



THE TOWN OF

Highland Park
TEXAS

An American Community Making a Difference



**Annual
Comprehensive
Financial Report
Fiscal Year Ended
September 30, 2024**





Town of Highland Park, Texas
Annual Comprehensive Financial Report
Fiscal Year Ended September 30, 2024

Prepared by:
Finance Department

Town of Highland Park, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2024
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Introductory Section (Unaudited)



MAYOR
William C. Beecherl
MAYOR PRO TEM
Don Snell
TOWN ADMINISTRATOR
Tobin E. Maples, AICP



TOWN COUNCIL
MEMBERS
Alan Friedman
Marc Myers
Lydia Novakov
Leland White

February 4, 2025

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, 2024, 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, 2024, 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, 2024, 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 8,719. 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 the Town Administrator (manager), Town Secretary, Municipal Judge 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, parks and recreation 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 Finance and Human Resources Departments, 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 31st with adoption taking place no later than September 15th. 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 61, 62, and 68-73.

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 2024. The property tax rate was reduced from fiscal year 2023 from 23 cents per \$100 of taxable assessed value to 22.053 cents. Despite the reduction in the tax rate, property tax revenues were 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 continued to experience the addition of new homes, the remodeling of existing homes, and commercial remodeling at the Highland Park Shopping Village. Sales tax revenue, another indicator of the economy, was significantly higher compared to the prior fiscal year. This is due in part to increased retail activity within the community. While the Town's FY 2025 Adopted Budget reflects a conservative increase in sales tax revenue, the growth trend in actual sales tax is continuing.

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, 2024, 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% of operating expenses within the Enterprise Fund was also met. The General Fund ended the year with an unassigned fund balance equivalent to 33% of current year expenditures, less capital outlay. 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 98.0% of operating expenses, including transfers out. In addition, the Enterprise Fund had \$4,069,400 in encumbrances at year end. The working capital position equates to 59.5% 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, asset life expectancy, 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 to the Town of Highland Park for its annual comprehensive financial report for the fiscal year ended September 30, 2023. This was the forty-second 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.

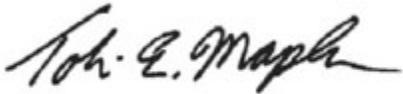
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The Town also received the GFOA's Distinguished Budget Presentation Award for its annual budget dated October 1, 2023. 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.

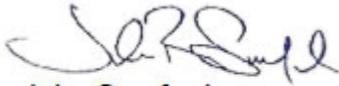
Respectively submitted,



Tobin E. Maples, AICP
Town Administrator



Steven J. Alexander
Assistant Town Administrator



John Samford
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

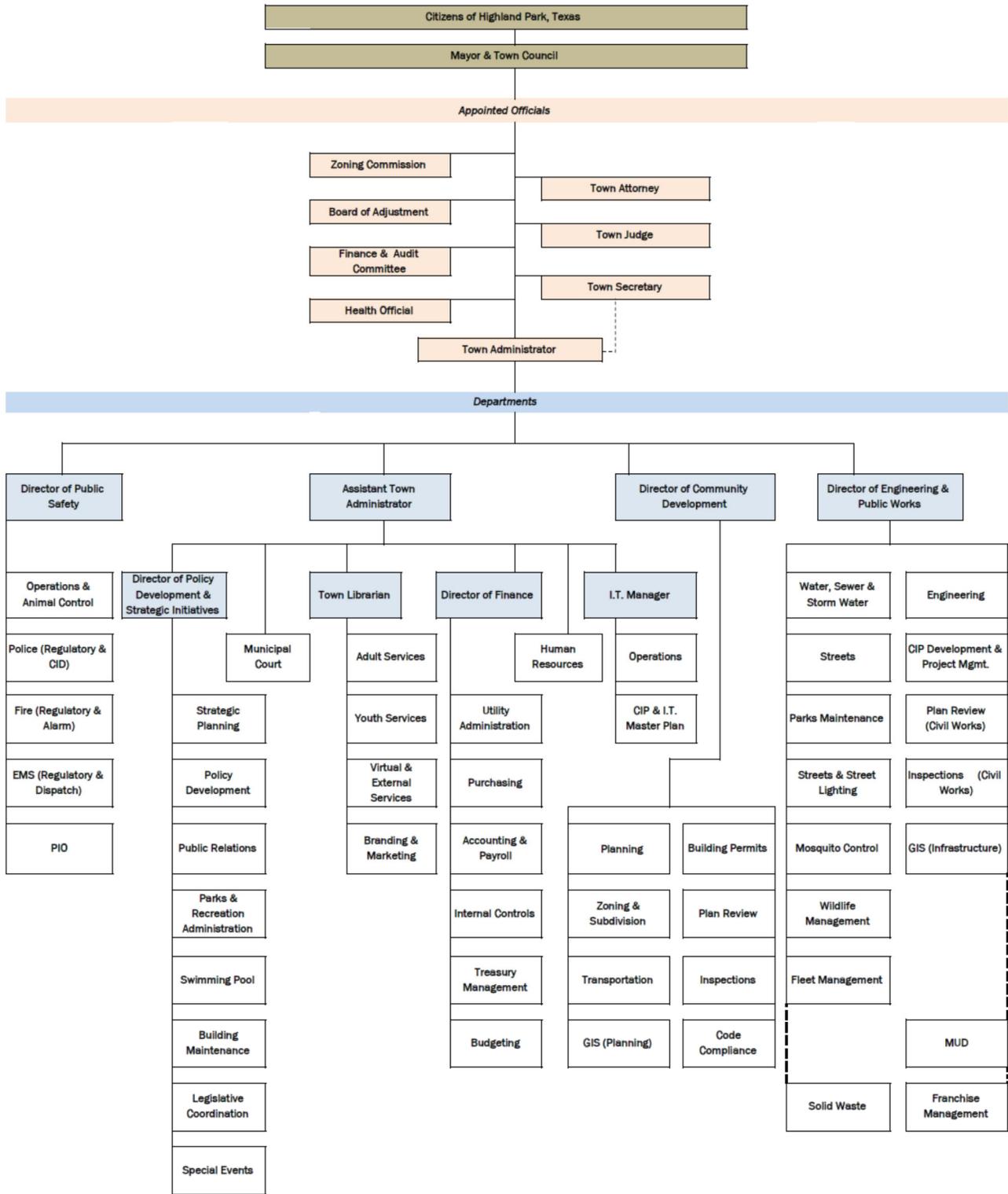
Presented to

**Town of Highland Park
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Town of Highland Park, Texas
Organizational Structure - As of October 31, 2024



**Town of Highland Park
Principal Officials**

Town Council

Will C. Beecherl, **Mayor**
Don Snell, **Mayor Pro Tem**
Marc Myers, **Council Member**
Lydia Novakov, **Council Member**
Alan Friedman, **Council Member**
Leland White, **Council Member**

Town Administrator

Tobin E. Maples, AICP

Town Attorney

Susan Thomas

Town Judge

Albert D. Hammack

Local Health Authority

Michael L. McCullough, M.D.

Town Secretary

Joanna Mekeal, TMRC

Assistant Town Administrator

Steven J. Alexander

Director of Engineering & Public Works

Lori Chapin, P.E.

Director of Finance

John Samford

Director of Public Safety

Chuck McGinnis

Town Librarian

Kortney Nelson

Director of Community Development

Jeff Armstrong

Director of Policy Development & Strategic Initiatives

Chelsey Gordon



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, 2024, 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, 2024, 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 (*Government Auditing Standards*). 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.

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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. 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 (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 04, 2025, 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 the effectiveness of the Town's 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.

The Woodlands, Texas
February 04, 2025



Management's Discussion and Analysis (Unaudited)

As management of the Town of Highland Park, Texas (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, 2024. 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 \$167,858,956 (net position). Of this amount, \$59,154,862 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 \$16,752,168. The increase is a result of operations of \$2,586,483 and changes in capital assets of \$13,081,487, net of the impact of pension and Other Post Employment Benefits (OPEB) \$1,084,198.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$39,172,430, an increase of \$2,876,909 in comparison with the prior year. Approximately 22.5% of the reported combined ending fund balances, or \$8,818,231, 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 \$8,818,231 or, 33% of total General Fund expenditures, less capital outlay, and the unrestricted net position for the Enterprise Fund was \$12,379,664, or 97.9% of total Enterprise Fund operating expenses and transfers out. The Enterprise Fund had \$4,069,400 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 \$8,658,355 was primarily funded through resources within the Capital Projects Fund and General Fund set aside for that purpose or funding received from external entities to improve infrastructure within the Town.
- The Town continues the practice of funding capital improvements on a pay-as-you-go basis. Accordingly, the Town has no bonded or bank debt.

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 nine 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 six 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 eight 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 equipment, 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 29-51 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 54-78 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 \$167,858,956 at the close of the most recent fiscal year.

The largest portion of the Town's net position (64.2%) 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, \$886,447 is restricted for Public Safety, Library, and Public, Educational, and Government (PEG) access channel fees. The remaining balance of \$59,154,862, 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	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 59,158,702	\$ 52,889,723	\$ 14,326,976	\$ 16,691,897	\$ 73,485,678	\$ 69,581,620
Capital assets	73,499,909	67,104,787	36,703,863	30,017,498	110,203,772	97,122,285
Total assets	132,658,611	119,994,510	51,030,839	46,709,395	183,689,450	166,703,905
Deferred outflows of resources	4,490,225	7,252,384	657,164	898,471	5,147,389	8,150,855
Current liabilities	4,395,183	3,886,487	3,113,683	1,430,236	7,508,866	5,316,723
Long-term liabilities	9,544,909	13,881,751	1,069,494	1,430,224	10,614,403	15,311,975
Total liabilities	13,940,092	17,768,238	4,183,177	2,860,460	18,123,269	20,628,698
Deferred inflows of resources	2,761,965	3,055,875	92,649	63,399	2,854,614	3,119,274
Net position						
Investment in capital assets	72,785,134	65,965,057	35,032,513	29,908,233	107,817,647	95,873,290
Restricted	886,447	800,446	-	-	886,447	800,446
Unrestricted	46,775,198	39,657,278	12,379,664	14,775,774	59,154,862	54,433,052
Total net position	\$ 120,446,779	\$ 106,422,781	\$ 47,412,177	\$ 44,684,007	\$ 167,858,956	\$ 151,106,788

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

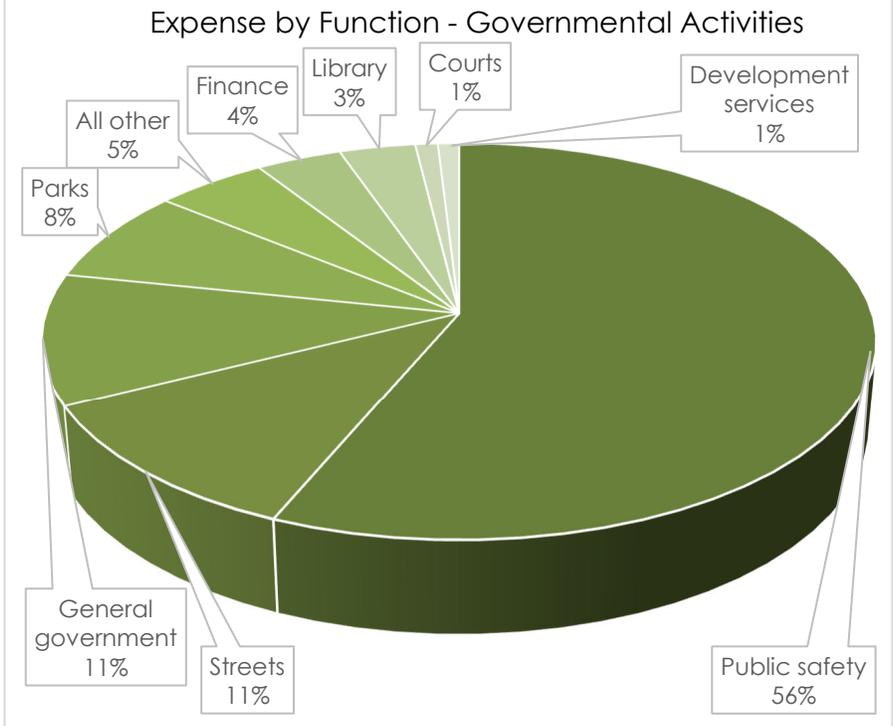
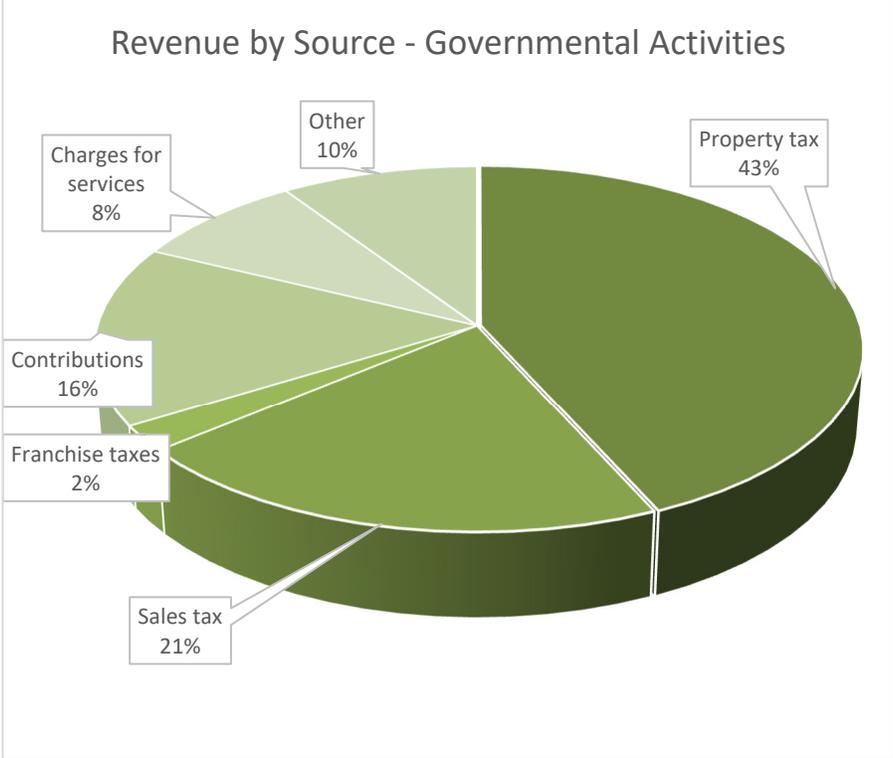
	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenue						
Program revenues						
Charges for services	\$ 3,569,487	\$ 3,708,207	\$ 13,776,335	\$ 13,694,318	\$ 17,345,822	\$ 17,402,525
Operating grants and contributions	54,257	2,382,752	-	-	54,257	2,382,752
Capital grants and contributions	6,727,501	1,113,815	362,000	164,000	7,089,501	1,277,815
General revenues						
Property tax	18,400,369	17,049,124	-	-	18,400,369	17,049,124
Sales tax	8,801,419	6,641,364	-	-	8,801,419	6,641,364
Franchise taxes	975,703	1,001,560	-	-	975,703	1,001,560
Other	4,010,490	3,545,462	785,216	560,309	4,795,706	4,105,771
Total revenues	<u>42,539,226</u>	<u>35,442,284</u>	<u>14,923,551</u>	<u>14,418,627</u>	<u>57,462,777</u>	<u>49,860,911</u>
Expenses						
General government	3,425,900	5,017,991	10,564,079	10,665,899	13,989,979	15,683,890
Public safety	16,902,924	19,810,647	-	-	16,902,924	19,810,647
Development services	283,562	303,271	-	-	283,562	303,271
Streets	3,355,212	3,488,637	-	-	3,355,212	3,488,637
Library	1,013,033	1,044,791	-	-	1,013,033	1,044,791
Parks	2,283,552	2,414,190	-	-	2,283,552	2,414,190
Swimming pool	313,900	271,860	-	-	313,900	271,860
Municipal court	632,741	552,479	-	-	632,741	552,479
Finance	1,141,355	1,425,991	-	-	1,141,355	1,425,991
Building inspection	794,351	1,279,754	-	-	794,351	1,279,754
Total expenses	<u>30,146,530</u>	<u>35,609,611</u>	<u>10,564,079</u>	<u>10,665,899</u>	<u>40,710,609</u>	<u>46,275,510</u>
Excess (deficiency) of revenues over (under) expenditures	12,392,696	(167,327)	4,359,472	3,752,728	16,752,168	3,585,401
Transfers	1,631,302	(646,618)	(1,631,302)	646,618	-	-
Changes in net position	<u>14,023,998</u>	<u>(813,945)</u>	<u>2,728,170</u>	<u>4,399,346</u>	<u>16,752,168</u>	<u>3,585,401</u>
Net position, beginning of year	106,422,781	107,236,726	44,684,007	40,284,661	151,106,788	147,521,387
Net position - ending	<u>\$ 120,446,779</u>	<u>\$ 106,422,781</u>	<u>\$ 47,412,177</u>	<u>\$ 44,684,007</u>	<u>\$ 167,858,956</u>	<u>\$ 151,106,788</u>

The Town's total net position of \$167,858,956 increased a total of \$16,752,168 or 11.1% over the previous fiscal year. The increase is a result of operations of \$2,586,483 and changes in capital assets of \$13,081,487, net of the impact of pension and OPEB of \$1,084,198. During the year, the Town experienced an increase in property tax revenue, which was directly related to an increase in taxable assessed value. For Fiscal Year 2024 (Tax Year 2023), the property tax rate decreased from \$0.230000 per \$100 of taxable assessed value to \$0.220530 per \$100 of taxable assessed value. The Town experienced strong growth in sales tax revenue totaling \$8,801,419, which is an increase of \$2,160,055 or 32.5% over the amount collected in the previous fiscal year. The sales tax increase was primarily attributed to robust retail activity offset by repayments of sales tax to the State Comptroller as a result of an incorrect allocation to Highland Park. The repayment term began May 2023 and will end April 2029.

Governmental Activities: Governmental activities increased the Town's net position by \$14,023,998.

Total revenues of \$42,539,226 for fiscal year 2024 increased by \$7,096,942 (20%) from fiscal year 2023. Property tax revenue grew \$1,351,245 due to an increase in taxable assessed values offset by a slight decrease in the tax rate. Capital grants and contributions increased \$5,613,686 primarily due to capital contributions received from the Dallas Area Rapid Transit, Dallas County, and the City of University Park for infrastructure and mobility improvement projects. Operating grants and contributions decreased \$2,328,495 due to grant funds received through the American Rescue Plan Act in fiscal year 2023, which were not received in fiscal year 2024.

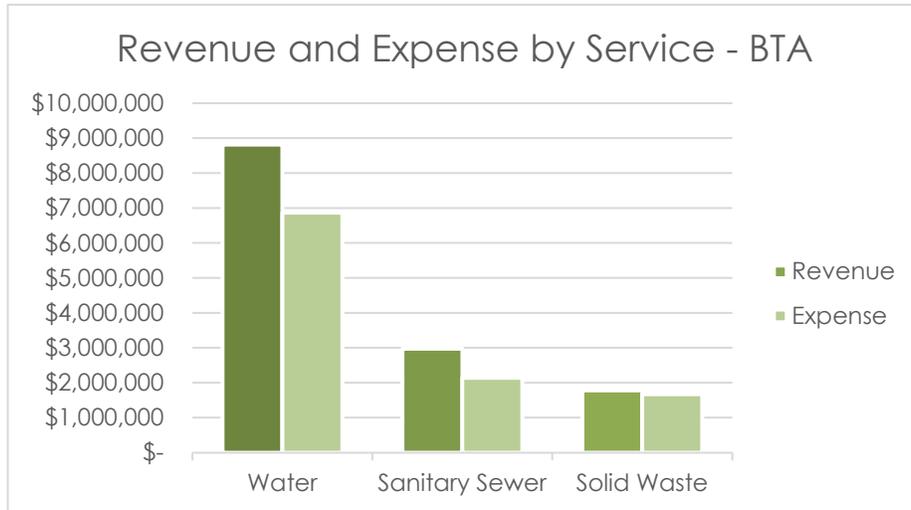
Total expenses decreased \$5,463,081 (15%) from 2023. The majority of this change was due to reconciling items between the fund level and government-wide financial statements. The largest is related to the net change in pension and OPEB expense of \$6,066,142. Driving this decrease was a cost-of-living increase for existing retirees and updated service credits for current employees that occurred in the previous fiscal year coupled with favorable investment performance. Pension and OPEB expense is allocated to the various departments based on the pension contributions with the significant majority (approximately \$815 thousand) to Public Safety followed by Administration (\$78 thousand) and Parks (\$57 thousand), Finance and Building Inspection (\$67 thousand each). In addition, the Town incurred the liability for the sales tax repayment mentioned above, which was recorded as an expense last fiscal year and additional expense in fiscal year 2024 associated with the addition of nine new positions in public safety.



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 \$4,359,472.

Total business-type revenues for 2024 increased by \$504,924 (3.5%) from 2023 revenues. Charges for services increased by \$82,017 due to an increase in water (7.55%) and wastewater (3%) and solid waste (6.5%) rates coupled with a reduction in water sales. Capital grants and contributions increased by \$198,000 due to the donation of storm sewer mains by developers to the Town. Other revenue increased by \$224,907 primarily due to interest earnings resulting from favorable investment performance attributed to the increase in the Federal Fund rate.

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 \$1,423,600, were made from the Enterprise Fund to the General Fund for these purposes.



Government's Funds Financial Analysis

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 \$39,172,430, an increase of \$2,876,909 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 22.5% of total fund balance, or \$8,818,231, 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) non-spendable and is for inventory and prepaid items (\$33,106); 2) is restricted for special revenue funds and for use by the Library, DPS, Court, and PEG Access Channels (\$886,447); 3) committed for capital acquisition and storm water drainage improvements (\$25,067,265); or 4) assigned for capital projects, drainage, compensated absences, and to liquidate contracts and purchase orders of the prior period (\$4,367,381).

Fund Balances - Governmental Funds

	General Fund		Capital Projects		Stormwater Fund		Non- Major Funds		Total Governmental Funds	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Fund Balances										
Nonspendable	\$ 33,106	\$ 31,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,106	\$ 31,661
Restricted	191,314	177,451	-	-	-	-	695,133	622,995	886,447	800,446
Committed	7,466,208	10,564,946	15,530,470	12,065,697	2,070,587	1,961,438	-	-	25,067,265	24,592,081
Assigned	1,690,675	1,345,034	1,259,568	2,695,902	1,417,138	441,783	-	-	4,367,381	4,482,719
Unassigned	8,818,231	6,388,614	-	-	-	-	-	-	8,818,231	6,388,614
Total Fund Balances	\$ 18,199,534	\$ 18,507,706	\$ 16,790,038	\$ 14,761,599	\$ 3,487,725	\$ 2,403,221	\$ 695,133	\$ 622,995	\$ 39,172,430	\$ 36,295,521

The General Fund is the primary operating fund of the Town. The total fund balance of the Town's General Fund decreased by \$308,172 during the current fiscal year; this was primarily the net result of (1) an excess of revenues over expenditures of \$2,997,308 as well as; (2) budgeted transfers-out in the amount of \$4,753,680 from current revenues primarily to the Capital Projects Fund; and (3) transfers-in of \$1,448,200 primarily 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 33% of total General Fund expenditures less capital outlay, while total fund balance represents 60.0% of that same amount.

The Capital Projects Fund ended the fiscal year with a total fund balance of \$16,790,038, all committed or assigned for capital acquisitions and projects. The total fund balance of this fund increased by \$2,028,439 during the current fiscal year; this was the net result of (1) a deficiency of revenues over expenditures of (\$2,078,443) (2) \$5,374,582 in transfers into the Capital Projects Fund (General Fund \$4,712,080, Enterprise Fund \$578,502 and the Solid Waste Fund \$84,000); and (3) a transfer to the Enterprise Fund of \$267,700 and a transfer to the Stormwater Drainage Fund of \$1,000,000.

The Stormwater Drainage Fund ended the fiscal year with a total fund balance of \$3,487,725. Of this amount, \$2,070,587 is committed (i.e., available for future stormwater drainage improvements) with the balance being assigned for outstanding encumbrances expected to be honored upon performance by the vendor in the next year. The total fund balance of this fund increased by \$1,084,504 during the current fiscal year; this was the net result of (1) an excess of revenues over expenditures of \$230,004; and (2) net transfers-in of \$854,500.

Proprietary Funds: The Town's enterprise 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 \$12,379,664, a decrease of \$2,396,110, while total net position of \$47,412,177 increased \$2,728,170. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

Net Position - Proprietary Funds

	Enterprise Fund		Internal Service Funds		Total Proprietary Funds	
	2024	2023	2024	2023	2024	2023
Net Position						
Net investment in capital assets	\$ 35,032,513	\$ 29,908,233	\$ 5,294,007	\$ 4,659,542	\$ 40,326,520	\$ 34,567,775
Unrestricted	12,379,664	14,775,774	10,142,155	9,327,768	22,521,819	24,103,542
Total Net Position	\$ 47,412,177	\$ 44,684,007	\$ 15,436,162	\$ 13,987,310	\$ 62,848,339	\$ 58,671,317

Total Net Position of the Internal Service Funds increased \$1,448,852 to \$15,436,162. These three funds account for the acquisition and disposal of vehicles, repair and maintenance of buildings and the replacement of technology equipment.

General Fund Budgetary Highlights

Actual fiscal year 2024 General Fund revenues of \$33,321,489 were \$1,710,191 (5.4%) more than the final amended budget, primarily due to stronger than expected sales tax revenue. Actual fiscal year 2024 General Fund expenditures of \$30,324,181 were \$3,286,247 (9.8%) less than the final amended budget due to savings in all departments (\$1,286,247) and a budgeted transfer to the Stormwater Drainage Fund that was ultimately accounted for as an advance and treated as a due to/from in the fund financial statements.

Capital Assets

The Town's investment in capital assets for its governmental and business type activities as of September 30, 2024, amounts to \$110,203,772 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, software subscriptions and park facilities. The net increase in the Town's investment in capital assets for the current fiscal year was \$13,081,487, or 13.5% and primarily related to infrastructure improvements, the reconstruction of Lakeside Drive, Mockingbird Lane (West), and Abbott Avenue along with various alleyway, water and sewer and drainage improvements. Additionally, a right-to-use subscription asset was reported in the Technology Replacement Fund.

Additional information on the Town's capital assets can be found in Note 4 on pages 41-42 of this report.

Economic Factors and Next Year's Budgets and Rates

The development of the fiscal year 2024 – 2025 Operating Budget reflects a positive outlook for the Town's various revenue sources. Specifically:

- Taxable real and business personal property values grew at approximately 11.3%, or \$953,295,000 as compared to the certified values provided in July 2023. Most of this increase results from reassessments, however, approximately \$127,000,000 is related to new construction. In response, the tax rate was lowered from \$0.220530 to \$0.208550 per \$100 taxable assessed. As a result of these changes, property tax revenues are projected to increase \$947,605 as compared to the fiscal year 2024 budget.
- Sales tax projections were increased to \$7,020,752 as compared to \$6,502,058 budgeted for fiscal year 2024. Anticipated increase in retail activity coupled with the sales tax repayment arrangement with the State Comptroller affects this outlook.
- Water and sewer rates were adjusted by 6.5% in response to an increase in the cost to purchase water from the Dallas County Park Cities Municipal Utility District and the cost of wastewater treatment provided by the City of Dallas in addition increases in the cost of capital improvements, personnel, and repair and maintenance.

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, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 34,485,139	\$ 7,121,475	\$ 41,606,614
Investments	14,058,721	4,073,321	18,132,042
Receivables (net of allowances for uncollectibles)	9,798,670	2,495,086	12,293,756
Inventories	16,533	186,622	203,155
Prepays	16,597	4,811	21,408
Restricted assets			
Cash and cash equivalents	783,042	445,661	1,228,703
Capital assets (net of accumulated depreciation/amortization, where applicable)			
Depreciable	62,375,208	28,451,343	90,826,551
Non-depreciable	11,124,701	8,252,520	19,377,221
Total assets	132,658,611	51,030,839	183,689,450
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension contributions	1,600,463	183,938	1,784,401
Deferred pension experience loss	293,758	46,242	340,000
Deferred pension investment loss	2,098,575	344,184	2,442,759
Deferred OPEB contributions	50,661	8,433	59,094
Deferred OPEB experience loss	135,125	22,493	157,618
Deferred OPEB assumption change loss	311,643	51,874	363,517
Total deferred outflows of resources	4,490,225	657,164	5,147,389
LIABILITIES			
Vouchers payable	1,895,438	2,137,092	4,032,530
Retainage payable	-	365,074	365,074
Accrued liabilities	771,075	38,328	809,403
Deposits	69,776	445,661	515,437
Noncurrent liabilities			
Due within one year			
Compensated absences	1,173,117	127,528	1,300,645
Subscription liability	265,025	-	265,025
Sales tax obligation	220,752	-	220,752
Due in more than one year			
Compensated absences	1,083,751	54,642	1,138,393
Subscription liability	62,625	-	62,625
Sales tax obligation	791,050	-	791,050
Net pension liability	6,308,687	798,666	7,107,353
Total OPEB liability	1,298,796	216,186	1,514,982
Total liabilities	13,940,092	4,183,177	18,123,269
DEFERRED INFLOWS OF RESOURCES			
Deferred pension experience gain	35,614	10,469	46,083
Deferred pension assumption gain	410,063	39,742	449,805
Deferred OPEB experience gain	17,135	2,855	19,990
Deferred OPEB assumption change gain	237,789	39,583	277,372
Deferred inflows - leases	2,061,364	-	2,061,364
Total deferred inflows of resources	2,761,965	92,649	2,854,614
NET POSITION			
Net investment in capital assets	72,785,134	35,032,513	107,817,647
Restricted for:			
Public safety	301,980	-	301,980
Library	393,153	-	393,153
PEG	191,314	-	191,314
Unrestricted	46,775,198	12,379,664	59,154,862
TOTAL NET POSITION	\$ 120,446,779	\$ 47,412,177	\$ 167,858,956

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, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants And Contributions	Capital Grants And Contributions
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 3,425,900	\$ 658,406	\$ 7,318	\$ -
Department of public safety	16,902,924	969,260	-	733,000
Development services	283,562	-	-	-
Street department	3,355,212	-	-	5,994,501
Library	1,013,033	7,812	46,939	-
Parks department	2,283,552	28,920	-	-
Swimming pool	313,900	115,572	-	-
Municipal court	632,741	529,980	-	-
Finance department	1,141,355	-	-	-
Building inspection department	794,351	1,259,537	-	-
Total governmental activities	30,146,530	3,569,487	54,257	6,727,501
Business-type activities				
Enterprise	10,564,079	13,776,335	-	362,000
Total business-type activities	10,564,079	13,776,335	-	362,000
Total primary government	<u>\$ 40,710,609</u>	<u>\$ 17,345,822</u>	<u>\$ 54,257</u>	<u>\$ 7,089,501</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.

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business - Type Activities	Total
\$ (2,760,176)	\$ -	\$ (2,760,176)
(15,200,664)	-	(15,200,664)
(283,562)	-	(283,562)
2,639,289	-	2,639,289
(958,282)	-	(958,282)
(2,254,632)	-	(2,254,632)
(198,328)	-	(198,328)
(102,761)	-	(102,761)
(1,141,355)	-	(1,141,355)
465,186	-	465,186
(19,795,285)	-	(19,795,285)
-	3,574,256	3,574,256
-	3,574,256	3,574,256
\$ (19,795,285)	\$ 3,574,256	\$ (16,221,029)
\$ 18,400,369	\$ -	\$ 18,400,369
8,801,419	-	8,801,419
514,224	-	514,224
975,703	-	975,703
111,668	-	111,668
2,776,234	785,216	3,561,450
76,201	-	76,201
532,163	-	532,163
1,631,302	(1,631,302)	-
33,819,283	(846,086)	32,973,197
14,023,998	2,728,170	16,752,168
106,422,781	44,684,007	151,106,788
<u>\$ 120,446,779</u>	<u>\$ 47,412,177</u>	<u>\$ 167,858,956</u>

Town of Highland Park, Texas
 Balance Sheet - Governmental Funds
 September 30, 2024

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Stormwater Drainage</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and equivalents	\$ 6,973,446	\$ 15,754,814	\$ 5,066,273	\$ 783,042	\$ 28,577,575
Investments	8,258,835	1,288,735	1,000,000	-	10,547,570
Receivables, net					
Interest	129,106	-	51,910	-	181,016
Taxes	2,325,459	-	-	-	2,325,459
Leases	2,231,246	-	-	-	2,231,246
Other	404,422	-	-	-	404,422
Fines	181,977	-	-	-	181,977
Intergovernmental	-	4,370,732	-	-	4,370,732
Due from other funds	2,600,000	-	-	-	2,600,000
Inventories	16,533	-	-	-	16,533
Prepays	16,573	-	-	-	16,573
TOTAL ASSETS	\$ 23,137,597	\$ 21,414,281	\$ 6,118,183	\$ 783,042	\$ 51,453,103
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Vouchers payable	\$ 1,330,433	\$ 253,511	\$ 30,458	\$ 87,909	\$ 1,702,311
Accrued liabilities	734,353	-	-	-	734,353
Due to other funds	-	-	2,600,000	-	2,600,000
Deposits	69,776	-	-	-	69,776
Total liabilities	2,134,562	253,511	2,630,458	87,909	5,106,440
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	248,848	-	-	-	248,848
Unavailable revenue - ambulance	311,312	-	-	-	311,312
Unavailable revenue - fines	181,977	-	-	-	181,977
Unavailable revenue - leases	2,061,364	-	-	-	2,061,364
Unavailable revenue - intergovernmental revenue	-	4,370,732	-	-	4,370,732
Total deferred inflows of resources	2,803,501	4,370,732	-	-	7,174,233
FUND BALANCES					
Nonspendable					
Inventories	16,533	-	-	-	16,533
Prepays	16,573	-	-	-	16,573
Restricted					
Crime prevention	-	-	-	136,067	136,067
Court technology	-	-	-	133,908	133,908
Court security	-	-	-	32,005	32,005
Library	-	-	-	393,153	393,153
PEG	191,314	-	-	-	191,314
Committed					
Capital acquisition	7,466,208	15,530,470	-	-	22,996,678
Stormwater drainage improvements	-	-	2,070,587	-	2,070,587
Assigned					
Compensated absences	1,172,936	-	-	-	1,172,936
Capital projects	-	1,259,568	-	-	1,259,568
Drainage	-	-	1,417,138	-	1,417,138
Other	517,739	-	-	-	517,739
Unassigned	8,818,231	-	-	-	8,818,231
Total fund balances	18,199,534	16,790,038	3,487,725	695,133	39,172,430
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 23,137,597	\$ 21,414,281	\$ 6,118,183	\$ 783,042	\$ 51,453,103

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, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 39,172,430
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	4,490,225
Deferred inflows related to pension and OPEB are not reported in the funds.	(700,601)
Capital assets used in governmental activities, including the internal service fund, are not reported in the funds.	73,499,909
Property taxes receivable that are unavailable to pay for current period expenditures are deferred in the funds.	248,848
Ambulance receivables that are unavailable to pay for current period expenditures are deferred in the funds.	311,312
Court fines receivable that are unavailable to pay for current period expenditures are deferred in the funds.	181,977
Excess sales tax due to the State of Texas is not reported in the funds.	(1,011,802)
Construction reimbursements (intergovernmental) receivable from various governmental entities that are unavailable to pay for current period expenditures are deferred in the funds.	4,370,732
Net pension liability is not reported in the funds.	(6,308,687)
The long-term liability for other postemployment benefits is not recorded in the funds.	(1,298,796)
Payables for compensated absences are not reported in the funds.	(2,256,868)
Internal service funds are used by the Town's management: The assets, liabilities and deferred inflows of the internal service funds are included with the governmental activities. The net property of \$5,688,243, as it relates to the internal service funds is included in the capital asset amount above. Compensated absences of \$181, as it relates to internal funds is included in compensated absences total above.	<u>9,748,100</u>
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u><u>\$ 120,446,779</u></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, 2024

	General Fund	Capital Projects Fund	Stormwater Drainage	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 18,372,869	\$ -	\$ -	\$ -	\$ 18,372,869
Sales taxes	8,801,419	-	-	-	8,801,419
Mixed beverage taxes	514,224	-	-	-	514,224
Franchise fees	975,703	-	-	-	975,703
Penalties and interest	111,668	-	-	-	111,668
Licenses and permits	1,296,207	-	-	-	1,296,207
Service fees	1,251,989	-	571,749	64,810	1,888,548
Fines and forfeitures	338,742	-	-	-	338,742
Investment income	1,129,213	883,073	170,659	36,495	2,219,440
Contributions	7,318	-	-	46,939	54,257
Intergovernmental revenue	-	3,024,581	-	-	3,024,581
Miscellaneous	522,137	-	-	10,026	532,163
Total revenues	33,321,489	3,907,654	742,408	158,270	38,129,821
EXPENDITURES					
Current					
General government	2,782,260	-	217,186	-	2,999,446
Department of public safety	17,019,636	-	-	-	17,019,636
Development services	277,548	-	-	-	277,548
Street department	753,230	1,241,804	-	-	1,995,034
Library	906,568	-	-	38,548	945,116
Parks department	2,022,821	-	-	-	2,022,821
Swimming pool	269,892	-	-	-	269,892
Municipal court	609,757	-	-	22,984	632,741
Finance department	1,201,722	-	-	-	1,201,722
Building inspection department	861,903	-	-	-	861,903
Capital outlay	3,618,844	4,744,293	295,218	-	8,658,355
Total expenditures	30,324,181	5,986,097	512,404	61,532	36,884,214
Excess (deficiency) of revenues over (under) expenditures	2,997,308	(2,078,443)	230,004	96,738	1,245,607
OTHER FINANCING SOURCES (USES)					
Transfers in	1,448,200	5,374,582	1,000,000	-	7,822,782
Transfers out	(4,753,680)	(1,267,700)	(145,500)	(24,600)	(6,191,480)
Net other financing sources (uses)	(3,305,480)	4,106,882	854,500	(24,600)	1,631,302
Net change in fund balances	(308,172)	2,028,439	1,084,504	72,138	2,876,909
Fund balances, beginning of year	18,507,706	14,761,599	2,403,221	622,995	36,295,521
FUND BALANCES, END OF YEAR	\$ 18,199,534	\$ 16,790,038	\$ 3,487,725	\$ 695,133	\$ 39,172,430

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, 2024

Net change in fund balances - total governmental funds	\$ 2,876,909
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.	8,658,355
The depreciation/amortization of capital assets used in governmental activities, excluding the Internal Service Funds, is not reported in the funds.	(2,948,990)
The gain on disposal of capital assets used in governmental activities, excluding the Internal Service Funds, is not reported in the funds.	3,596
Compensated absences are reported as the amounts are earned in the Statement of Activities but as the amounts are paid in the funds. This is the net change in the liability for the year.	(363,084)
Property taxes levied and ambulance service and court 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.	73,490
Excess sales tax obligation due to the State of Texas is shown as a liability in the government wide financial statements but is not recorded in the fund financial statements. This amount represents payments on the obligation during the year.	220,752
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	2,969,920
Pension and OPEB expense is reported as the amount paid in the funds. In the Statement of Activities, this expense is increased or decreased based on changes in deferred outflows and deferred inflows in the Statement of Net Position.	1,084,198
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>1,448,852</u>
Change in net position - governmental activities	<u><u>\$ 14,023,998</u></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 Balance – Budget and Actual

General Fund

For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 18,515,422	\$ 18,515,422	\$ 18,372,869	\$ (142,553)
Sales taxes	6,502,058	6,944,270	8,801,419	1,857,149
Mixed beverage taxes	531,742	531,742	514,224	(17,518)
Franchise fees	975,542	975,542	975,703	161
Penalties and interest	83,346	83,346	111,668	28,322
Licenses and permits	1,581,300	1,581,300	1,296,207	(285,093)
Service fees	1,323,912	1,323,912	1,251,989	(71,923)
Fines and forfeitures	237,717	237,717	338,742	101,025
Investment income	1,127,191	1,127,191	1,129,213	2,022
Contributions	17,200	17,200	7,318	(9,882)
Miscellaneous	273,656	273,656	522,137	248,481
Total revenues	31,169,086	31,611,298	33,321,489	1,710,191
EXPENDITURES				
Current				
General government	4,582,603	4,950,665	2,782,260	2,168,405
Department of public safety	17,683,853	17,683,853	17,019,636	664,217
Development services	333,225	333,225	277,548	55,677
Street department	858,538	858,538	753,230	105,308
Library	952,864	952,864	906,568	46,296
Parks department	1,967,139	2,038,389	2,022,821	15,568
Swimming pool	277,184	280,084	269,892	10,192
Municipal court	623,335	623,335	609,757	13,578
Finance department	1,224,184	1,224,184	1,201,722	22,462
Building inspection department	965,291	965,291	861,903	103,388
Capital outlay	-	3,700,000	3,618,844	81,156
Total expenditures	29,468,216	33,610,428	30,324,181	3,286,247
Excess of revenues over expenditures	1,700,870	(1,999,130)	2,997,308	4,996,438
OTHER FINANCING SOURCES (USES)				
Transfers in	1,448,200	1,448,200	1,448,200	-
Transfers out	(4,753,680)	(4,753,680)	(4,753,680)	-
Net other financing sources (uses)	(3,305,480)	(3,305,480)	(3,305,480)	-
Net change in fund balances	(1,604,610)	(5,304,610)	(308,172)	4,996,438
Fund balance, beginning of year	18,507,706	18,507,706	18,507,706	-
FUND BALANCE, END OF YEAR	\$ 16,903,096	\$ 13,203,096	\$ 18,199,534	\$ 4,996,438

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, 2024

	Enterprise Fund	Governmental Activities Internal Service Funds
ASSETS		
Current assets		
Cash and equivalents	\$ 7,121,475	\$ 6,690,606
Investments	4,073,321	3,511,151
Receivables (net of allowance for uncollectibles)		
Water, Sewer and Sanitation		
Billed	1,768,652	-
Unbilled	671,808	-
Interest	54,626	103,818
Inventories	186,622	-
Prepays	4,811	24
Total current assets	<u>13,881,315</u>	<u>10,305,599</u>
Noncurrent assets		
Restricted cash and cash equivalents	445,661	-
Capital assets		
Land	4,895	-
Buildings and improvements	20,197	254,498
Improvements other than buildings	46,125,101	-
Vehicles and rolling stock	-	6,144,620
Machinery and equipment	2,126,860	7,194,535
Office furniture and equipment	25,326	-
Construction in progress	8,247,625	66,586
Right-to-use subscription assets	-	327,650
Accumulated depreciation and amortization	<u>(19,846,141)</u>	<u>(8,299,646)</u>
Capital assets, net of accumulated depreciation and amortization	<u>36,703,863</u>	<u>5,688,243</u>
Total noncurrent assets	<u>37,149,524</u>	<u>5,688,243</u>
Total assets	<u>51,030,839</u>	<u>15,993,842</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred pension contributions	183,938	-
Deferred pension experience loss	46,242	-
Deferred pension investment loss	344,184	-
Deferred OPEB contributions	8,433	-
Deferred OPEB experience loss	22,493	-
Deferred OPEB assumption change loss	<u>51,874</u>	<u>-</u>
Total deferred outflows of resources	<u>657,164</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>51,688,003</u>	<u>15,993,842</u>
LIABILITIES		
Current liabilities		
Vouchers payable	2,137,092	193,127
Retainage payable	365,074	-
Accrued liabilities	38,328	36,722
Deposits	445,661	-
Compensated absences	127,528	181
Subscription liability	<u>-</u>	<u>265,025</u>
Total current liabilities	<u>3,113,683</u>	<u>495,055</u>
Noncurrent liabilities		
Compensated absences	54,642	-
Net pension liability	798,666	-
OPEB liability	216,186	-
Subscription liability	<u>-</u>	<u>62,625</u>
Total noncurrent liabilities	<u>1,069,494</u>	<u>62,625</u>
Total liabilities	<u>4,183,177</u>	<u>557,680</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred pension experience gain	10,469	-
Deferred pension assumption change gain	39,742	-
Deferred OPEB experience gain	2,855	-
Deferred OPEB assumption change gain	<u>39,583</u>	<u>-</u>
Total deferred inflows of resources	<u>92,649</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>4,275,826</u>	<u>557,680</u>
NET POSITION		
Net investment in capital assets	35,032,513	5,294,007
Unrestricted	<u>12,379,664</u>	<u>10,142,155</u>
TOTAL NET POSITION	<u>\$ 47,412,177</u>	<u>\$ 15,436,162</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, 2024

	Enterprise Fund	Governmental Activities Internal Service Fund
OPERATING REVENUES		
Water sales	\$ 8,541,516	\$ -
Sewer services	2,977,122	-
New connections	64,050	-
Plumbing permits	62,260	-
Penalties for late payments	77,805	-
Inter-department water sales	264,492	-
Charges for services	1,783,919	1,581,533
Miscellaneous	5,171	88,959
	<hr/>	<hr/>
Total operating revenues	13,776,335	1,670,492
OPERATING EXPENSES		
Personnel services	1,778,551	81,542
Materials and supplies	4,195,434	39,881
Services and charges	3,279,876	491,164
Depreciation	1,310,218	971,452
	<hr/>	<hr/>
Total operating expenses	10,564,079	1,584,039
Operating income	3,212,256	86,453
NONOPERATING REVENUES		
Investment income	785,216	556,794
Intragovernmental contributions	-	733,000
Gain on sale of assets	-	72,605
	<hr/>	<hr/>
Total nonoperating revenues	785,216	1,362,399
Income before contributions and transfers	3,997,472	1,448,852
Capital contributions	362,000	-
Transfers in	454,800	-
Transfers out	(2,086,102)	-
	<hr/>	<hr/>
Change in net position	2,728,170	1,448,852
Net position, beginning of year	44,684,007	13,987,310
	<hr/>	<hr/>
NET POSITION, END OF YEAR	\$ 47,412,177	\$ 15,436,162

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, 2024

	Enterprise Fund	Governmental Activities Internal Service Fund
OPERATING ACTIVITIES		
Cash received from customers	\$ 14,052,376	\$ -
Cash received from interfund services	-	1,715,238
Cash payments to suppliers for goods and services	(5,830,071)	(412,660)
Cash payments to employees	(1,880,379)	(82,766)
Net cash provided by operating activities	6,341,926	1,219,812
NONCAPITAL FINANCING ACTIVITIES		
Transfers to other funds	(2,086,102)	-
Transfers from other funds	454,800	-
Net cash used for noncapital financing activities	(1,631,302)	-
CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(7,634,583)	(920,613)
Proceeds from sale of capital assets	-	72,605
Net cash used for capital and related financing activities	(7,634,583)	(848,008)
INVESTING ACTIVITIES		
Investment income	502,835	498,274
Sale of investments	7,810,678	3,818,602
Purchase of investments	(4,000,000)	(3,250,000)
Net cash provided by investing activities	4,313,513	1,066,876
Net change in cash and cash equivalents	1,389,554	1,438,680
Cash and cash equivalents, beginning of year	6,177,582	5,251,926
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 7,567,136	\$ 6,690,606
RECONCILIATION TO STATEMENT OF NET POSITION		
Cash and cash equivalents	\$ 7,121,475	\$ 6,690,606
Restricted cash and cash equivalents	445,661	-
	\$ 7,567,136	\$ 6,690,606

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, 2024

	<u>Enterprise Fund</u>	<u>Governmental Activities Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 3,212,256	\$ 86,453
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,310,218	971,452
(Increase) decrease in assets and deferred outflows of resources		
Accounts receivable	276,041	(36,888)
Inventory	(48,547)	-
Prepaid items	(1,316)	772
Leases	-	16,989
Deferred outflows of resources - pension and OPEB	241,307	-
Increase (decrease) in liabilities and deferred inflows of resources		
Vouchers payable	1,352,776	169,534
Accrued liabilities	315,306	12,724
Deposits payable	(1,330)	-
Compensated absences	28,350	(1,224)
Pension and OPEB liability	(372,385)	-
Deferred inflows of resources - pension and OPEB	29,250	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 6,341,926</u></u>	<u><u>\$ 1,219,812</u></u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Developer contributions	<u><u>\$ 362,000</u></u>	<u><u>\$ -</u></u>
Capital asset contributions from other governments	<u><u>\$ -</u></u>	<u><u>\$ 733,000</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, 2024, 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.

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Town of Highland Park, Texas

Notes to the Basic Financial Statements

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

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

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

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

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

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

The Town reports the following major governmental funds:

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

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

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

Town of Highland Park, Texas

Notes to the Basic Financial Statements

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.

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.

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.

Town of Highland Park, Texas

Notes to the Basic Financial Statements

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 the 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 for any lease receivable with an initial, individual value of \$100,000 or more. 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 \$2,231,246 remaining in leases receivable (\$45,772 of which is due within one year) and \$2,061,364 in deferred inflows as of September 30, 2024. The Town recorded lease revenue, including interest, of \$77,427 during the fiscal year ended September 30, 2024.

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.

Subscription-Based Information Technology Arrangements (SBITA)

The Town has noncancelable contracts with SBITA vendors for the right-to-use information technology software, alone or in combination with tangible capital assets. The Town recognizes subscription liabilities, reported with long term liabilities, and right-to-use subscription assets, reported with the other capital assets, in the government-wide and proprietary funds financial statements. The Town recognizes SBITA liabilities with an initial, individual value of \$100,000 or more.

At implementation of GASB Statement No. 96 and the commencement of subscription liabilities beginning after October 1, 2022, the Town initially measured the subscription liabilities at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liabilities are reduced by the principal portion of SBITA payments made. The right-to-use subscription assets are initially measured as the initial amount of the subscription liabilities, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription assets are amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying assets.

Town of Highland Park, Texas

Notes to the Basic Financial Statements

Key estimates and judgments related to SBITAs include how the Town determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The Town uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the Town is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The Town monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

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
Right-to-use subscription assets	5
Office furniture and equipment	10
Computer equipment	3-5
Police sedans	5
Pickups/small trucks	5
Medium/heavy trucks	6-7
Fire apparatus	20

Pensions

For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS'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.

Town of Highland Park, Texas

Notes to the Basic Financial Statements

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 (the 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/OPEB experience – This difference is deferred and recognized over the estimated average remaining service 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 service lives of all members determined as of the measurement date.
- Difference in projected and actual loss on pension assets – This difference is deferred and amortized over a closed five-year period.

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 service 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 service lives of all members determined as of the measurement date.
- 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.

Town of Highland Park, Texas

Notes to the Basic Financial Statements

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, 2024, that must be paid by December 31, 2024, and amounts that become vested as of September 30, 2024, 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 Non-spendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

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

Non-spendable – 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 Assistant Town Administrator 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.

Town of Highland Park, Texas

Notes to the Basic Financial Statements

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 \$0.220530 on each \$100 of assessed valuation.

Note 2. Deposits and Investments

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

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

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

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

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, 2024, as reflected in the financial statements, are:

Cash and cash equivalents	\$ 41,606,614
Restricted cash and cash equivalents	1,228,703
Investments	18,132,042
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	\$ 60,967,359
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Town of Highland Park, Texas

Notes to the Basic Financial Statements

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 \$31,316,702.

Deposits and investments as of September 30, 2024, consist of the following:

Deposits	\$ 30,969,638
Certificates of deposit	29,996,221
Petty cash on hand	1,500
	<u>\$ 60,967,359</u>

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

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

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

Interest Rate Risk – In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to 270 days. As of September 30, 2024, 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, 2024, 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.

Town of Highland Park, Texas

Notes to the Basic Financial Statements

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, 2024, the Town's deposits with its financial institution in excess of federal depository insurance limits were fully collateralized.

Custodial Credit Risk – Investments – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town avoids custodial credit risk on investments through its investment policy which further limits eligible instruments for investments of public funds. As of September 30, 2024, 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			Enterprise
Taxes receivable	\$ 2,399,991	\$ -	\$ -	\$ -	\$ 2,399,991	\$ -
Allowance for uncollectible taxes	(74,532)	-	-	-	(74,532)	-
	<u>2,325,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,325,459</u>	<u>-</u>
Accounts receivable	959,993	-	-	-	959,993	2,469,592
Allowance for uncollectible accounts	(373,594)	-	-	-	(373,594)	(29,132)
	<u>586,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>586,399</u>	<u>2,440,460</u>
Interest receivable	129,106	-	51,910	103,818	284,834	54,626
Leases receivable	2,231,246	-	-	-	2,231,246	-
Intergovernmental	-	4,370,732	-	-	4,370,732	-
	<u>2,360,352</u>	<u>4,370,732</u>	<u>51,910</u>	<u>103,818</u>	<u>6,886,812</u>	<u>54,626</u>
Total	<u>\$ 5,272,210</u>	<u>\$ 4,370,732</u>	<u>\$ 51,910</u>	<u>\$ 103,818</u>	<u>\$ 9,798,670</u>	<u>\$ 2,495,086</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, 2024, was as follows:

	Balance October 1, 2023	Additions	Sales or Other Dispositions	Adjustments/ Transfers	Balance September 30, 2024
General Capital Assets					
Capital assets not being depreciated					
Land	\$ 4,193,026	\$ 3,618,844	\$ -	\$ -	\$ 7,811,870
Construction in progress	10,237,074	2,816,921	-	(9,807,750)	3,246,245
Total capital assets not being depreciated	14,430,100	6,435,765	-	(9,807,750)	11,058,115
Capital assets being depreciated					
Buildings	22,374,494	-	-	-	22,374,494
Capital improvements	56,549,780	2,222,590	-	9,807,750	68,580,120
Furniture and fixtures	40,444	-	-	-	40,444
Office equipment	400,155	-	-	-	400,155
Machinery and equipment	5,978,492	-	-	(10)	5,978,482
Total capital assets being depreciated	85,343,365	2,222,590	-	9,807,740	97,373,695
Less accumulated depreciation for					
Buildings	(7,459,644)	(680,713)	-	-	(8,140,357)
Capital improvements	(27,705,556)	(1,954,873)	-	3,606	(29,656,823)
Furniture and fixtures	(38,866)	(1,578)	-	-	(40,444)
Office equipment	(400,155)	-	-	-	(400,155)
Machinery and equipment	(2,070,539)	(311,826)	-	-	(2,382,365)
Total accumulated depreciation	(37,674,760)	(2,948,990)	-	3,606	(40,620,144)
Capital assets being depreciated, net	47,668,605	(726,400)	-	9,811,346	56,753,551
Internal Service Fund Capital Assets					
Capital assets not being depreciated/amortized					
Construction in progress	-	66,586	-	-	66,586
Total capital assets not being depreciated/amortized	-	66,586	-	-	66,586
Capital assets being depreciated/amortized					
Building improvements	146,429	108,069	-	-	254,498
Machinery and equipment	6,707,418	487,117	-	-	7,194,535
Vehicles and rolling stock	5,248,275	991,841	(95,496)	-	6,144,620
Right-to-use subscription assets	327,650	-	-	-	327,650
Total capital assets being depreciated/amortized	12,429,772	1,587,027	(95,496)	-	13,921,303
Less accumulated depreciation/amortization for					
Building improvements	(27,653)	(14,493)	-	-	(42,146)
Machinery and equipment	(4,709,792)	(478,180)	-	-	(5,187,972)
Vehicles and rolling stock	(2,620,715)	(413,249)	95,496	-	(2,938,468)
Right-to-use subscription assets	(65,530)	(65,530)	-	-	(131,060)
Total accumulated depreciation/amortization	(7,423,690)	(971,452)	95,496	-	(8,299,646)
Total capital assets being depreciated/amortized, net	5,006,082	615,575	-	-	5,621,657
Governmental activities capital assets, net	\$ 67,104,787	\$ 6,391,526	\$ -	\$ 3,596	\$ 73,499,909

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

	October 1, 2023	Additions	Sales or Other Dispositions	Adjustments/ Transfers	September 30, 2024
Business-type Activities					
Capital assets not being depreciated					
Land	\$ 4,895	\$ -	\$ -	\$ -	\$ 4,895
Construction in progress	1,712,501	7,634,583	-	(1,099,459)	8,247,625
Total capital assets not being depreciated	1,717,396	7,634,583	-	(1,099,459)	8,252,520
Capital assets being depreciated					
Buildings	20,197	-	-	-	20,197
Improvements other than buildings	44,663,642	362,000	-	1,099,459	46,125,101
Machinery and equipment	2,126,860	-	-	-	2,126,860
Office furniture and equipment	25,326	-	-	-	25,326
Total capital assets being depreciated	46,836,025	362,000	-	1,099,459	48,297,484
Less accumulated depreciation/amortization for					
Building	(20,197)	-	-	-	(20,197)
Capital improvements	(16,434,201)	(1,300,704)	-	-	(17,734,905)
Machinery and equipment	(2,057,814)	(8,959)	-	-	(2,066,773)
Office equipment	(23,711)	(555)	-	-	(24,266)
Total accumulated depreciation	(18,535,923)	(1,310,218)	-	-	(19,846,141)
Total capital assets being depreciated, net	28,300,102	(948,218)	-	1,099,459	28,451,343
Business-type activities capital assets, net	\$ 30,017,498	\$ 6,686,365	\$ -	\$ -	\$ 36,703,863

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

Governmental activities:	
General government	\$ 751,976
Public safety	397,764
Town services	6,014
Street department	1,360,462
Library	70,528
Parks department	318,238
Swimming pool	44,008
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Total depreciation/amortization expense - general capital assets	2,948,990
Internal service fund	971,452
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Total Governmental Activities	3,920,442
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Business-type activities / Enterprise fund	\$ 1,310,218
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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 2024 were as follows:

Transfer Fund	Transfer In	Transfer Out	Purpose of Transfer	
			In	Out
General fund	\$ 1,448,200	\$ 4,753,680	1	2
Capital projects fund	5,374,582	1,267,700	2	1 and 2
Stormwater drainage fund	1,000,000	145,500	2	1
Nonmajor governmental funds	-	24,600	-	2 and 3
Enterprise fund	454,800	2,086,102	1 and 2	1 and 2
	<u>\$ 8,277,582</u>	<u>\$ 8,277,582</u>		

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

Interfund balances at September 30, 2024 consisted of the following individual fund receivables and payables:

Due to fund	Due from Fund	Amount
General fund	Stormwater drainage fund	\$ 2,600,000

Note 6. Long-term Liabilities

Long-term liability activity for the year ended September 30, 2024, was as follows:

	Beginning of Year	Additions	Deletions	End of Year	Within One Year
Governmental activities					
Compensated absences	\$ 1,895,008	\$ 2,197,930	\$ (1,836,070)	\$ 2,256,868	\$ 1,173,117
Subscription liability	327,650	-	-	327,650	265,025
Sales tax obligation	1,232,554	-	(220,752)	1,011,802	220,752
Total	<u>\$ 3,455,212</u>	<u>\$ 2,197,930</u>	<u>\$ (2,056,822)</u>	<u>\$ 3,596,320</u>	<u>\$ 1,658,894</u>
Business-type activities					
Compensated absences	\$ 153,820	\$ 214,114	\$ (185,764)	\$ 182,170	\$ 127,528
Total	<u>\$ 3,609,032</u>	<u>\$ 2,412,044</u>	<u>\$ (2,242,586)</u>	<u>\$ 3,778,490</u>	<u>\$ 1,786,422</u>

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

Sales Tax Obligation

The Town negotiated a long-term payout of excess sales tax received in prior years in the original amount of \$1,324,534, with the State Comptroller. The total negotiated payout calls for seventy-two equal monthly payments which are deducted each month from the Town's sales tax receipts beginning May 2023. The liability totaled \$1,011,802 at September 30, 2024. No interest is associated with this liability.

Subscription Liability

The Town has entered into a SBITA with an interest rate of 3.4%. The Town has \$196,590 remaining in subscription assets and \$327,650 (\$265,025 current) in subscription liabilities and recorded \$65,530 in amortization expense and \$11,867 of interest expense for fiscal year ended September 30, 2024.

Future payments for the subscription liability are as follows:

	Principal	Interest	Total
2025	\$ 265,025	\$ 4,278	\$ 269,303
2026	62,625	2,129	64,754
Total	\$ 327,650	\$ 6,407	\$ 334,057

Note 7. Retirement Plans

Texas Municipal Retirement System

Plan Description

The Town participates as one of 934 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at tmrs.com. All eligible employees of the Town are required to participate in TMRS.

Benefits Provided

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

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. 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.

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

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

Retirees or beneficiaries currently receiving benefits	151
Inactive employees entitled to but not yet receiving benefits	52
Active employees	126
	329
	329

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the Town matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the Town. Under the state law governing TMRS, the contribution rate for each Town is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The Town's contribution rate is based on the liabilities created from the benefit plan options selected by the Town and any changes in benefits or actual experience over time.

Employees for the Town were required to contribute 7% of their annual compensation during the fiscal year. The contribution rates for the Town were 13.20% and 12.45% in calendar years 2024 and 2023, respectively. The Town's contributions to TMRS for the year ended September 30, 2023, were \$2,315,164 which was \$262,838 greater than actuarially required amount of \$2,052,326.

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Town of Highland Park, Texas

Notes to the Basic Financial Statements

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4-15-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 the most recent Scale MP-2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. 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%	6.70%
Core fixed income	6.0%	4.70%
Non-core fixed income	20.0%	8.00%
Other Public & Private Markets	12.0%	8.00%
Real estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private equity	10.0%	11.60%
Total	100%	

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 Member 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 Members. 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.

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

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, 2022	\$ 95,912,473	\$ 83,727,754	\$ 12,184,719
Changes for the year:			
Service cost	2,029,542	-	2,029,542
Interest	6,314,592	-	6,314,592
Difference between expected and actual experience	(592,148)	-	(592,148)
Changes in assumptions	(47,810)	-	(47,810)
Employer contributions	-	2,098,680	(2,098,680)
Employee contributions	-	1,083,896	(1,083,896)
Net investment income	-	9,661,045	(9,661,045)
Benefit payments, including refunds of employee contributions	(6,755,454)	(6,755,454)	-
Administrative expense	-	(61,649)	61,649
Other changes	-	(430)	430
Net changes	948,722	6,026,088	(5,077,366)
Balance at December 31, 2023	\$ 96,861,195	\$ 89,753,842	\$ 7,107,353

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)	\$ 17,889,716	\$ 7,107,353	\$ (2,006,401)

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 tms.com.

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

For the year ended September 30, 2024, the Town recognized pension expense of \$1,089,354.

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

At September 30, 2024, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 340,000	\$ 46,083
Changes of assumptions	-	449,805
Net differences between projected and actual pension plan earnings on pension plan investments	2,442,759	-
Contributions subsequent to the measurement date	1,784,401	-
	<u> </u>	<u> </u>
Total	<u>\$ 4,567,160</u>	<u>\$ 495,888</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,784,401 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, 2025.

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,	
<u> </u>	
2025	\$ 651,624
2026	738,193
2027	1,723,554
2028	(826,500)
	<u> </u>
Total	<u>\$ 2,286,871</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.

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.

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

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, 2023 was used for the September 30, 2024 liability and expense. The information that follows was determined as of a valuation date of December 31, 2023.

At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	67
Active employees	125
Total employees	192

Total OPEB Liability: The Town's total OPEB liability of \$1,514,982 (\$1,298,796 for governmental activities and \$216,186 for business-type activities) was measured as of December 31, 2023 and was determined by an actuarial valuation as of December 31, 2023.

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:

	December 31, 2023
Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.77% as of December 31, 2023
Inflation	2.50%
Salary Increase	3.60% to 11.85%, including inflation
Demographic Assumptions	Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.
Health Care Trend Rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years
Participation Rates	35% for eligible employees who retiree at the age of 50 or later; 0% for eligible employees who retire before age 50.
Other Information	The discount rate changed from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. The demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study. Additionally, the participation rates, 2-person coverage rate for males and health care cost trend rates were updated to better reflect the plan's anticipated experience.

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".

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances as of October 1, 2023	\$ 1,004,117
Changes for the year:	
Service cost	71,315
Interest on total OPEB liability	40,407
Difference between expected and actual experience	140,348
Effect of assumptions changes (discount rate change)	342,947
Benefit payments, age adjusted premiums, net of retiree contributions	(84,152)
Balances as of September 30, 2024	\$ 1,514,982

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 3.77%.

The following presents the total OPEB liability using a discount rate 1% higher and 1% lower than the current discount rate.

	1% Decrease 2.77%	Current Discount Rate Assumption 3.77%	1% Increase 4.77%
Total OPEB Liability	\$ 1,655,768	\$ 1,514,982	\$ 1,388,462

The total OPEB liability of the Town has been calculated using the assumed health care cost trend rates of 7.2% decreasing to 4.25%. The following presents the total OPEB liability using health care cost trend rates 1% higher and 1% lower than the current health care cost trend rates.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	\$ 1,367,761	\$ 1,514,982	\$ 1,686,172

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, 2024, the Town recognized OPEB expense of \$147,762. At September 30, 2024, 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	\$ 157,618	\$ 19,990
Changes of assumptions	363,517	277,372
Benefit payments subsequent to the measurement date	59,094	-
	<u>\$ 580,229</u>	<u>\$ 297,362</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, 2025.

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	
2025	\$	32,997
2026		32,319
2027		33,450
2028		22,433
2029		33,469
Thereafter		69,105
	<u>\$</u>	<u>223,773</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 an initial 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.

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

Town of Highland Park, Texas

Notes to the Basic Financial Statements

As discussed in Note 1, Summary of Significant Accounting Policies, Budgets and Budgetary Accounting, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Town had \$8,090,815 of encumbrances expected to be honored upon performance by the vendor in the next year as follows:

General Fund	\$	517,739
Capital Projects Fund		1,259,568
Enterprise Fund		4,069,400
Equipment Replacement Fund		351,279
Technology Replacement Fund		409,370
Stormwater Drainage Fund		1,417,138
Building Maintenance Fund		50,119
Court Technology Fund		14,100
Library Fund		2,102



**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 Ten Measurement Years Ended December 31

	2023	2022	2021	2020	2019	2018
TOTAL PENSION LIABILITY						
Service cost	\$ 2,029,542	\$ 1,893,799	\$ 1,813,834	\$ 1,864,737	\$ 1,798,273	\$ 1,709,542
Interest	6,314,592	6,172,103	5,688,203	5,559,516	5,372,028	4,887,236
Changes of benefit terms	-	4,808,893				
Effect of plan changes	-	-	-	-	4,682,521	-
Differences between expected and actual experience	(47,810)	419,212	374,064	(92,870)	732,922	3,684
Change in assumptions*	(592,148)	-	-	-	(170,894)	-
Benefit payments, including refunds of employee contributions	(6,755,454)	(6,128,614)	(4,983,551)	(5,815,356)	(4,160,576)	(4,129,918)
Net change in total pension liability	948,722	7,165,393	2,892,550	1,516,027	8,254,274	2,470,544
Total pension liability - beginning	95,912,473	88,747,080	85,854,530	84,338,503	76,084,229	73,613,685
TOTAL PENSION LIABILITY - ENDING (a)	96,861,195	95,912,473	88,747,080	85,854,530	84,338,503	76,084,229
PLAN FIDUCIARY NET POSITION						
Contributions - employer	2,098,680	1,481,191	1,531,217	1,332,360	848,997	805,639
Contributions - employee	1,083,896	1,011,954	967,010	996,424	947,885	899,083
Net investment income	9,661,045	(6,863,768)	11,143,564	6,281,265	11,408,726	(2,355,801)
Benefit payments, including refunds of employee contributions	(6,755,454)	(6,128,614)	(4,983,551)	(5,815,356)	(4,160,576)	(4,129,918)
Administrative expense	(61,649)	(59,513)	(51,638)	(40,696)	(64,536)	(45,565)
Other	(430)	71,017	352	(1,589)	(1,938)	(2,381)
Net change in plan fiduciary net position	6,026,088	(10,487,733)	8,606,954	2,752,408	8,978,558	(4,828,943)
Plan fiduciary net position - beginning	83,727,754	94,215,487	85,608,533	82,856,125	73,877,567	78,706,510
PLAN FIDUCIARY NET POSITION - ENDING (b)	\$ 89,753,842	\$ 83,727,754	\$ 94,215,487	\$ 85,608,533	\$ 82,856,125	\$ 73,877,567
NET PENSION (ASSET) LIABILITY - ENDING (a)-(b)	\$ 7,107,353	\$ 12,184,719	\$ (5,468,407)	\$ 245,997	\$ 1,482,378	\$ 2,206,662
Plan fiduciary net position as a percentage of total pension (asset) liability	92.66%	87.30%	106.16%	99.71%	98.24%	97.10%
Covered payroll	\$ 15,386,977	\$ 14,456,483	\$ 13,814,427	\$ 14,234,630	\$ 13,541,213	\$ 12,844,042
Net pension (asset) liability as a percentage of covered payroll	46.19%	84.29%	-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.

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

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

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 2,052,326	\$ 1,734,466	\$ 1,293,919	\$ 1,280,300	\$ 747,949	\$ 728,484	\$ 699,391
Contributions in relation to the actuarially determined contribution	(2,315,164)	(1,917,466)	(1,476,919)	(1,522,632)	(1,195,508)	(839,877)	(770,984)
CONTRIBUTIONS DEFICIENCY (EXCESS)	\$ (262,838)	\$ (183,000)	\$ (183,000)	\$ (242,332)	\$ (447,559)	\$ (111,393)	\$ (71,593)
Covered payroll	\$ 15,790,149	\$ 15,016,365	\$ 14,264,657	\$ 13,710,838	\$ 13,825,301	\$ 13,392,486	\$ 12,697,397
Contributions as a percentage of covered payroll	13.0%	11.6%	9.1%	9.3%	8.65%	6.27%	6.07%

Notes to Schedule

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 Years (longest amortization ladder)
Asset valuation method	10 year smoothed fair value; 12% soft corridor
Inflation	2.5%
Salary increases	3.5% to 11.85% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Other Information:	There were no benefit changes during the year.

The information in this schedule has been determined as of the measurement date (December 31).

<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 600,931	\$ 408,628	\$ 504,539
<u>(600,931)</u>	<u>(408,628)</u>	<u>(504,539)</u>
\$ -	\$ -	\$ -
\$ 12,306,527	\$ 12,214,139	\$ 11,452,658
4.88%	3.35%	4.41%

Town of Highland Park, Texas

Schedule of Changes in Total OPEB Liability and Related Ratios

For the Last Seven Measurement Years Ended December 31

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY							
Service cost	\$ 71,315	\$ 94,201	\$ 72,856	\$ 57,813	\$ 45,081	\$ 44,723	\$ 39,166
Interest	40,407	21,400	25,653	30,984	39,551	35,710	38,395
Difference between expected and actual experience of the total OPEB liability	140,348	27,596	13,205	19,936	(62,317)	(2,483)	-
Changes of assumptions	342,947	(220,444)	(184,634)	88,745	80,071	(39,236)	47,917
Benefit payments	(84,152)	(69,114)	(45,616)	(52,490)	(43,749)	(59,608)	(54,711)
	<u>510,865</u>	<u>(146,361)</u>	<u>(118,536)</u>	<u>144,988</u>	<u>58,637</u>	<u>(20,894)</u>	<u>70,767</u>
Net change in total OPEB liability							
Total OPEB liability - beginning	1,004,117	1,150,478	1,269,014	1,124,026	1,065,389	1,086,283	1,015,516
	<u>\$ 1,514,982</u>	<u>\$ 1,004,117</u>	<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>
TOTAL OPEB LIABILITY - ENDING							
Covered-employee payroll	\$ 15,386,977	\$ 14,456,483	\$ 13,814,427	\$ 14,234,630	\$ 13,541,213	\$ 12,844,042	\$ 12,381,528
Total OPEB liability as a percentage of covered-employee payroll	9.85%	6.95%	8.33%	8.91%	8.30%	8.29%	8.77%

Other Information:

There are no assets accumulated in a trust to pay related benefits for the OPEB Plan.

Changes of assumptions reflect the effects of changes in the discount rate each period. The discount rate at the beginning of FYE 2018 was 3.81%.

FYE22 - The attribution period for the accumulation of service costs was updated to only include employment with the Town of Highland Park.

FYE24 - The demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study. Additionally, the participation rates,

2-person coverage rate for males and health care cost trend rates were updated to better reflect the plan's anticipated experience.

FYE20 - The demographic assumptions were updated to reflect the 2019 TMRS Experience Study and the health care trend rates were updated to better reflect the plan's anticipated experience

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, 2024

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 513,186	\$ 513,186	\$ 883,073	\$ 369,887
Intergovernmental	3,418,906	3,418,906	3,024,581	(394,325)
Total revenues	3,932,092	3,932,092	3,907,654	(24,438)
EXPENDITURES				
Current				
Street department	1,808,740	1,933,740	1,241,804	691,936
Capital outlay	6,477,364	6,477,364	4,744,293	1,733,071
Total expenditures	8,286,104	8,411,104	5,986,097	2,425,007
Deficiency of revenues under expenditures	(4,354,012)	(4,479,012)	(2,078,443)	2,400,569
OTHER FINANCING SOURCES (USES)				
Transfers in	5,374,582	5,374,582	5,374,582	-
Transfers out	(1,267,700)	(1,267,700)	(1,267,700)	-
Net other financing sources (uses)	4,106,882	4,106,882	4,106,882	-
Net change in fund balances	(247,130)	(372,130)	2,028,439	2,400,569
Fund balance, beginning of year	14,761,599	14,761,599	14,761,599	-
FUND BALANCE, END OF YEAR	\$ 14,514,469	\$ 14,389,469	\$ 16,790,038	\$ 2,400,569

Town of Highland Park, Texas
 Budgetary Comparison Schedule
 Stormwater Drainage Fund
 For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 543,324	\$ 543,324	\$ 571,749	\$ 28,425
Investment income	112,947	112,947	170,659	57,712
Miscellaneous	2,000,000	2,000,000	-	(2,000,000)
Total revenues	2,656,271	2,656,271	742,408	(1,913,863)
EXPENDITURES				
Current				
General government	265,935	265,935	217,186	48,749
Capital outlay	2,998,050	2,998,050	295,218	2,702,832
Total expenditures	3,263,985	3,263,985	512,404	2,751,581
Excess of revenues over expenditures	(607,714)	(607,714)	230,004	837,718
OTHER FINANCING SOURCES (USES)				
Transfers in	1,000,000	1,000,000	1,000,000	-
Transfers out	(145,500)	(145,500)	(145,500)	-
Net other financing sources (uses)	854,500	854,500	854,500	-
Net change in fund balances	246,786	246,786	1,084,504	837,718
Fund balance, beginning of year	2,403,221	2,403,221	2,403,221	-
FUND BALANCE, END OF YEAR	\$ 2,650,007	\$ 2,650,007	\$ 3,487,725	\$ 837,718

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.

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, 2024

	Special Revenue Funds		
	Forfeited Property	Court Technology	Court Security
ASSETS			
Cash and equivalents	\$ 129,280	\$ 134,937	\$ 32,005
TOTAL ASSETS	\$ 129,280	\$ 134,937	\$ 32,005
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Vouchers payable	\$ 84,059	\$ 1,029	\$ -
Total liabilities	84,059	1,029	-
FUND BALANCES			
Restricted			
Crime prevention	45,221	-	-
Court technology	-	133,908	-
Court security	-	-	32,005
Library	-	-	-
Total fund balances	45,221	133,908	32,005
TOTAL LIABILITIES AND FUND BALANCES	\$ 129,280	\$ 134,937	\$ 32,005

Special Revenue Funds - Continued

Library	Truancy Prevention	Municipal Jury	Total Nonmajor Funds
\$ 395,974	\$ 89,065	\$ 1,781	\$ 783,042
<u>\$ 395,974</u>	<u>\$ 89,065</u>	<u>\$ 1,781</u>	<u>\$ 783,042</u>
\$ 2,821	\$ -	\$ -	\$ 87,909
2,821	-	-	87,909
-	89,065	1,781	136,067
-	-	-	133,908
-	-	-	32,005
393,153	-	-	393,153
<u>393,153</u>	<u>89,065</u>	<u>1,781</u>	<u>695,133</u>
<u>\$ 395,974</u>	<u>\$ 89,065</u>	<u>\$ 1,781</u>	<u>\$ 783,042</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, 2024

	Special Revenue Funds		
	Forfeited Property	Court Technology	Court Security
REVENUES			
Service fees	\$ -	\$ 24,847	\$ 24,424
Investment income	2,614	6,617	1,831
Contributions	-	-	-
Miscellaneous	10,026	-	-
Total revenues	12,640	31,464	26,255
EXPENDITURES			
Current			
Library	-	-	-
Municipal court	-	22,984	-
Total expenditures	-	22,984	-
Excess of revenues over expenditures	12,640	8,480	26,255
OTHER FINANCING USES			
Transfers out	-	-	(24,600)
Total other financing uses	-	-	(24,600)
Net change in fund balances	12,640	8,480	1,655
Fund balances, beginning of year	32,581	125,428	30,350
FUND BALANCES, END OF YEAR	\$ 45,221	\$ 133,908	\$ 32,005

Special Revenue Funds - Continued			Total Nonmajor Governmental Funds
Library	Truancy Prevention	Municipal Jury	
\$ -	\$ 15,234	\$ 305	\$ 64,810
21,043	4,305	85	36,495
46,939	-	-	46,939
-	-	-	10,026
67,982	19,539	390	158,270
38,548	-	-	38,548
-	-	-	22,984
38,548	-	-	61,532
29,434	19,539	390	96,738
-	-	-	(24,600)
-	-	-	(24,600)
29,434	19,539	390	72,138
363,719	69,526	1,391	622,995
\$ 393,153	\$ 89,065	\$ 1,781	\$ 695,133

Town of Highland Park, Texas
 Nonmajor Special Revenue Fund
 Budgetary Comparison Schedule
 Forfeited Property Fund
 For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 2,746	\$ 2,746	\$ 2,614	\$ (132)
Miscellaneous	2,500	2,500	10,026	7,526
Total revenues	5,246	5,246	12,640	7,394
Excess of revenues over expenditures	5,246	5,246	12,640	7,394
Net change in fund balances	5,246	5,246	12,640	7,394
Fund balance, beginning of year	32,581	32,581	32,581	-
FUND BALANCE, END OF YEAR	\$ 37,827	\$ 37,827	\$ 45,221	\$ 7,394

Town of Highland Park, Texas
 Nonmajor Special Revenue Fund
 Budgetary Comparison Schedule
 Court Technology Fund
 For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 26,657	\$ 26,657	\$ 24,847	\$ (1,810)
Investment income	4,637	4,637	6,617	1,980
Total revenues	31,294	31,294	31,464	170
EXPENDITURES				
Current				
Municipal court	22,985	22,985	22,984	1
Total expenditures	22,985	22,985	22,984	1
Excess of revenues over expenditures	8,309	8,309	8,480	171
Net change in fund balances	8,309	8,309	8,480	171
Fund balance, beginning of year	125,428	125,428	125,428	-
FUND BALANCE, END OF YEAR	\$ 133,737	\$ 133,737	\$ 133,908	\$ 171

Town of Highland Park, Texas
 Nonmajor Special Revenue Fund
 Budgetary Comparison Schedule
 Court Security Fund
 For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 26,124	\$ 26,124	\$ 24,424	\$ (1,700)
Investment income	1,293	1,293	1,831	538
Total revenues	27,417	27,417	26,255	(1,162)
Excess of revenues over expenditures	27,417	27,417	26,255	(1,162)
OTHER FINANCING USES				
Transfers out	(24,600)	(24,600)	(24,600)	-
Total other financing uses	(24,600)	(24,600)	(24,600)	-
Net change in fund balances	2,817	2,817	1,655	(1,162)
Fund balance, beginning of year	30,350	30,350	30,350	-
FUND BALANCE, END OF YEAR	\$ 33,167	\$ 33,167	\$ 32,005	\$ (1,162)

Town of Highland Park, Texas
 Nonmajor Special Revenue Fund
 Budgetary Comparison Schedule
 Library Fund
 For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$ 14,630	\$ 14,630	\$ 21,043	\$ 6,413
Contributions	56,538	56,538	46,939	(9,599)
Total revenues	71,168	71,168	67,982	(3,186)
EXPENDITURES				
Current				
Library	42,438	42,438	38,548	3,890
Total expenditures	42,438	42,438	38,548	3,890
Excess of revenues over expenditures	28,730	28,730	29,434	704
Net change in fund balances	28,730	28,730	29,434	704
Fund balance, beginning of year	363,719	363,719	363,719	-
FUND BALANCE, END OF YEAR	\$ 392,449	\$ 392,449	\$ 393,153	\$ 704

Town of Highland Park, Texas
 Nonmajor Special Revenue Fund
 Budgetary Comparison Schedule
 Truancy Prevention Fund
 For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 15,000	\$ 15,000	\$ 15,234	\$ 234
Investment income	2,498	2,498	4,305	1,807
Total revenues	17,498	17,498	19,539	2,041
Excess of revenues over expenditures	17,498	17,498	19,539	2,041
Net change in fund balances	17,498	17,498	19,539	2,041
Fund balance, beginning of year	69,526	69,526	69,526	-
FUND BALANCE, END OF YEAR	\$ 87,024	\$ 87,024	\$ 89,065	\$ 2,041

Town of Highland Park, Texas
 Nonmajor Special Revenue Fund
 Budgetary Comparison Schedule
 Municipal Jury Fund
 For the Fiscal Year Ended September 30, 2024

	Budgeted Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 300	\$ 300	\$ 305	\$ 5
Investment income	50	50	85	35
Total revenues	<u>350</u>	<u>350</u>	<u>390</u>	<u>40</u>
Excess of revenues over expenditures	<u>350</u>	<u>350</u>	<u>390</u>	<u>40</u>
Net change in fund balances	350	350	390	40
Fund balance, beginning of year	<u>1,391</u>	<u>1,391</u>	<u>1,391</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 1,741</u></u>	<u><u>\$ 1,741</u></u>	<u><u>\$ 1,781</u></u>	<u><u>\$ 40</u></u>

INTERNAL SERVICE FUNDS

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

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

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



Town of Highland Park, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2024

	Equipment Replacement Fund	Building Maintenance Fund	Technology Replacement Fund	Total Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 3,163,220	\$ 1,193,224	\$ 2,334,162	\$ 6,690,606
Investments	1,503,717	503,717	1,503,717	3,511,151
Accrued interest receivable	51,909	-	51,909	103,818
Prepays	-	24	-	24
Total current assets	4,718,846	1,696,965	3,889,788	10,305,599
CAPITAL ASSETS				
Construction in progress	-	-	66,586	66,586
Buildings and improvements	-	254,498	-	254,498
Vehicles and rolling stock	6,144,620	-	-	6,144,620
Machinery and equipment	977,966	121,536	6,095,033	7,194,535
Right-to-use subscription assets	-	-	327,650	327,650
Accumulated depreciation/amortization	(3,862,706)	(84,855)	(4,352,085)	(8,299,646)
Capital assets, net of accumulated depreciation/amortization	3,259,880	291,179	2,137,184	5,688,243
Total assets	7,978,726	1,988,144	6,026,972	15,993,842
LIABILITIES				
Current liabilities				
Vouchers payable	64,645	51,931	76,551	193,127
Accrued liabilities	-	5,965	30,757	36,722
Compensated absences	-	181	-	181
Subscription liability	-	-	265,025	265,025
Total current liabilities	64,645	58,077	372,333	495,055
Noncurrent liabilities				
Subscription liability	-	-	62,625	62,625
Total noncurrent liabilities	-	-	62,625	62,625
NET POSITION				
Net investment in capital assets	3,259,880	291,179	1,742,948	5,294,007
Unrestricted	4,654,201	1,638,888	3,849,066	10,142,155
Total net position	7,914,081	1,930,067	5,592,014	15,436,162
TOTAL LIABILITIES AND NET POSITION	\$ 7,978,726	\$ 1,988,144	\$ 6,026,972	\$ 15,993,842

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, 2024

	Equipment Replacement Fund	Building Maintenance Fund	Technology Replacement Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 551,650	\$ 708,500	\$ 321,383	\$ 1,581,533
Miscellaneous	-	19,401	69,558	88,959
Total operating revenues	551,650	727,901	390,941	1,670,492
OPERATING EXPENSES				
Personnel services	-	81,542	-	81,542
Materials and supplies	-	39,881	-	39,881
Services and charges	1,401	477,894	11,869	491,164
Depreciation and amortization	524,846	22,890	423,716	971,452
Total operating expenses	526,247	622,207	435,585	1,584,039
Operating income (loss)	25,403	105,694	(44,644)	86,453
NON-OPERATING REVENUES				
Investment income	236,237	103,522	217,035	556,794
Intragovernmental contributions	733,000	-	-	733,000
Gain on sale of assets	72,605	-	-	72,605
Total non-operating revenues	1,041,842	103,522	217,035	1,362,399
Change in net position	1,067,245	209,216	172,391	1,448,852
Net position, beginning of year	6,846,836	1,720,851	5,419,623	13,987,310
NET POSITION, END OF YEAR	\$ 7,914,081	\$ 1,930,067	\$ 5,592,014	\$ 15,436,162

Town of Highland Park, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended September 30, 2024

	Equipment Replacement Fund	Building Maintenance Fund	Technology Replacement Fund	Total Internal Service Funds
OPERATING ACTIVITIES				
Cash received from interfund services	\$ 616,295	\$ 727,901	\$ 371,042	\$ 1,715,238
Cash payments to suppliers for goods and services	(1,401)	(487,808)	76,549	(412,660)
Cash payments to employees	-	(82,766)	-	(82,766)
Net cash provided by operating activities	614,894	157,327	447,591	1,219,812
CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(283,738)	(143,398)	(493,477)	(920,613)
Proceeds from sale of capital assets	72,605	-	-	72,605
Net cash used for capital and related financing activities	(211,133)	(143,398)	(493,477)	(848,008)
INVESTING ACTIVITIES				
Sale of investments	2,034,301	250,000	1,534,301	3,818,602
Purchase of investments	(1,750,000)	(250,000)	(1,250,000)	(3,250,000)
Investment income	187,893	104,802	205,579	498,274
Net cash provided by investing activities	472,194	104,802	489,880	1,066,876
Net change in cash and cash equivalents	875,955	118,731	443,994	1,438,680
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,287,265	1,074,493	1,890,168	5,251,926
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 3,163,220</u>	<u>\$ 1,193,224</u>	<u>\$ 2,334,162</u>	<u>\$ 6,690,606</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 25,403	\$ 105,694	\$ (44,644)	\$ 86,453
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	524,846	22,890	423,716	971,452
(Increase) decrease in accounts receivable	-	-	(36,888)	(36,888)
(Increase) decrease in prepaids	-	772	-	772
(Increase) decrease in leases	-	-	16,989	16,989
Increase (decrease) in vouchers payable	64,645	28,338	76,551	169,534
Increase (decrease) in accrued liabilities	-	857	11,867	12,724
Increase (decrease) in compensated absences	-	(1,224)	-	(1,224)
Total adjustments	589,491	51,633	492,235	1,133,359
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 614,894</u>	<u>\$ 157,327</u>	<u>\$ 447,591</u>	<u>\$ 1,219,812</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributions of capital assets from other governments	\$ 733,000	\$ -	\$ -	\$ 733,000

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 required supplementary information says about the Town's overall financial health.

	<u>Page</u>
Financial Trends – Schedules 1-5	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>	
Revenue Capacity – Schedules 6-9	94
<p>This section contains information to help the reader assess the Town's most significant local revenue source, the property tax.</p>	
Debt Capacity – Schedules 10-12	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>	
Demographic and Economic Information – Schedules 13-15	101
<p>This section contains information to help the reader understand the environment within which the Town's financial activities take place.</p>	
Operating Information – Schedules 16-18	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>2015</u>	<u>2016</u>	<u>2017</u>
GOVERNMENTAL ACTIVITIES			
Net investment in capital assets	\$ 47,756,610	\$ 46,764,910	\$ 46,950,588
Restricted	7,160,695	6,427,046	5,070,790
Unrestricted	13,107,840	15,495,335	17,931,929
Total governmental activities	<u>68,025,145</u>	<u>68,687,291</u>	<u>69,953,307</u>
BUSINESS-TYPE ACTIVITIES			
Net investment in capital assets	20,559,598	21,977,963	25,064,820
Restricted	862,321	757,365	588,189
Unrestricted	3,343,815	4,878,494	4,783,514
Total business-type activities	<u>24,765,734</u>	<u>27,613,822</u>	<u>30,436,523</u>
PRIMARY GOVERNMENT			
Net investment in capital assets	68,316,208	68,742,873	72,015,408
Restricted	8,023,016	7,184,411	5,658,979
Unrestricted	16,451,655	20,373,829	22,715,443
TOTAL PRIMARY GOVERNMENT	<u><u>\$ 92,790,879</u></u>	<u><u>\$ 96,301,113</u></u>	<u><u>\$ 100,389,830</u></u>

Source: Town Annual Comprehensive Financial Report

Schedule 1

2018	2019	2020	2021	2022	2023	2024
\$ 48,600,002	\$ 51,296,854	\$ 55,637,115	\$ 59,412,918	\$ 60,465,360	\$ 65,965,057	\$ 72,785,134
4,650,021	678,207	850,463	933,776	1,020,206	800,446	886,447
21,461,168	29,303,573	27,747,703	38,982,924	45,751,160	39,657,278	46,775,198
74,711,191	81,278,634	84,235,281	99,329,618	107,236,726	106,422,781	120,446,779
24,380,192	24,989,944	26,981,741	27,829,668	29,323,876	29,908,233	35,032,513
540,101	-	-	-	-	-	-
8,134,055	10,109,727	9,559,018	9,543,879	10,960,785	14,775,774	12,379,664
33,054,348	35,099,671	36,540,759	37,373,547	40,284,661	44,684,007	47,412,177
72,980,194	76,286,798	82,618,856	87,242,586	89,789,236	95,873,290	107,817,647
5,190,122	678,207	850,463	933,776	1,020,206	800,446	886,447
29,595,223	39,413,300	37,306,721	48,526,803	56,711,945	54,433,052	59,154,862
<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>	<u>\$ 151,106,788</u>	<u>\$ 167,858,956</u>

Town of Highland Park, Texas

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2015	2016	2017
EXPENSES			
Governmental activities:			
General government	\$ 2,757,174	\$ 2,384,232	\$ 2,619,896
Department of public safety	10,864,166	12,739,997	12,791,955
Development services	-	581,762	535,389
Street department	1,830,746	1,833,046	2,124,658
Street lighting department	188,515	173,948	174,281
Library	813,700	858,706	748,880
Parks department	1,393,455	1,440,116	1,560,182
Swimming pool	193,642	207,793	232,174
Sanitation	1,094,766	1,093,055	-
Municipal court	352,954	411,642	394,023
Finance department	765,516	757,264	780,238
Building inspection department	475,766	526,709	553,578
Total governmental activities expenses	20,730,400	23,008,270	22,515,254
Business-type activities:			
Enterprise	6,027,849	6,303,437	7,684,059
Total business-type activities expenses	6,027,849	6,303,437	7,684,059
Total primary government expenses	26,758,249	29,311,707	30,199,313
PROGRAM REVENUES			
Governmental activities:			
Charges for services			
General government	500,509	403,852	416,071
Department of public safety	745,218	871,979	856,381
Street department	153,689	-	-
Library	11,033	10,770	8,729
Parks department	14,086	11,722	11,643
Swimming pool	95,699	98,254	100,667
Sanitation*	1,236,438	1,235,509	-
Municipal court	789,631	1,016,752	1,194,712
Building inspection department	1,370,473	1,008,806	1,453,459
Operating grants and contributions	77,503	38,436	38,422
Capital grants and contributions	338,170	892,238	402,065
Total governmental activities program revenues	5,332,449	5,588,318	4,482,149
Business-type activities:			
Charges for services	8,735,372	9,685,418	10,884,396
Capital grants and contributions	780,300	551,244	768,705
Total business-type activities program revenues	9,515,672	10,236,662	11,653,101
Total primary government program revenues	14,848,121	15,824,980	16,135,250
NET (EXPENSE/REVENUE)			
Governmental activities	(15,397,951)	(17,419,952)	(18,033,105)
Business-type activities	3,487,823	3,933,225	3,969,042
TOTAL PRIMARY GOVERNMENT NET EXPENSE	\$ (11,910,128)	\$ (13,486,727)	\$ (14,064,063)

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

Source: Town Annual Comprehensive Financial Report

2018	2019	2020	2021	2022	2023	2024
\$ 2,356,690	\$ 3,098,785	\$ 3,765,097	\$ 2,981,564	\$ 2,572,481	\$ 5,017,991	\$ 3,425,900
12,945,374	13,740,569	17,180,703	12,512,997	13,233,553	19,810,647	16,902,924
546,896	536,719	554,707	498,352	361,578	303,271	283,562
2,525,487	2,353,901	2,628,353	2,811,780	3,235,368	3,488,637	3,355,212
163,948	171,973	168,476	117,267	-	-	-
861,484	932,961	938,552	939,472	965,287	1,044,791	1,013,033
1,617,882	1,958,178	2,102,759	1,988,991	1,827,180	2,414,190	2,283,552
217,285	212,452	186,375	208,344	260,564	271,860	313,900
-	-	-	-	-	-	-
460,418	508,203	522,465	507,601	514,243	552,479	632,741
830,269	970,798	1,190,417	864,940	891,370	1,425,991	1,141,355
845,846	774,762	781,322	896,119	767,365	1,279,754	794,351
23,371,579	25,259,301	30,019,226	24,327,427	24,628,989	35,609,611	30,146,530
8,097,351	7,853,843	8,905,337	8,480,641	9,076,184	10,665,899	10,564,079
8,097,351	7,853,843	8,905,337	8,480,641	9,076,184	10,665,899	10,564,079
31,468,930	33,113,144	38,924,563	32,808,068	33,705,173	46,275,510	40,710,609
421,736	532,944	598,382	455,092	460,560	507,880	658,406
807,058	1,144,249	1,230,719	903,656	938,450	987,662	969,260
-	-	-	-	-	-	-
10,376	9,742	5,664	6,245	5,995	7,143	7,812
22,724	13,339	27,563	21,000	22,200	27,080	28,920
198,587	108,690	75,648	110,508	128,589	143,510	115,572
-	-	-	-	-	-	-
1,099,949	1,434,027	821,654	665,870	552,803	498,221	529,980
1,239,753	1,418,085	1,367,286	1,556,166	1,503,328	1,536,711	1,259,537
46,118	53,800	87,347	61,884	262,223	2,382,752	54,257
3,476,027	4,810,374	5,129,895	1,988,732	1,870,685	1,113,815	6,727,501
7,322,328	9,525,250	9,344,158	5,769,153	5,744,833	7,204,774	10,351,245
11,683,600	10,958,440	11,363,772	11,047,240	12,804,325	13,694,318	13,776,335
373,600	130,135	199,000	62,000	639,000	164,000	362,000
12,057,200	11,088,575	11,562,772	11,109,240	13,443,325	13,858,318	14,138,335
19,379,528	20,613,825	20,906,930	16,878,393	19,188,158	21,063,092	24,489,580
(16,049,251)	(15,734,051)	(20,675,068)	(18,558,274)	(18,884,156)	(28,404,837)	(19,795,285)
3,959,849	3,234,732	2,657,435	2,628,599	4,367,141	3,192,419	3,574,256
\$ (12,089,402)	\$ (12,499,319)	\$ (18,017,633)	\$ (15,929,675)	\$ (14,517,015)	\$ (25,212,418)	\$ (16,221,029)

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

	2015	2016	2017
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
Governmental activities:			
Taxes:			
Property taxes	\$ 10,671,716	\$ 11,593,666	\$ 12,627,053
Sales taxes	3,514,625	3,616,074	3,480,389
Mixed beverage taxes	175,550	191,407	219,135
Franchise taxes	1,051,658	1,021,287	1,037,496
Penalty and interest on taxes	49,867	48,196	55,376
Investment income	49,550	92,266	206,841
Miscellaneous and gain (loss) on sale of assets	451,252	429,777	488,288
Transfers	1,003,851	1,099,425	1,184,543
Total governmental activities	<u>16,968,069</u>	<u>18,092,098</u>	<u>19,299,121</u>
Business-type activities:			
Investment and miscellaneous income	6,519	14,288	38,202
Transfers	(1,003,851)	(1,066,425)	(1,184,543)
Total business-type activities	<u>(997,332)</u>	<u>(1,052,137)</u>	<u>(1,146,341)</u>
Total primary government	15,970,737	17,039,961	18,152,780
CHANGE IN NET POSITION			
Governmental activities	1,570,118	672,146	1,266,016
Business-type activities	2,490,491	2,881,088	2,822,701
TOTAL PRIMARY GOVERNMENT	<u>\$ 4,060,609</u>	<u>\$ 3,553,234</u>	<u>\$ 4,088,717</u>

2018	2019	2020	2021	2022	2023	2024
\$ 13,253,603	\$ 13,771,347	\$ 14,833,790	\$ 15,184,505	\$ 15,484,800	\$ 17,049,124	\$ 18,400,369
4,071,324	4,312,342	4,198,191	5,663,645	6,954,907	6,641,364	8,801,419
270,661	329,814	286,304	432,488	472,603	528,201	514,224
1,036,561	1,085,951	938,957	884,641	997,854	1,001,560	975,703
105,698	83,002	83,786	87,774	78,478	73,706	111,668
443,110	760,221	421,252	153,769	393,224	2,257,124	2,776,234
521,421	541,134	1,504,216	9,394,855	872,315	686,431	608,364
1,401,658	1,417,683	1,365,219	1,850,934	1,537,083	(646,618)	1,631,302
21,104,036	22,301,494	23,631,715	33,652,611	26,791,264	27,590,892	33,819,283
109,027	228,274	148,872	55,123	81,056	560,309	785,216
(1,401,658)	(1,417,683)	(1,365,219)	(1,850,934)	(1,537,083)	646,618	(1,631,302)
(1,292,631)	(1,189,409)	(1,216,347)	(1,795,811)	(1,456,027)	1,206,927	(846,086)
19,811,405	21,112,085	22,415,368	31,856,800	25,335,237	28,797,819	32,973,197
5,054,785	6,567,443	2,956,647	15,094,337	7,907,108	(813,945)	14,023,998
2,667,218	2,045,323	1,441,088	832,788	2,911,114	4,399,346	2,728,170
\$ 7,722,003	\$ 8,612,766	\$ 4,397,735	\$ 15,927,125	\$ 10,818,222	\$ 3,585,401	\$ 16,752,168



Town of Highland Park, Texas**Schedule 3**

Governmental Funds Tax Revenues by Source

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Mixed Beverage Tax	Total
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
2023	16,985,988	6,641,364	1,001,560	528,201	25,157,113
2024	18,372,869	8,801,419	975,703	514,224	28,664,215

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>
GENERAL FUND			
Nonspendable	\$ 12,844	\$ 22,992	\$ 159,937
Restricted	24,000	14,000	14,000
Committed	-	-	-
Assigned	883,224	1,136,308	1,377,190
Unassigned	4,047,254	3,517,765	3,885,817
Total general fund	<u>4,967,322</u>	<u>4,691,065</u>	<u>5,436,944</u>
ALL OTHER GOVERNMENTAL FUNDS			
Nonspendable	-	-	-
Restricted	401,476	516,425	628,530
Committed	4,002,298	5,810,044	7,523,730
Assigned	219,488	833,609	1,054,012
Total all other governmental funds	<u>4,623,262</u>	<u>7,160,078</u>	<u>9,206,272</u>
TOTAL GOVERNMENTAL FUNDS	<u><u>\$ 9,590,584</u></u>	<u><u>\$ 11,851,143</u></u>	<u><u>\$ 14,643,216</u></u>

Source: Town Annual Comprehensive Financial Report

Schedule 4

2018	2019	2020	2021	2022	2023	2024
\$ 14,469	\$ 11,759	\$ 14,705	\$ 19,830	\$ 35,437	\$ 31,661	\$ 33,106
14,000	-	124,588	144,078	161,539	177,451	191,314
-	-	974,559	10,139,152	10,219,404	10,564,946	7,466,208
1,205,592	1,180,056	1,960,441	1,360,812	1,356,936	1,345,034	1,690,675
4,540,892	5,219,327	4,670,765	7,717,749	8,759,561	6,388,614	8,818,231
5,774,953	6,411,142	7,745,058	19,381,621	20,532,877	18,507,706	18,199,534
-	-	-	-	-	-	-
625,198	678,207	725,875	789,698	858,667	622,995	695,133
6,767,959	8,658,185	10,077,807	7,526,582	7,897,018	14,027,135	17,601,057
2,582,157	2,459,396	2,696,684	2,747,024	5,851,807	3,137,685	2,676,706
9,975,314	11,795,788	13,500,366	11,063,304	14,607,492	17,787,815	20,972,896
\$ 15,750,267	\$ 18,206,930	\$ 21,245,424	\$ 30,444,925	\$ 35,140,369	\$ 36,295,521	\$ 39,172,430

Town of Highland Park, Texas

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2015	2016	2017
REVENUES			
Taxes	\$ 15,505,358	\$ 16,392,412	\$ 16,293,063
Penalties and interest	49,867	48,196	55,376
Licenses and permits	1,424,885	1,050,004	1,499,728
Service and franchise fees	2,960,189	3,108,151	3,096,463
Fines and forfeitures	406,839	474,179	462,396
Investment income	37,436	67,366	153,834
Intergovernmental	-	-	-
Contributions	415,673	930,674	440,487
Miscellaneous	450,151	347,894	420,032
	<hr/>	<hr/>	<hr/>
Total revenues	21,250,398	22,418,876	22,421,379
EXPENDITURES			
General government	2,188,987	1,777,454	2,014,024
Department of public safety	11,189,760	11,177,755	11,517,024
Development services	-	503,180	522,547
Street department	377,557	1,133,508	1,416,617
Street lighting department	186,869	160,212	172,221
Library	743,172	776,121	678,146
Parks department	1,385,583	1,307,206	1,445,195
Swimming pool	166,016	181,082	205,460
Municipal court	352,954	400,708	393,816
Finance department	791,310	757,116	811,923
Building inspection department	475,766	526,709	553,578
Sanitation*	1,094,766	1,093,055	-
Capital outlay	1,353,905	1,463,636	1,061,411
	<hr/>	<hr/>	<hr/>
	20,306,645	21,257,742	20,791,962
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	943,753	1,161,134	1,629,417
OTHER FINANCING SOURCES (USES)			
Transfers in	3,896,967	5,109,975	5,612,637
Transfers out	(2,893,116)	(4,010,550)	(4,452,992)
Proceeds from sale of capital assets	-	-	3,011
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	1,003,851	1,099,425	1,162,656
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 1,947,604	\$ 2,260,559	\$ 2,792,073
	<hr/>	<hr/>	<hr/>
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A

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

Note: there was no debt prior to fiscal year 2023 and no debt service payments in 2023 and 2024.

Source: Town Annual Comprehensive Financial Report

Schedule 5

2018	2019	2020	2021	2022	2023	2024
\$ 17,608,789	\$ 18,413,771	\$ 19,257,224	\$ 21,298,033	\$ 22,921,052	\$ 24,155,553	\$ 27,688,512
105,698	83,002	83,786	87,774	78,478	73,706	111,668
1,228,621	1,444,633	1,411,594	1,592,042	1,543,714	1,583,832	1,296,207
3,066,496	3,337,171	2,808,609	2,734,052	2,833,206	2,824,216	2,864,251
434,024	514,011	299,002	245,039	259,708	253,577	338,742
343,893	567,086	318,868	120,586	308,540	1,830,254	2,219,440
1,287,770	5,193,320	2,513,332	2,014,877	2,586,273	5,650,999	3,024,581
46,118	53,800	60,519	57,084	262,223	85,028	54,257
444,854	447,510	437,957	459,542	633,303	641,175	532,163
24,566,263	30,054,304	27,190,891	28,609,029	31,426,497	37,098,340	38,129,821
2,029,119	2,120,711	2,254,606	2,631,084	2,577,299	2,786,789	2,999,446
12,368,726	12,687,420	13,275,151	13,504,159	14,579,489	15,729,025	17,019,636
534,106	524,494	548,693	492,338	355,564	297,257	277,548
1,507,748	1,605,049	1,872,132	1,889,052	2,188,769	2,308,617	1,995,034
159,411	170,327	166,830	136,636	-	-	-
789,510	862,433	868,024	868,615	896,368	967,262	945,116
1,536,638	1,754,729	1,697,430	1,964,092	1,838,087	1,870,403	2,022,821
191,718	186,096	158,801	180,174	232,394	234,995	269,892
458,972	508,203	522,465	506,593	511,977	552,479	632,741
829,268	897,434	940,857	935,897	978,024	1,133,236	1,201,722
845,846	774,762	781,322	903,973	765,423	974,001	861,903
-	-	-	-	-	-	-
3,427,686	6,923,666	3,405,116	6,175,462	3,344,742	8,442,506	8,658,355
24,678,748	29,015,324	26,491,427	30,188,075	28,268,136	35,296,570	36,884,214
(112,485)	1,038,980	699,464	(1,579,046)	3,158,361	1,801,770	1,245,607
5,894,153	5,645,458	5,249,478	4,555,216	6,901,839	11,580,394	7,822,782
(4,683,117)	(4,227,775)	(3,884,259)	(2,938,137)	(5,364,756)	(12,227,012)	(6,191,480)
8,500	-	973,811	9,161,468	-	-	-
1,219,536	1,417,683	2,339,030	10,778,547	1,537,083	(646,618)	1,631,302
\$ 1,107,051	\$ 2,456,663	\$ 3,038,494	\$ 9,199,501	\$ 4,695,444	\$ 1,155,152	\$ 2,876,909
N/A	N/A	N/A	N/A	N/A	0%	0%

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 and Commercial Property	Business Personal Property	Less: Tax-Exempt Property		
2015	\$ 6,040,379,500	\$ 79,298,850	\$ 1,195,241,564	\$ 4,924,436,786	0.220000
2016	6,588,993,380	78,087,300	1,342,579,935	5,324,500,745	0.220000
2017	7,125,427,370	91,050,750	1,450,954,097	5,765,524,023	0.220000
2018	7,246,975,530	89,904,340	1,391,208,630	5,945,671,240	0.220000
2019	7,631,020,950	98,970,880	1,441,898,043	6,288,093,787	0.220000
2020	7,835,471,260	107,590,560	1,479,869,372	6,463,192,448	0.230000
2021	7,665,313,510	106,332,000	1,476,064,436	6,295,581,074	0.230000
2022	8,252,646,410	99,214,640	1,580,315,112	6,771,545,938	0.230000
2023	9,382,277,690	104,583,140	2,084,341,031	7,402,519,799	0.230000
2024	11,674,856,260	109,992,840	3,353,521,920	8,431,327,180	0.220530

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.
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
2023	0.230000	0.227946	0.235800	0.115899	0.579645	1.077800	1.184935
2024	0.220530	0.215718	0.219500	0.110028	0.545246	0.892700	1.013835

Source: Dallas Central Appraisal District

Town of Highland Park, Texas

Principal Property Taxpayers
September 30, 2024 and 2015

Schedule 8

Property Tax Payer	2024			2015		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
HP Village Partners LP	\$ 221,768,620	1	2.63%	\$ 130,004,050	1	2.64%
Dallas Country Club	54,163,510	2	0.64%	20,140,230	3	0.41%
4101 Trust	47,851,640	3	0.57%			
Crow, Harlan R	41,159,632	4	0.49%	19,949,952	4	0.41%
Muse, John R	39,470,000	5	0.47%	23,740,456	2	0.48%
Ware, Leslie D	33,145,200	6	0.39%			
L&B Depp UCEPP 5500	29,411,300	7	0.35%	18,767,000	5	0.38%
Intercity Investment	25,308,130	8	0.30%	14,744,830	8	0.30%
Jones, Jerral W & Gene C	22,448,224	9	0.27%			
3525 Normandy PO LLC	20,265,000	10	0.24%			
Mitchell, Amye				17,478,088	6	0.35%
Cox, Edwin L Qualified Personal				16,983,184	7	0.34%
Highland Park Shops LLC				14,335,900	9	0.29%
Crousen, Guinn D				13,957,480	10	0.28%
Total	<u>534,991,256</u>		<u>6.35%</u>	<u>290,101,170</u>		<u>5.89%</u>
Total Assessed Valuation	<u>\$ 8,431,327,180</u>		<u>100.00%</u>	<u>\$ 4,924,436,786</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*
2015	\$ 10,764,335	\$ 10,732,287	99.70%	\$ 28,320	\$ 10,760,607	99.97%
2016	11,620,393	11,580,927	99.66%	36,632	11,617,558	99.98%
2017	12,646,975	12,564,113	99.34%	77,634	12,641,747	99.96%
2018	13,236,918	13,173,166	99.52%	54,908	13,228,074	99.93%
2019	13,805,559	13,677,917	99.08%	115,904	13,793,820	99.91%
2020	14,870,511	14,753,266	99.21%	101,017	14,854,283	99.89%
2021	15,208,071	15,115,453	99.39%	59,148	15,174,600	99.78%
2022	15,537,129	15,442,441	99.39%	42,995	15,485,436	99.67%
2023	17,092,103	17,004,460	99.49%	34,622	17,039,082	99.69%
2024	18,484,978	18,374,498	99.40%	-	18,374,498	99.40%

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

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

Town of Highland Park, Texas

Computation of Direct and Overlapping Debt
Year Ended September 30, 2024

Schedule 10

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Dallas County	\$ 198,645,000	2.58%	\$ 5,125,041
Dallas Community College District	527,660,000	2.58%	13,613,628
Dallas County Hospital District	318,675,000	2.51%	7,998,743
Dallas Independent School District	4,064,130,000	0.24%	9,753,912
Highland Park Independent School District	301,455,000	37.15%	111,990,533
Subtotal, overlapping debt			\$ 148,481,856
Town of Highland Park (direct debt)	327,650	100%	327,650
Total direct and overlapping debt			<u>\$ 148,809,506</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 bonded debt issued or outstanding as of September 30, 2024.

Town of Highland Park, Texas
 Ratio of Outstanding Debt Service By Type
 Last Two Fiscal Years

Schedule 12

Fiscal Year	Governmental Activities	Total Primary Government	Percentage of Personal Income*	Per Capita*
	Subscription Liability			
2023	\$ 327,650	\$ 327,650	0.02%	\$ 37.58
2024	327,650	327,650	0.02%	37.91

Notes: *See Table 13 for personal income and population data.

Prior to 2023 the Town did not have any outstanding debt.

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

Schedule 13

Fiscal Year Ended Sept 30	Estimated Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2023	8,719	1,389,259,303	159,337	4.80%
2024	8,642	1,617,799,684	187,202	5.00%

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

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

Schedule 14

2024			2015		
Employer	Number of Establishments	Employees	Business Sector	Number of Establishments	Employees
Retail Trade	60	622	Retail Trade	54	715
Wholesale Trade	D	20 to 99	Wholesale Trade	10	11
Information	D	20 to 99	Information	3	*
Finance & Insurance	D	250 to 499			
Professional, Scientific & Technical Services	61	142	Professional, Scientific & Technical Services	59	159
Real Estate & Rental Leasing	D	20 to 99	Real Estate & Rental Leasing	26	*
Administrative & Support & Waste Management & Remediation	18	78	Administrative & Support & Waste Management & Remediation	23	95
Education Services	3	10	Education Services	5	23
Health Care & Social Assistance	30	106	Health Care & Social Assistance	24	*
Arts, Entertainment & Recreation	9	335	Arts, Entertainment & Recreation	8	335
Accommodations & Food Services	16	495	Accommodations & Food	10	313
Other Services (Except Public Administration)	12	204	Other Services (Except Public Administration)	12	179

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 8,642. 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: 2024 was obtained from the 2017 Economic Census, and 2015 data was obtained from the 2012 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 15

Fiscal Year	Commercial Construction*		Residential Construction*		Property Value**	
	Number of Permits	Value	Number of Permits	Value	Real Property	Personal Property
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	7,246,975,530	89,904,340
2019	19	15,979,770	1,062	***	7,631,020,950	98,970,880
2020	26	16,227,820	808	***	7,835,471,260	107,590,560
2021	23	33,720,046	1,239	***	7,665,313,510	106,332,000
2022	16	6,286,811	1,052	***	8,252,646,410	99,214,640
2023	24	29,259,939	1,079	***	9,382,277,690	104,583,140
2024	28	2,957,095	1,567	***	11,674,856,260	109,992,840

*Source: Town of Highland Park Permitting and Inspections Department

**Source: Dallas Central Appraisal District

***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

Function/Program	2015	2016	2017
General government	5.0	2.0	2.0
Public safety	69.0	70.0	70.5
Town services	-	3.0	3.0
Street	3.3	3.3	3.3
Street lighting	1.0	1.0	1.0
Library	4.0	4.0	4.0
Parks	9.0	9.0	9.0
Municipal court	2.0	2.0	2.0
Finance	5.0	5.0	5.0
Building inspection	3.0	4.0	4.0
Information technology	1.0	1.0	1.0
Utility administration	4.0	3.0	3.0
Water	4.4	4.4	4.4
Sewer	2.3	2.3	2.3
Engineering	5.0	5.0	5.0
Building maintenance	-	-	-
TOTAL CITY POSITIONS	118.0	119.0	119.5

Source: Official Town Budget

Schedule 16

2018	2019	2020	2021	2022	2023	2024
2.0	2.0	2.0	2.0	2.0	2.0	2.0
73.0	73.0	73.0	73.0	73.0	73.0	82.0
3.0	3.0	3.0	3.0	2.0	2.0	2.0
3.3	3.3	3.3	3.0	3.0	3.0	3.0
1.0	1.0	1.0	1.0	-	-	-
4.0	5.0	5.5	5.0	5.0	6.0	6.5
7.0	7.0	7.0	7.0	7.0	7.0	7.0
2.0	2.0	2.0	2.0	2.0	2.0	4.3
5.0	5.0	5.0	5.0	5.0	6.0	6.0
5.0	5.0	5.0	5.0	5.0	5.0	5.0
1.0	1.0	1.0	1.0	1.0	1.0	1.0
3.0	3.0	3.0	3.0	3.0	3.0	3.0
5.4	5.4	5.4	5.0	5.0	5.0	5.0
2.3	2.3	2.3	2.0	2.0	2.0	2.0
4.0	4.0	4.0	4.0	4.0	4.0	4.0
-	-	-	-	-	1.0	1.0
121.0	122.0	122.5	121.0	119.0	122.0	133.8

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

Function/Program	2015	2016	2017
Administration			
Service Requests Processed	4,483	4,744	4,103
Public Safety			
Call Responses: Police	10,352	10,945	10,530
Call Responses: Fire	812	815	621
Call Responses: EMS	399	417	369
Citations Issued	7,958	9,596	12,054
Street			
Asphalt Repairs (Tons)	554	300	250
Storm Inlets	1,536	1,400	1,518
Library			
Total Circulation	45,588	47,449	47,317
Valid Library Cards	2,456	2,577	2,739
Swimming Pool			
Annual Passes Sold	1,344	1,360	1,365
Daily Passes Sold	2,752	3,059	2,540
Finance			
Accounts Payable Checks Disbursed	3,378	3,450	3,160
Payroll Checks/ACH Disbursed	4,001	4,026	3,963
Building Inspection			
Total Inspections	3,924	4,449	4,347
Total Permits Issued	1,862	1,865	1,748
Water			
Water Meters Read	66,302	66,777	66,136
Meters Installed/Replaced	537	252	107
Sewer			
Service Calls	54	29	22
Mains Cleaned	562	522	585

Source: Town Departments

* Due to COVID-19 restrictions

Schedule 17

2018	2019	2020	2021	2022	2023	2024
4,434	4,389	4,034	4,130	3,337	3,953	4,158
10,137	9,281	9,229	9,086	10,001	8,250	11,460
717	824	824	958	894	867	1,074
366	379	352	431	438	540	467
11,505	11,695	7,158	5,556	5,001	3,614	3,667
295	250	250	283	38	34	36
1,400	1,425	1,431	1,490	1,468	6,228	6,228
44,398	48,148	48,403	57,654	67,005	69,832	74,749
2,570	2,100	2,120	2,057	1,992	2,121	2,093
1,381	1,223	1,086	1,481	1,433	1,433	1,315
2,608	2,487	*	1,897	2,676	2,630	1,762
2,870	2,953	3,149	3,387	3,862	3,118	3,004
3,995	4,366	4,177	4,214	4,172	4,269	4,291
4,633	4,611	3,896	3,516	5,922	5,900	7,998
1,742	1,640	1,724	1,917	1,700	1,700	1,799
66,542	66,451	66,521	66,750	67,083	68,303	68,427
449	577	582	334	275	276	224
25	22	27	30	49	14	-
458	464	462	383	486	482	488

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

FUNCTION/PROGRAM	2015	2016	2017
Administration			
Municipal building	1	1	1
Service Center	1	1	1
Public safety			
Stations	1	1	1
Fire vehicles	3	3	3
EMS vehicles	3	3	3
Patrol vehicles	10	10	10
SRT/TRT vehicle	-	-	-
Street			
Street (miles)	48	48	48
Library			
Libraries	1	1	1
Parks			
Parks	22	22	22
Tennis courts	8	8	8
Pickleball	-	-	-
Swimming pools	1	1	1
Water			
Water mains (miles)	40	40	40
Fire hydrants	252	252	252
Sewer			
Wastewater collection system (miles)	37	37	37

Source: Town Departments

Schedule 18

2018	2019	2020	2021	2022	2023	2024
1	1	1	1	1	1	1
1	1	1	1	1	1	1
1	1	1	1	1	1	1
3	3	3	3	3	3	3
3	3	3	3	3	3	3
10	10	10	10	10	10	10
-	-	-	-	-	-	1
48	48	48	48	48	48	48
1	1	1	1	1	1	1
22	22	22	22	22	22	22
8	8	8	7	7	7	7
-	-	-	-	4	4	4
1	1	1	1	1	1	1
40	40	40	40	40	40	43
252	252	252	252	252	252	262
37	37	37	37	37	37	37

