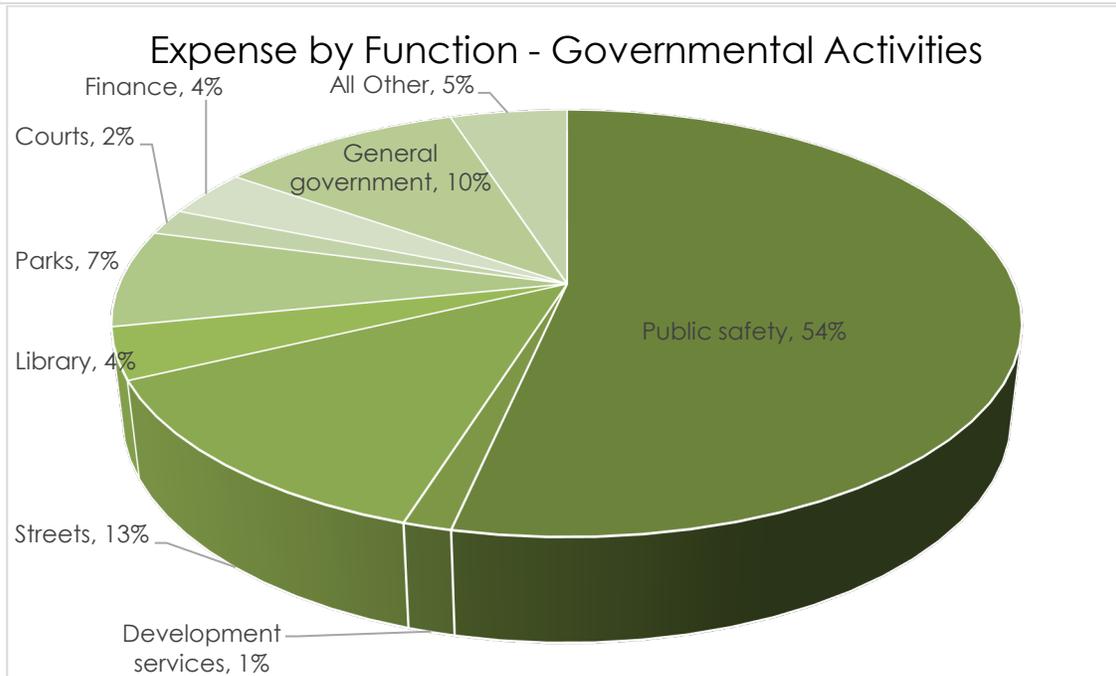
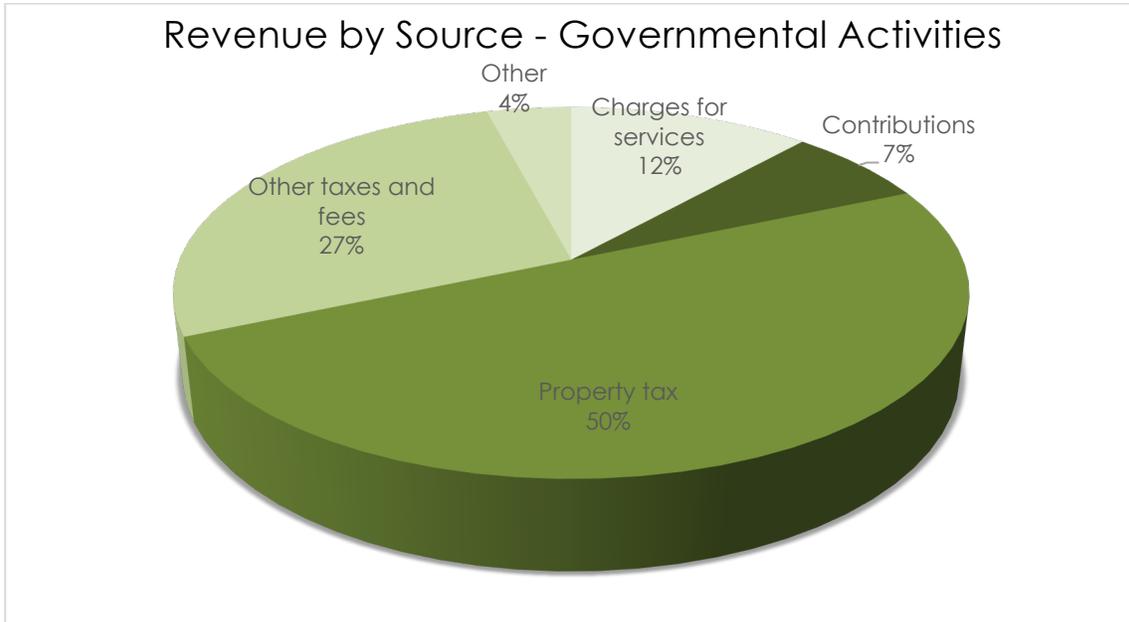
For the fiscal year 2022, the Town's total net position increased \$10,818,222, of which \$6,794,653 is the result of operations. The remainder is related to the Town's net pension asset with TMRS and its investment in capital assets. During the year, the Town experienced an increase in property tax 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. Moreover, the Town experienced significant growth in sales tax in connection with increased retail activity.

**Governmental Activities:** Governmental activities, excluding transfers, increased the Town's net position by \$6,370,025.

Total revenues for fiscal year 2022 decreased by \$6,571,816 (17.5%) from 2021. In 2021, there was a sale of land located on Conveyor Lane for \$9,161,467 that increased revenue in that year. Moreover, in 2022, the Town experienced a significant increase in sales tax revenue of \$1,291,262 or 22.8%. The drop in revenues from the one-time sale of land in 2021 was further offset by an increase in property taxes (\$291,642), higher franchise fees (\$113,213), additional contributions (\$205,139) and greater interest earnings (\$187,954). Total expenses increased slightly by \$301,562 (1.2%) from 2021, with the largest increases in departmental expenditures being in the departments of Public Safety and Streets at \$720,556 and \$423,588, respectively. It is important to note that pension expense in the General Fund is the sum of the Town's monthly payments to TMRS. However, 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 2021, due to TMRS' investment returns in 2020 coupled with amortization of past

deferred inflows and outflows, the overall, adjustment to pension expense for 2022 is \$2,154,374. This amount is \$850,156 higher than the adjustment to pension expense in 2021.

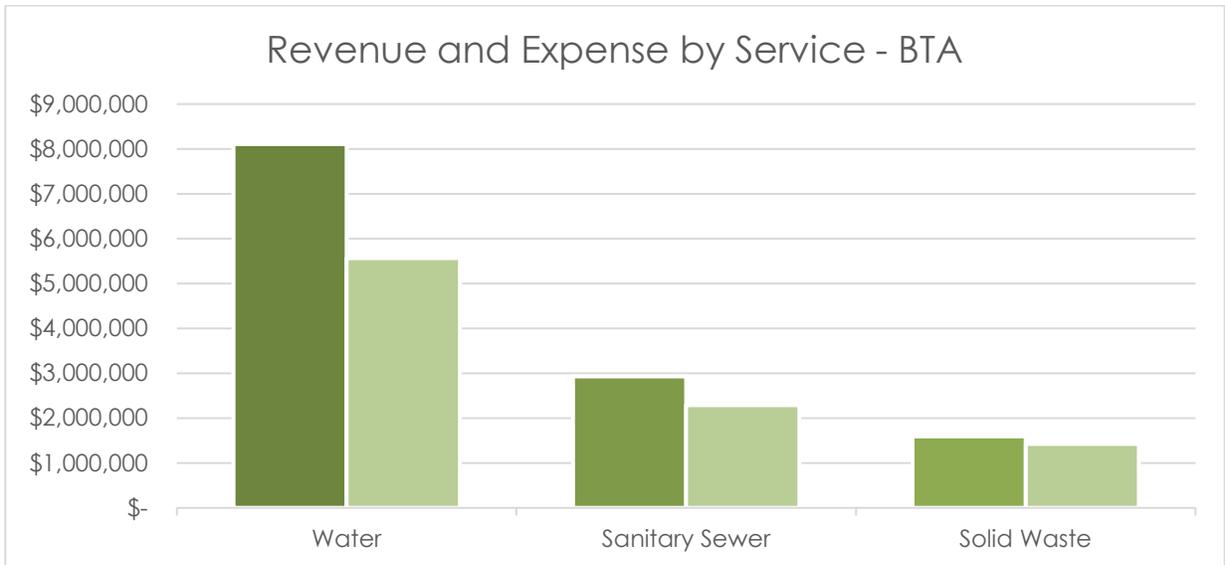
In fiscal year 2022, there were no plan changes. Moreover, strong investment returns in the current and prior years are being amortized, which reduces pension expense. As such, pension income of \$966,345 is recognized in fiscal year 2022, of which \$866,502 is related to governmental activities.



**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 \$4,448,197.

Total business-type revenues for 2022 increased by \$2,360,018 (21.1%) from 2021 revenues. Charges for services increased by \$1,757,085. These increases are attributed to a 3% rate adjustment to water and sewer rates and higher 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 \$1,255,400, 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 \$35,140,369, an increase of \$4,695,444 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 24.9% of total fund balance, or \$8,759,561, 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 (\$35,437); 2) is restricted for special revenue funds and for use by the Library, DPS, Court, and Public, Educational, and Government (PEG) Access Channels (\$1,020,206); 3) committed for capital acquisition and storm water drainage improvements (\$18,116,422); or 4) assigned for capital projects, drainage, compensated absences, and to liquidate contracts and purchase orders of the prior period (\$7,208,743).

The General Fund is the primary operating fund of the Town. The total fund balance of the Town's General Fund increased by \$1,151,256 during the current fiscal year; this was primarily the net result of (1) an excess of revenues over expenditures of \$4,519,182 as well as; (2) a budgeted transfer-out in the amount of \$4,647,926 from current revenues primarily to the Capital Projects Fund; and (3) a transfer-in of \$1,255,400 from the Enterprise Fund for the purpose of funding the Enterprise 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 37.3% of total General Fund expenditures, while total fund balance represents 87.5% of that same amount.

The Capital Projects Fund ended the fiscal year with a total fund balance of \$10,915,385, all committed or assigned for capital acquisitions and projects. The total fund balance of this fund increased by \$3,588,479 during the current fiscal year; this was the net result of (1) a deficiency of revenues over expenditures of (\$1,240,360) (2) \$5,321,839 in transfers into the Capital Projects Fund (General Fund \$4,620,426, Enterprise Fund \$607,083, and the DPS Technology Fund \$94,330); and (3) a transfer to the Enterprise Fund of \$193,000 and a transfer to the Stormwater Drainage Fund of \$300,000. Transfers into the Capital Projects Fund from the General Fund were increased in the current year due to resuming prior practices of the Town prior to the Covid- 19 pandemic.

The Stormwater Drainage Fund ended the fiscal year with a total fund balance of \$2,833,440, all committed or assigned for stormwater drainage improvements and projects. Of this amount, \$1,847,722 is committed for stormwater drainage improvements. The total fund balance of this fund decreased by \$113,260 during the current fiscal year; this was the net result of (1) a deficiency of revenues over expenditures of \$308,360; and (2) net transfers-in of \$195,100.

**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 \$10,960,785, an increase of \$1,416,906, while total net position increased \$2,911,114. 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 2022 General Fund revenues were \$3,023,711 (12.1%) more than the final amended budget, primarily due to stronger than expected sales tax revenue. Actual fiscal year 2022 General Fund expenditures were \$457,224 (1.9%) 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, 2022, amounts to \$89,789,236 (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 \$2,546,650, or 2.9% 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 40-41 of this report.

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

The development of the fiscal year 2022-23 Operating Budget provides a more optimistic outlook than in fiscal year 2021-22, largely due to an increase in retail activity within the Town. 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 2022 tax year increased by approximately \$683,000,000 (10.1%). 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 2022. The Town is projecting sales tax revenue of \$6,640,091 for the 2023 budget year, which is 55.2% above the amount budgeted for 2022.
- Water sales have increased during 2022 compared to 2021. Water consumption in 2022 was above the five-year average which is what water sales are based on in the 2023 budget. Water rates were adjusted by 7.0% and sewer rates were adjusted by 3% for 2023. These rate adjustments were completed in order to accommodate increasing wholesale water rates charged to the Town by the Dallas County Park Cities Municipal Utility District, growing operational costs and to sustain the Town's 'pay as you go' capital improvement program.

## **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, 2022

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 21,877,643	\$ 6,564,002	\$ 28,441,645
Investments	23,275,917	3,002,249	26,278,166
Receivables (net of allowances for uncollectibles)	8,719,100	1,975,193	10,694,293
Inventories	16,905	170,649	187,554
Prepays	18,532	2,672	21,204
Net pension asset	4,888,790	579,617	5,468,407
Restricted assets			
Cash and cash equivalents	887,968	575,205	1,463,173
Capital assets (net of accumulated depreciation, where applicable)			
Depreciable	54,154,774	27,418,290	81,573,064
Non-depreciable	6,602,623	2,347,385	8,950,008
	<hr/>	<hr/>	<hr/>
Total assets	120,442,252	42,635,262	163,077,514
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension contributions	1,011,757	119,885	1,131,642
Deferred pension experience loss	469,918	61,932	531,850
Deferred OPEB contributions	26,856	4,471	31,327
Deferred OPEB experience loss	22,189	3,693	25,882
Deferred OPEB assumption change loss	109,363	18,204	127,567
	<hr/>	<hr/>	<hr/>
Total deferred outflows of resources	1,640,083	208,185	1,848,268
<b>LIABILITIES</b>			
Vouchers payable	809,952	962,693	1,772,645
Retainage payable	37,615	94,014	131,629
Accrued liabilities	517,400	31,190	548,590
Unearned revenue	2,297,724	-	2,297,724
Deposits	65,758	575,205	640,963
Noncurrent liabilities			
Due within one year - compensated absences	903,751	95,107	998,858
Due in more than one year - compensated absences	850,999	35,015	886,014
Total OPEB liability	986,306	164,172	1,150,478
	<hr/>	<hr/>	<hr/>
Total liabilities	6,469,505	1,957,396	8,426,901
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension experience gain	40,066	11,252	51,318
Deferred pension assumption gain	51,083	5,883	56,966
Deferred pension investment gain	5,186,690	553,484	5,740,174
Deferred OPEB experience gain	32,389	5,393	37,782
Deferred OPEB assumption change gain	152,452	25,378	177,830
Deferred inflows - leases	2,913,424	-	2,913,424
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	8,376,104	601,390	8,977,494
<b>NET POSITION</b>			
Net investment in capital assets	60,465,360	29,323,876	89,789,236
Restricted for:			
Public safety	527,890	-	527,890
Library	330,777	-	330,777
PEG	161,539	-	161,539
Unrestricted	45,751,160	10,960,785	56,711,945
	<hr/>	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 107,236,726</b>	<b>\$ 40,284,661</b>	<b>\$ 147,521,387</b>

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

**Town of Highland Park, Texas**  
Statement of Activities  
For the Fiscal Year Ended September 30, 2022

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants And Contributions	Capital Grants And Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental activities				
General government	\$ 2,557,394	\$ 460,560	\$ 210,777	\$ -
Department of public safety	13,248,640	938,450	-	-
Development services	361,578	-	-	-
Street department	3,235,368	-	-	1,929,053
Library	965,287	5,995	51,446	-
Parks department	1,827,180	22,200	-	-
Swimming pool	260,564	128,589	-	-
Municipal court	514,243	564,298	-	-
Finance department	891,370	-	-	-
Building inspection department	767,365	1,503,328	-	-
Total governmental activities	24,628,989	3,623,420	262,223	1,929,053
Business-type activities				
Enterprise	9,076,184	12,804,325	-	639,000
Total business-type activities	9,076,184	12,804,325	-	639,000
Total primary government	<u>\$ 33,705,173</u>	<u>\$ 16,427,745</u>	<u>\$ 262,223</u>	<u>\$ 2,568,053</u>

**GENERAL REVENUES**

Property taxes  
Sales taxes  
Mixed beverage 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.

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
\$ (1,886,057)	\$ -	\$ (1,886,057)
(12,310,190)	-	(12,310,190)
(361,578)	-	(361,578)
(1,306,315)	-	(1,306,315)
(907,846)	-	(907,846)
(1,804,980)	-	(1,804,980)
(131,975)	-	(131,975)
50,055	-	50,055
(891,370)	-	(891,370)
735,963	-	735,963
(18,814,293)	-	(18,814,293)
-	4,367,141	4,367,141
-	4,367,141	4,367,141
\$ (18,814,293)	\$ 4,367,141	\$ (14,447,152)
\$ 15,484,800	\$ -	\$ 15,484,800
6,954,907	-	6,954,907
472,603	-	472,603
997,854	-	997,854
78,478	-	78,478
393,224	81,056	474,280
219,803	-	219,803
582,649	-	582,649
1,537,083	(1,537,083)	-
26,721,401	(1,456,027)	25,265,374
7,907,108	2,911,114	10,818,222
99,329,618	37,373,547	136,703,165
<u>\$ 107,236,726</u>	<u>\$ 40,284,661</u>	<u>\$ 147,521,387</u>

**Town of Highland Park, Texas**  
 Balance Sheet - Governmental Funds  
 September 30, 2022

	General Fund	Capital Projects Fund	Stormwater Drainage	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and equivalents	\$ 6,509,708	\$ 8,704,230	\$ 1,339,099	\$ 887,968	\$ 17,441,005
Investments	15,765,906	2,502,247	1,500,000	-	19,768,153
Receivables, net					
Interest	78,113	12,307	6,140	-	96,560
Taxes	1,566,862	-	-	-	1,566,862
Leases	2,300,558	-	-	612,866	2,913,424
Other	336,880	-	-	8,212	345,092
Fines	133,884	-	-	-	133,884
Intergovernmental	-	3,640,272	-	-	3,640,272
Inventories	16,905	-	-	-	16,905
Prepays	18,532	-	-	-	18,532
<b>TOTAL ASSETS</b>	<b>\$ 26,727,348</b>	<b>\$ 14,859,056</b>	<b>\$ 2,845,239</b>	<b>\$ 1,509,046</b>	<b>\$ 45,940,689</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Vouchers payable	\$ 458,162	\$ 265,784	\$ 9,299	\$ 37,513	\$ 770,758
Retainage payable	-	37,615	-	-	37,615
Accrued liabilities	514,900	-	2,500	-	517,400
Unearned revenue	2,297,724	-	-	-	2,297,724
Deposits	65,758	-	-	-	65,758
<b>Total liabilities</b>	<b>3,336,544</b>	<b>303,399</b>	<b>11,799</b>	<b>37,513</b>	<b>3,689,255</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	158,212	-	-	-	158,212
Unavailable revenue - ambulance	265,273	-	-	-	265,273
Unavailable revenue - fines	133,884	-	-	-	133,884
Unavailable revenue - leases	2,300,558	-	-	612,866	2,913,424
Unavailable revenue - intergovernmental revenue	-	3,640,272	-	-	3,640,272
<b>Total deferred inflows of resources</b>	<b>2,857,927</b>	<b>3,640,272</b>	<b>-</b>	<b>612,866</b>	<b>7,111,065</b>
<b>FUND BALANCES</b>					
Nonspendable					
Inventories	16,905	-	-	-	16,905
Prepays	18,532	-	-	-	18,532
Restricted					
Crime prevention	-	-	-	84,856	84,856
Court technology	-	-	-	120,152	120,152
Court security	-	-	-	31,012	31,012
DPS technology	-	-	-	291,870	291,870
Library	-	-	-	330,777	330,777
PEG	161,539	-	-	-	161,539
Committed					
Capital acquisition	10,219,404	6,049,296	-	-	16,268,700
Stormwater drainage improvements	-	-	1,847,722	-	1,847,722
Assigned					
Compensated absences	903,751	-	-	-	903,751
Capital projects	-	4,866,089	-	-	4,866,089
Drainage	-	-	985,718	-	985,718
Other	453,185	-	-	-	453,185
Unassigned	8,759,561	-	-	-	8,759,561
<b>Total fund balances</b>	<b>20,532,877</b>	<b>10,915,385</b>	<b>2,833,440</b>	<b>858,667</b>	<b>35,140,369</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 26,727,348</b>	<b>\$ 14,859,056</b>	<b>\$ 2,845,239</b>	<b>\$ 1,509,046</b>	<b>\$ 45,940,689</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, 2022

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	\$ 35,140,369
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	1,640,083
Deferred inflows related to pension and OPEB are not reported in the funds.	(5,462,680)
Capital assets used in governmental activities, including the internal service fund, are not reported in the funds.	60,757,397
Property taxes receivable that are unavailable to pay for current period expenditures are deferred in the funds.	158,212
Ambulance receivables that are unavailable to pay for current period expenditures are deferred in the funds.	265,273
Court fines receivable that are unavailable to pay for current period expenditures are deferred in the funds.	133,884
Construction reimbursements (intergovernmental) receivable from various governmental entities that are unavailable to pay for current period expenditures are deferred in the funds.	3,640,272
Net pension asset is not reported in the funds.	4,888,790
The long-term liability for other postemployment benefits is not recorded in the funds.	(986,306)
Payables for compensated absences are not reported in the funds.	(1,754,750)
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 \$4,350,683, as it relates to the internal service funds is included in the capital asset amount above.	<u>8,816,182</u>
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<u>\$ 107,236,726</u>

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, 2022

	General Fund	Capital Projects Fund	Stormwater Drainage	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 15,493,542	\$ -	\$ -	\$ -	\$ 15,493,542
Sales taxes	6,954,907	-	-	-	6,954,907
Mixed beverage taxes	472,603	-	-	-	472,603
Franchise fees	997,854	-	-	-	997,854
Penalties and interest	78,478	-	-	-	78,478
Licenses and permits	1,543,714	-	-	-	1,543,714
Service fees	1,309,800	-	439,595	85,957	1,835,352
Fines and forfeitures	259,708	-	-	-	259,708
Investment income	189,275	86,397	25,776	7,092	308,540
Contributions	210,777	-	-	51,446	262,223
Intergovernmental revenue	-	2,656,136	-	-	2,656,136
Miscellaneous	465,383	721	-	97,336	563,440
Total revenues	27,976,041	2,743,254	465,371	241,831	31,426,497
<b>EXPENDITURES</b>					
Current					
General government	2,346,462	-	230,837	-	2,577,299
Department of public safety	14,592,936	-	-	1,640	14,594,576
Development services	355,564	-	-	-	355,564
Street department	991,916	1,196,853	-	-	2,188,769
Library	868,713	-	-	27,655	896,368
Parks department	1,838,087	-	-	-	1,838,087
Swimming pool	232,394	-	-	-	232,394
Municipal court	487,340	-	-	24,637	511,977
Finance department	978,024	-	-	-	978,024
Building inspection department	765,423	-	-	-	765,423
Capital outlay	-	2,786,761	542,894	-	3,329,655
Total expenditures	23,456,859	3,983,614	773,731	53,932	28,268,136
Excess (deficiency) of revenues over expenditures	4,519,182	(1,240,360)	(308,360)	187,899	3,158,361
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,280,000	5,321,839	300,000	-	6,901,839
Transfers out	(4,647,926)	(493,000)	(104,900)	(118,930)	(5,364,756)
Net other financing sources (uses)	(3,367,926)	4,828,839	195,100	(118,930)	1,537,083
Net change in fund balances	1,151,256	3,588,479	(113,260)	68,969	4,695,444
Fund balances, beginning of year	19,381,621	7,326,906	2,946,700	789,698	30,444,925
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 20,532,877</b>	<b>\$ 10,915,385</b>	<b>\$ 2,833,440</b>	<b>\$ 858,667</b>	<b>\$ 35,140,369</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, 2022

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 4,695,444</b>
Amounts reported for governmental activities in the statement of activities are different because:	
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.	3,329,655
The depreciation of capital assets used in governmental activities, excluding the Internal Service Funds, is not reported in the funds.	(2,572,470)
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.	237,696
Property taxes levied and ambulance service revenue earned, but not available, are deferred in the governmental funds, but are recognized when earned (net of allowance for uncollectibles) in the Statement of Activities. This is the net change in unavailable property taxes, ambulance fees and court fines for the year.	(24,096)
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	(727,083)
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.	2,154,374
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.	<u>813,588</u>
Change in net position - governmental activities	<u>\$ 7,907,108</u>

**Town of Highland Park, Texas**  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance – Budget and Actual  
 General Fund  
 For the Fiscal Year Ended September 30, 2022

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxes	\$ 15,495,731	\$ 15,495,731	\$ 15,493,542	\$ (2,189)
Sales taxes	4,278,043	4,278,043	6,954,907	2,676,864
Mixed beverage taxes	375,988	375,988	472,603	96,615
Franchise fees	918,868	918,868	997,854	78,986
Penalties and interest	78,115	78,115	78,478	363
Licenses and permits	1,260,715	1,260,715	1,543,714	282,999
Service fees	1,648,693	1,648,693	1,309,800	(338,893)
Fines and forfeitures	466,200	466,200	259,708	(206,492)
Investment income	61,433	61,433	189,275	127,842
Contributions	-	110,000	210,777	100,777
Miscellaneous	258,544	258,544	465,383	206,839
Total revenues	24,842,330	24,952,330	27,976,041	3,023,711
<b>EXPENDITURES</b>				
Current				
General government	2,051,050	2,447,510	2,346,462	101,048
Department of public safety	13,768,407	14,593,103	14,592,936	167
Development services	325,527	375,188	355,564	19,624
Street department	503,315	1,084,970	991,916	93,054
Library	877,714	931,321	868,713	62,608
Parks department	1,702,691	1,840,553	1,838,087	2,466
Swimming pool	211,532	232,932	232,394	538
Municipal court	519,049	529,379	487,340	42,039
Finance department	960,717	985,408	978,024	7,384
Building inspection department	792,414	893,719	765,423	128,296
Total expenditures	21,712,416	23,914,083	23,456,859	457,224
Excess of revenues over expenditures	3,129,914	1,038,247	4,519,182	3,480,935
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,280,000	1,280,000	1,280,000	-
Transfers out	(4,399,953)	(4,647,926)	(4,647,926)	-
Net other financing sources (uses)	(3,119,953)	(3,367,926)	(3,367,926)	-
Net change in fund balances	9,961	(2,329,679)	1,151,256	3,480,935
Fund balance, beginning of year	19,381,621	19,381,621	19,381,621	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 19,391,582</b>	<b>\$ 17,051,942</b>	<b>\$ 20,532,877</b>	<b>\$ 3,480,935</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, 2022

	<b>Enterprise Fund</b>	<b>Governmental Activities Internal Service Funds</b>
<b>ASSETS</b>		
Current assets		
Cash and equivalents	\$ 6,564,002	\$ 5,324,606
Investments	3,002,249	3,507,764
Receivables (net of allowance for uncollectibles)		
Water, Sewer and Sanitation		
Billed	1,345,973	-
Unbilled	609,135	-
Interest	20,085	23,006
Inventories	170,649	-
Prepays	2,672	-
Total current assets	<u>11,714,765</u>	<u>8,855,376</u>
Noncurrent assets		
Restricted cash and cash equivalents	575,205	-
Net Pension Asset	579,617	-
Capital assets		
Land	4,895	-
Buildings and improvements	20,197	146,429
Improvements other than buildings	42,561,499	-
Vehicles and rolling stock	-	4,979,304
Machinery and equipment	2,055,808	6,059,154
Office furniture and equipment	25,326	-
Construction in progress	2,342,490	51,502
Accumulated depreciation	<u>(17,244,540)</u>	<u>(6,885,706)</u>
Capital assets, net of accumulated depreciation	<u>29,765,675</u>	<u>4,350,683</u>
Total noncurrent assets	<u>30,920,497</u>	<u>4,350,683</u>
Total assets	<u>42,635,262</u>	<u>13,206,059</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred pension contributions	119,885	-
Deferred pension experience loss	61,932	-
Deferred OPEB contributions	4,471	-
Deferred OPEB experience loss	3,693	-
Deferred OPEB assumption change loss	<u>18,204</u>	<u>-</u>
Total deferred outflows of resources	<u>208,185</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>42,843,447</u>	<u>13,206,059</u>
<b>LIABILITIES</b>		
Current liabilities		
Vouchers payable	962,693	39,194
Retainage payable	94,014	-
Accrued liabilities	31,190	-
Deposits	575,205	-
Compensated absences	<u>95,107</u>	<u>-</u>
Total current liabilities	<u>1,758,209</u>	<u>39,194</u>
Noncurrent liabilities		
Compensated absences	35,015	-
OPEB liability	<u>164,172</u>	<u>-</u>
Total noncurrent liabilities	<u>199,187</u>	<u>-</u>
Total liabilities	<u>1,957,396</u>	<u>39,194</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred pension investment gain	553,484	-
Deferred pension experience gain	11,252	-
Deferred pension assumption change gain	5,883	-
Deferred OPEB experience gain	5,393	-
Deferred OPEB assumption change gain	<u>25,378</u>	<u>-</u>
Total deferred inflows of resources	<u>601,390</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>2,558,786</u>	<u>39,194</u>
<b>NET POSITION</b>		
Net investment in capital assets	29,323,876	4,350,683
Unrestricted	<u>10,960,785</u>	<u>8,816,182</u>
<b>TOTAL NET POSITION</b>	<u>\$ 40,284,661</u>	<u>\$ 13,166,865</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 For the Fiscal Year Ended September 30, 2022

	<b>Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
<b>OPERATING REVENUES</b>		
Water sales	\$ 7,932,258	\$ -
Sewer services	2,929,541	-
New connections	37,700	-
Plumbing permits	61,020	-
Penalties for late payments	67,986	-
Inter-department water sales	162,939	-
Charges for services	1,592,654	1,699,412
Miscellaneous	20,227	19,209
	<hr/>	<hr/>
Total operating revenues	12,804,325	1,718,621
<b>OPERATING EXPENSES</b>		
Personnel services	1,272,154	-
Materials and supplies	3,109,736	33,805
Services and charges	3,242,830	435,633
Depreciation	1,451,464	728,587
	<hr/>	<hr/>
Total operating expenses	9,076,184	1,198,025
Operating income	3,728,141	520,596
<b>NONOPERATING REVENUES</b>		
Investment income	81,056	84,684
Intragovernmental contributions	-	15,087
Gain on sale of assets	-	204,716
	<hr/>	<hr/>
Total nonoperating revenues	81,056	304,487
Income before contributions and transfers	3,809,197	825,083
Capital contributions	639,000	-
Transfers in	325,400	-
Transfers out	(1,862,483)	-
	<hr/>	<hr/>
Change in net position	2,911,114	825,083
Net position, beginning of year	37,373,547	12,341,782
	<hr/>	<hr/>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 40,284,661</u>	<u>\$ 13,166,865</u>

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, 2022

	<b>Enterprise Fund</b>	<b>Governmental Activities Internal Service Fund</b>
<b>OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 12,658,372	\$ -
Cash received from interfund services	-	1,625,966
Cash payments to other suppliers for goods and services	(7,184,836)	(451,382)
Cash payments to employees	(1,518,467)	-
Net cash provided by operating activities	3,955,069	1,174,584
<b>NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers to other funds	(1,862,483)	-
Transfers from other funds	325,400	-
Net cash used for noncapital financing activities	(1,537,083)	-
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	(2,636,846)	(539,448)
Proceeds from sale of capital assets	-	204,716
Net cash used for capital and related financing activities	(2,636,846)	(334,732)
<b>INVESTING ACTIVITIES</b>		
Investment income	68,249	84,684
Sale of investments	3,000,000	-
Purchase of investments	(3,500,000)	(3,507,764)
Net cash used for investing activities	(431,751)	(3,423,080)
Net change in cash and cash equivalents	(650,611)	(2,583,228)
Cash and cash equivalents, beginning of year	7,789,818	7,907,834
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 7,139,207</b>	<b>\$ 5,324,606</b>
<b>RECONCILIATION TO STATEMENT OF NET POSITION</b>		
Cash and cash equivalents	\$ 6,564,002	\$ 5,324,606
Restricted cash and cash equivalents	575,205	-
	<b>\$ 7,139,207</b>	<b>\$ 5,324,606</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, 2022

	<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	\$ 3,728,141	\$ 520,596
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,451,464	728,587
(Increase) decrease in assets and deferred outflows of resources		
Accounts receivable	(145,953)	(23,006)
Inventory	11,520	-
Prepaid items	405	-
Deferred outflows of resources - pension and OPEB	(3,507)	-
Increase (decrease) in liabilities and deferred inflows of resources		
Vouchers payable	260,845	(51,593)
Accrued liabilities	(1,054,064)	-
Deposits payable	(24,040)	-
Compensated absences	(26,936)	-
Pension and OPEB liability	(607,213)	-
Deferred inflows of resources - pension and OPEB	364,407	-
	<u>\$ 3,955,069</u>	<u>\$ 1,174,584</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Developer contributions	<u>\$ 639,000</u>	<u>\$ -</u>

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

## **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, 2022, conform to generally accepted accounting principles (GAAP) 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.

##### **Adoption of New Accounting Standards- GASB 87 (Leases)**

During fiscal year 2022, the Town adopted GASB Statement No. 87, *Leases* (GASB 87), which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation of GASB 87 resulted in no impact to the Town's beginning fund balance/net position.

##### **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.

## **Town of Highland Park, Texas**

### Notes to the Basic 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.

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.

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

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, included in Nonmajor Governmental 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.

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 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.

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.

## **Town of Highland Park, Texas**

### Notes to the Basic Financial Statements

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.
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 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.

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

#### Leases

The Town is a lessor for noncancelable leases of property. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of the payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The Town has \$2,913,424 remaining in leases receivable (\$105,956 of which is due within one year) and \$2,913,424 in deferred inflows as of September 30, 2022. The Town recorded lease revenue, including interest, of \$83,258 during the fiscal year ended September 30, 2022.

Key estimates and judgments related to the leases include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Town uses the lessee's incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancelable period of the lease plus any additional periods covered by either a lessee or lessor option to (1) extend for which it is reasonably certain to be exercised or (2) terminated for which it is reasonably certain to not be exercised.

Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed-in-substance or that depend on an index or rate, residual value guarantee payments from the lessee that are fixed-in-substance, and any lease incentives that are payable to the lessee.

The Town monitors changes in circumstances that would require remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### 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	20

## **Town of Highland Park, Texas**

### Notes to the Basic Financial Statements

#### **Pensions**

For purposes of measuring the net pension asset/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 asset/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 assets that applies to future 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 (or as an increase in the net pension asset) 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.

## **Town of Highland Park, Texas**

### Notes to the Basic Financial Statements

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 assets that applies to a future 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.
- 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.
- Unavailable revenue related to leases receivable.

#### **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, 2022, that must be paid by December 31, 2022, and amounts that become vested as of September 30, 2022, 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 or expenses of the Enterprise Fund. Assigned fund balance is established in the governmental funds and a budget reappropriation is 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.

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

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.

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.

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

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.

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, 2022, as reflected in the financial statements, are:

Cash and cash equivalents	\$ 28,441,645
Restricted cash and cash equivalents	1,463,173
Investments	<u>26,278,166</u>
	<u>\$ 56,182,984</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 \$29,904,818.

Deposits and investments as of September 30, 2022, consist of the following:

Deposits	\$ 29,904,818
Certificates of deposit	<u>26,278,166</u>
	<u>\$ 56,182,984</u>

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

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, 2022, 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, 2022, the Town had no investments subject to credit risk.

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, 2022, the Town's deposits with its financial institution in excess of federal depository insurance limits were fully collateralized.

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

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, 2022, 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 Funds				Internal Service Fund	Total Governmental Activities	Business-Type Activities
	General	Capital Projects	Stormwater Drainage	Non Major Funds			Enterprise
Taxes receivable	\$ 1,625,238	\$ -	\$ -	\$ -	\$ -	\$ 1,625,238	\$ -
Allowance for uncollectible taxes	(58,376)	-	-	-	-	(58,376)	-
	<u>1,566,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,566,862</u>	<u>-</u>
Accounts receivable	774,614	-	-	8,212	-	782,826	1,977,674
Allowance for uncollectible accounts	(303,850)	-	-	-	-	(303,850)	(22,566)
	<u>470,764</u>	<u>-</u>	<u>-</u>	<u>8,212</u>	<u>-</u>	<u>478,976</u>	<u>1,955,108</u>
Interest receivable	78,113	12,307	6,140	-	23,006	119,566	20,085
Leases receivable	2,300,558	-	-	612,866	-	2,913,424	-
Intergovernmental	-	3,640,272	-	-	-	3,640,272	-
	<u>2,378,671</u>	<u>3,652,579</u>	<u>6,140</u>	<u>612,866</u>	<u>23,006</u>	<u>6,673,262</u>	<u>20,085</u>
Total	<u>\$ 4,416,297</u>	<u>\$ 3,652,579</u>	<u>\$ 6,140</u>	<u>\$ 621,078</u>	<u>\$ 23,006</u>	<u>\$ 8,719,100</u>	<u>\$ 1,975,193</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, 2022, was as follows:

	Balance October 1, 2021	Additions	Sales or Other Dispositions	Adjustments/ Transfers	Balance September 30, 2022
<b>General Capital Assets</b>					
Capital assets not being depreciated					
Land	\$ 4,193,026	\$ -	\$ -	\$ -	\$ 4,193,026
Construction in progress	7,845,437	3,329,655	-	(8,816,997)	2,358,095
Total capital assets not being depreciated	12,038,463	3,329,655	-	(8,816,997)	6,551,121
Capital assets being depreciated					
Buildings	22,374,494	-	-	-	22,374,494
Capital improvements	51,556,818	-	-	4,598,704	56,155,522
Furniture and fixtures	40,444	-	-	-	40,444
Office equipment	400,155	-	-	-	400,155
Machinery and equipment	1,600,130	-	(9,200)	4,218,293	5,809,223
Total capital assets being depreciated	75,972,041	-	(9,200)	8,816,997	84,779,838
Less accumulated depreciation for					
Buildings	(6,098,218)	(680,713)	-	-	(6,778,931)
Capital improvements	(24,322,962)	(1,627,011)	-	-	(25,949,973)
Furniture and fixtures	(32,410)	(3,455)	-	-	(35,865)
Office equipment	(389,583)	(6,978)	-	-	(396,561)
Machinery and equipment	(1,517,802)	(254,313)	9,200	-	(1,762,915)
Total accumulated depreciation	(32,360,975)	(2,572,470)	9,200	-	(34,924,245)
<b>Capital assets being depreciated, net</b>	<b>43,611,066</b>	<b>(2,572,470)</b>	<b>-</b>	<b>8,816,997</b>	<b>49,855,593</b>
<b>Internal Service Fund Capital Assets</b>					
Capital assets not being depreciated					
Construction in progress	780,000	59,329	-	(787,827)	51,502
Total capital assets not being depreciated	780,000	59,329	-	(787,827)	51,502
Capital assets being depreciated					
Building improvements	146,429	-	-	-	146,429
Machinery and equipment	5,919,208	148,625	(8,679)	-	6,059,154
Vehicles and rolling stock	4,270,595	359,116	(438,234)	787,827	4,979,304
Total capital assets being depreciated	10,336,232	507,741	(446,913)	787,827	11,184,887
Less accumulated depreciation for					
Building improvements	(7,435)	(10,109)	-	-	(17,544)
Machinery and equipment	(4,084,382)	(320,125)	8,681	-	(4,395,826)
Vehicles and rolling stock	(2,499,680)	(398,353)	425,697	-	(2,472,336)
Total accumulated depreciation	(6,591,497)	(728,587)	434,378	-	(6,885,706)
Total capital assets being depreciated, net	3,744,735	(220,846)	(12,535)	787,827	4,299,181
<b>Governmental activities capital assets, net</b>	<b>\$ 60,174,264</b>	<b>\$ 595,668</b>	<b>\$ (12,535)</b>	<b>\$ -</b>	<b>\$ 60,757,397</b>

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

	October 1, 2021	Additions	Sales or Other Dispositions	Adjustments/ Transfers	September 30, 2022
Business-type Activities					
Capital assets not being depreciated					
Land	\$ 4,895	\$ -	\$ -	\$ -	\$ 4,895
Construction in progress	2,067,467	2,084,912	-	(1,809,889)	2,342,490
Total capital assets not being depreciated	2,072,362	2,084,912	-	(1,809,889)	2,347,385
Capital assets being depreciated					
Buildings	20,197	-	-	-	20,197
Improvements other than buildings	39,560,676	1,190,934	-	1,809,889	42,561,499
Machinery and equipment	2,055,808	-	-	-	2,055,808
Office furniture and equipment	25,326	-	-	-	25,326
Total capital assets being depreciated	41,662,007	1,190,934	-	1,809,889	44,662,830
Less accumulated depreciation for					
Building	(20,197)	-	-	-	(20,197)
Capital improvements	(14,040,208)	(1,159,507)	-	-	(15,199,715)
Machinery and equipment	(1,710,070)	(291,402)	-	-	(2,001,472)
Office equipment	(22,601)	(555)	-	-	(23,156)
Total accumulated depreciation	(15,793,076)	(1,451,464)	-	-	(17,244,540)
Total capital assets being depreciated, net	25,868,931	(260,530)	-	1,809,889	27,418,290
<b>Business-type activities capital assets, net</b>	<b>\$ 27,941,293</b>	<b>\$ 1,824,382</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,765,675</b>

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

Governmental activities:	
General government	\$ 715,721
Public safety	353,531
Town services	6,014
Street department	1,213,599
Library	70,528
Parks department	184,907
Swimming pool	28,170
	<hr/>
Total depreciation expense - general capital assets	\$ 2,572,470
Internal service fund	728,587
	<hr/>
Total Governmental Activities	3,301,057
	<hr/>
<b>Business-type activities / Enterprise fund</b>	<b>\$ 1,451,464</b>
	<hr/>

**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 2022 were as follows:

Transfer Fund	Transfer In	Transfer Out	Purpose of Transfer	
			In	Out
General fund	\$ 1,280,000	\$ 4,647,926	1	2
Capital projects fund	5,321,839	493,000	2	1 and 2
Stormwater drainage fund	300,000	104,900	2	1
Nonmajor governmental funds	-	118,930	-	2 and 3
Enterprise fund	325,400	1,862,483	1 and 2	1 and 2
<b>Total</b>	<b>\$ 7,227,239</b>	<b>\$ 7,227,239</b>		

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

**Note 6. Long-term Liabilities**

Long-term liability activity for the year ended September 30, 2022, was as follows:

	Beginning of Year	Additions	Deletions	End of Year	Within One Year
Governmental activities					
Compensated absences	\$ 1,992,446	\$ 1,445,878	\$ (1,683,574)	\$ 1,754,750	\$ 903,751
<b>Total</b>	<b>\$ 1,992,446</b>	<b>\$ 1,445,878</b>	<b>\$ (1,683,574)</b>	<b>\$ 1,754,750</b>	<b>\$ 903,751</b>
Business-type activities					
Compensated absences	\$ 157,058	\$ 129,752	\$ (156,688)	\$ 130,122	\$ 95,107
<b>Total</b>	<b>\$ 2,149,504</b>	<b>\$ 1,575,630</b>	<b>\$ (1,840,262)</b>	<b>\$ 1,884,872</b>	<b>\$ 998,858</b>

Compensated absences liabilities, as well as the net pension and other postemployment benefit liabilities 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 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the System with a six-member, Governor-appointed Board of Trustees; however, TMRS does not received any funding from the State of Texas. TMRS issues a publicly available annual comprehensive financial report (Annual Report) that can be obtained at [www.tmr.com](http://www.tmr.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 member's benefit is calculated based on the sum of the member's contributions, with interest, the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total member contributions 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, 2021, valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	133
Inactive employees entitled to but not yet receiving benefits	43
Active employees	124
	<hr/>
	300
	<hr/>

**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, 2022, the Town made actuarially required contributions of \$1,293,919 and total contributions of \$1,476,919 or 9.1% of covered payroll.

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

#### Net Pension Asset

The Town's Net Pension Asset (NPA) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the NPA was determined by an actuarial valuation as of that date.

#### Actuarial Assumptions

The Total Pension Liability in the December 31, 2021, 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 are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Actuarial assumptions used in the December 31, 2021 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	35.0%	7.55%
Core fixed income	6.0%	2.00%
Non-core fixed income	20.0%	5.68%
Other Public & Private Markets	12.0%	7.22%
Real estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private equity	10.0%	10.00%
<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, 2020	\$ 85,854,530	\$ 85,608,533	\$ 245,997
Changes for the year:			
Service cost	1,813,834	-	1,813,834
Interest	5,688,203	-	5,688,203
Change in benefit terms			
Difference between expected and actual experience	374,064	-	374,064
Changes in assumptions	-	-	-
Employer contributions	-	1,531,217	(1,531,217)
Employee contributions	-	967,010	(967,010)
Net investment income	-	11,143,564	(11,143,564)
Benefit payments, including refunds of employee contributions	(4,983,551)	(4,983,551)	-
Administrative expense	-	(51,638)	51,638
Other changes	-	352	(352)
Net changes	2,892,550	8,606,954	(5,714,404)
<b>Balance at December 31, 2021</b>	<b>\$ 88,747,080</b>	<b>\$ 94,215,487</b>	<b>\$ (5,468,407)</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 (asset)	\$ 4,862,207	\$ (5,468,407)	\$ (14,172,421)

**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 the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at [tmrs.com](http://tmrs.com).

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

For the year ended September 30, 2022, the Town recognized pension income of \$966,345.

At September 30, 2022, 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	\$ 531,850	\$ 51,318
Changes of assumptions	-	56,966
Net differences between projected and actual pension plan earnings on pension plan investments	-	5,740,174
Contributions subsequent to the measurement date	<u>1,131,642</u>	<u>-</u>
<b>Total</b>	<u>\$ 1,663,492</u>	<u>\$ 5,848,458</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,131,642 will be recognized as a reduction of the net pension liability (or an increase in the net pension asset) for the year ending September 30, 2023. 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,	
2023	\$ (769,808)
2024	(2,366,431)
2025	(1,133,469)
2026	<u>(1,046,900)</u>
<b>Total</b>	<u>\$ (5,316,608)</u>

**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 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, 2021, was used for the September 30, 2022 liability and expense. The information that follows was determined as of a valuation date of December 31, 2021.

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	54
Active employees	<u>124</u>
<b>Total employees</b>	<u><u>178</u></u>

Total OPEB Liability: The Town's total OPEB liability of \$1,150,478 (\$986,306 for governmental activities and \$164,172 for business-type activities) was measured as of December 31, 2021, and was determined by an actuarial valuation as of December 31, 2021.

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, 2021</u>
Actuarial Cost Method	Individual Entry-Age
Discount Rate	1.84% as of December 31, 2021 (2.00% as of December 31, 2020)
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 13 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, 2021	\$ 1,269,014
Changes for the year:	
Service cost	72,856
Interest on total OPEB liability	25,653
Difference between expected and actual experience	13,205
Effect of assumptions changes (discount rate change)	(184,634)
Benefit payments, age adjusted premiums, net of retiree contributions	(45,616)
<b>Balances as of September 30, 2022</b>	<b><u>\$ 1,150,478</u></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 1.84%. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	1% Decrease 0.84%	Current Discount Rate Assumption 1.84%	1% Increase 2.84%
Total OPEB Liability	\$ 1,261,911	\$ 1,150,478	\$ 1,050,096

The total OPEB liability of the Town has been calculated using the assumed health care cost trend rates of 7.0% decreasing to 4.15%. 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	\$ 1,022,911	\$ 1,150,478	\$ 1,295,966

**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, 2022, the Town recognized OPEB expense of \$93,276. At September 30, 2022, the Town reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in experience	\$ 25,882	\$ 37,782
Changes of assumptions	127,567	177,830
Benefit payments subsequent to the measurement date	31,327	-
	<u>\$ 184,776</u>	<u>\$ 215,612</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, 2023.

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
2023	\$ (5,233)
2024	(5,233)
2025	(8,276)
2026	(8,954)
2027	(7,823)
Thereafter	(26,644)
	<u>\$ (62,163)</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 current projected estimated useful life has been extended to 2037.

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

## Town of Highland Park, Texas

### Notes to the Basic Financial Statements

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.

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 \$8,562,055 of encumbrances expected to be honored upon performance by the vendor in the next year as follows:

General Fund	\$	453,185
Capital Projects Fund		4,866,089
Enterprise Fund		1,677,695
Equipment Replacement Fund		261,809
Technology Replacement Fund		299,828
Stormwater Drainage Fund		985,718
Building Maintenance Fund		14,267
Library Fund		3,464

**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 Eight Measurement Years Ended December 31

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 1,813,834	\$ 1,864,737	\$ 1,798,273	\$ 1,709,542
Interest	5,688,203	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	374,064	(92,870)	732,922	3,684
Change in assumptions*	-	-	(170,894)	-
Benefit payments, including refunds of employee contributions	<u>(4,983,551)</u>	<u>(5,815,356)</u>	<u>(4,160,576)</u>	<u>(4,129,918)</u>
Net change in total pension liability	2,892,550	1,516,027	8,254,274	2,470,544
Total pension liability - beginning	<u>85,854,530</u>	<u>84,338,503</u>	<u>76,084,229</u>	<u>73,613,685</u>
<b>TOTAL PENSION LIABILITY - ENDING (a)</b>	<u>88,747,080</u>	<u>85,854,530</u>	<u>84,338,503</u>	<u>76,084,229</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	1,531,217	1,332,360	848,997	805,639
Contributions - employee	967,010	996,424	947,885	899,083
Net investment income	11,143,564	6,281,265	11,408,726	(2,355,801)
Benefit payments, including refunds of employee contributions	(4,983,551)	(5,815,356)	(4,160,576)	(4,129,918)
Administrative expense	(51,638)	(40,696)	(64,536)	(45,565)
Other	<u>352</u>	<u>(1,589)</u>	<u>(1,938)</u>	<u>(2,381)</u>
Net change in plan fiduciary net position	8,606,954	2,752,408	8,978,558	(4,828,943)
Plan fiduciary net position - beginning	<u>85,608,533</u>	<u>82,856,125</u>	<u>73,877,567</u>	<u>78,706,510</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING (b)</b>	<u>\$ 94,215,487</u>	<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>\$ (5,468,407)</u>	<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>	106.16%	99.71%	98.24%	97.10%
<b>Covered payroll</b>	\$ 13,814,427	\$ 14,234,630	\$ 13,541,213	\$ 12,844,042
<b>Net pension (asset) liability as a percentage of covered payroll</b>	-39.58%	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.

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
\$	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
	(4,346,827)	(3,436,976)	(4,781,270)	(3,272,671)
	(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%



<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 Five Measurement Years Ended December 31

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>TOTAL OPEB LIABILITY</b>					
Service cost	\$ 72,856	\$ 57,813	\$ 45,081	\$ 44,723	\$ 39,166
Interest	25,653	30,984	39,551	35,710	38,395
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience of the total OPEB liability	13,205	19,936	(62,317)	(2,483)	-
Changes of assumptions	(184,634)	88,745	80,071	(39,236)	47,917
Benefit payments	<u>(45,616)</u>	<u>(52,490)</u>	<u>(43,749)</u>	<u>(59,608)</u>	<u>(54,711)</u>
Net change in total OPEB liability	(118,536)	144,988	58,637	(20,894)	70,767
Total OPEB liability - beginning	<u>1,269,014</u>	<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>	<u>\$ 1,150,478</u>	<u>\$ 1,269,014</u>	<u>\$ 1,124,026</u>	<u>\$ 1,065,389</u>	<u>\$ 1,086,283</u>
<b>Covered-employee payroll</b>	\$ 13,814,427	\$ 14,234,630	\$ 13,541,213	\$ 12,844,042	\$ 12,381,528
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	8.33%	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.

Changes of assumptions reflect a change in the discount rate from 2% as of December 31, 2020 to 1.84% as of December 31, 2021.

# **Combining and Individual Fund Financial Statements and Schedules**



**Town of Highland Park, Texas**  
 Budgetary Comparison Schedule  
 Capital Projects Fund  
 For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment income	\$ 44,510	\$ 44,510	\$ 86,397	\$ 41,887
Intergovernmental	3,168,020	3,168,020	2,656,136	(511,884)
Miscellaneous	-	-	721	721
Total revenues	3,212,530	3,212,530	2,743,254	(469,276)
<b>EXPENDITURES</b>				
Current				
Street Department	1,196,853	1,196,853	1,196,853	-
Capital Outlay	7,096,993	7,096,993	2,786,761	4,310,232
Total expenditures	8,293,846	8,293,846	3,983,614	4,310,232
Deficiency of revenues under expenditures	(5,081,316)	(5,081,316)	(1,240,360)	3,840,956
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	3,521,839	5,321,839	5,321,839	-
Transfers Out	(493,000)	(493,000)	(493,000)	-
Net other financing sources (uses)	3,028,839	4,828,839	4,828,839	-
Net change in fund balances	(2,052,477)	(252,477)	3,588,479	3,840,956
Fund balance, beginning of year	7,326,906	7,326,906	7,326,906	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 5,274,429</b>	<b>\$ 7,074,429</b>	<b>\$ 10,915,385</b>	<b>\$ 3,840,956</b>

**Town of Highland Park, Texas**  
 Budgetary Comparison Schedule  
 Stormwater Drainage Fund  
 For the Fiscal Year Ended September 30, 2022

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Service fees	\$ 441,692	\$ 441,692	\$ 439,595	\$ (2,097)
Investment income	15,979	15,979	25,776	9,797
Total revenues	457,671	457,671	465,371	7,700
<b>EXPENDITURES</b>				
Current				
General Government	136,750	136,750	230,837	(94,087)
Capital Outlay	1,660,000	1,660,000	542,894	1,117,106
Total expenditures	1,796,750	1,796,750	773,731	1,023,019
Deficiency of revenues under expenditures	(1,339,079)	(1,339,079)	(308,360)	1,030,719
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	300,000	300,000	300,000	-
Transfers Out	(104,900)	(104,900)	(104,900)	-
Net other financing sources (uses)	195,100	195,100	195,100	-
Net change in fund balances	(1,143,979)	(1,143,979)	(113,260)	1,030,719
Fund balance, beginning of year	2,946,700	2,946,700	2,946,700	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,802,721</b>	<b>\$ 1,802,721</b>	<b>\$ 2,833,440</b>	<b>\$ 1,030,719</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, 2022

	<b>Special Revenue Funds</b>			
	<b>Forfeited Property</b>	<b>Court Technology</b>	<b>Court Security</b>	<b>DPS Technology</b>
<b>ASSETS</b>				
Cash and equivalents	\$ 66,048	\$ 120,804	\$ 31,012	\$ 283,658
Leases receivable	-	-	-	612,866
Other accounts receivable	-	-	-	8,212
<b>TOTAL ASSETS</b>	<b>\$ 66,048</b>	<b>\$ 120,804</b>	<b>\$ 31,012</b>	<b>\$ 904,736</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Vouchers payable	\$ 34,834	\$ 652	\$ -	\$ -
Total liabilities	34,834	652	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - leases	-	-	-	612,866
Total deferred inflows of resources	-	-	-	612,866
<b>FUND BALANCES</b>				
Restricted				
Crime prevention	31,214	-	-	-
Court technology	-	120,152	-	-
Court security	-	-	31,012	-
DPS technology	-	-	-	291,870
Library	-	-	-	-
Total fund balances	31,214	120,152	31,012	291,870
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 66,048</b>	<b>\$ 120,804</b>	<b>\$ 31,012</b>	<b>\$ 904,736</b>

**Special Revenue Funds - Continued**

<b>Library</b>	<b>Tuancy Prevention</b>	<b>Municipal Jury</b>	<b>Total Nonmajor Funds</b>
\$ 332,804	\$ 52,591	\$ 1,051	\$ 887,968
-	-	-	612,866
-	-	-	8,212
<u>\$ 332,804</u>	<u>\$ 52,591</u>	<u>\$ 1,051</u>	<u>\$ 1,509,046</u>
\$ 2,027	\$ -	\$ -	\$ 37,513
2,027	-	-	37,513
-	-	-	612,866
-	-	-	612,866
-	52,591	1,051	84,856
-	-	-	120,152
-	-	-	31,012
-	-	-	291,870
330,777	-	-	330,777
330,777	52,591	1,051	858,667
<u>\$ 332,804</u>	<u>\$ 52,591</u>	<u>\$ 1,051</u>	<u>\$ 1,509,046</u>

## Town of Highland Park, Texas

Combining Statement of Revenues, Expenditures, and

Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended September 30, 2022

	<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	\$ 4,316	\$ 31,418	\$ 30,800	\$ -
Investment income	185	987	237	2,514
Contributions	-	-	-	-
Miscellaneous	-	-	-	97,336
Total revenues	4,501	32,405	31,037	99,850
<b>EXPENDITURES</b>				
Current				
Department of public safety	1,640	-	-	-
Library	-	-	-	-
Municipal court	-	24,637	-	-
Total expenditures	1,640	24,637	-	-
Excess of revenues over expenditures	2,861	7,768	31,037	99,850
<b>OTHER FINANCING USES</b>				
Transfers out	-	-	(24,600)	(94,330)
Total other financing uses	-	-	(24,600)	(94,330)
Net change in fund balances	2,861	7,768	6,437	5,520
Fund balances, beginning of year	28,353	112,384	24,575	286,350
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 31,214</b>	<b>\$ 120,152</b>	<b>\$ 31,012</b>	<b>\$ 291,870</b>

Special Revenue Funds - Continued			Total
Library	Truancy Prevention	Municipal Jury	Nonmajor Governmental Funds
\$ -	\$ 19,042	\$ 381	\$ 85,957
2,799	363	7	7,092
51,446	-	-	51,446
-	-	-	97,336
54,245	19,405	388	241,831
-	-	-	1,640
27,655	-	-	27,655
-	-	-	24,637
27,655	-	-	53,932
26,590	19,405	388	187,899
-	-	-	(118,930)
-	-	-	(118,930)
26,590	19,405	388	68,969
304,187	33,186	663	789,698
<u>\$ 330,777</u>	<u>\$ 52,591</u>	<u>\$ 1,051</u>	<u>\$ 858,667</u>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Forfeited Property Fund  
 For the Fiscal Year Ended September 30, 2022

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Service fees	\$ 2,500	\$ 4,140	\$ 4,316	\$ 176
Investment income	139	139	185	46
Total revenues	2,639	4,279	4,501	222
<b>EXPENDITURES</b>				
Current				
Department of Public Safety	1,000	2,640	1,640	1,000
Total expenditures	1,000	2,640	1,640	1,000
Excess of revenues over expenditures	1,639	1,639	2,861	1,222
Net change in fund balances	1,639	1,639	2,861	1,222
Fund balance, beginning of year	28,353	28,353	28,353	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 29,992</b>	<b>\$ 29,992</b>	<b>\$ 31,214</b>	<b>\$ 1,222</b>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Court Technology Fund  
 For the Fiscal Year Ended September 30, 2022

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Service fees	\$ 36,810	\$ 36,810	\$ 31,418	\$ (5,392)
Investment income	452	452	987	535
Total revenues	37,262	37,262	32,405	(4,857)
<b>EXPENDITURES</b>				
Current				
Municipal court	27,364	27,364	24,637	2,727
Total expenditures	27,364	27,364	24,637	2,727
Excess of revenues over expenditures	9,898	9,898	7,768	(2,130)
Net change in fund balances	9,898	9,898	7,768	(2,130)
Fund balance, beginning of year	112,384	112,384	112,384	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 122,282</b>	<b>\$ 122,282</b>	<b>\$ 120,152</b>	<b>\$ (2,130)</b>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Court Security Fund  
 For the Fiscal Year Ended September 30, 2022

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Service fees	\$ 28,629	\$ 28,629	\$ 30,800	\$ 2,171
Investment income	96	96	237	141
Total revenues	28,725	28,725	31,037	2,312
Excess of revenues over expenditures	28,725	28,725	31,037	2,312
<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	4,125	4,125	6,437	2,312
Fund balance, beginning of year	24,575	24,575	24,575	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 28,700</b>	<b>\$ 28,700</b>	<b>\$ 31,012</b>	<b>\$ 2,312</b>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 DPS Technology Fund  
 For the Fiscal Year Ended September 30, 2022

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment income	\$ 1,315	\$ 1,315	\$ 2,514	\$ 1,199
Miscellaneous	94,330	94,330	97,336	3,006
Total revenues	95,645	95,645	99,850	4,205
Excess of revenues over expenditures	95,645	95,645	99,850	4,205
<b>OTHER FINANCING USES</b>				
Transfers out	(94,330)	(94,330)	(94,330)	-
Total other financing uses	(94,330)	(94,330)	(94,330)	-
Net change in fund balances	1,315	1,315	5,520	4,205
Fund balance, beginning of year	286,350	286,350	286,350	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 287,665</b>	<b>\$ 287,665</b>	<b>\$ 291,870</b>	<b>\$ 4,205</b>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Library Fund  
 For the Fiscal Year Ended September 30, 2022

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment income	\$ 1,340	\$ 1,340	\$ 2,799	\$ 1,459
Contributions	39,990	39,990	51,446	11,456
Total revenues	41,330	41,330	54,245	12,915
<b>EXPENDITURES</b>				
Current				
Library	32,490	32,490	27,655	4,835
Total expenditures	32,490	32,490	27,655	4,835
Excess of revenues over expenditures	8,840	8,840	26,590	17,750
Net change in fund balances	8,840	8,840	26,590	17,750
Fund balance, beginning of year	304,187	304,187	304,187	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 313,027</b>	<b>\$ 313,027</b>	<b>\$ 330,777</b>	<b>\$ 17,750</b>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Truancy Prevention Fund  
 For the Fiscal Year Ended September 30, 2022

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Service fees	\$ 24,000	\$ 24,000	\$ 19,042	\$ (4,958)
Investment income	107	107	363	256
Total revenues	24,107	24,107	19,405	(4,702)
Excess of revenues over expenditures	24,107	24,107	19,405	(4,702)
Net change in fund balances	24,107	24,107	19,405	(4,702)
Fund balance, beginning of year	33,186	33,186	33,186	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 57,293</b>	<b>\$ 57,293</b>	<b>\$ 52,591</b>	<b>\$ (4,702)</b>

**Town of Highland Park, Texas**  
 Nonmajor Special Revenue Fund  
 Budgetary Comparison Schedule  
 Municipal Jury Fund  
 For the Fiscal Year Ended September 30, 2022

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Service fees	\$ 480	\$ 480	\$ 381	\$ (99)
Investment income	2	2	7	5
Total revenues	482	482	388	(94)
Excess of revenues over expenditures	482	482	388	(94)
Net change in fund balances	482	482	388	(94)
Fund balance, beginning of year	663	663	663	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 1,145</b>	<b>\$ 1,145</b>	<b>\$ 1,051</b>	<b>\$ (94)</b>

## **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, 2022

	<b>Equipment Replacement Fund</b>	<b>Building Maintenance Fund</b>	<b>Technology Replacement Fund</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 2,310,056	\$ 1,095,909	\$ 1,918,641	\$ 5,324,606
Investments	1,451,553	201,555	1,854,656	3,507,764
Accrued interest receivable	11,503	-	11,503	23,006
	<hr/>	<hr/>	<hr/>	<hr/>
Total current assets	3,773,112	1,297,464	3,784,800	8,855,376
<b>CAPITAL ASSETS</b>				
Buildings and improvements	-	146,429	-	146,429
Vehicles and rolling stock	4,979,304	-	-	4,979,304
Machinery and equipment	953,070	86,207	5,019,877	6,059,154
Construction in progress	51,502	-	-	51,502
Accumulated depreciation	(3,179,913)	(46,110)	(3,659,683)	(6,885,706)
	<hr/>	<hr/>	<hr/>	<hr/>
Capital assets, net of accumulated depreciation	2,803,963	186,526	1,360,194	4,350,683
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	6,577,075	1,483,990	5,144,994	13,206,059
<b>LIABILITIES</b>				
Current liabilities				
Vouchers payable	4,083	33,131	1,980	39,194
	<hr/>	<hr/>	<hr/>	<hr/>
Total current liabilities	4,083	33,131	1,980	39,194
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET POSITION</b>				
Net investment in capital assets	2,803,963	186,526	1,360,194	4,350,683
Unrestricted	3,769,029	1,264,333	3,782,820	8,816,182
	<hr/>	<hr/>	<hr/>	<hr/>
Total net position	6,572,992	1,450,859	5,143,014	13,166,865
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 6,577,075</b>	<b>\$ 1,483,990</b>	<b>\$ 5,144,994</b>	<b>\$ 13,206,059</b>

## 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, 2022

	<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	\$ 625,466	\$ 483,000	\$ 590,946	\$ 1,699,412
Miscellaneous	-	19,209	-	19,209
Total operating revenues	625,466	502,209	590,946	1,718,621
<b>OPERATING EXPENSES</b>				
Materials and supplies	-	25,226	8,579	33,805
Services and charges	18,808	416,813	12	435,633
Depreciation	500,679	15,856	212,052	728,587
Total operating expenses	519,487	457,895	220,643	1,198,025
Operating income	105,979	44,314	370,303	520,596
<b>NON-OPERATING REVENUES</b>				
Investment income	36,585	11,874	36,225	84,684
Intragovernmental contributions	15,087	-	-	15,087
Gain on sale of assets	204,716	-	-	204,716
Total non-operating revenues	256,388	11,874	36,225	304,487
Income (loss) before transfers	362,367	56,188	406,528	825,083
Transfers in	-	-	-	-
Transfer out	-	-	-	-
Change in net position	362,367	56,188	406,528	825,083
Net position, beginning of year	6,210,625	1,394,671	4,736,486	12,341,782
<b>NET POSITION, END OF YEAR</b>	<b>\$ 6,572,992</b>	<b>\$ 1,450,859</b>	<b>\$ 5,143,014</b>	<b>\$ 13,166,865</b>

**Town of Highland Park, Texas**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended September 30, 2022

	<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	\$ 544,314	\$ 502,209	\$ 579,443	\$ 1,625,966
Cash payments to suppliers for goods and services	(18,808)	(425,963)	(6,611)	(451,382)
Net cash provided by operating activities	525,506	76,246	572,832	1,174,584
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(489,981)	-	(49,467)	(539,448)
Proceeds from sale of capital assets	204,716	-	-	204,716
Net cash used in capital and related financing activities	(285,265)	-	(49,467)	(334,732)
<b>INVESTING ACTIVITIES</b>				
Purchases of investments	(1,451,553)	(201,555)	(1,854,656)	(3,507,764)
Investment income	36,585	11,874	36,225	84,684
Net cash used in investing activities	(1,414,968)	(189,681)	(1,818,431)	(3,423,080)
Net change in cash and cash equivalents	(1,174,727)	(113,435)	(1,295,066)	(2,583,228)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>3,484,783</u>	<u>1,209,344</u>	<u>3,213,707</u>	<u>7,907,834</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 2,310,056</u>	<u>\$ 1,095,909</u>	<u>\$ 1,918,641</u>	<u>\$ 5,324,606</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income	\$ 105,979	\$ 44,314	\$ 370,303	\$ 520,596
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	500,679	15,856	212,052	728,587
(Increase) decrease in accounts receivable	(11,503)	-	(11,503)	(23,006)
Increase (decrease) in vouchers payable	(69,649)	16,076	1,980	(51,593)
Total adjustments	419,527	31,932	202,529	653,988
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 525,506</u>	<u>\$ 76,246</u>	<u>\$ 572,832</u>	<u>\$ 1,174,584</u>



# **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.

	<b><u>Page</u></b>
<b>Financial Trends – Schedules 1-5</b>	82
<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>	94
<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>	98
<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>	100
<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>	104
<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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 42,861,512	\$ 49,151,886	\$ 47,756,610	\$ 46,764,910
Restricted	-	-	7,160,695	6,427,046
Unrestricted	<u>16,332,102</u>	<u>10,753,328</u>	<u>13,107,840</u>	<u>15,495,335</u>
Total governmental activities	59,193,614	59,905,214	68,025,145	68,687,291
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	18,280,047	19,377,428	20,559,598	21,977,963
Restricted	-	-	862,321	757,365
Unrestricted	<u>2,493,350</u>	<u>2,059,231</u>	<u>3,343,815</u>	<u>4,878,494</u>
Total business-type activities	20,773,397	21,436,659	24,765,734	27,613,822
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	61,141,559	68,529,314	68,316,208	68,742,873
Restricted	-	-	8,023,016	7,184,411
Unrestricted	<u>18,825,452</u>	<u>12,812,559</u>	<u>16,451,655</u>	<u>20,373,829</u>
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 79,967,011</u>	<u>\$ 81,341,873</u>	<u>\$ 92,790,879</u>	<u>\$ 96,301,113</u>

Source: Town Annual Comprehensive Financial Report

## Schedule 1

<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$ 46,950,588	\$ 48,600,002	\$ 51,296,854	\$ 55,637,115	\$ 59,412,918	\$ 60,465,360
5,070,790	4,650,021	678,207	850,463	933,776	1,020,206
17,931,929	21,461,168	29,303,573	27,747,703	38,982,924	45,751,160
69,953,307	74,711,191	81,278,634	84,235,281	99,329,618	107,236,726
25,064,820	24,380,192	24,989,944	26,981,741	27,829,668	29,323,876
588,189	540,101	-	-	-	-
4,783,514	8,134,055	10,109,727	9,559,018	9,543,879	10,960,785
30,436,523	33,054,348	35,099,671	36,540,759	37,373,547	40,284,661
72,015,408	72,980,194	76,286,798	82,618,856	87,242,586	89,789,236
5,658,979	5,190,122	678,207	850,463	933,776	1,020,206
22,715,443	29,595,223	39,413,300	37,306,721	48,526,803	56,711,945
<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>	<u>\$ 147,521,387</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>EXPENSES</b>				
Governmental activities:				
General government	\$ 1,973,256	\$ 3,277,962	\$ 2,757,174	\$ 2,384,232
Department of public safety	10,575,157	10,831,500	10,864,166	12,739,997
Development services	-	-	-	581,762
Street department	1,175,073	1,850,685	1,830,746	1,833,046
Street lighting department	237,734	190,317	188,515	173,948
Library	712,953	701,144	813,700	858,706
Parks department	1,350,947	1,429,901	1,393,455	1,440,116
Swimming pool	199,939	181,970	193,642	207,793
Sanitation	1,073,427	1,133,782	1,094,766	1,093,055
Municipal court	329,474	280,071	352,954	411,642
Finance department	733,642	780,928	765,516	757,264
Building inspection department	406,813	426,574	475,766	526,709
Total governmental activities expenses	<u>18,768,415</u>	<u>21,084,834</u>	<u>20,730,400</u>	<u>23,008,270</u>
Business-type activities:				
Enterprise	<u>6,278,852</u>	<u>6,411,751</u>	<u>6,027,849</u>	<u>6,303,437</u>
Total business-type activities expenses	<u>6,278,852</u>	<u>6,411,751</u>	<u>6,027,849</u>	<u>6,303,437</u>
Total primary government expenses	<u>25,047,267</u>	<u>27,496,585</u>	<u>26,758,249</u>	<u>29,311,707</u>
<b>PROGRAM REVENUES</b>				
Governmental activities:				
Charges for services				
General government	376,083	386,948	500,509	403,852
Department of public safety	761,759	737,090	745,218	871,979
Street department	144,332	138,687	153,689	-
Library	10,512	10,310	11,033	10,770
Parks department	10,520	11,482	14,086	11,722
Swimming pool	105,095	97,840	95,699	98,254
Sanitation*	1,242,590	1,231,340	1,236,438	1,235,509
Municipal court	845,028	787,331	789,631	1,016,752
Building inspection department	963,254	1,232,986	1,370,473	1,008,806
Operating grants and contributions	101,770	98,069	77,503	38,436
Capital grants and contributions	<u>1,175,308</u>	<u>702,885</u>	<u>338,170</u>	<u>892,238</u>
Total governmental activities program revenues	<u>5,736,251</u>	<u>5,434,968</u>	<u>5,332,449</u>	<u>5,588,318</u>
Business-type activities:				
Charges for services	8,640,478	8,109,508	8,735,372	9,685,418
Capital grants and contributions	<u>-</u>	<u>42,880</u>	<u>780,300</u>	<u>551,244</u>
Total business-type activities program revenues	<u>8,640,478</u>	<u>8,152,388</u>	<u>9,515,672</u>	<u>10,236,662</u>
Total primary government program revenues	<u>14,376,729</u>	<u>13,587,356</u>	<u>14,848,121</u>	<u>15,824,980</u>
<b>NET (EXPENSE/REVENUE)</b>				
Governmental activities	(13,032,164)	(15,649,866)	(15,397,951)	(17,419,952)
Business-type activities	<u>2,361,626</u>	<u>1,740,637</u>	<u>3,487,823</u>	<u>3,933,225</u>
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<u>\$ (10,670,538)</u>	<u>\$ (13,909,229)</u>	<u>\$ (11,910,128)</u>	<u>\$ (13,486,727)</u>

\*Beginning in fiscal year 2017, sanitation activities are being reported in the Enterprise fund.  
Source: Town Annual Comprehensive Financial Report

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	2,619,896	\$ 2,356,690	\$ 3,098,785	\$ 3,765,097	\$ 2,981,564	\$ 2,572,481
	12,791,955	12,945,374	13,740,569	17,180,703	12,512,997	13,233,553
	535,389	546,896	536,719	554,707	498,352	361,578
	2,124,658	2,525,487	2,353,901	2,628,353	2,811,780	3,235,368
	174,281	163,948	171,973	168,476	117,267	-
	748,880	861,484	932,961	938,552	939,472	965,287
	1,560,182	1,617,882	1,958,178	2,102,759	1,988,991	1,827,180
	232,174	217,285	212,452	186,375	208,344	260,564
	-	-	-	-	-	-
	394,023	460,418	508,203	522,465	507,601	514,243
	780,238	830,269	970,798	1,190,417	864,940	891,370
	553,578	845,846	774,762	781,322	896,119	767,365
	<u>22,515,254</u>	<u>23,371,579</u>	<u>25,259,301</u>	<u>30,019,226</u>	<u>24,327,427</u>	<u>24,628,989</u>
	<u>7,684,059</u>	<u>8,097,351</u>	<u>7,853,843</u>	<u>8,905,337</u>	<u>8,480,641</u>	<u>9,076,184</u>
	<u>7,684,059</u>	<u>8,097,351</u>	<u>7,853,843</u>	<u>8,905,337</u>	<u>8,480,641</u>	<u>9,076,184</u>
	<u>30,199,313</u>	<u>31,468,930</u>	<u>33,113,144</u>	<u>38,924,563</u>	<u>32,808,068</u>	<u>33,705,173</u>
	416,071	421,736	532,944	598,382	455,092	460,560
	856,381	807,058	1,144,249	1,230,719	903,656	938,450
	-	-	-	-	-	-
	8,729	10,376	9,742	5,664	6,245	5,995
	11,643	22,724	13,339	27,563	21,000	22,200
	100,667	198,587	108,690	75,648	110,508	128,589
	-	-	-	-	-	-
	1,194,712	1,099,949	1,434,027	821,654	665,870	552,803
	1,453,459	1,239,753	1,418,085	1,367,286	1,556,166	1,503,328
	38,422	46,118	53,800	87,347	61,884	262,223
	402,065	3,476,027	4,810,374	5,129,895	1,988,732	1,870,685
	<u>4,482,149</u>	<u>7,322,328</u>	<u>9,525,250</u>	<u>9,344,158</u>	<u>5,769,153</u>	<u>5,744,833</u>
	10,884,396	11,683,600	10,958,440	11,363,772	11,047,240	12,804,325
	768,705	373,600	130,135	199,000	62,000	639,000
	<u>11,653,101</u>	<u>12,057,200</u>	<u>11,088,575</u>	<u>11,562,772</u>	<u>11,109,240</u>	<u>13,443,325</u>
	16,135,250	19,379,528	20,613,825	20,906,930	16,878,393	19,188,158
	(18,033,105)	(16,049,251)	(15,734,051)	(20,675,068)	(18,558,274)	(18,884,156)
	3,969,042	3,959,849	3,234,732	2,657,435	2,628,599	4,367,141
\$	<u>(14,064,063)</u>	<u>(12,089,402)</u>	<u>(12,499,319)</u>	<u>(18,017,633)</u>	<u>(15,929,675)</u>	<u>(14,517,015)</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities:				
Taxes:				
Property taxes	\$ 9,744,640	\$ 10,053,948	\$ 10,671,716	\$ 11,593,666
Sales taxes	2,952,203	3,437,806	3,514,625	3,616,074
Mixed beverage taxes	160,250	189,232	175,550	191,407
Franchise taxes	965,140	1,024,422	1,051,658	1,021,287
Penalty and interest on taxes	46,903	54,809	49,867	48,196
Investment income	56,257	53,695	49,550	92,266
Intergovernmental	-	-	-	-
Miscellaneous and gain (loss) on sale of assets	416,286	462,208	451,252	429,777
Transfers	948,173	1,085,346	1,003,851	1,099,425
	<u>15,289,852</u>	<u>16,361,466</u>	<u>16,968,069</u>	<u>18,092,098</u>
Total governmental activities				
Business-type activities:				
Investment and miscellaneous income	4,259	7,971	6,519	14,288
Transfers	(948,173)	(1,085,346)	(1,003,851)	(1,066,425)
	<u>(943,914)</u>	<u>(1,077,375)</u>	<u>(997,332)</u>	<u>(1,052,137)</u>
Total business-type activities				
Total primary government	14,345,938	15,284,091	15,970,737	17,039,961
<b>CHANGE IN NET POSITION</b>				
Governmental activities	2,257,688	711,600	1,570,118	672,146
Business-type activities	1,417,712	663,262	2,490,491	2,881,088
<b>TOTAL PRIMARY GOVERNMENT</b>	<u>\$ 3,675,400</u>	<u>\$ 1,374,862</u>	<u>\$ 4,060,609</u>	<u>\$ 3,553,234</u>

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
\$	12,627,053	\$ 13,253,603	\$ 13,771,347	\$ 14,833,790	\$ 15,184,505	\$ 15,484,800
	3,480,389	4,071,324	4,312,342	4,198,191	5,663,645	6,954,907
	219,135	270,661	329,814	286,304	432,488	472,603
	1,037,496	1,036,561	1,085,951	938,957	884,641	997,854
	55,376	105,698	83,002	83,786	87,774	78,478
	206,841	443,110	760,221	421,252	153,769	393,224
	-	-	-	-	-	-
	488,288	521,421	541,134	1,504,216	9,394,855	872,315
	1,184,543	1,401,658	1,417,683	1,365,219	1,850,934	1,537,083
	<u>19,299,121</u>	<u>21,104,036</u>	<u>22,301,494</u>	<u>23,631,715</u>	<u>33,652,611</u>	<u>26,791,264</u>
	38,202	109,027	228,274	148,872	55,123	81,056
	<u>(1,184,543)</u>	<u>(1,401,658)</u>	<u>(1,417,683)</u>	<u>(1,365,219)</u>	<u>(1,850,934)</u>	<u>(1,537,083)</u>
	<u>(1,146,341)</u>	<u>(1,292,631)</u>	<u>(1,189,409)</u>	<u>(1,216,347)</u>	<u>(1,795,811)</u>	<u>(1,456,027)</u>
	18,152,780	19,811,405	21,112,085	22,415,368	31,856,800	25,335,237
	1,266,016	5,054,785	6,567,443	2,956,647	15,094,337	7,907,108
	<u>2,822,701</u>	<u>2,667,218</u>	<u>2,045,323</u>	<u>1,441,088</u>	<u>832,788</u>	<u>2,911,114</u>
\$	<u>4,088,717</u>	<u>\$ 7,722,003</u>	<u>\$ 8,612,766</u>	<u>\$ 4,397,735</u>	<u>\$ 15,927,125</u>	<u>\$ 10,818,222</u>



**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>
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
2022	15,493,542	6,954,907	997,854	472,603	23,918,906

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>GENERAL FUND</b>				
Nonspendable	\$ 148,475	\$ 32,055	\$ 12,844	\$ 22,992
Restricted	-	-	24,000	14,000
Committed	-	-	-	-
Assigned	614,758	625,122	883,224	1,136,308
Unassigned	<u>3,203,691</u>	<u>4,296,843</u>	<u>4,047,254</u>	<u>3,517,765</u>
Total general fund	3,966,924	4,954,020	4,967,322	4,691,065
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Nonspendable	253	-	-	-
Restricted	246,497	281,565	401,476	516,425
Committed	3,684,791	2,234,474	4,002,298	5,810,044
Assigned	<u>6,032,322</u>	<u>172,921</u>	<u>219,488</u>	<u>833,609</u>
Total all other governmental funds	<u>9,963,863</u>	<u>2,688,960</u>	<u>4,623,262</u>	<u>7,160,078</u>
<b>TOTAL GOVERNMENTAL FUNDS</b>	<u>\$ 13,930,787</u>	<u>\$ 7,642,980</u>	<u>\$ 9,590,584</u>	<u>\$ 11,851,143</u>

Source: Town Annual Comprehensive Financial Report

## Schedule 4

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 159,937	\$ 14,469	\$ 11,759	\$ 14,705	\$ 19,830	\$ 35,437
14,000	14,000	-	124,588	144,078	161,539
-	-	-	974,559	10,139,152	10,219,404
1,377,190	1,205,592	1,180,056	1,960,441	1,360,812	1,356,936
<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>	<u>8,759,561</u>
5,436,944	5,774,953	6,411,142	7,745,058	19,381,621	20,532,877
-	-	-	-	-	-
628,530	625,198	678,207	725,875	789,698	858,667
7,523,730	6,767,959	8,658,185	10,077,807	7,526,582	7,897,018
<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>	<u>5,851,807</u>
9,206,272	9,975,314	11,795,788	13,500,366	11,063,304	14,607,492
<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>	<u>\$ 35,140,369</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>REVENUES</b>				
Taxes	\$ 13,767,078	\$ 14,691,139	\$ 15,505,358	\$ 16,392,412
Penalties and interest	46,903	54,809	49,867	48,196
Licenses and permits	1,041,353	1,273,423	1,424,885	1,050,004
Service and franchise fees	2,928,470	2,914,043	2,960,189	3,108,151
Fines and forfeitures	442,995	429,429	406,839	474,179
Investment income	49,886	42,428	37,436	67,366
Intergovernmental	-	-	-	-
Contributions	1,277,078	800,954	415,673	930,674
Miscellaneous	373,058	340,951	450,151	347,894
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	19,926,821	20,547,176	21,250,398	22,418,876
<b>EXPENDITURES</b>				
General government	1,822,661	2,324,629	2,188,987	1,777,454
Department of public safety	10,289,647	10,442,551	11,189,760	11,177,755
Development services	-	-	-	503,180
Street department	362,468	349,310	377,557	1,133,508
Street lighting department	199,859	175,276	186,869	160,212
Library	639,355	625,195	743,172	776,121
Parks department	1,267,715	1,353,546	1,385,583	1,307,206
Swimming pool	168,316	153,275	166,016	181,082
Municipal court	315,970	276,807	352,954	400,708
Finance department	731,295	781,748	791,310	757,116
Building inspection department	405,514	422,026	475,766	526,709
Sanitation*	1,069,999	1,102,043	1,094,766	1,093,055
Capital outlay	8,418,334	9,611,560	1,353,905	1,463,636
	<hr/>	<hr/>	<hr/>	<hr/>
	25,691,133	27,617,966	20,306,645	21,257,742
Excess (deficiency) of revenues over (under) expenditures	(5,764,312)	(7,070,790)	943,753	1,161,134
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,424,075	2,713,791	3,896,967	5,109,975
Transfers out	(2,689,222)	(1,932,120)	(2,893,116)	(4,010,550)
Proceeds from sale of capital assets	2,008	1,312	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	736,861	782,983	1,003,851	1,099,425
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (5,027,451)</b>	<b>\$ (6,287,807)</b>	<b>\$ 1,947,604</b>	<b>\$ 2,260,559</b>

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

Source: Town Annual Comprehensive Financial Report

## Schedule 5

	2017	2018	2019	2020	2021	2022
\$	16,293,063	\$ 17,608,789	\$ 18,413,771	\$ 19,257,224	\$ 21,298,033	\$ 22,921,052
	55,376	105,698	83,002	83,786	87,774	78,478
	1,499,728	1,228,621	1,444,633	1,411,594	1,592,042	1,543,714
	3,096,463	3,066,496	3,337,171	2,808,609	2,734,052	2,833,206
	462,396	434,024	514,011	299,002	245,039	259,708
	153,834	343,893	567,086	318,868	120,586	308,540
	-	1,287,770	5,193,320	2,513,332	2,014,877	2,586,273
	440,487	46,118	53,800	60,519	57,084	262,223
	420,032	444,854	447,510	437,957	459,542	633,303
	<u>22,421,379</u>	<u>24,566,263</u>	<u>30,054,304</u>	<u>27,190,891</u>	<u>28,609,029</u>	<u>31,426,497</u>
	2,014,024	2,029,119	2,120,711	2,254,606	2,631,084	2,577,299
	11,517,024	12,368,726	12,687,420	13,275,151	13,504,159	14,579,489
	522,547	534,106	524,494	548,693	492,338	355,564
	1,416,617	1,507,748	1,605,049	1,872,132	1,889,052	2,188,769
	172,221	159,411	170,327	166,830	136,636	-
	678,146	789,510	862,433	868,024	868,615	896,368
	1,445,195	1,536,638	1,754,729	1,697,430	1,964,092	1,838,087
	205,460	191,718	186,096	158,801	180,174	232,394
	393,816	458,972	508,203	522,465	506,593	511,977
	811,923	829,268	897,434	940,857	935,897	978,024
	553,578	845,846	774,762	781,322	903,973	765,423
	-	-	-	-	-	-
	1,061,411	3,427,686	6,923,666	3,405,116	6,175,462	3,344,742
	<u>20,791,962</u>	<u>24,678,748</u>	<u>29,015,324</u>	<u>26,491,427</u>	<u>30,188,075</u>	<u>28,268,136</u>
	1,629,417	(112,485)	1,038,980	699,464	(1,579,046)	3,158,361
	5,612,637	5,894,153	5,645,458	5,249,478	4,555,216	6,901,839
	(4,452,992)	(4,683,117)	(4,227,775)	(3,884,259)	(2,938,137)	(5,364,756)
	3,011	8,500	-	973,811	9,161,468	-
	<u>1,162,656</u>	<u>1,219,536</u>	<u>1,417,683</u>	<u>2,339,030</u>	<u>10,778,547</u>	<u>1,537,083</u>
\$	<u>2,792,073</u>	<u>\$ 1,107,051</u>	<u>\$ 2,456,663</u>	<u>\$ 3,038,494</u>	<u>\$ 9,199,501</u>	<u>\$ 4,695,444</u>

**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		
2013	\$ 5,058,223,790	\$ 61,252,130	\$ 1,038,248,559	\$ 4,081,227,361	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
2022	8,269,469,480	99,364,670	1,598,558,542	6,770,275,608	0.230000

Source: Dallas Central Appraisal District

# Town of Highland Park, Texas

# Schedule 7

## Property Tax Rates

## Direct and Overlapping Governments

## Last Ten Fiscal Years

Fiscal Year	Direct Rate	Overlapping Rates					
	Town of Highland Park	County			School District		
	Operating/General Rate	Dallas County	Hospital District	Community College District	Total County	Highland Park I.S.D	Dallas I.S.D.
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	0.124770	0.653870	1.118100	1.282090
2016	0.220000	0.243100	0.286000	0.123650	0.652750	1.111900	1.282090
2017	0.220000	0.252370	0.279400	0.122930	0.654700	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	0.124000	0.656500	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
2022	0.230000	0.237950	0.255000	0.123510	0.616460	1.131000	1.248240

Source: Dallas Central Appraisal District

**Town of Highland Park, Texas**

Principal Property Taxpayers

September 30, 2022 and 2013

**Schedule 8**

Property Tax Payer	2022			2013		
		Rank	% of Taxable Assessed Value		Rank	% of Taxable Assessed Value
HP Village Partners	\$ 211,768,620	1	3.13%	\$ 114,984,320	1	2.82%
Dallas Country Club	43,086,260	2	0.64%	22,964,300	3	0.56%
4101 Trust	41,000,000	3	0.61%			
Crow, Harlan R.	39,762,992	4	0.59%	19,629,952	4	0.48%
Muse, John R.	39,470,000	5	0.58%	23,740,456	2	0.58%
Ware, Leslie	33,145,200	6	0.49%			
L & B Depp UCEPP 5500	25,526,960	7	0.38%	18,767,000	5	0.46%
Intercity Investment	23,050,280	8	0.34%	14,376,790	9	0.35%
Jones, Jerral W. & Gene C.	22,448,224	9	0.33%			
3905 B Trust	17,447,040	10	0.26%			
Mitchell, Amy E.	-		0.00%	17,478,088	6	0.43%
Cox, Edwin L Trust	-		0.00%	17,045,928	7	0.42%
Corrigan Properties, Inc	-		0.00%	14,750,000	8	0.36%
Crousens, Guinn D.	-		0.00%	14,024,198	10	0.34%
<b>Total</b>	<u>496,705,576</u>		<u>7.34%</u>	<u>277,761,032</u>		<u>6.81%</u>
<b>Total Assessed Valuation</b>	<u>\$ 6,770,275,608</u>		<u>100.00%</u>	<u>\$ 4,081,227,361</u>		<u>100.00%</u>

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*
2013	\$ 9,783,604	\$ 9,683,980	99.0%	\$ 23,625	\$ 9,707,605	99.2%
2014	10,118,831	10,001,535	98.8%	15,045	10,016,580	99.0%
2015	10,836,257	10,732,287	99.0%	4,905	10,737,192	99.1%
2016	11,715,800	11,580,827	98.8%	25,318	11,606,145	99.1%
2017	12,686,330	12,564,113	99.0%	50,253	12,614,366	99.4%
2018	13,236,918	13,173,166	99.5%	28,260	13,201,426	99.7%
2019	13,805,559	13,677,917	99.1%	88,017	13,765,934	99.7%
2020	14,870,511	14,753,266	99.2%	49,184	14,802,450	99.5%
2021	15,208,071	15,115,453	99.4%	18,345	15,133,798	99.5%
2022	15,537,129	15,442,441	99.4%	-	15,442,441	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, 2022

**Schedule 10**

<b>Governmental Unit</b>	<b>Gross Bonded Debt</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
Town of Highland Park	\$ -	0.000%	\$ -
Dallas County	236,605,000	2.580%	6,104,409
Dallas Community College District	110,835,000	2.510%	2,781,959
Dallas County Hospital District	559,905,000	2.580%	14,445,549
Dallas Independent School District	3,467,730,000	0.240%	8,322,552
Highland Park Independent School District	336,135,000	37.150%	124,874,153
	<u>\$ 4,711,210,000</u>		<u>\$ 156,528,621</u>
<b>Total Direct and Overlapping Debt to Total Taxable Assessed Valuation</b>			<u>2.31%</u>
<b>Per Capita Overlapping Debt</b>			<u>\$ 17,659</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.

## **Town of Highland Park, Texas**

Legal Debt Margin Information

Last Ten Fiscal Years

## **Schedule 11**

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, 2022.

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

**Schedule 12**

<b>Fiscal Year Ended Sept 30</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
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%
2022	8,864	1,412,363,168	159,337	2.40%

**Sources:** US Census Bureau's QuickFacts report, US Census Tables

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

**Schedule 13**

2022			2013		
Employer	Number of Establishments	Employees	Business Sector	Number of Establishments	Employees
Retail Trade	60	622	Retail Trade	51	584
Wholesale Trade	D	20 to 99	Wholesale Trade	12	95
Information	D	20 to 99	Information	5	*
Finance & Insurance	D	250 to 499			
Professional, Scientific & Technical Services	61	142	Professional, Scientific & Technical Services	43	158
Real Estate & Rental Leasing	D	20 to 99	Real Estate & Rental Leasing	27	82
Administrative & Support & Waste Management & Remediation Services	18	78	Administrative & Support & Waste Management & Remediation Services	13	28
Education Services	3	10	Education Services	3	*
Health Care & Social Assistance	30	106	Health Care & Social Assistance	22	*
Arts, Entertainment & Recreation	9	335	Arts, Entertainment & Recreation	8	*
Accommodations & Food Services	16	495	Accommodations & Food Services	10	313
Other Services (Except Public Administration)	12	204	Other Services (Except Public Administration)	13	81

\*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: 2022 was obtained from the 2017 Economic Census, and 2013 data was obtained from the 2007 Economic Census.

"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
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	***	7,853,250,380	106,359,070
2021	23	33,720,046	1,239	***	8,041,214,480	108,081,240
2022	16	6,286,811	1,052	***	8,269,469,480	99,364,670

\*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 Employees by Function

Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Function/Program</b>				
General government	5.0	5.0	5.0	2.0
Public safety	69.0	69.0	69.0	70.0
Town services	-	-	-	3.0
Street	3.3	3.3	3.3	3.3
Street lighting	2.0	1.0	1.0	1.0
Library	3.0	4.0	4.0	4.0
Parks	9.0	9.0	9.0	9.0
Municipal court	2.0	2.0	2.0	2.0
Finance	5.0	5.0	5.0	5.0
Building inspection	3.0	3.0	3.0	4.0
Information technology	1.0	1.0	1.0	1.0
Utility administration	4.0	4.0	4.0	3.0
Water	4.4	4.4	4.4	4.4
Sewer	2.3	2.3	2.3	2.3
Engineering	4.5	5.0	5.0	5.0
Stormwater administration	0.5	-	-	-
<b>TOTAL CITY POSITIONS</b>	<u>118.0</u>	<u>118.0</u>	<u>118.0</u>	<u>119.0</u>

Source: Official Town Budget

Schedule 15

2017	2018	2019	2020	2021	2022
2.0	2.0	2.0	2.0	2.0	2.0
70.5	73.0	73.0	73.0	73.0	73.0
3.0	3.0	3.0	3.0	3.0	2.0
3.3	3.3	3.3	3.3	3.0	3.0
1.0	1.0	1.0	1.0	1.0	-
4.0	4.0	5.0	5.5	5.0	5.0
9.0	7.0	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	5.0	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	5.4	5.4	5.4	5.0	5.0
2.3	2.3	2.3	2.3	2.0	2.0
5.0	4.0	4.0	4.0	4.0	4.0
-	-	-	-	-	-
119.5	121.0	122.0	122.5	121.0	119.0

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

<b>Function/Program</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Administration				
Service Requests Processed	4,858	5,479	4,483	4,744
Public Safety				
Call Responses: Police	10,434	9,744	10,352	10,945
Call Responses: Fire	751	914	812	815
Call Responses: EMS	398	386	399	417
Citations Issued	9,189	8,069	7,958	9,596
Street				
Asphalt Repairs (Tons)	676	335	554	300
Storm Inlets	1,346	1,224	1,536	1,400
Library				
Total Circulation	43,814	43,964	45,588	47,449
Valid Library Cards	2,568	2,359	2,456	2,577
Swimming Pool				
Annual Passes Sold	1,523	1,467	1,344	1,360
Daily Passes Sold	3,260	2,100	2,752	3,059
Participants in Leisure Service Programs				
Finance/Personnel				
Accounts Payable Checks Disbursed	3,150	3,533	3,378	3,450
Payroll Checks/ACH Disbursed	4,670	4,375	4,001	4,026
Building Inspection				
Total Inspections	3,121	2,982	3,924	4,449
Total Permits Issued	1,183	1,922	1,862	1,865
Water				
Meters Read	67,263	65,665	66,302	66,777
Meters Installed/Replaced	631	453	537	252
Sewer				
Service Calls	26	50	54	29
Mains Cleaned	533	665	562	522

Source: Town Departments

\* Due to COVID-19 restrictions

## Schedule 16

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
4,103	4,434	4,389	4,034	4,130	3,337
10,530	10,137	9,281	9,229	9,086	10,001
621	717	824	824	958	894
369	366	379	352	431	438
12,054	11,505	11,695	7,158	5,556	5,001
250	295	250	250	283	38
1,518	1,400	1,425	1,431	1,490	1,468
47,317	44,398	48,148	48,403	57,654	67,005
2,739	2,570	2,100	2,120	2,057	1,992
1,365	1,381	1,223	1,086	1,481	1,433
2,540	2,608	2,487	*	1,897	2,676
3,160	2,870	2,953	3,149	3,387	3,862
3,963	3,995	4,366	4,177	4,214	4,172
4,347	4,633	4,611	3,896	3516	5,922
1,748	1,742	1,640	1,724	1,917	1,700
66,136	66,542	66,451	66,521	66,750	67,083
107	449	577	582	334	275
22	25	22	27	30	49
585	458	464	462	383	486

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

<b>FUNCTION/PROGRAM</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
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	7	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

