



THE TOWN OF

Highland Park
TEXAS

An American Community Making a Difference



CONSERVE | PRESERVE

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016



Town of Highland Park, Texas

Comprehensive Annual Financial Report

Fiscal Year Ended

September 30, 2016

Prepared by:

Finance Department



Town of Highland Park, Texas
Comprehensive Annual Financial Report
Fiscal Year Ended
September 30, 2016

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INTRODUCTORY SECTION





January 19, 2017

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

The Town of Highland Park (“Town”) Financial Management Policies requires 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 Comprehensive Annual Financial Report for the Town of Highland Park, Texas for the fiscal year ended September 30, 2016, 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 **BKD, 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, 2016, 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, 2016, 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 9,189. The Town is empowered by state statute to levy a property tax on both real and business personal property located within its boundaries.

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

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

The annual budget serves as the foundation of the Town's financial planning and control. The respective department heads prepare and submit line item budget requests for the operations and maintenance portion of their respective departments as well as a listing of capital items for consideration. The personnel portion of the budget is developed by the Town's Administrative Services and Chief Financial Officer, utilizing market data compiled from other cities and compensation professionals. The Town Administrator uses these requests as the starting point for developing a proposed budget. The Town's Charter requires that the proposed budget be submitted to the Town Secretary no later than August 31st with adoption taking place no later than September 30th. 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 25.

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 2016. The property tax rate remained unchanged from 2015, resulting in property tax revenues being higher than the prior year. Even with the lowest municipal property tax rate in the Dallas/Ft. Worth Metroplex, property tax revenues are still considered a viable revenue source.

Building activity, which is an indicator of the economy, was steady throughout the community in fiscal year 2016 with the Town experiencing the addition of new homes, as well as continued renovations of the Highland Park Shopping Village. Sales tax revenue, another indicator of the economy, continued to increase over previous years. While Town Management remains optimistic that these signs point to continued improvement in the local economy, the Town is closely monitoring all local economic indicators with the intention of being able to respond as needed.

Relevant Financial Policies

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

Long-term Financial Planning

At September 30, 2016, General Fund unassigned fund balance exceeded the reserve amount required by its fund balance policy of 17% of operating expenditures. Moreover, the unrestricted net position requirement of 25% operating expenses within the Enterprise Fund was also met. The General Fund ended the year with an unassigned fund balance equivalent to 18.6% of current year expenditures, while the Enterprise Fund unrestricted net position was 77.4% of current year operating expenses. In addition, the Enterprise Fund had \$1,741,247 in encumbrances at year end. The unrestricted net position equates to 49.8% of current year operating expenses once these two items are taken into account.

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

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

Awards

The Town of Highland Park received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2015. This was the thirty-third time that the Town has achieved this prestigious honor. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the Town and its management.

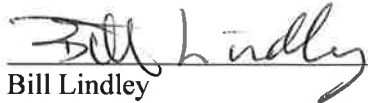
A Certificate of Achievement is valid for a period of one year. We believe that our CAFR for the current year also meets the requirements of the Certificate of Achievement program and are presenting it to the GFOA to determine its eligibility for another certificate.

The Town also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2015. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgments

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

Respectively submitted,



Bill Lindley
Town Administrator



Steven J. Alexander
Director of Administrative Services & CFO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

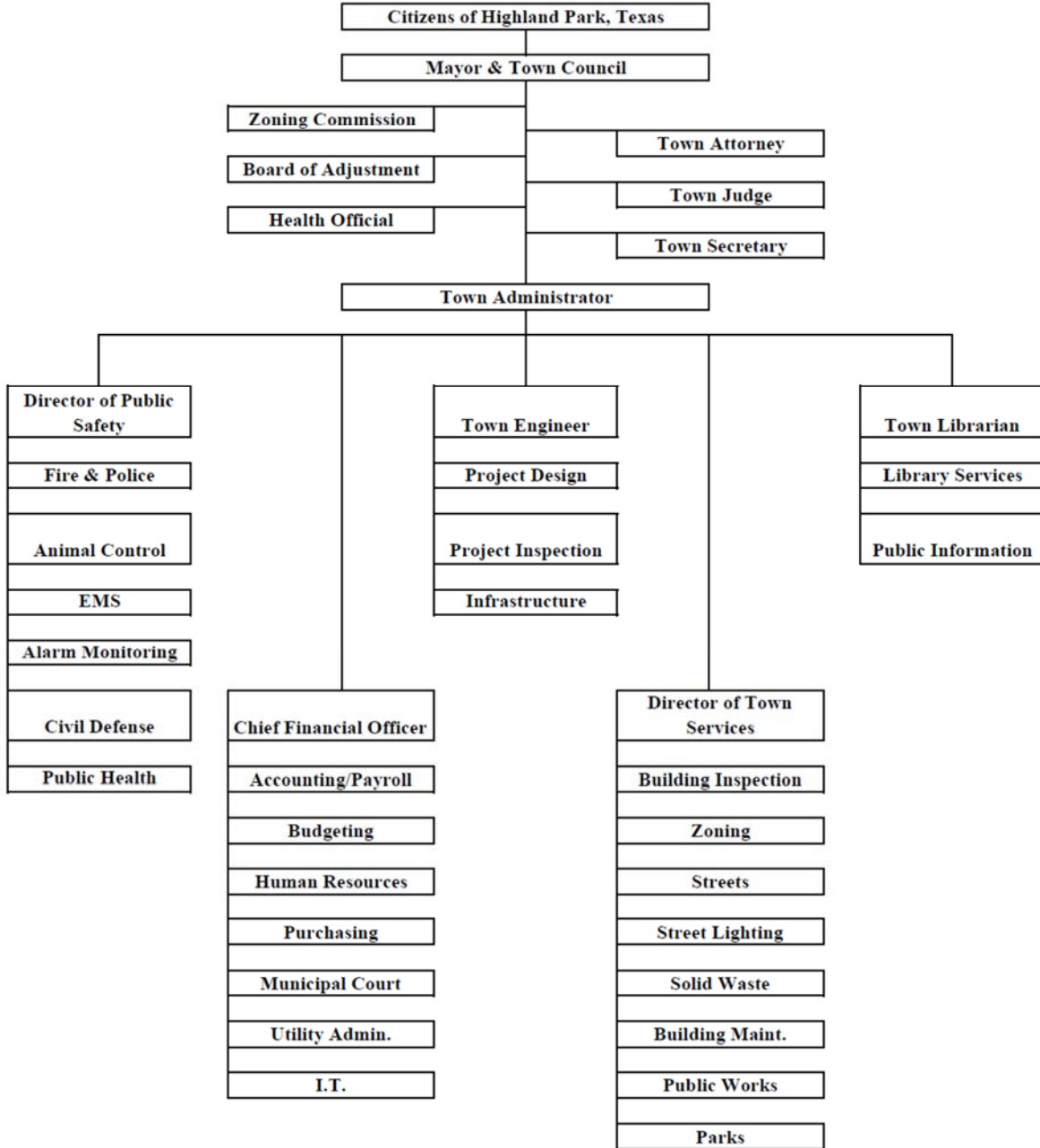
Town of Highland Park
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

Town of Highland Park, Texas
Organizational Structure



LISTING OF PRINCIPAL OFFICIALS

Town Council

Joel T. Williams III, **Mayor**
Bob Carter, **Mayor Pro Tem**
David Dowler, **Council Member**
Eric Gambrell, **Council Member**
Margo Goodwin, **Council Member**
John McKnight, **Council Member**

Town Administrator

Bill Lindley

Town Attorney

Matthew Boyle

Town Judge

Albert Hammack

Town Secretary

Gayle Kirby

Director of Administrative Services and CFO

Steven J. Alexander

Director of Public Safety

Rick Pyle

Director of Town Services

Ronnie Brown

Town Engineer

Meran Dadgostar

Town Librarian

Bonnie Case



FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Highland Park (Town), as of and for the year ended September 30, 2016 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Highland Park as of September 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical sections listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2017, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Town's internal control over financial reporting and compliance.

BKD, LLP

Dallas, Texas
January 19, 2017



Management's Discussion and Analysis

As management of the Town of Highland Park (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2016. 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 \$96,301,113 (net position). Of this amount, \$20,373,829 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

- The Town's total net position increased a total of \$3,510,234, the result of operations.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,851,143, an increase of \$2,260,559 in comparison with the prior year. Approximately 29.7% of the reported combined ending fund balances, or \$3,517,765, 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 \$3,517,765, or 18.6%, of total General Fund expenditures and the unrestricted net position for the Enterprise Fund was \$4,878,494, or 77.4%, of total Enterprise Fund operating expenses. However, the Enterprise Fund had \$1,741,247 in encumbrances at year end.
- Total governmental capital outlay of \$1,463,636 was primarily funded through resources within the Capital Projects Fund set aside for that purpose.

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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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 and the Capital Projects Fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for the General Fund. Budgetary comparison statements are provided for the General Fund to demonstrate compliance with the budget.

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 and the collection and disposal of sanitary sewer. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its fleet of vehicles, building maintenance, and management information systems. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 26-28 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.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information pertaining to the Town's funding of its obligation to provide pension benefits to Town employees through the Texas Municipal Retirement System. Also included are the combining fund financial statements. This supplementary information may be found on pages 52-61 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 \$96,301,113 at the close of the most recent fiscal year.

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 19,754,427	\$23,284,417	\$ 5,986,277	\$5,529,487	\$25,740,704	\$28,813,904
Capital assets	46,764,910	47,756,610	21,977,963	20,559,598	68,742,873	68,316,208
Deferred outflows of resources	6,288,927	926,221	792,766	118,586	7,081,693	1,044,807
Total assets and deferred outflows of resources	72,808,264	71,967,248	28,757,006	26,207,671	101,565,270	98,174,919
Current liabilities	2,230,803	1,999,371	893,786	1,162,950	3,124,589	3,162,321
Long-term liabilities	1,373,047	1,252,676	183,190	190,638	1,556,237	1,443,314
Deferred inflows of resources	517,123	690,056	66,208	88,349	583,331	778,405
Total liabilities and deferred inflows of resources	4,120,973	3,942,103	1,143,184	1,441,937	5,264,157	5,384,040
Net Position						
Investment in capital assets	46,764,910	47,756,610	21,977,963	20,559,598	68,742,873	68,316,208
Restricted	6,427,046	7,160,695	757,365	862,321	7,184,411	8,023,016
Unrestricted	15,495,335	13,107,840	4,878,494	3,343,815	20,373,829	16,451,655
Total net position	\$ 68,687,291	\$ 68,025,145	\$ 27,613,822	\$ 24,765,734	\$ 96,301,113	\$ 92,790,879

The largest portion of the Town's net position (71.3%) is its investment in capital assets (e.g., land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Additionally, \$7,184,411 is restricted for Public Safety, Library and Pensions. The remaining balance of \$20,373,829, unrestricted net position, may be used to meet the government's ongoing obligations to citizens and creditors.

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.

	Governmental Activities		Changes in Net Position Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
	Revenue					
Program revenue						
Charges for services	\$ 4,657,644	\$ 4,916,776	\$ 9,685,418	\$ 8,735,372	\$ 14,343,062	\$ 13,652,148
Operating grants and contributions	38,436	77,503	-	-	38,436	77,503
Capital grants and contributions	892,238	338,170	551,244	780,300	1,443,482	1,118,470
General revenue						
Property tax	11,593,666	10,671,716	-	-	11,593,666	10,671,716
Other taxes and fees	4,866,964	4,791,700	-	-	4,866,964	4,791,700
Other	522,043	500,802	14,288	6,519	536,331	507,321
Total revenue	<u>22,570,991</u>	<u>21,296,667</u>	<u>10,250,950</u>	<u>9,522,191</u>	<u>32,821,941</u>	<u>30,818,858</u>
Expenses						
General government	2,384,232	2,757,174	6,303,437	6,027,849	8,687,669	8,785,023
Public safety	12,739,997	10,864,166	-	-	12,739,997	10,864,166
Town services	581,762	-	-	-	581,762	-
Streets	1,833,046	1,830,746	-	-	1,833,046	1,830,746
Street lighting	173,948	188,515	-	-	173,948	188,515
Library	858,706	813,700	-	-	858,706	813,700
Parks	1,440,116	1,393,455	-	-	1,440,116	1,393,455
Swimming pool	207,793	193,642	-	-	207,793	193,642
Sanitation	1,093,055	1,094,766	-	-	1,093,055	1,094,766
Municipal court	411,642	352,954	-	-	411,642	352,954
Finance	757,264	765,516	-	-	757,264	765,516
Building inspection	526,709	475,766	-	-	526,709	475,766
Total expenses	<u>23,008,270</u>	<u>20,730,400</u>	<u>6,303,437</u>	<u>6,027,849</u>	<u>29,311,707</u>	<u>26,758,249</u>
Transfers	<u>1,099,425</u>	<u>1,003,851</u>	<u>(1,099,425)</u>	<u>(1,003,851)</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>662,146</u>	<u>1,570,118</u>	<u>2,848,088</u>	<u>2,490,491</u>	<u>3,510,234</u>	<u>4,060,609</u>
Net Position, Beginning of Year	<u>68,025,145</u>	<u>66,455,027</u>	<u>24,765,734</u>	<u>22,275,243</u>	<u>92,790,879</u>	<u>88,730,270</u>
Net Position, End of Year	<u>\$ 68,687,291</u>	<u>\$ 68,025,145</u>	<u>\$ 27,613,822</u>	<u>\$ 24,765,734</u>	<u>\$ 96,301,113</u>	<u>\$ 92,790,879</u>

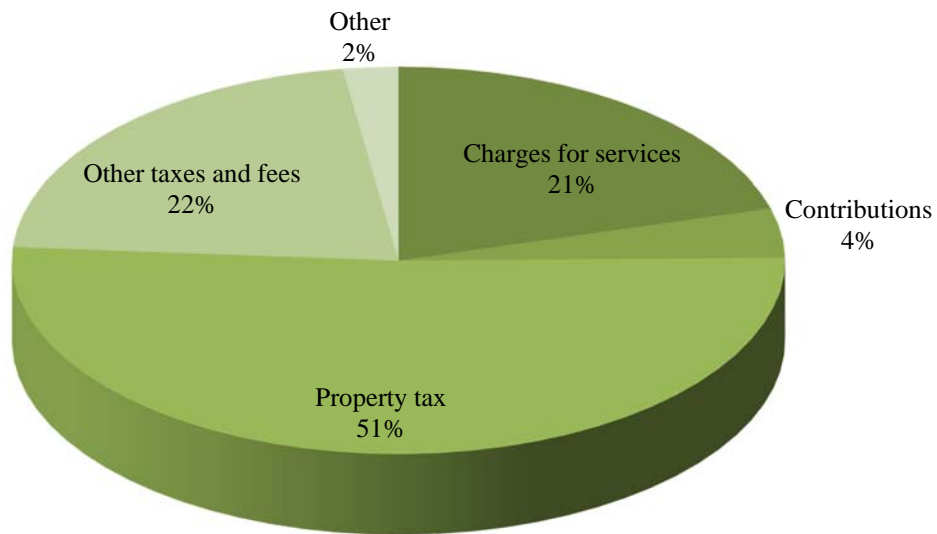
For the fiscal year 2016, the Town's total net position increased \$3,510,234, the result of operations. During the year, the Town experienced an increase in property tax revenue, capital contributions and charges for services. The property tax revenue increase was directly related to an increase in taxable assessed values. The Town maintained its 22 cent tax rate per \$100 of taxable assessed values between fiscal years 2015 and 2016.

Governmental activities: Governmental activities, excluding transfers, decreased the Town's net position by \$437,279.

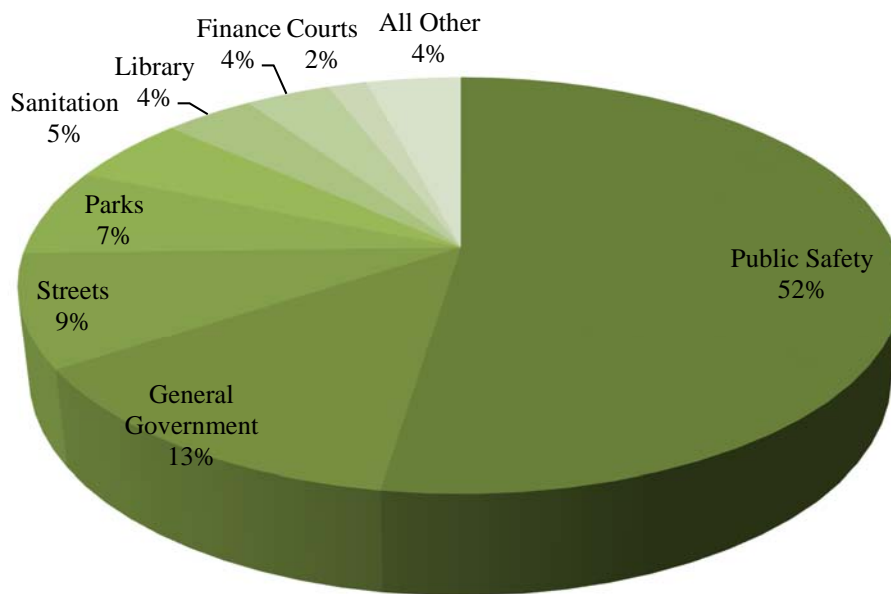
Total revenues for fiscal year 2016 increased by \$1,274,324 (6.0%) from 2015. This increase primarily resulted from an increase of property tax revenue and capital contributions totaling \$1,476,018, which was partially offset by a reduction in charges for services of \$259,132.

Total expenses increased \$2,277,870 (11.0%) from 2015. This increase is primarily attributable to an increase in pension expense of \$1,589,591.

Revenue by Source - Governmental Activities



Expense by Function - Governmental Activities

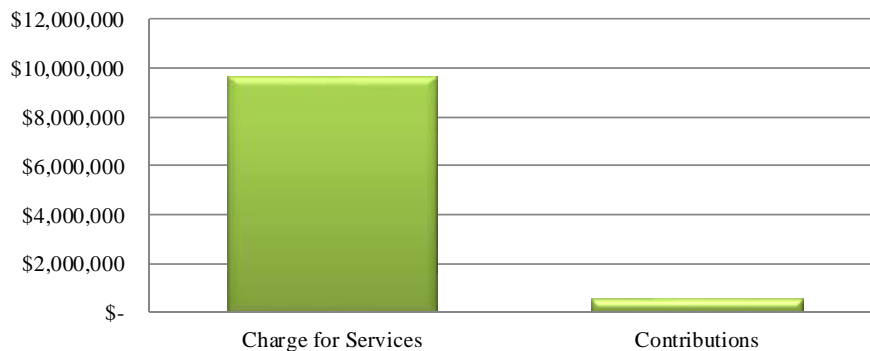


Business-type Activities: The rate structures for business-type activities are developed with the intent of generating resources sufficient to fund the cost of the respective service provided and for infrastructure replacement and/or rehabilitation. Net position from operations for business-type activities, excluding transfers, increased \$3,947,513. Comparatively, the investment in business-type capital assets, net of depreciation, increased \$1,418,365 for the year.

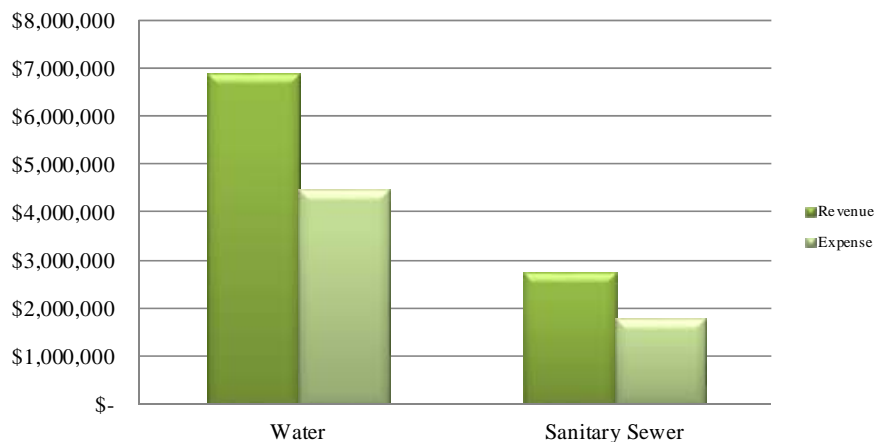
Total business-type revenues for 2016 increased by \$728,759 (7.7%) from 2015 revenues. Charges for services increased by \$950,046. This increase reflects a rate adjustment approved by Town Council during fiscal year 2015. Revenues also included \$551,244 in capital Grants and Contributions in part due to a \$352,000 contribution from Dallas County Park Cities Municipal Utility District (DCPCMUD) to assist the Town in upgrading to an automatic meter reading system as well as an increase in developer donations related to storm drains and underground water discharge.

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 \$1,099,425, were made to the Enterprise Fund from the General Fund for these purposes.

Revenue by Source - Business-type Activities - BTA



Revenue and Expense by Service - BTA



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,851,143, an increase of \$2,260,559 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 29.7% of total fund balance, or \$3,517,765, 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 (\$22,992); 2) is restricted for special revenue funds and for use by the Library, Parks, DPS and Court (\$530,425); 3) committed for capital acquisition, storm water drainage improvements and employee disbursement (\$5,810,044); or 4) assigned to liquidate contracts and purchase orders of the prior period (\$1,136,308).

The General Fund is the primary operating fund of the Town. The total fund balance of the Town's General Fund decreased by \$276,257 during the current fiscal year; this was primarily the net result of (1) an excess of revenues over expenditures of \$1,858,310 (increase); (2) a budgeted transfer in the amount of \$3,190,755 and \$36,743 from current revenues to the Capital Projects Fund and Utility Fund, respectively (decrease); (3) a transfer-in of \$1,092,931 from the Utility Fund for the purpose of funding the Utility Fund's portion of administrative costs related to Town operations.

As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 18.6% of total General Fund expenditures, while total fund balance represents 24.8% of that same amount.

The Capital Projects Fund ended the fiscal year with a total fund balance of \$5,446,928, all committed or assigned for capital acquisitions and projects. Of this amount, \$4,907,677 is restricted for capital acquisition.

The total fund balance of the Capital Projects Fund increased by \$2,080,734 during the current fiscal year; this was the net result of (1) expenditures being higher than revenues by \$938,236 resulting in a decrease of fund balance (2) \$3,667,044 in transfers into the Capital Projects Fund (General Fund \$3,190,755 and the Enterprise Fund \$476,289); and (3) a transfer to the Utility Fund of \$648,074.

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

Unrestricted net position of the Town's Enterprise Fund at the end of the year amounted to \$4,878,494, an increase of \$1,534,679. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The final amended budget for expenditures and transfers out was \$789,559 more than the original budget. Overall, the increase in appropriations was necessary to address unforeseen expenditures that occurred during the fiscal year as well as the authorization to transfer an additional \$650,000 of surplus fund balance within the General Fund to the Capital Projects Fund. At fiscal year-end, this transaction was accounted for as a Due to/Due from and was subsequently settled after year end.

Actual fiscal year 2016 General Fund expenditures, including transfers out were \$1,290,114 (5.5%) less than the final amended budget.

Capital Assets

The Town's investment in capital assets for its governmental and business type activities as of September 30, 2016 amounts to \$68,742,873 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and park facilities. The net increase in the Town's investment in capital assets for the current fiscal year was \$426,665, or 0.6%.

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 preparation of the fiscal year 2016-17 Operating Budget continued to be positively impacted by the improving economy. Property values continue to improve and have surpassed pre-recession levels, building activity and sales tax revenue continue to remain relatively constant as well. Significant factors considered in preparing the budget include:

- Taxable property values for the 2016 tax year increased by \$400,063,959 (8.1%). As a result, property tax revenues will be higher due to the combination of a continued increase in values and the decision to keep the tax rate at \$0.22/\$100 of taxable assessed valuation.
- Sales taxes have increased \$91,449 (2.6%) during 2016 over 2015, the result of stronger retail sales within the Town. The Town is projecting sales tax revenue of \$3,779,265 for the 2017 budget year, and is budgeted to increase by 4.8%.
- Water sales have increased \$704,690 (12.0%) during 2016 over 2015. Overall the increase in revenue is attributed to an increase in water and sewer rates approved by Town Council during fiscal year 2015.

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
Statement of Net Position
September 30, 2016

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 11,430,854	\$ 3,411,317	\$ 14,842,171
Investments	6,323,793	552,858	6,876,651
Receivables (net of allowances for uncollectibles)	1,292,842	1,634,859	2,927,701
Inventories	11,031	155,807	166,838
Prepays	11,961	7,844	19,805
Restricted assets			
Cash and cash equivalents	408,625	192,785	601,410
Investments	150,504	-	150,504
Net pension asset	124,817	30,807	155,624
Capital assets (net of accumulated depreciation, where applicable)			
Depreciable	41,386,443	20,053,427	61,439,870
Non-depreciable	5,378,467	1,924,536	7,303,003
Total assets	66,519,337	27,964,240	94,483,577
Deferred Outflows of Resources			
Deferred pension contributions	253,649	32,547	286,196
Deferred pension investment loss	4,023,333	507,527	4,530,860
Deferred pension experience loss	773,354	96,891	870,245
Deferred pension assumption change loss	1,238,591	155,801	1,394,392
Total deferred outflows of resources	6,288,927	792,766	7,081,693
Liabilities			
Vouchers payable	\$ 1,107,445	\$ 546,400	\$ 1,653,845
Retainage payable	97,217	18,311	115,528
Accrued liabilities	225,398	21,800	247,198
Deposits	62,182	192,785	254,967
Noncurrent liabilities			
Due within one year	738,561	114,490	853,051
Due in more than one year	1,373,047	183,190	1,556,237
Total liabilities	3,603,850	1,076,976	4,680,826
Deferred Inflows of Resources			
Deferred pension experience gain	517,123	66,208	583,331
Net Position			
Investment in capital assets	46,764,910	21,977,963	68,742,873
Restricted for public safety	275,265	-	275,265
Restricted for library	255,160	-	255,160
Restricted for pensions	5,896,621	757,365	6,653,986
Unrestricted	15,495,335	4,878,494	20,373,829
Total net position	\$ 68,687,291	\$ 27,613,822	\$ 96,301,113

Town of Highland Park
Balance Sheet – Governmental Funds
September 30, 2016

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,309,299	\$ 5,260,022	\$ 1,595,373	\$ 8,164,694
Investments	3,984,778	8,549	226,071	4,219,398
Receivables, net				
Interest	10,141	-	-	10,141
Taxes	974,112	-	-	974,112
Other	148,970	-	-	148,970
Fines	150,483	-	4,157	154,640
Inventories	11,031	-	-	11,031
Prepays	11,961	-	-	11,961
Due from General Fund	-	650,000	-	650,000
Total assets	\$ 6,600,775	\$ 5,918,571	\$ 1,825,601	\$ 14,344,947
Liabilities				
Vouchers payable	\$ 593,503	\$ 394,898	\$ 92,344	\$ 1,080,745
Retainage payable	-	77,110	20,107	97,217
Accrued liabilities	225,763	(365)	-	225,398
Deposits	62,182	-	-	62,182
Due to Capital Projects Fund	650,000	-	-	650,000
Total liabilities	1,531,448	471,643	112,451	2,115,542
Deferred Inflows of Resources				
Unavailable revenue- property taxes	136,093	-	-	136,093
Unavailable revenue- ambulance	108,570	-	-	108,570
Unavailable revenue- fines	133,599	-	-	133,599
Total deferred inflows of resources	378,262	-	-	378,262
Fund Balances				
Nonspendable				
Inventories	11,031	-	-	11,031
Prepays	11,961	-	-	11,961
Restricted				
Crime prevention	-	-	8,556	8,556
Court technology	-	-	71,042	71,042
Court security	-	-	4,428	4,428
DPS technology	4,000	-	187,239	191,239
Library	10,000	-	245,160	255,160
Committed				
Capital acquisition	-	4,907,677	-	4,907,677
Stormwater drainage improvements	-	-	897,138	897,138
Employee Christmas fund	-	-	5,229	5,229
Assigned				
Capital projects	-	539,251	-	539,251
Drainage	-	-	294,358	294,358
Other	1,136,308	-	-	1,136,308
Unassigned	3,517,765	-	-	3,517,765
Total fund balances	4,691,065	5,446,928	1,713,150	11,851,143
Total liabilities, deferred inflows of resources and fund balances	\$ 6,600,775	\$ 5,918,571	\$ 1,825,601	\$ 14,344,947

Town of Highland Park
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
September 30, 2016

Total fund balances — governmental funds balance sheet	\$ 11,851,143
Amounts reported for governmental activities in the statement of net position (SNP) are different because	
Net pension assets are not reported in the funds.	124,817
Deferred outflows related to pension contributions and pension losses are not reported in the funds.	6,288,927
Deferred inflows related to pension experience gains are not reported in the funds.	(517,123)
Capital assets used in governmental activities, including the internal service fund, are not reported in the funds.	46,764,910
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	136,093
Ambulance receivables unavailable to pay for current period expenditures are deferred in the funds.	108,570
Court fine receivables unavailable to pay for current period expenditures are deferred in the funds.	133,599
The long-term liability for other post employment benefits are not recorded in the funds.	(520,035)
Internal service funds are used by the Town's management: The assets and liabilities of the internal service funds are included with the governmental activities. The net property of \$2,780,178 as is relates to the internal service funds in included in the capital asset amount above.	5,907,963
Payables for compensated absences are not reported in the funds.	<u>(1,591,573)</u>
Net position of governmental activities — SNP	<u><u>\$ 68,687,291</u></u>

Town of Highland Park
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended September 30, 2016

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 11,573,644	\$ -	\$ -	\$ 11,573,644
Sales taxes	3,606,074	-	-	3,606,074
Other taxes	191,407	-	-	191,407
Franchise fees	1,021,287	-	-	1,021,287
Penalties and interest	48,196	-	-	48,196
Licenses and permits	1,050,004	-	-	1,050,004
Service fees	2,477,486	-	630,665	3,108,151
Fines and forfeitures	474,179	-	-	474,179
Investment income	44,577	16,567	6,222	67,366
Contributions	13,381	892,238	25,055	930,674
Miscellaneous	270,979	-	76,915	347,894
	<u>20,771,214</u>	<u>908,805</u>	<u>738,857</u>	<u>22,418,876</u>
Total revenues				
Expenditures				
General government	1,523,088	-	254,366	1,777,454
Department of public safety	10,987,473	-	190,282	11,177,755
Town services	503,180	-	-	503,180
Street department	358,913	774,595	-	1,133,508
Street lighting department	160,212	-	-	160,212
Library	775,404	-	717	776,121
Parks department	1,307,206	-	-	1,307,206
Swimming pool	181,082	-	-	181,082
Municipal court	385,705	-	15,003	400,708
Finance department	757,116	-	-	757,116
Building inspection department	526,709	-	-	526,709
Sanitation	1,093,055	-	-	1,093,055
Capital Outlay	353,761	1,072,446	37,429	1,463,636
	<u>18,912,904</u>	<u>1,847,041</u>	<u>497,797</u>	<u>21,257,742</u>
Total expenditures				
Excess (deficiencies) of revenues over expenditures	<u>1,858,310</u>	<u>(938,236)</u>	<u>241,060</u>	<u>1,161,134</u>
Other Financing Sources (Uses)				
Transfers in	1,092,931	3,667,044	350,000	5,109,975
Transfers out	<u>(3,227,498)</u>	<u>(648,074)</u>	<u>(134,978)</u>	<u>(4,010,550)</u>
Net other financing sources (uses)	<u>(2,134,567)</u>	<u>3,018,970</u>	<u>215,022</u>	<u>1,099,425</u>
Net Change in Fund Balances	(276,257)	2,080,734	456,082	2,260,559
Fund Balance, Beginning of Year	<u>4,967,322</u>	<u>3,366,194</u>	<u>1,257,068</u>	<u>9,590,584</u>
Fund Balances, End of Year	<u>\$ 4,691,065</u>	<u>\$ 5,446,928</u>	<u>\$ 1,713,150</u>	<u>\$ 11,851,143</u>

Town of Highland Park
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended September 30, 2016

Net change in fund balances – total governmental funds	\$ 2,260,559
Capital outlays are not reported as expenses in the SOA.	1,463,636
The depreciation of capital assets used in governmental activities, excluding the Internal Service Funds, is not reported in the funds.	(1,762,902)
Compensated absence are reported as the amount earned in the SOA but as the amount paid in the funds.	(818,082)
Property taxes levied and ambulance service revenue earned, but not available, are deferred in the governmental funds, but are recognized when earned (net of estimated uncollectible) in the SOA. This is the net change in unearned property taxes, ambulance fees and court fines for the year.	45,334
Expenditures related to the long-term liability for other post employment benefits are not reported in the funds.	(40,850)
Pension expense is reported as the amount paid in the funds, but incorporates deferred outflows and deferred inflows in the SOA.	(1,074,763)
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), net of transfers in, of the internal service fund is reported with the governmental activities.	589,214
	589,214
Change in net position of governmental activities – SOA	\$ 662,146

Town of Highland Park
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual
September 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 11,639,262	\$ 11,639,262	\$ 11,573,644	\$ (65,618)
Sales taxes	3,693,000	3,693,000	3,606,074	(86,926)
Other taxes	189,100	189,100	191,407	2,307
Franchise fees	1,085,470	1,085,470	1,021,287	(64,183)
Penalties and interest	55,000	55,000	48,196	(6,804)
Licenses and permits	1,283,910	1,283,910	1,050,004	(233,906)
Service fees	2,459,522	2,459,522	2,477,486	17,964
Fines and forfeitures	584,758	584,758	474,179	(110,579)
Investment income	33,200	33,200	44,577	11,377
Contributions	-	-	13,381	13,381
Miscellaneous	302,798	302,798	270,979	(31,819)
Total revenues	21,326,020	21,326,020	20,771,214	(554,806)
Expenditures				
General government	1,657,278	1,627,303	1,523,088	104,215
Department of public safety	11,753,289	11,750,163	10,987,473	762,690
Town services	524,712	524,712	503,180	21,532
Street department	379,733	379,733	358,913	20,820
Street lighting department	182,386	182,386	160,212	22,174
Library	824,257	824,257	775,404	48,853
Parks department	1,416,747	1,396,763	1,307,206	89,557
Swimming pool	184,259	192,759	181,082	11,677
Municipal court	404,907	404,907	385,705	19,202
Finance department	824,013	824,013	757,116	66,897
Building inspection department	613,309	613,309	526,709	86,600
Sanitation	1,119,750	1,119,750	1,093,055	26,695
Capital Outlay	173,837	357,981	353,761	4,220
Total Expenditures	20,058,477	20,198,036	18,912,904	1,285,132
Excess of Revenues over Expenditures	1,267,543	1,127,984	1,858,310	730,326
Other Financing Sources (Uses)				
Transfers in	1,131,100	1,131,100	1,092,931	38,169
Transfers out	(2,582,480)	(3,232,480)	(3,227,498)	4,982
Net other financing sources	(1,451,380)	(2,101,380)	(2,134,567)	43,151
Net Change in Fund Balances	(183,837)	(973,396)	(276,257)	773,477
Fund Balances, Beginning of Year	4,967,322	4,967,322	4,967,322	-
Fund Balances, End of Year	\$ 4,783,485	\$ 3,993,926	\$ 4,691,065	\$ 773,477

Town of Highland Park
Proprietary Funds
Statement of Net Position
September 30, 2016

	Enterprise Fund	Governmental Activities – Internal Service Funds
Current Assets		
Cash and cash equivalents	\$ 3,411,317	\$ 3,674,785
Investments	552,858	2,254,899
Receivables (net of allowances for uncollectibles)		
Water, Sewer and Sanitation		
Billed	1,175,161	-
Unbilled	458,801	-
Interest	897	4,979
Inventories	155,807	-
Prepays	7,844	-
	5,762,685	5,934,663
Non-Current Assets		
Restricted cash and cash equivalents	192,785	-
Net pension asset	30,807	-
Capital assets		
Land	238,750	-
Buildings	20,197	-
Improvements other than buildings	29,615,084	-
Vehicles and rolling stock	-	3,280,012
Machinery and equipment	692,225	4,008,811
Office furniture and equipment	25,326	-
Construction in progress	1,685,786	117,803
Accumulated depreciation	(10,299,405)	(4,626,448)
	21,977,963	2,780,178
	22,201,555	2,780,178
Total assets	27,964,240	8,714,841
Deferred Outflows of Resources		
Deferred pension contributions	32,547	-
Deferred pension investment loss	507,527	-
Deferred pension experience loss	96,891	-
Deferred pension assumption change loss	155,801	-
	792,766	-
Liabilities		
Current Liabilities		
Vouchers payable	\$ 546,400	\$ 26,700
Retainage payable	18,311	-
Accrued liabilities	21,800	-
Deposits	192,785	-
Compensated absences-current	114,490	-
	893,786	26,700
Noncurrent Liabilities		
OPEB	79,810	-
Compensated absences	103,380	-
	183,190	-
Total liabilities	1,076,976	26,700
Deferred Inflows of Resources	66,208	-
Net Position		
Investment in capital assets	21,977,963	2,780,178
Restricted for pensions	757,365	-
Unrestricted	4,878,494	5,907,963
	\$ 27,613,822	\$ 8,688,141

Town of Highland Park
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
Year Ended September 30, 2016

	Enterprise Fund	Governmental Activities – Internal Service Funds
Operating Revenues		
Water sales	\$ 6,592,186	\$ -
Sewer services	2,788,561	-
New connections	51,050	-
Plumbing permits	62,725	-
Penalties for late payments	74,806	-
Inter-department water sales	109,080	-
Charges for services	-	1,420,248
Miscellaneous	7,010	16,000
	<hr/>	<hr/>
Total operating revenues	9,685,418	1,436,248
	<hr/>	<hr/>
Operating Expenses		
Personnel services	1,637,616	-
Materials and supplies	2,714,092	27,065
Services and charges	1,139,418	320,400
Depreciation	812,311	590,352
	<hr/>	<hr/>
Total operating expenses	6,303,437	937,817
	<hr/>	<hr/>
Operating income	3,381,981	498,431
	<hr/>	<hr/>
Nonoperating Revenues		
Investment income	14,288	24,900
Gain on sale of assets	-	65,883
	<hr/>	<hr/>
Total nonoperating revenues	14,288	90,783
	<hr/>	<hr/>
Net income before contributions and transfers	3,396,269	589,214
	<hr/>	<hr/>
Capital contributions	6,000	-
Intergovernmental contributions	545,244	-
Transfers in	446,595	354,696
Transfers out	(1,546,020)	-
	<hr/>	<hr/>
Net transfers and contributions	(548,181)	354,696
	<hr/>	<hr/>
Change in Net Position	2,848,088	943,910
	<hr/>	<hr/>
Net Position, Beginning of Year	24,765,734	7,744,231
	<hr/>	<hr/>
Net Position, End of Year	<u>\$ 27,613,822</u>	<u>\$ 8,688,141</u>

Town of Highland Park
Proprietary Funds
Statement of Cash Flows
Year Ended September 30, 2016

	Enterprise Fund	Governmental Activities – Internal Service Funds
Operating Activities		
Cash received from customers	\$ 10,261,674	\$ 1,436,248
Cash payments to employees	(1,499,315)	-
Cash payments to other suppliers for goods and services	(4,130,892)	(366,455)
Net cash provided by operating activities	4,631,467	1,069,793
Noncapital Financing Activities		
Transfers to other funds, net	(1,099,425)	-
Net cash used in noncapital financing activities	(1,099,425)	-
Capital and Related Financing Activities		
Acquisition or construction of capital assets	(2,224,676)	(352,160)
Intergovernmental contributions	545,244	-
Proceeds from sale of capital assets	-	520,125
Net cash provided by (used in) capital and related financing activities	(1,679,432)	167,965
Investing Activities		
Investment income	14,288	22,039
Sales of investments	900,608	1,325,000
Purchases of investments	(551,522)	(2,252,970)
Net cash provided by (used in) investing activities	363,374	(905,931)
Net Increase in Cash and Cash Equivalents	2,215,984	331,827
Cash and Cash Equivalents, Beginning of Year	1,388,118	3,342,958
Cash and Cash Equivalents, End of Year	3,604,102	3,674,785
Reconciliation to the Statement of Net Position		
Cash and cash equivalents	3,411,317	3,674,785
Restricted cash and cash equivalents	192,785	-
	\$ 3,604,102	\$ 3,674,785
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 3,381,981	\$ 498,431
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	812,311	590,352
Pension expense	135,193	-
Change in assets and liabilities		
Decrease (increase) in receivables	573,556	-
Decrease (increase) in inventories	4,992	-
Decrease (increase) in prepaid expenses	46	-
Increase (decrease) in vouchers payable	(282,420)	(18,990)
Increase (decrease) in accrued wages payable	5,808	-
Total adjustments	1,249,486	571,362
Net cash provided by operating activities	\$ 4,631,467	\$ 1,069,793
Noncash Capital Financing Activities		
Capital assets acquired by contribution	\$ 6,000	\$ 354,696



Town of Highland Park

Notes to Financial Statements

September 30, 2016

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, 2016, conform to generally accepted accounting principles for local governmental units. The more significant accounting policies are summarized below.

Reporting Entity

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

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Town of Highland Park

Notes to Financial Statements

September 30, 2016

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

Property taxes, franchise taxes, ambulance fees and fines, licenses, 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 net income, financial position and changes in cash flows. All assets and liabilities 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.

Town of Highland Park

Notes to Financial Statements

September 30, 2016

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 and trust funds.

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

Stormwater Drainage Fund – 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.

Employee Christmas Fund – Accounts for the collection of unsolicited contributions of citizens and the distribution to the Town's employees.

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 – Accounts for the Municipal Court technology fee charged to defendants as specified by state law.

Court Security Fund – Accounts for the Municipal Court security fee charged to defendants as specified by state law.

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

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

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 for its citizens.

Additionally, the government reports the following fund type:

Internal Service Fund – The Internal Service Fund is 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

Notes to Financial Statements

September 30, 2016

Budgets and Budgetary Accounting

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

1. The Town Administrator acts as budget officer and prepares a proposed budget covering the expenditures of the Town in accordance with the provisions of the Town Charter.
 2. A copy of the proposed budget is filed in the office of the Town Secretary no less than 30 days prior to the end of the fiscal year in accordance with provisions of the Town Charter.
 3. A public hearing is conducted at a regular Town Council meeting to obtain citizen comments.
 4. Notice of a public hearing relating to budget adoption is duly advertised by the Town Secretary in accordance with the provision of Vernon's Annotated Civil Statutes.
 5. Prior to September 30, the budget is legally enacted through passage of an ordinance.
 6. Amendments to the budget are made at regularly scheduled Town Council meetings with notice of public hearing posted three days prior to the meeting.
 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. Encumbrances outstanding at the end of the year that the Town intends to pay during the next year are appropriated in next year's budgeted expenditures as appropriations expire at year-end.
 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. The legally adopted budget for the General Fund is adopted on the modified accrual basis of accounting. Budgeted amounts are as amended.
- During fiscal year ended September 30, 2016, the Town amended the General Fund budget to transfer \$650,000 to the Capital Projects Fund. Expenditures in excess of the budget may occur within individual expenditure accounts without Town Council approval. The Town Council must approve all expenditures in excess of the budget on a departmental basis.
11. The legally adopted budgets for the Enterprise Fund and Internal Service Funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP"), except that capital outlays are treated as expenses.

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Inventories of Supplies

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

Prepaid Items

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

Property, Plant and Equipment

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

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

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

Town of Highland Park

Notes to Financial Statements

September 30, 2016

Pensions

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net position that applies to a future 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 contributions after measurement date – These contributions are deferred and reported as a reduction in net pension liability or increase in net pension asset in the year subsequent to their deferral.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference due to changes in assumptions – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net position that applies to a future 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 experience – This difference is deferred and recognized over the estimated average remaining 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.

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Accumulated Unpaid Compensated Absences

It is the Town's policy to permit employees to accumulate certain earned but unused vacation, comp time, and sick pay benefits. 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, 2016, that must be paid by December 31, 2016, and amounts that become vested as of September 30, 2016, 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 General Fund. Assigned fund balance is established and a budget reappropriation made for those amounts the Town intends to pay during the next year applicable to next year's budget appropriations.

Fund Balance

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

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

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

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

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

Town of Highland Park

Notes to Financial Statements

September 30, 2016

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

When multiple categories of fund balance are available for expenditure, the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

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 \$0.22 on each \$100 of assessed valuation.

New Financial Reporting Requirements:

The GASB has issued the following statements which became effective for fiscal year 2016.

Statement No. 72, *Fair Value Measurement and Application* – This statement provided guidance for determining a fair value measurement for financial reporting purposes. Additionally, this statement provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Implementation of GASB 72 was limited to additional footnote disclosures.

Town of Highland Park
Notes to Financial Statements
September 30, 2016

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 market 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 a cost base 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 as of September 30, 2016, as reflected in the financial statements, is:

Cash and cash equivalents	\$ 14,842,171
Restricted cash and cash equivalents	601,410
Investments	6,876,651
Restricted investments	<u>150,504</u>
	<u><u>\$ 22,470,736</u></u>

Town of Highland Park
Notes to Financial Statements
September 30, 2016

The Town's deposits are insured by the Federal Deposit Insurance Corporation (FDIC), collateralized with securities pledged to the Town, and held in the Town's name. The bank balances at year-end were \$15,434,713.

Deposits and investments as of September 30, 2016,
consist of the following

Deposits	\$ 15,442,404
Certificates of deposit	7,014,373
Pooled investments	13,959
	\$ 22,470,736

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, 2016, the Town did not invest in any securities which are highly sensitive to interest rate fluctuations.

Town of Highland Park
Notes to Financial Statements
September 30, 2016

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. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the Town’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type. As of September 30, 2016, the Town had the following investments:

Investment Type	Carrying Amount	Maturities Less than 1 year	Rating as of Year-End
Pooled investments	\$ 13,959	\$ 13,959	AAA

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

Custodial Credit Risk – Deposits – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Texas Government Code, Section 2257, collateral for Public Funds establishes the requirement of and the criteria for securing deposited public funds. The Town’s investment policy further defines eligible securities acceptable for securing Town deposits at a level equal to at least 102% of deposits plus any accrued interest less any amount insured by the Federal Deposit Insurance Corporation. As of September 30, 2016, 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, 2016, the Town had no custodial credit risk on its investments.

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Investment in State Investment Pools – During the year, the Town invested in a public fund investment pool (LOGIC). Investments in the pool are not categorized in accordance with GASB Statement No. 3 disclosure requirements since the Town has not issued certificates, but rather it owns an individual beneficial interest in the net position of the related investment pool. The fair value of the position of the pool is measured at net asset value and is designed to approximate the share value. LOGIC’S governing body is a six-member board of directors comprised of individuals who are employees, officers, or elected officials of participants in the fund or who do not have a business relationship with the fund and are qualified to advise. A maximum of two advisory board members will supplement the board and will be employees or members of the firm providing managerial services to the fund and will represent the general manager of the fund. LOGIC is administered by First Southwest Asset Management, Inc. and JP Morgan Chase. The pool’s investment objective and strategy are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. LOGIC offers same day access to investment funds.

Note 3: Receivables

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

	Governmental			Total Governmental	Business-type Activities
	General	Capital Projects	Other Governmental Funds		Enterprise
Taxes receivable	\$ 1,017,089	\$ -	\$ -	\$ 1,017,089	\$ -
Allowance for uncollectible taxes	(42,977)	-	-	(42,977)	-
	<u>974,112</u>	<u>-</u>	<u>-</u>	<u>974,112</u>	<u>-</u>
Accounts receivable	417,546	-	4,157	421,703	1,644,031
Allowance for uncollectible accounts	(118,093)	-	-	(118,093)	(10,069)
	<u>299,453</u>	<u>-</u>	<u>4,157</u>	<u>303,610</u>	<u>1,633,962</u>
Other receivables	<u>10,141</u>	<u>-</u>	<u>-</u>	<u>10,141</u>	<u>897</u>
Total	<u>\$ 1,283,706</u>	<u>\$ -</u>	<u>\$ 4,157</u>	<u>\$ 1,287,863</u>	<u>\$ 1,634,859</u>

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Note 4: Capital Assets

Capital asset activity for the year ended September 30, 2016 was as follows:

	Balance September 30, 2015	Additions	Sales or Other Dispositions	Adjustments/ Transfers	Balance September 30, 2016
General Capital Assets					
Capital assets not being depreciated					
Land	\$ 4,193,026	\$ -	\$ -	\$ -	\$ 4,193,026
Construction in progress	2,005,600	1,129,860	-	(2,067,823)	1,067,637
Total capital assets not being depreciated	6,198,626	1,129,860	-	(2,067,823)	5,260,663
Capital assets being depreciated					
Buildings	22,374,494	-	-	-	22,374,494
Capital improvements	35,543,892	-	-	2,046,903	37,590,795
Furniture and fixtures	40,444	-	-	-	40,444
Office equipment	400,155	-	-	-	400,155
Machinery and equipment	1,557,496	333,776	-	(333,776)	1,557,496
Total capital assets being depreciated	59,916,481	333,776	-	1,713,127	61,963,384
Less accumulated depreciation for					
Buildings	(2,013,940)	(680,713)	-	-	(2,694,653)
Capital improvements	(17,811,646)	(975,846)	-	-	(18,787,492)
Furniture and fixtures	(11,678)	(3,457)	-	-	(15,135)
Office equipment	(191,137)	-	-	-	(191,137)
Machinery and equipment	(1,448,014)	(102,886)	-	-	(1,550,900)
Total accumulated depreciation	(21,476,415)	(1,762,902)	-	-	(23,239,317)
Capital assets being depreciated, net	38,440,066	(1,429,126)	-	1,713,127	38,724,067
Internal Service Fund Capital Assets					
Capital assets not being depreciated					
Construction in progress	95,210	40,594	-	(18,000)	117,804
Total capital assets not being depreciated	95,210	40,594	-	(18,000)	117,804
Capital assets being depreciated					
Machinery and equipment	3,645,710	50,120	-	312,981	4,008,811
Vehicles and rolling stock	4,026,433	261,446	(1,067,581)	59,715	3,280,013
Total capital assets being depreciated	7,672,143	311,566	(1,067,581)	372,696	7,288,824
Less accumulated depreciation for					
Machinery and equipment	(2,249,082)	(313,905)	-	-	(2,562,987)
Vehicles and rolling stock	(2,400,353)	(276,446)	613,338	-	(2,063,461)
Total accumulated depreciation	(4,649,435)	(590,351)	613,338	-	(4,626,448)
Total capital assets being depreciated, net	\$ 3,022,708	\$ (278,785)	\$ (454,243)	\$ 372,696	\$ 2,662,376
Governmental activities capital assets, net	\$ 47,756,610	\$ (537,457)	\$ (454,243)	\$ -	\$ 46,764,910

Town of Highland Park
Notes to Financial Statements
September 30, 2016

	Balance September 30, 2015	Additions	Sales or Other Dispositions	Adjustments/ Transfers	Balance September 30, 2016
Business-type Activities					
Capital assets not being depreciated					
Land	\$ 238,750	\$ -	\$ -	\$ -	\$ 238,750
Construction in progress	2,255,419	2,219,130	-	(2,788,763)	1,685,786
Total capital assets not being depreciated	<u>2,494,169</u>	<u>2,219,130</u>	<u>-</u>	<u>(2,788,763)</u>	<u>1,924,536</u>
Capital assets being depreciated					
Building	20,197	-	-	-	20,197
Improvements other than buildings	26,820,321	6,000	-	2,788,763	29,615,084
Machinery and equipment	692,225	-	-	-	692,225
Office furniture and equipment	19,780	5,546	-	-	25,326
Total capital assets being depreciated	<u>27,552,523</u>	<u>11,546</u>	<u>-</u>	<u>2,788,763</u>	<u>30,352,832</u>
Less accumulated depreciation for					
Building	(20,197)	-	-	-	(20,197)
Capital improvements	(8,960,917)	(761,661)	-	-	(9,722,578)
Machinery and equipment	(489,888)	(46,916)	-	-	(536,804)
Office equipment	(16,092)	(3,734)	-	-	(19,826)
Total accumulated depreciation	<u>(9,487,094)</u>	<u>(812,311)</u>	<u>-</u>	<u>-</u>	<u>(10,299,405)</u>
Total capital assets being depreciated, net	<u>\$ 18,065,429</u>	<u>\$ (800,765)</u>	<u>\$ -</u>	<u>\$ 2,788,763</u>	<u>\$ 20,053,427</u>
Business-type activities capital assets, net	<u>\$ 20,559,598</u>	<u>\$ 1,418,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,977,963</u>

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

Governmental Activities

General government	\$ 642,882
Public safety	204,876
Town services	78,582
Street department	697,309
Street lighting department	1,648
Library	70,528
Parks department	40,366
Swimming pool	<u>26,711</u>

Total Depreciation Expense —

General Capital Assets 1,762,902

Internal Service Fund

590,351

\$ 2,353,253

Business-type Activities

Enterprise Fund

\$ 812,311

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Note 5: Interfund Transactions

Interfund transfers are made throughout the fiscal year for a variety of reasons. Transfers made during fiscal year 2016 were as follows:

Transfer Fund	Transfer In	Transfer Out	Purpose of Transfer
General fund	\$ 1,092,931	\$ 3,227,498	Budgetary
Capital projects fund	3,667,044	648,074	Capital Projects
Internal service funds	354,696	-	Capital Assets
Nonmajor governmental funds	350,000	134,978	Budgetary
Enterprise fund	446,595	1,546,020	Budgetary
	<u>\$ 5,911,266</u>	<u>\$ 5,556,570</u>	

The excess of \$354,696 of transfers in over transfers out is due to the transfer in of capital assets from governmental activities to the internal service funds.

Note 6: Long-term Liabilities

Long-term liability activity for the year ended September 30, 2016 was as follows:

	Beginning of Year	Additions	Deletions	End of Year	Within One Year
Governmental activities					
Compensated absences	\$ 1,445,408	\$ 1,454,989	\$ (1,308,824)	\$ 1,591,573	\$ 738,561
OPEB liability	479,185	40,850	-	520,035	-
Total	<u>\$ 1,924,593</u>	<u>\$ 1,495,839</u>	<u>\$ (1,308,824)</u>	<u>\$ 2,111,608</u>	<u>\$ 738,561</u>
Business-type activities					
Compensated absences	\$ 214,788	\$ 138,477	\$ (135,395)	\$ 217,870	\$ 114,490
OPEB liability	79,784	26	-	79,810	-
Total	<u>\$ 294,572</u>	<u>\$ 138,503</u>	<u>\$ (135,395)</u>	<u>\$ 297,680</u>	<u>\$ 114,490</u>

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

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Note 7: Retirement Plans

Texas Municipal Retirement System

Plan Description

The Town participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

Benefits Provided:

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

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

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Employees covered by benefit terms –

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	102
Inactive employees entitled to but not yet receiving benefits	34
Active employees	<u>117</u>
	<u>253</u>

Contributions:

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. Employer contributions are actuarially determined and for the fiscal year ended September 30, 2016, the Town made contributions of \$408,628 or 3.35% of covered employee payroll.

Net Pension Asset:

The Town’s Net Pension Asset (NPA) was measured as of December 31, 2015 and the Total Pension Asset (TPA) used to calculate the NPA was determined by an actuarial valuation as of that date.

Actuarial assumptions –

The Total Pension Asset in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year	
Overall payroll growth	3.0% per year	
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation	

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustments are used, with slight adjustments.

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75% from the 2014 valuation to the 2015 valuation. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. 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)
Domestic equity	17.5%	4.55%
International equity	17.5%	6.10%
Core fixed income	10.0%	1.00%
Non-core fixed income	20.0%	3.65%
Real return	10.0%	4.03%
Real estate	10.0%	5.25%
Absolute return	10.0%	4.00%
Private equity	5.0%	8.00%
Total	100.0%	

Discount Rate –

The discount rate used to measure the Total Pension Asset was 6.75% and is a decrease from the previous discount rate, which was 7%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Changes in the Net Pension Asset:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a) - (b)
Balance at September 30, 2015	\$ 65,163,667	\$ 72,761,207	\$ (7,597,540)
Changes for the year:			
Service cost	1,408,625	-	1,408,625
Interest	4,443,414	-	4,443,414
Difference between expected and actual experience	1,099,257	-	1,099,257
Changes in assumptions	1,761,337	-	1,761,337
Contributions-employer	-	444,414	(444,414)
Contributions-employee	-	787,570	(787,570)
Net investment income	-	107,358	(107,358)
Benefit payments, including refunds of employee contributions	(4,781,270)	(4,781,270)	-
Administrative expense	-	(65,395)	65,395
Other changes	-	(3,230)	3,230
Net Changes	<u>3,931,363</u>	<u>(3,510,553)</u>	<u>7,441,916</u>
Balance at September 30, 2016	<u>\$ 69,095,030</u>	<u>\$ 69,250,654</u>	<u>\$ (155,624)</u>

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 <u>(5.75%)</u>	Current Discount Rate <u>(6.75%)</u>	1% Increase in Discount Rate <u>(7.75%)</u>
Town's net pension (asset) liability	\$8,032,136	(\$155,624)	(\$7,049,295)

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Pension Plan Fiduciary Net Position –

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

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

For the year ended September 30, 2016, the Town recognized pension expense of \$1,618,584.

At September 30, 2016, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actuarial assumptions and actual experience	\$ 870,245	\$ 583,331
Changes in actuarial assumptions used	1,394,392	-
Difference between projected and actual investment earnings	4,530,860	-
Contributions subsequent to the measurement date	286,196	-
Total	\$ 7,081,693	\$ 583,331

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$286,196 will be recognized as an addition of the net pension asset for the measurement year ending December 31, 2016 (i.e. recognized in the Town’s financial statements September 30, 2017). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	September 30
2017	\$ 1,578,774
2018	1,578,774
2019	1,580,667
2020	1,473,951
Total	\$ 6,212,166

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Deferred Compensation Plan

The Town offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457 to its employees. Under this plan, employees may defer receipt of income. The plan is administered by the International City Management Association Retirement Corporation (ICMARC). 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

The Town offers retired employees 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. There were five participating retirees receiving health and dental insurance coverage as of September 30, 2016. 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. At September 30, 2016, there were approximately 117 active members.

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. Contributions to the plan by the Town during the year (which equals the premiums paid by the Town) was zero (\$0).

Annual OPEB Cost

The Town's annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Town of Highland Park
Notes to Financial Statements
September 30, 2016

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2016 and the preceding two fiscal years were as follows:

	September 30,		
	2016	2015	2014
Annual required contribution	\$ 120,612	\$ 117,099	\$ 129,480
Interest on prior year net OPEB obligation	25,154	22,959	19,183
Adjustment to annual required contribution	<u>(23,305)</u>	<u>(21,271)</u>	<u>(17,773)</u>
Annual OPEB cost	122,461	118,787	130,890
Contributions made	(81,585)	(70,018)	(46,980)
Increase in net OPEB obligation	40,876	48,769	83,910
Net obligation, beginning of year	<u>558,969</u>	<u>510,200</u>	<u>426,290</u>
Net obligation, end of year	<u>599,845</u>	<u>558,969</u>	<u>510,200</u>
Percentage of OPEB costs contributed	66.6%	58.9%	35.9%

Funding Status and Funding Progress

The funded status of the plan as of actuarial measurement dates are as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio as a Percentage	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/09	-	1,369,234	1,369,234	-	10,069,402	13.6%
12/31/11	-	1,277,323	1,277,323	-	10,893,439	11.7%
12/31/14	-	1,372,036	1,372,036	-	11,502,823	11.9%

Under the reporting parameters, the Town's retiree health care plan is 0% funded with an estimated actuarial accrued liability exceeding actuarial assets by \$1,372,036 at December 31, 2014. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 11.9%.

Actuarial Methods and Assumptions

The Projected Unit Credit actuarial cost method is used to calculate the GASB ARC for the Town's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic recognition of the cost of these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Town of Highland Park
Notes to Financial Statements
September 30, 2016

Projections of health benefits are based on the plan as understood by the Town and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Inflation rate	3.00% per annum
Investment rate of return	4.50%, net of expenses
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year, open amortization
Payroll growth	3.00% per annum
Medical Trend	Initial rate of 7.25% declining to an ultimate rate of 4.50%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the Town’s retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 9: Commitments and Contingencies

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

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

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

The Town contracts for solid waste collection services and collection of recyclable materials with a third-party which expires April 30, 2017.

No material litigation was outstanding against the Town as of September 30, 2016.



REQUIRED SUPPLEMENTARY INFORMATION

Town of Highland Park
Schedule of Changes in Net Pension Asset and Related Ratios
Texas Municipal Retirement System
Required Supplementary Information
Last Two Fiscal Years
(Unaudited)

	<u>2014</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 1,355,468	\$ 1,408,625
Interest	4,389,441	4,443,414
Changes of benefit terms	-	-
Difference between expected and actual experience	(973,479)	1,099,257
Change in assumptions*	-	1,761,337
Benefit payments, including refunds of employee contributions	(3,272,671)	(4,781,270)
Net Change in Total Pension Liability	1,498,759	3,931,363
Total Pension Liability - Beginning	63,664,908	65,163,667
Total Pension Liability - Ending (a)	65,163,667	69,095,030
Plan fiduciary net position:		
Contributions - employer	636,106	444,414
Contributions - employee	805,198	787,570
Net investment income	4,038,451	107,358
Benefit payments, including refunds of employee contributions	(3,272,671)	(4,781,270)
Administrative expense	(42,166)	(65,395)
Other	(3,467)	(3,230)
Net Change in Plan Fiduciary Net Position	2,161,451	(3,510,553)
Plan Fiduciary Net Position - Beginning	70,599,756	72,761,207
Plan Fiduciary Net Position - Ending (b)	72,761,207	69,250,654
Net Pension Asset - Ending (a) - (b)	\$ (7,597,540)	\$ (155,624)
Plan fiduciary net position as a percentage of total pension asset	111.66%	100.23%
Covered employee payroll	\$ 11,502,823	\$ 11,271,001
Net pension asset as a percentage of covered employee payroll	66.05%	1.38%

*The long-term expected rate of return on pension plan investments decreased from 7% to 6.75%. See *Note 7. Retirement Plans.*

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

Town of Highland Park
Schedule of Contributions
Texas Municipal Retirement System
Required Supplementary Information
Last Two Fiscal Years
(Unaudited)

	Fiscal Year 2015	Fiscal Year 2016
Actuarially determined contribution	\$ 504,539	\$ 408,628
Contributions in relation to the actuarially determined contribution	504,539	408,628
Contribution Deficiency (Excess)	\$ -	\$ -
Covered employee payroll	\$ 11,452,658	\$ 12,214,139
Contributions as a percentage of covered employee payroll	4.41%	3.35%

Notes to Schedule:

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st 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	5 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.5%
Salary Increases	3.0%
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2013 valuation pursuant to an experience study of the period 2011 – 2014.
Mortality	RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

There were no benefit changes during the year.

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

Town of Highland Park
Schedule of Other Postemployment Plan Funding and Contributions
Required Supplementary Information
(Unaudited)

The funded status of the plan as of actuarial measurement dates are as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio as a Percentage	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/09	-	1,369,234	1,369,234	-	10,069,402	13.6%
12/31/11	-	1,277,323	1,277,323	-	10,893,439	11.7%
12/31/14	-	1,372,036	1,372,036	-	11,502,823	11.9%

**COMBINING AND INDIVIDUAL
FINANCIAL STATEMENTS AND SCHEDULES**



NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Stormwater Drainage – 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.

Employee Christmas – Accounts for the collection of unsolicited contributions of citizens and the distribution to the Town's employees.

Forfeited Property – 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 – Accounts for the Municipal Court technology fee charged to defendants as specified by state law.

Court Security Fund – Accounts for the Municipal Court security fee charged to defendants as specified by state law.

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

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

Town of Highland Park
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2016

	Special Revenue Funds							Total Nonmajor Funds
	Stormwater Drainage	Employee Christmas	Forfeited Property	Court Technology	Court Security	DPS Technology	Library	
Assets								
Cash and cash equivalents	\$ 1,195,519	\$ 5,229	\$ 8,556	\$ 71,529	\$ 4,428	\$ 165,529	\$ 144,583	\$ 1,595,373
Investments	75,567	-	-	-	-	50,042	100,462	226,071
Receivables (net of allowances for uncollectibles)	86	-	-	-	-	3,956	115	4,157
Total Assets	\$ 1,271,172	\$ 5,229	\$ 8,556	\$ 71,529	\$ 4,428	\$ 219,527	\$ 245,160	\$ 1,825,601
Liabilities								
Vouchers payable	59,569	-	-	487	-	32,288	-	92,344
Retainage payable	20,107	-	-	-	-	-	-	20,107
Total liabilities	79,676	-	-	487	-	32,288	-	112,451
Fund Balances								
Restricted								
Crime prevention	-	-	8,556	-	-	-	-	8,556
Court technology	-	-	-	71,042	-	-	-	71,042
Court security	-	-	-	-	4,428	-	-	4,428
DPS technology	-	-	-	-	-	187,239	-	187,239
Library	-	-	-	-	-	-	245,160	245,160
Committed								
Stormwater drainage improvements	897,138	-	-	-	-	-	-	897,138
Employee Christmas fund	-	5,229	-	-	-	-	-	5,229
Assigned								
Drainage	294,358	-	-	-	-	-	-	294,358
Total fund balances	1,191,496	5,229	8,556	71,042	4,428	187,239	245,160	1,713,150
Total Liabilities and Fund Balances	\$ 1,271,172	\$ 5,229	\$ 8,556	\$ 71,529	\$ 4,428	\$ 219,527	\$ 245,160	\$ 1,825,601

Town of Highland Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended September 30, 2016

	Special Revenue Funds							Nonmajor Funds
	Stormwater Drainage	Employee Christmas	Forfeited Property	Court Technology	Court Security	DPS Technology	Library	
Revenues								
Service fees	\$ 386,838	\$ -	\$ -	\$ 29,275	\$ 21,956	\$ 192,596	\$ -	\$ 630,665
Contributions	-	3,820	-	-	-	-	21,235	25,055
Interest on investments	4,032	16	34	227	22	689	1,202	6,222
Miscellaneous	-	-	2,560	-	-	74,355	-	76,915
Total revenues	390,870	3,836	2,594	29,502	21,978	267,640	22,437	738,857
Expenditures								
Materials and supplies	7,763	-	-	3,881	-	-	-	11,644
Services and charges	246,603	-	2,370	11,122	-	187,912	717	448,724
Capital outlay	37,429	-	-	-	-	-	-	37,429
Total expenditures	291,795	-	2,370	15,003	-	187,912	717	497,797
Excess of revenues over expenditures	99,075	3,836	224	14,499	21,978	79,728	21,720	241,060
Other Financing Sources (Uses)								
Transfers in	350,000	-	-	-	-	-	-	350,000
Transfers out	(111,778)	-	-	-	(23,200)	-	-	(134,978)
Total other financing sources (uses)	238,222	-	-	-	(23,200)	-	-	215,022
Net change in fund balances	337,297	3,836	224	14,499	(1,222)	79,728	21,720	456,082
Fund Balances, Beginning of Year	854,199	1,393	8,332	56,543	5,650	107,511	# 223,440	1,480,508
Fund Balances, End of Year	\$ 1,191,496	\$ 5,229	\$ 8,556	\$ 71,042	\$ 4,428	\$ 187,239	\$ 245,160	\$ 1,713,150



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
Combining Statement of Net Position
Internal Service Funds
September 30, 2016

	Equipment Replacement Fund	Building Maintenance Fund	Technology Replacement Fund	Total Internal Service Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 2,326,574	\$ 569,818	\$ 778,393	\$ 3,674,785
Investments	1,253,714	-	1,001,185	2,254,899
Accrued interest	2,632	-	2,347	4,979
Total current assets	<u>3,582,920</u>	<u>569,818</u>	<u>1,781,925</u>	<u>5,934,663</u>
Capital Assets				
Vehicles and rolling stock	3,280,012	-	-	3,280,012
Machinery and equipment	200,511	-	3,808,300	4,008,811
Construction in progress	-	-	117,803	117,803
Accumulated depreciation	(2,063,461)	-	(2,562,987)	(4,626,448)
Net capital assets	<u>1,417,062</u>	<u>-</u>	<u>1,363,116</u>	<u>2,780,178</u>
Total Assets	<u>\$ 4,999,982</u>	<u>\$ 569,818</u>	<u>\$ 3,145,041</u>	<u>\$ 8,714,841</u>
Liabilities				
Current liabilities				
Vouchers payable	-	18,858	7,842	26,700
Total current liabilities	<u>-</u>	<u>18,858</u>	<u>7,842</u>	<u>26,700</u>
Net Position				
Net investment in capital assets	1,417,062	-	1,363,116	2,780,178
Unrestricted	3,582,920	550,960	1,774,083	5,907,963
Total net position	<u>4,999,982</u>	<u>550,960</u>	<u>3,137,199</u>	<u>8,688,141</u>
Total Liabilities and Net Position	<u>\$ 4,999,982</u>	<u>\$ 569,818</u>	<u>\$ 3,145,041</u>	<u>\$ 8,714,841</u>

Town of Highland Park
Combining Statement of Revenues, Expenses, Changes in Fund Net Position
Internal Service Funds
Year Ended September 30, 2016

	Equipment Replacement Fund	Building Maintenance Fund	Technology Replacement Fund	Total Internal Service Funds
Revenues				
Charges for services	\$ 398,220	\$ 513,128	\$ 508,900	\$ 1,420,248
Miscellaneous	-	16,000	-	16,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	398,220	529,128	508,900	1,436,248
Operating Expenses				
Materials and supplies	-	27,065	-	27,065
Services and charges	21,250	299,150	-	320,400
Depreciation	276,447	-	313,905	590,352
	<hr/>	<hr/>	<hr/>	<hr/>
Total operating expenses	297,697	326,215	313,905	937,817
Operating income	<hr/>	<hr/>	<hr/>	<hr/>
	100,523	202,913	194,995	498,431
Nonoperating Revenue				
Interest	14,928	1,631	8,341	24,900
Gain on sale of assets	65,883	-	-	65,883
Transfers in	244,407	-	110,289	354,696
	<hr/>	<hr/>	<hr/>	<hr/>
Total nonoperating revenue	325,218	1,631	118,630	445,479
Change in Net Position	<hr/>	<hr/>	<hr/>	<hr/>
	425,741	204,544	313,625	943,910
Net Position, Beginning of Year	<hr/>	<hr/>	<hr/>	<hr/>
	4,574,241	346,416	2,823,574	7,744,231
Net Position, End of Year	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 4,999,982	\$ 550,960	\$ 3,137,199	\$ 8,688,141

Town of Highland Park
Combining Statement of Cash Flows
Internal Service Funds
Year Ended September 30, 2016

	Equipment Replacement Fund	Building Maintenance Fund	Technology Replacement Fund	Total Internal Service Funds
Operating Activities				
Cash received from customers	\$ 398,220	\$ 529,128	\$ 508,900	\$ 1,436,248
Cash payments to suppliers for goods and services	(21,250)	(347,187)	1,982	(366,455)
Net cash provided by operating activities	<u>376,970</u>	<u>181,941</u>	<u>510,882</u>	<u>1,069,793</u>
Investing Activities				
Sales of investments	750,000	75,000	500,000	1,325,000
Purchases of investments	(1,251,785)	-	(1,001,185)	(2,252,970)
Investment income	13,501	1,736	6,802	22,039
Net cash provided by (used in) investing activities	<u>(488,284)</u>	<u>76,736</u>	<u>(494,383)</u>	<u>(905,931)</u>
Capital Financing Activities				
Acquisition and construction of capital assets	(261,446)	-	(90,714)	(352,160)
Proceeds from sale of capital assets	520,125	-	-	520,125
Net cash provided by (used in) investing activities	<u>258,679</u>	<u>-</u>	<u>(90,714)</u>	<u>167,965</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>147,365</u>	<u>258,677</u>	<u>(74,215)</u>	<u>331,827</u>
Cash and Cash Equivalents, Beginning of Year	<u>2,179,209</u>	<u>311,141</u>	<u>852,608</u>	<u>3,342,958</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,326,574</u>	<u>\$ 569,818</u>	<u>\$ 778,393</u>	<u>\$ 3,674,785</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	100,523	202,913	194,995	498,431
Adjustments to reconcile operating income to net cash provided by operating activities				
Item not requiring cash				
Depreciation	276,447	-	313,905	590,352
Change in				
Increase (decrease) in vouchers payable	-	(20,972)	1,982	(18,990)
Total adjustments	<u>276,447</u>	<u>(20,972)</u>	<u>315,887</u>	<u>571,362</u>
Net cash provided by operating activities	<u>\$ 376,970</u>	<u>\$ 181,941</u>	<u>\$ 510,882</u>	<u>\$ 1,069,793</u>
Noncash Capital Financing Activities				
Capital assets acquired by contribution from the Town's governmental funds	\$ 244,407	\$ -	\$ 110,289	\$ 354,696

STATISTICAL SECTION

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

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	<u>Page</u>
<u>Financial Trends</u>	63-68
This section contains information to help the reader understand how the Town’s financial performance and well-being have changed over time.	
<u>Revenue Capacity</u>	69-72
This section contains information to help the reader assess the Town’s most significant local revenue source, the property tax.	
<u>Debt Capacity</u>	73-74
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.	
<u>Demographic and Economic Information</u>	75-77
This section contains information to help the reader understand the environment within which the Town’s financial activities take place.	
<u>Operating Information</u>	78-80
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.	



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

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental activities					
Net investment in capital assets	\$ 22,771,121	\$ 30,389,551	\$ 32,160,748	\$ 31,868,002	\$ 35,479,938
Unrestricted	<u>16,406,211</u>	<u>13,355,949</u>	<u>14,317,432</u>	<u>19,935,136</u>	<u>17,957,672</u>
Total governmental activities net position	<u>\$ 39,177,332</u>	<u>\$ 43,745,500</u>	<u>\$ 46,478,180</u>	<u>\$ 51,803,138</u>	<u>\$ 53,437,610</u>
Business-type activities					
Net investment in capital assets	\$ 14,125,098	\$ 14,017,164	\$ 14,185,694	\$ 14,555,810	\$ 15,778,121
Unrestricted	<u>5,078,860</u>	<u>6,425,104</u>	<u>7,720,131</u>	<u>3,025,372</u>	<u>3,303,622</u>
Total business-type activities net position	<u>\$ 19,203,958</u>	<u>\$ 20,442,268</u>	<u>\$ 21,905,825</u>	<u>\$ 17,581,182</u>	<u>\$ 19,081,743</u>
Primary government					
Net investment in capital assets	\$ 36,896,219	\$ 44,406,715	\$ 46,346,442	\$ 46,423,812	\$ 51,258,059
Unrestricted	<u>21,485,071</u>	<u>19,781,053</u>	<u>22,037,563</u>	<u>22,960,508</u>	<u>21,261,294</u>
Total primary governmental net position	<u>\$ 58,381,290</u>	<u>\$ 64,187,768</u>	<u>\$ 68,384,005</u>	<u>\$ 69,384,320</u>	<u>\$ 72,519,353</u>
	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$ 36,283,176	\$ 42,861,512	\$ 49,151,886	\$ 47,756,610	\$ 46,764,910
Restricted	-	-	-	7,160,695	6,427,046
Unrestricted	<u>20,652,750</u>	<u>16,332,102</u>	<u>10,753,328</u>	<u>13,107,840</u>	<u>15,495,335</u>
Total governmental activities net position	<u>\$ 56,935,926</u>	<u>\$ 59,193,614</u>	<u>\$ 59,905,214</u>	<u>\$ 68,025,145</u>	<u>\$ 68,687,291</u>
Business-type activities					
Net investment in capital assets	\$ 17,422,351	\$ 18,280,047	\$ 19,377,428	\$ 20,559,598	\$ 21,977,963
Restricted	-	-	-	862,321	757,365
Unrestricted	<u>1,933,334</u>	<u>2,493,350</u>	<u>2,059,231</u>	<u>3,343,815</u>	<u>4,878,494</u>
Total business-type activities net position	<u>\$ 19,355,685</u>	<u>\$ 20,773,397</u>	<u>\$ 21,436,659</u>	<u>\$ 24,765,734</u>	<u>\$ 27,613,822</u>
Primary government					
Net investment in capital assets	\$ 53,705,527	\$ 61,141,559	\$ 68,529,314	\$ 68,316,208	\$ 68,742,873
Restricted	-	-	-	8,023,016	7,184,411
Unrestricted	<u>22,586,084</u>	<u>18,825,452</u>	<u>12,812,559</u>	<u>16,451,655</u>	<u>20,373,829</u>
Total primary governmental net position	<u>\$ 76,291,611</u>	<u>\$ 79,967,011</u>	<u>\$ 81,341,873</u>	<u>\$ 92,790,879</u>	<u>\$ 96,301,113</u>

Source: Town Comprehensive Annual Financial Report

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

	Fiscal Year			
	2007	2008	2009	2010
Expenses				
Governmental activities				
General government	\$ 877,318	\$ 698,577	\$ 824,699	\$ 1,316,352
Department of public safety	8,730,922	9,628,878	9,867,090	10,164,906
Town services	-	-	-	-
Street department	678,087	812,623	867,698	1,061,747
Street lighting department	277,504	318,467	327,938	307,312
Library	562,314	619,876	644,462	772,491
Parks department	1,234,759	1,342,352	1,430,322	1,431,268
Swimming pool	166,346	171,912	197,907	228,852
Sanitation	-	-	-	-
Municipal court	297,580	320,864	318,937	343,042
Finance department	459,684	480,159	481,073	520,784
Building inspection department	298,711	348,730	402,380	539,980
Total governmental activities expenses	<u>13,583,225</u>	<u>14,742,438</u>	<u>15,362,506</u>	<u>16,686,734</u>
Business-type activities				
Enterprise	<u>6,104,229</u>	<u>6,863,130</u>	<u>7,211,569</u>	<u>7,481,548</u>
Total business-type activities expenses	<u>6,104,229</u>	<u>6,863,130</u>	<u>7,211,569</u>	<u>7,481,548</u>
Total primary government expenses	<u>\$ 19,687,454</u>	<u>\$ 21,605,568</u>	<u>\$ 22,574,075</u>	<u>\$ 24,168,282</u>
Program Revenues				
Governmental activities				
Charges for services				
General government	\$ 190,066	\$ 196,385	\$ 191,381	\$ 206,255
Department of public safety	655,606	713,878	755,635	568,974
Street department	254,411	301,998	335,778	118,743
Library	18,108	14,652	18,619	16,959
Parks department	4,322	12,955	12,680	11,720
Swimming pool	87,014	94,432	94,184	92,468
Sanitation	-	-	-	-
Municipal court	724,746	728,369	662,570	676,094
Building inspection department	1,312,827	725,997	904,647	968,993
Operating grants and contributions	528,388	1,477,837	32,392	4,383
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>3,775,488</u>	<u>4,266,503</u>	<u>3,007,886</u>	<u>2,664,589</u>
Business-type activities				
Charges for services	6,683,686	7,910,871	8,465,285	8,315,859
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>6,683,686</u>	<u>7,910,871</u>	<u>8,465,285</u>	<u>8,315,859</u>
Total primary government program revenues	<u>\$ 10,459,174</u>	<u>\$ 12,177,374</u>	<u>\$ 11,473,171</u>	<u>\$ 10,980,448</u>

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 812,643	\$ 1,033,107	\$ 1,973,256	\$ 3,277,962	\$ 2,757,174	\$ 2,384,232
10,188,243	10,214,838	10,575,157	10,831,500	10,864,166	12,739,997
-	-	-	-	-	581,762
1,090,129	1,117,699	1,175,073	1,850,685	1,830,746	1,833,046
284,966	206,703	237,734	190,317	188,515	173,948
745,811	768,755	712,953	701,144	813,700	858,706
1,404,315	1,240,538	1,350,947	1,429,901	1,393,455	1,440,116
228,565	192,559	199,939	181,970	193,642	207,793
-	1,039,230	1,073,427	1,133,782	1,094,766	1,093,055
341,435	319,953	329,474	280,071	352,954	411,642
515,296	473,970	733,642	780,928	765,516	757,264
391,923	392,023	406,813	426,574	475,766	526,709
<u>16,003,325</u>	<u>16,999,375</u>	<u>18,768,415</u>	<u>21,084,834</u>	<u>20,730,400</u>	<u>23,008,270</u>
<u>7,983,612</u>	<u>6,702,773</u>	<u>6,278,852</u>	<u>6,411,751</u>	<u>6,027,849</u>	<u>6,303,437</u>
<u>7,983,612</u>	<u>6,702,773</u>	<u>6,278,852</u>	<u>6,411,751</u>	<u>6,027,849</u>	<u>6,303,437</u>
<u>\$ 23,986,937</u>	<u>\$ 23,702,148</u>	<u>\$ 25,047,267</u>	<u>\$ 27,496,585</u>	<u>\$ 26,758,249</u>	<u>\$ 29,311,707</u>
\$ 208,091	\$ 376,375	\$ 376,083	\$ 386,948	\$ 500,509	\$ 403,852
741,602	666,846	761,759	737,090	745,218	871,979
120,887	134,859	144,332	138,687	153,689	-
16,001	15,347	10,512	10,310	11,033	10,770
10,360	10,560	10,520	11,482	14,086	11,722
109,959	103,531	105,095	97,840	95,699	98,254
-	1,254,088	1,242,590	1,231,340	1,236,438	1,235,509
728,149	684,318	845,028	787,331	789,631	1,016,752
928,146	926,297	963,254	1,232,986	1,370,473	1,008,806
-	-	101,770	98,069	77,503	38,436
-	-	1,175,308	702,885	338,170	892,238
<u>2,863,195</u>	<u>4,172,221</u>	<u>5,736,251</u>	<u>5,434,968</u>	<u>5,332,449</u>	<u>5,588,318</u>
9,945,105	8,237,561	8,640,478	8,109,508	8,735,372	9,685,418
-	627,941	-	42,880	780,300	551,244
<u>9,945,105</u>	<u>8,865,502</u>	<u>8,640,478</u>	<u>8,152,388</u>	<u>9,515,672</u>	<u>10,236,662</u>
<u>\$ 12,808,300</u>	<u>\$ 13,037,723</u>	<u>\$ 14,376,729</u>	<u>\$ 13,587,356</u>	<u>\$ 14,848,121</u>	<u>\$ 15,824,980</u>

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

	Fiscal Year			
	2007	2008	2009	2010
Net (Expenses) Revenue				
Governmental activities	\$ (9,807,737)	\$ (10,475,935)	\$ (12,354,620)	\$ (14,022,145)
Business-type activities	<u>579,457</u>	<u>1,047,741</u>	<u>1,253,716</u>	<u>834,311</u>
Total primary government net expenses	<u>\$ (9,228,280)</u>	<u>\$ (9,428,194)</u>	<u>\$ (11,100,904)</u>	<u>\$ (13,187,834)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 8,055,442	\$ 8,819,669	\$ 9,481,304	\$ 9,934,677
Sales taxes	2,260,502	2,420,130	2,300,369	2,430,775
Other taxes	105,069	106,462	106,433	94,159
Franchise taxes	925,302	965,870	1,018,539	1,015,431
Penalty and interest on taxes	55,763	66,184	65,671	59,834
Investment income	895,894	767,451	402,349	131,159
Intergovernmental	-	1,765,797	1,293,877	87,379
Miscellaneous	327,332	277,280	418,758	393,567
Transfers	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>5,200,122</u>
Total governmental activities	<u>14,625,304</u>	<u>15,188,843</u>	<u>15,087,300</u>	<u>19,347,103</u>
Business-type activities				
Investment income	375,204	190,569	209,841	41,168
Transfers	<u>(2,000,000)</u>	<u>-</u>	<u>-</u>	<u>(5,200,122)</u>
Total business-type activities	<u>(1,624,796)</u>	<u>190,569</u>	<u>209,841</u>	<u>(5,158,954)</u>
Total primary government	<u>\$ 13,000,508</u>	<u>\$ 15,379,412</u>	<u>\$ 15,297,141</u>	<u>\$ 14,188,149</u>
Change in Net Position				
Governmental activities	\$ 4,817,567	\$ 4,712,908	\$ 2,732,680	\$ 5,324,958
Business-type activities	<u>(1,045,339)</u>	<u>1,238,310</u>	<u>1,463,557</u>	<u>(4,324,643)</u>
Total primary government	<u>\$ 3,772,228</u>	<u>\$ 5,951,218</u>	<u>\$ 4,196,237</u>	<u>\$ 1,000,315</u>

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ (13,140,130)	\$ (12,827,154)	\$ (13,032,164)	\$ (15,649,866)	\$ (15,397,951)	\$ (17,419,952)
<u>1,961,493</u>	<u>2,162,729</u>	<u>2,361,626</u>	<u>1,740,637</u>	<u>3,487,823</u>	<u>3,933,225</u>
<u>\$ (11,178,637)</u>	<u>\$ (10,664,425)</u>	<u>\$ (10,670,538)</u>	<u>\$ (13,909,229)</u>	<u>\$ (11,910,128)</u>	<u>\$ (13,486,727)</u>
\$ 9,714,359	\$ 9,640,285	\$ 9,744,640	\$ 10,053,948	\$ 10,671,716	\$ 11,593,666
2,579,028	2,923,273	2,952,203	3,437,806	3,514,625	3,606,074
127,969	146,057	160,250	189,232	175,550	191,407
1,010,742	1,078,503	965,140	1,024,422	1,051,658	1,021,287
55,505	45,662	46,903	54,809	49,867	48,196
108,877	80,420	56,257	53,695	49,550	92,266
211,751	-	-	-	-	-
492,970	510,315	416,286	462,208	451,252	429,777
473,401	1,900,955	948,173	1,085,346	1,003,851	1,099,425
<u>14,774,602</u>	<u>16,325,470</u>	<u>15,289,852</u>	<u>16,361,466</u>	<u>16,968,069</u>	<u>18,082,098</u>
12,469	12,168	4,259	7,971	6,519	14,288
<u>(473,401)</u>	<u>(1,900,955)</u>	<u>(948,173)</u>	<u>(1,085,346)</u>	<u>(1,003,851)</u>	<u>(1,099,425)</u>
<u>(460,932)</u>	<u>(1,888,787)</u>	<u>(943,914)</u>	<u>(1,077,375)</u>	<u>(997,332)</u>	<u>(1,085,137)</u>
<u>\$ 14,313,670</u>	<u>\$ 14,436,683</u>	<u>\$ 14,345,938</u>	<u>\$ 15,284,091</u>	<u>\$ 15,970,737</u>	<u>\$ 16,996,961</u>
\$ 1,634,472	\$ 3,498,316	\$ 2,257,688	\$ 711,600	\$ 1,570,118	\$ 662,146
<u>1,500,561</u>	<u>273,942</u>	<u>1,417,712</u>	<u>663,262</u>	<u>2,490,491</u>	<u>2,848,088</u>
<u>\$ 3,135,033</u>	<u>\$ 3,772,258</u>	<u>\$ 3,675,400</u>	<u>\$ 1,374,862</u>	<u>\$ 4,060,609</u>	<u>\$ 3,510,234</u>

Town of Highland Park
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Mixed Beverage Tax	Total
2007	\$ 8,055,442	\$ 2,260,502	\$ 925,302	\$ 105,069	\$ 11,346,315
2008	8,819,669	2,420,130	965,870	106,462	12,312,131
2009	9,488,571	2,300,369	1,030,631	106,433	12,926,004
2010	9,934,677	2,430,775	1,015,431	94,159	13,475,042
2011	9,714,359	2,579,028	1,010,742	127,969	13,432,098
2012	9,640,285	2,923,273	1,078,503	146,057	13,788,118
2013	9,744,640	2,952,203	965,140	160,250	13,822,233
2014	10,053,948	3,437,806	1,024,422	189,232	14,705,408
2015	10,671,716	3,514,625	1,051,658	175,550	15,413,549
2016	11,593,666	3,606,074	1,021,287	191,407	16,412,434



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

	Fiscal Year			
	2007	2008	2009	2010
General Fund				
Reserved	\$ 227,102	\$ 642,309	\$ 556,019	\$ 460,713
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Unreserved	<u>4,694,373</u>	<u>3,944,352</u>	<u>5,000,470</u>	<u>3,936,857</u>
Total general fund	<u>\$ 4,921,475</u>	<u>\$ 4,586,661</u>	<u>\$ 5,556,489</u>	<u>\$ 4,397,570</u>
All other governmental funds				
Reserved	\$ 9,737,980	\$ 5,292,585	\$ 1,459,922	\$ 4,350,933
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unreserved, reported in				
Capital projects fund	<u>455,782</u>	<u>1,772,979</u>	<u>5,527,375</u>	<u>13,974,662</u>
Total all other governmental funds	<u>\$ 10,193,762</u>	<u>\$ 7,065,564</u>	<u>\$ 6,987,297</u>	<u>\$ 18,325,595</u>

Note: In fiscal year 2011, the Town implemented GASB 54 which changed the fund balance classifications to Nonspendable, Restricted, Committed, Assigned and Unassigned.

See *Note 1* to the Basic Financial Statements.

Source: Town Comprehensive Annual Financial Report

Fiscal Year

2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
27,715	15,227	148,475	32,055	12,844	22,992
113,942	128,634	-	-	24,000	14,000
394,300	338,756	614,758	625,122	883,224	1,136,308
4,132,477	3,935,117	3,203,691	4,296,843	4,047,254	3,517,765
-	-	-	-	-	-
\$ 4,668,434	\$ 4,417,734	\$ 3,966,924	\$ 4,954,020	\$ 4,967,322	\$ 4,691,065
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
98	170	253	-	-	-
191,872	59,441	246,497	281,565	401,476	516,425
8,676,585	12,400,573	3,684,791	2,234,474	4,002,298	5,810,044
3,393,289	2,080,320	6,032,322	172,921	219,488	833,609
-	-	-	-	-	-
\$ 12,261,844	\$ 14,540,504	\$ 9,963,863	\$ 2,688,960	\$ 4,623,262	\$ 7,160,078

Town of Highland Park
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)
Unaudited

	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Taxes	\$ 11,290,415	\$ 12,315,728	\$ 12,926,004	\$ 13,389,605
Penalties and interest	55,763	66,184	65,671	59,834
Licences and permits	1,368,191	784,591	965,340	1,051,114
Service fees	1,502,798	1,576,990	1,622,643	1,347,210
Fines and forfeitures	412,717	388,041	346,085	337,079
Investment income	761,147	693,784	344,529	114,596
Intergovernmental	-	1,765,797	1,293,877	87,379
Contributions	559,437	1,505,656	132,072	59,280
Miscellaneous	296,283	249,461	295,673	253,630
Total revenues	16,246,751	19,346,232	17,991,894	16,699,727
Expenditures				
General government	739,674	806,635	732,754	1,098,201
Department of public safety	8,408,121	9,472,901	9,490,181	9,947,630
Town services	-	-	-	-
Street department	288,622	785,334	856,776	318,650
Street lighting department	238,880	279,828	305,611	277,085
Library	558,488	605,344	569,968	638,351
Parks department	1,157,967	1,274,630	1,447,509	1,396,524
Swimming pool	160,839	179,667	174,098	205,395
Municipal court	226,792	239,087	252,461	299,360
Finance department	451,381	474,821	471,679	514,680
Building inspection department	292,961	344,512	397,138	534,673
Sanitation	-	-	-	-
Capital outlay	1,161,316	8,350,999	2,403,131	887,491
Total expenditures	13,685,041	22,813,758	17,101,306	16,118,040
Excess (deficiency) of revenues over (under) expenditures	2,561,710	(3,467,526)	890,588	581,687
Other Financing Sources (Uses)				
Transfers in	3,120,330	1,538,834	978,934	8,066,620
Transfers out	(1,120,330)	(1,538,834)	(978,934)	(2,866,498)
Sale of assets	-	4,514	973	-
Total other financing sources (uses)	2,000,000	4,514	973	5,200,122
Net Change in Fund Balances	\$ 4,561,710	\$ (3,463,012)	\$ 891,561	\$ 5,781,809

Fiscal Year						
	2011	2012	2013	2014	2015	2016
\$	13,438,042	\$ 13,805,491	\$ 13,767,078	\$ 14,691,139	\$ 15,505,358	\$ 16,392,412
	55,505	45,662	46,903	54,809	49,867	48,196
	1,008,939	995,508	1,041,353	1,273,423	1,424,885	1,050,004
	1,439,407	2,875,018	2,928,470	2,914,043	2,960,189	3,108,151
	366,991	351,545	442,995	429,429	406,839	474,179
	95,122	72,398	49,886	42,428	37,436	67,366
	211,751	-	-	-	-	-
	93,908	99,042	1,277,078	800,954	415,673	930,674
	220,811	316,099	373,058	340,951	450,151	347,894
	<u>16,930,476</u>	<u>18,560,763</u>	<u>19,926,821</u>	<u>20,547,176</u>	<u>21,250,398</u>	<u>22,418,876</u>
	981,989	1,126,197	1,822,661	2,324,629	2,188,987	1,777,454
	9,986,728	9,984,927	10,289,647	10,442,551	11,189,760	11,177,755
	-	-	-	-	-	503,180
	350,868	374,173	362,468	349,310	377,557	1,133,508
	264,445	169,907	199,859	175,276	186,869	160,212
	609,131	625,146	639,355	625,195	743,172	776,121
	1,297,955	1,220,933	1,267,715	1,353,546	1,385,583	1,307,206
	198,620	162,743	168,316	153,275	166,016	181,082
	291,393	297,165	315,970	276,807	352,954	400,708
	507,215	471,900	731,295	781,748	791,310	757,116
	391,807	392,023	405,514	422,026	475,766	526,709
	-	1,039,230	1,069,999	1,102,043	1,094,766	1,093,055
	3,926,731	2,775,231	8,418,334	9,611,560	1,353,905	1,463,636
	<u>18,806,882</u>	<u>18,639,575</u>	<u>25,691,133</u>	<u>27,617,966</u>	<u>20,306,645</u>	<u>21,257,742</u>
	<u>(1,876,406)</u>	<u>(78,812)</u>	<u>(5,764,312)</u>	<u>(7,070,790)</u>	<u>943,753</u>	<u>1,161,134</u>
	2,127,772	4,794,899	3,424,075	2,713,791	3,896,967	5,109,975
	(1,654,371)	(2,693,944)	(2,689,222)	(1,932,120)	(2,893,116)	(4,010,550)
	7,668	5,817	2,008	1,312	-	-
	<u>481,069</u>	<u>2,106,772</u>	<u>736,861</u>	<u>782,983</u>	<u>1,003,851</u>	<u>1,099,425</u>
\$	<u>(1,395,337)</u>	<u>\$ 2,027,960</u>	<u>\$ (5,027,451)</u>	<u>\$ (6,287,807)</u>	<u>\$ 1,947,604</u>	<u>\$ 2,260,559</u>

Town of Highland Park
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
Unaudited

Fiscal Year	Estimated Market Value			Total Taxable Assessed Value*	Total Direct Tax Rate
	Residential Property	Business Personal Property	Less: Tax-Exempt Property		
2007	4,642,666,780	46,476,050	1,102,378,690	3,586,764,140	0.2250
2008	5,187,681,250	54,237,020	1,230,557,711	4,011,360,559	0.2200
2009	5,258,242,810	55,586,640	1,253,698,502	4,364,487,558	0.2200
2010	5,282,026,170	61,504,450	1,157,219,102	4,573,579,178	0.2200
2011	5,126,357,780	59,937,910	1,081,695,766	4,437,430,774	0.2200
2012	5,057,262,630	56,732,470	1,057,634,320	4,406,947,910	0.2200
2013	5,058,223,790	61,252,130	1,038,248,559	4,446,174,261	0.2200
2014	5,220,705,430	72,506,290	1,053,795,597	4,598,788,373	0.2200
2015	5,650,613,160	79,298,850	1,195,241,564	4,924,436,786	0.2200
2016	6,184,790,790	78,087,300	1,342,579,935	5,324,500,745	0.2200

*Total Taxable Assessed Value includes Market Value for Commercial Improvements beginning in 2009

Source: Dallas Central Appraisal District

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

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.
2007	0.225000	0.21390	0.25400	0.08100	0.54890	1.35570	1.11996
2008	0.220000	0.22810	0.25400	0.08040	0.56250	1.03670	1.18340
2009	0.220000	0.22810	0.25400	0.08940	0.57150	1.09000	1.27134
2010	0.220000	0.23331	0.27400	0.09490	0.60221	1.11000	1.23781
2011	0.220000	0.24310	0.27100	0.09923	0.61333	1.11500	1.29035
2012	0.220000	0.24310	0.27100	0.11938	0.63348	1.13420	1.29035
2013	0.220000	0.24310	0.27100	0.11938	0.63348	1.13420	1.28209
2014	0.220000	0.24310	0.27600	0.12470	0.64380	1.12670	1.28209
2015	0.220000	0.24310	0.28600	0.12477	0.65387	1.11810	1.28209
2016	0.220000	0.24310	0.28600	0.12365	0.65275	1.11190	1.28209

Source: Dallas County Appraisal District

**Town of Highland Park
Principal Property Taxpayers
September 30, 2016 and 2007
Unaudited**

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
HP Village Partners	\$ 137,004,700	1	2.57%	\$ 69,990,000	1	1.95%
Cox, Edwin L Trust	40,072,900	2	0.75%	20,175,000	3	0.56%
The 4500 Trust	34,000,000	3	0.64%			
Muse, John R	28,675,952	4	0.54%	21,824,008	2	0.61%
Jones, Jerral W. & Gene C.	27,496,480	5	0.52%	12,983,656	7	0.36%
Crow, Harlan	26,441,442	6	0.50%	18,243,672	4	0.51%
L & B Depp UCEPP 5500	20,000,000	7	0.38%	15,454,000	5	0.43%
Intercity Investment	18,150,000	8	0.34%			
Mitchell, Amy	17,600,000	9	0.33%			
Dallas Country Club	17,140,230	10	0.32%	10,331,520	10	0.29%
Gable Realty				13,310,000	6	0.37%
Crow, Trammell				11,561,992	9	0.32%
Corrigan Properties, Inc.				12,214,980	8	0.34%
Total	<u>\$ 366,581,704</u>		<u>6.88%</u>	<u>\$ 206,088,828</u>		<u>5.75%</u>
Total Assessed Valuation	<u>\$ 5,324,500,745</u>		<u>100.00%</u>	<u>\$ 3,586,764,140</u>		<u>100.00%</u>

Source: Dallas County Appraisal District.

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy*
2007	8,115,122	8,003,122	98.6%	103,033	8,106,155	99.9%
2008	8,890,683	8,818,214	99.2%	63,056	8,881,270	99.9%
2009	9,603,740	9,535,060	99.3%	57,953	9,593,013	99.9%
2010	10,062,755	9,865,734	98.0%	50,613	9,916,347	98.5%
2011	9,764,883	9,681,165	99.1%	29,636	9,710,801	99.4%
2012	9,696,331	9,622,922	99.2%	14,826	9,637,748	99.4%
2013	9,783,604	9,683,980	99.0%	16,527	9,700,507	99.2%
2014	10,118,831	10,002,650	98.9%	8,959	10,011,609	98.9%
2015	10,836,257	10,732,287	99.0%	-	10,732,287	99.0%
2016	11,715,800	11,580,927	98.8%	-	11,580,927	98.8%

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

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

Town of Highland Park
Computation of Direct and Overlapping Debt
Year Ended September 30, 2016
Unaudited

Governmental Unit	Gross Bonded Debt	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Town of Highland Park	\$ -	-	\$ -
Dallas County	227,980,000	2.90%	6,611,420
Dallas Community College District	294,050,000	2.69%	7,909,945
Dallas County Hospital District	718,480,000	2.81%	20,189,288
Dallas Independent School District	3,013,520,000	0.23%	6,931,096
Highland Park Independent School District	<u>282,375,000</u>	34.84%	<u>98,379,450</u>
	<u>\$ 4,536,405,000</u>		<u>\$ 140,021,199</u>
Total Direct and Overlapping Debt to Total Taxable Assessed Valuation			<u>2.63%</u>
Per Capita Overlapping Debt			<u>\$ 15,237.91</u>

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

Source: Municipal Advisory of Texas Estimated Overlapping Debt Statement

Town of Highland Park
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

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

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

The Town has no issued debt outstanding as of September 30, 2016.

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

Year	Estimated Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2007	8,842	856,453,794	96,862	4.8
2008	8,842	856,453,794	96,862	5.3
2009	8,842	856,453,794	96,862	7.2
2010	8,564	856,453,794	100,006	8.8
2011	8,580	1,001,903,760	116,772	8.1
2012	8,686	1,152,354,248	132,668	7.3
2013	8,815	1,134,984,140	128,756	4.9
2014	8,862	1,083,166,812	122,226	5.0
2015	8,950	1,107,947,350	123,793	4.0
2016	9,189	1,137,533,877	123,793	4.1

Sources: US Census Bureau’s American Fact Finder Report, US Census Population Estimate US Department of Labor – Bureau of Labor Statistics – DFW Region

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

2016			2007		
Employer	Number of Establishments	Employees	Business Sector	Number of Establishments	Employees
Retail Trade	54	715	Retail Trade	51	584
Wholesale Trade	10	11	Wholesale Trade	12	95
Information	3	*	Information	5	*
Professional, Scientific & Technical Services	59	159	Professional, Scientific & Technical Services	43	158
Real Estate & Rental Leasing	26	*	Real Estate & Rental Leasing	27	82
Administrative & Support & Waste Management & Remediation	23	95	Administrative & Support & Waste Management & Remediation	13	28
Education Services	5	23	Education Services	2	*
Health Care & Social Assistance	24	*	Health Care & Social Assistance	22	*
Arts, Entertainment & Recreation	8	335	Arts, Entertainment & Recreation	8	*
Accommodations & Food Services	10	313	Accommodations & Food Services	10	313
Other Services (Except Public Administration)	12	179	Other Services (Except Public Administration)	13	81

*Information not available

Note: The Town of Highland Park is a relatively small municipality, with a radius of about 2.2 square miles. The town's most recent estimated population is approximately 9,189. 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: 2016 was obtained from the 2012 Economic Census, and 2007 data was obtained from the 2007 Economic Census.

Town of Highland Park
Construction and Property Values
Last Ten Fiscal Years
Unaudited

Fiscal Year	Commercial Construction*		Residential Construction*		Property Value**	
	Number of Permits	Value	Number of Permits	Value	Real Property	Personal Property
2007	20	3,157,626	1,149	99,673,538	4,638,493,550	46,466,590
2008	22	8,626,739	1,113	77,757,810	5,187,681,250	54,237,020
2009	21	41,335,048	870	53,601,984	5,549,244,010	56,490,150
2010	31	19,975,233	1,004	72,021,698	5,622,164,550	61,504,450
2011	38	8,985,914	1,097	76,604,257	5,447,807,590	69,937,910
2012	34	3,235,348	903	64,144,609	5,407,849,850	56,732,470
2013	33	4,517,931	1,150	69,905,735	5,423,170,690	61,252,130
2014	34	8,632,850	1,110	91,191,908	5,580,077,680	72,506,290
2015	48	12,690,806	1,162	100,306,992	6,040,379,500	79,298,850
2016	29	8,623,479	1,164	102,641,000	6,588,993,380	78,087,300

*Source: Town of Highland Park Permitting and Inspections Department

**Source: Dallas Central Appraisal District

Town of Highland Park
Full-time Equivalent Employees by Function
Last Ten Fiscal Years
Unaudited

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	2.2	2.2	2.2	2.2	2.2	2.6	5.0	5.0	5.0	2.0
Public safety	68.0	70.3	69.0	69.0	69.0	69.0	69.0	69.0	69.0	70.0
Town services	-	-	-	-	-	-	-	-	-	2.0
Street	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Street lighting	2.2	1.7	1.7	1.7	1.7	1.8	2.0	1.0	1.0	1.0
Library	5.4	5.4	5.4	5.4	5.4	5.4	3.0	4.0	4.0	3.0
Parks	9.5	9.5	9.5	9.5	9.5	9.0	9.0	9.0	9.0	9.0
Municipal court	2.2	2.2	2.2	2.7	2.7	2.7	2.0	2.0	2.0	2.0
Finance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Building inspection	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	4.0
Service center	0.5	0.4	0.4	0.4	0.3	0.2	-	-	-	-
Information technology	-	-	-	-	-	-	1.0	1.0	1.0	1.0
Utility administration	6.2	6.2	6.2	6.2	6.2	6.8	4.0	4.0	4.0	3.0
Water	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Sewer	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Sanitation	0.5	0.5	0.5	0.5	0.5	-	-	-	-	-
Engineering	3.5	4.5	4.5	4.5	4.5	4.5	4.5	5.0	5.0	5.0
Stormwater administration	0.5	0.5	0.5	0.5	0.5	0.5	0.5	-	-	-
Total	118.7	121.4	120.1	120.6	120.5	120.5	118.0	118.0	118.0	117.0

Source: Official Town Budget

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

Function/Program	Fiscal Year			
	2007	2008	2009	2010
Administration				
Service Requests Processed	8,991	6,440	6,935	7,842
Public Safety				
Call Responses: Police	10,282	9,461	10,128	10,368
Call Responses: Fire	858	883	905	912
Call Responses: EMS	425	466	493	1,443
Citations Issued	11,634	8,566	8,584	7,871
Street				
Asphalt Repairs (Tons)	167	161	154	170
Storm Inlets	1,617	1,840	1,908	2,556
Library				
Total Circulation	63,801	48,264	63,729	60,444
Valid Library Cards	3,039	2,838	2,791	2,770
Swimming Pool				
Annual Passes Sold	1,652	1,737	1,676	1,680
Daily Passes Sold	1,625	2,132	2,679	2,325
Finance/Personnel				
Accounts Payable Checks Disbursed	3,357	3,499	3,301	3,581
Payroll Checks/ACH Disbursed	4,231	4,459	4,361	4,585
Building Inspection				
Total Inspections	3,461	3,193	2,837	2,654
Total Permits Issued	1,831	1,637	1,510	1,655
Water				
Meters Read	63,542	64,143	62,568	64,763
Meters Installed/Replaced	90	67	53	44
Sewer				
Service Calls	59	47	40	34
Mains Cleaned	773	1,060	903	871

Source: Town Departments

Fiscal Year					
2011	2012	2013	2014	2015	2016
6,415	5,286	4,858	5,479	4,483	4,744
10,846	10,159	10,434	9,744	10,352	10,945
824	778	751	914	812	815
396	392	398	386	399	417
8,410	8,099	9,189	8,069	7,958	9,596
227	524	676	335	554	300
1,246	1,080	1,346	1,224	1,536	1,400
58,377	57,171	43,814	43,964	45,588	47,449
3,024	2,945	2,568	2,359	2,456	2,577
1,590	1,501	1,523	1,467	1,344	1,360
2,881	2,554	3,260	2,100	2,752	3,059
3,489	3,128	3,150	3,533	3,378	3,450
4,601	4,696	4,670	4,375	4,001	4,026
2,838	3,088	3,121	2,982	3,924	4,449
1,766	1,825	1,183	1,922	1,862	1,865
65,258	66,736	67,263	65,665	66,302	66,777
38	19	631	453	537	252
35	40	26	50	54	29
920	1,087	533	665	562	522

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

Function/Program	Fiscal Year			
	2007	2008	2009	2010
Administration				
Municipal Building	1	1	1	1
Public Safety				
Stations	1	1	1	1
Fire Vehicles	3	3	3	3
EMS Vehicles	2	2	3	3
Patrol Vehicles	9	10	10	10
Street				
Streets (miles)	42	42	42	42
Library				
Libraries	1	1	1	1
Parks				
Parks	22	22	22	22
Tennis Courts	8	8	8	8
Swimming Pools	1	1	1	1
Water				
Water Mains (miles)	40	40	40	40
Fire Hydrants	252	252	252	252
Sewer				
Wastewater collection system (miles)	37	37	37	37

Source: Town Departments

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

Fiscal Year						
2011	2012	2013	2014	2015	2016	
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
42	42	42	42	42	42	42
1	1	1	1	1	1	1
22	22	22	22	22	22	22
8	8	8	8	8	8	8
1	1	1	1	1	1	1
40	40	40	40	40	40	40
252	252	252	252	252	252	252
37	37	37	37	37	37	37