



THE TOWN OF

Highland Park
TEXAS



COMPREHENSIVE
ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 2009



TOWN OF HIGHLAND PARK, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2009

Prepared by:

Finance Department



TOWN OF HIGHLAND PARK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	3
Certificate of Achievement for Excellence in Financial Reporting	7
Organization Chart	8
Listing of Principal Officials	9
FINANCIAL SECTION	
Independent Auditor's Report	13
Management's Discussion and Analysis	15
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	26
Statement of Activities	27
Fund Financial Statements:	
Balance Sheet – Governmental Funds	28
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	32
Statement of Net Assets – Proprietary Funds	33
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	34
Statement of Cash Flows – Proprietary Funds	35
Notes to the Financial Statements	37
Required Supplementary Information	
Schedule of Funding Progress – Texas Municipal Retirement System	60
Combining and Individual Fund Financial Statements and Schedules	
Capital Projects Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	64

TOWN OF HIGHLAND PARK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION - continued	
Nonmajor Governmental Funds:	
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	67
Internal Service Fund:	
Schedule of Changes in Equipment and Accumulated Depreciation – Equipment Replacement Fund	70
Fiduciary Fund:	
Statement of Changes in Assets and Liabilities	72
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedule by Source	74
Schedule by Function and Activity	75
Schedule of Changes by Function and Activity	76
STATISTICAL SECTION (UNAUDITED)	
Financial Trends	
Net Assets by Component – Last Ten Years	79
Changes in Net Assets – Last Ten Years	80
Governmental Activities Tax Revenues by Source – Last Ten Years	82
Fund Balances of Governmental Funds – Last Ten Years	83
Changes in Fund Balances of Governmental Funds – Last Ten Years	84
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years	85
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	86
Principal Property Taxpayers – 2009 and 2000	87
Property Tax Levies and Collections – Last Ten Years	88
Debt Capacity	
Computation of Direct and Overlapping Debt	89
Legal Debt Margin Information	90
Demographic and Economic Information	
Demographic and Economic Statistics – Last Ten Years	91
Principal Employers – 2009 and 2000	92
Property Values and Construction	93
Operating Information	
Full-Time Equivalent Employees by Function	94
Operating Indicators by Function – Last Ten Years	95
Capital Asset Statistics by Function – Last Ten Years	96

INTRODUCTORY SECTION



THE TOWN OF
Highland Park
TEXAS
4700 DREXEL DRIVE, HIGHLAND PARK, TEXAS 75205
Telephone (214) 521-4161

March 4, 2010

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, 2009 is hereby issued.

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

The Town's financial statements have been audited by Weaver & Tidwell LLP, Independent 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, 2009, 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 unqualified opinion that the Town's financial statements for the fiscal year ended September 30, 2009 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 require 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 MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town

The Town was incorporated in 1913 and chartered as a home-rule city under Texas law in 1975. The Town is a fully developed upper-class residential community located in the heart of Dallas, just a few miles north of the Dallas central business district. The Town occupies approximately 2.2 square miles and serves a population of about 8,850. The Town is empowered by state statute to levy a property tax on both real and business personal property located within its boundaries.

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

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

The annual budget serves as the foundation of the Town's financial planning and control. The respective department heads prepare and submit line item budget requests for the operations and maintenance portion of their respective departments as well as a listing of capital items for consideration. The personnel portion of the budget is developed by the Town's Director of Fiscal & Human Resources, 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 as well as the transfer of appropriations between departments 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 32.

Local economy

The Town has experienced similar economic challenges as other entities in our region, state and nation. Property tax revenues provide a greater portion of the Town's total governmental revenue stream than in most neighboring cities. Historically, the Town has realized strong property value growth year-to-year. For 2010, these values were relatively unchanged. However, with the lowest municipal property tax rate in the Dallas/Ft. Worth Metroplex, property tax revenues are still considered a viable revenue source.

Revenues which are more reflective of economic downturns, such as sales taxes, building activity fees and investment earnings, have shown declines over the last twelve months. Early in the 2009 fiscal year, the Town responded to anticipated decline in key revenues sources by targeting took steps to reduce spending in 2009 through targeted reductions in operations & maintenance spending and in the deferral of \$306,700 in operational capital. These steps resulted in a strengthening of the Town's financial operations for the year.

Going forward, 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, 2009, general fund unreserved undesignated fund balance was \$4,870,353 and enterprise fund unreserved undesignated fund balance was \$7,720,131. The general fund amount was 35.2 percent of current year non-capital expenditures, which is above the minimum fund balance level of 22 percent required by the Town Council. The enterprise fund balance was 107% of current year non-capital expenditures, which is above the minimum fund balance level of 25 percent prescribed by Council.

Town management, in conjunction with the Council, is currently in the process of developing a formal Capital Improvement Plan (CIP) for the Town. The development of a formal CIP will result in a separate multi-year capital budget, which will be in addition to the Town's annual operating budget. Projects selected for inclusion in the CIP will be 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 both general and utility fund balances in excess of the established minimums will each play a significant role in the Town's short-term and long-term financial strategies.

Major Initiatives

Other than the development and funding of a formal CIP, no new major programs or services were funded during the year ending September 30, 2009. As the Town prepares future budgets, the focus will be in four areas: 1) sustaining all current levels of service; 2) recruiting and retaining quality employees via the Town's pay plans including its pay for performance component; 3) funding a dynamic CIP; and 4) identifying viable revenue sources.

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, 2008. This was the twenty-sixth 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, 2008. 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



Bill Pollock
Director of Fiscal and Human Resources



Clayton Gray
Controller

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



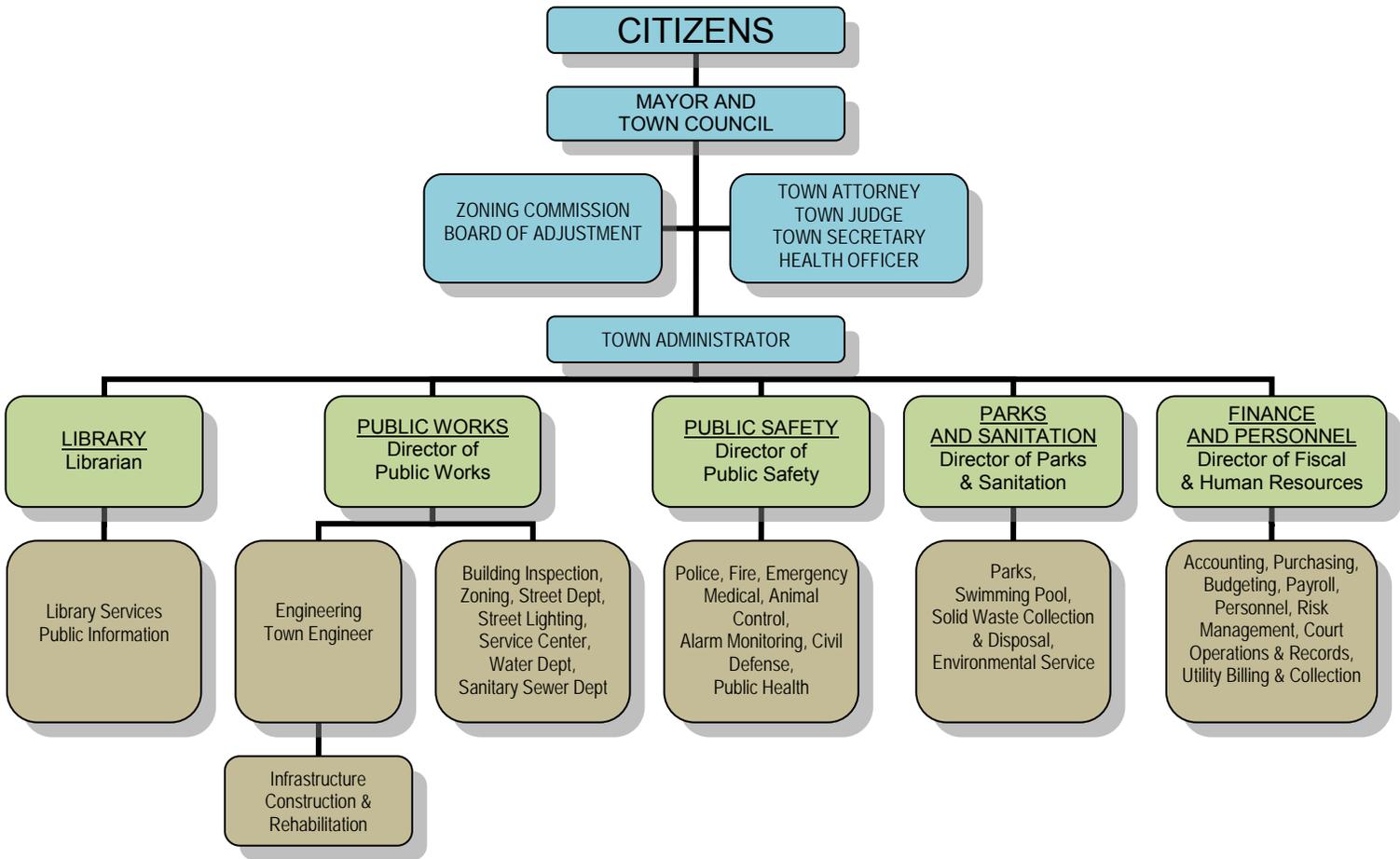
A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Enos".

Executive Director

**TOWN OF HIGHLAND PARK
ORGANIZATION CHART BY MANAGEMENT STRUCTURE**



DEPARTMENTAL ORGANIZATION CHART

Function	Department Head	Department(s)
Library	Librarian	Library
Public Works & Engineering	Director of Public Works / Town Secretary	Streets, Street Lighting, Building Inspection, Service Center, Water, Sanitary Sewer
Public Safety	Director of Public Safety	Public Safety
Finance & Personnel	Director of Fiscal & Human Resources	Finance, Municipal Court, Administrative -- Utility Fund
Parks & Sanitation	Director of Parks & Sanitation	Parks, Swimming Pool, Sanitation

LISTING OF PRINCIPAL OFFICIALS

Town Council

William H. Seay, Jr., **Mayor**

Gail Madden, **Mayor Pro Tem**

Andrew Barr, **Council Member**

Will C. Beecherl, **Council Member**

Laurence W. Nixon, **Council Member**

Bruce M. "Smokey" Swenson, **Council Member**

Town Administrator

Bill Lindley

Town Attorney

Albert D. Hammack

Town Judge

Pat A. Robertson

Town Secretary

James Fisher

Director of Fiscal & Human Resources

Bill Pollock

Director of Parks and Sanitation

Ronnie Brown

Director of Public Safety

Chris Vinson

Director of Public Works

James Fisher

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

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 (the Town) as of and for the year ended September 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Town. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2009, and the respective changes in financial position, budget, and the cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2010, 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 the 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* and should be considered in assessing the results of our audit.

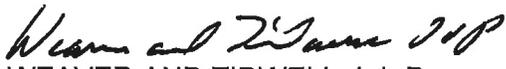
The information identified in the accompanying table of contents as *management's discussion and analysis* is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board.

THE TOWN OF HIGHLAND PARK
March 4, 2010

Page 2

We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the basic financial statements taken as a whole. The introductory section, combining non-major fund financial statements, schedules of capital assets and statistical section as listed in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements of the Town. The combining non-major fund financial statements and schedules of capital assets have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly we express no opinion such data.


WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 4, 2010

Management's Discussion and Analysis

As management of the Town of Highland Park (the "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, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 3-6 of this report.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$68,384,005 (net assets). Of this amount, \$22,037,563 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net assets increased a total of \$4,196,237, the result of operations.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$12,543,786, an increase of \$891,561 in comparison with the prior year. Approximately 83.9 percent of the reported combined ending fund balances, or \$10,527,845, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved undesignated fund balance for the General Fund was \$4,870,353 or 33.6 percent of total General Fund expenditures and the unrestricted net assets for the Enterprise Fund was \$7,720,131, or 107.0 percent of total Enterprise Fund operating expenses.

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 assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

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

parks and recreation. The business-type activities of the Town include the distribution and sale of treated water and the collection and disposal of sewerage and solid waste.

The government-wide financial statements can be found on pages 26-27 of this report.

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 three categories: governmental funds, proprietary funds, and fiduciary 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 two major governmental funds, the General Fund and the Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds.

The Town adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 28-32 of this report.

Proprietary funds: The Town maintains two different types of proprietary funds. Enterprise funds are 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 and solid waste. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its fleet of vehicles 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 33-35 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 37-57 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 is a budgetary comparison for the Capital Projects Fund, combining statements for the nonmajor governmental funds and the schedule of changes in equipment and accumulated depreciation for the internal service fund. This supplementary information may be found on pages 60 to 76.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Town's assets exceeded liabilities by \$68,384,005 at the close of the most recent fiscal year.

Net Assets

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 16,959,909	\$ 17,042,686	\$ 8,760,882	\$ 7,401,380	\$ 25,720,791	\$ 24,444,066
Capital assets	32,160,748	30,389,551	14,185,694	14,017,164	46,346,442	44,406,715
Total assets	\$ 49,120,657	\$ 47,432,237	\$ 22,946,576	\$ 21,418,544	\$ 72,067,233	\$ 68,850,781
Current Liabilities	1,500,331	2,770,009	904,734	842,122	2,405,065	3,612,131
Long term liabilities	1,142,146	916,728	136,017	134,154	1,278,163	1,050,882
Total liabilities	2,642,477	3,686,737	1,040,751	976,276	3,683,228	4,663,013
Net assets:						
Invested in capital assets	32,160,748	30,389,551	14,185,694	14,017,164	46,346,442	44,406,715
Unrestricted	14,317,432	13,355,949	7,720,131	6,425,104	22,037,563	19,781,053
Total net assets	\$ 46,478,180	\$ 43,745,500	\$ 21,905,825	\$ 20,442,268	\$ 68,384,005	\$ 64,187,768

The largest portion of the Town's net assets (67.7 percent) 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.

The remaining balance of \$22,037,563, unrestricted net assets, 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 three categories of net assets, 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.

Changes in Net Assets

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 2,975,494	\$ 2,788,666	\$ 8,465,285	\$ 7,910,871	\$ 11,440,779	\$ 10,699,537
Contributions	32,392	1,477,837	-	-	32,392	1,477,837
General Revenues:						
Property taxes	9,481,304	8,819,669	-	-	9,481,304	8,819,669
Other taxes	3,425,341	3,492,462	-	-	3,425,341	3,492,462
Other	2,180,655	2,876,712	209,841	190,569	2,390,496	3,067,281
Total revenues	<u>\$ 18,095,186</u>	<u>\$ 19,455,346</u>	<u>\$ 8,675,126</u>	<u>\$ 8,101,440</u>	<u>\$ 26,770,312</u>	<u>\$ 27,556,786</u>
Expenses:			-	-		
General government	824,699	698,577	7,211,569	6,863,130	8,036,268	7,561,707
Public safety	9,867,090	9,628,878	-	-	9,867,090	9,628,878
Streets	867,698	812,623	-	-	867,698	812,623
Street lighting	327,938	318,467	-	-	327,938	318,467
Library	644,462	619,876	-	-	644,462	619,876
Parks	1,430,322	1,342,352	-	-	1,430,322	1,342,352
Swimming pool	197,907	171,912	-	-	197,907	171,912
Municipal Court	318,937	320,864	-	-	318,937	320,864
Finance	481,073	480,159	-	-	481,073	480,159
Building inspection	402,380	348,730	-	-	402,380	348,730
Total expenses	<u>\$ 15,362,506</u>	<u>\$ 14,742,438</u>	<u>\$ 7,211,569</u>	<u>\$ 6,863,130</u>	<u>\$ 22,574,075</u>	<u>\$ 21,605,568</u>
Increase in net assets	2,732,680	4,712,908	1,463,557	1,238,310	4,196,237	5,951,218
Net assets 10/1	43,745,500	39,032,592	20,442,268	19,203,958	64,187,768	58,236,550
Net assets 9/30	<u>\$ 46,478,180</u>	<u>\$ 43,745,500</u>	<u>\$ 21,905,825</u>	<u>\$ 20,442,268</u>	<u>\$ 68,384,005</u>	<u>\$ 64,187,768</u>

For the year 2009, the Town's total net assets increased \$4,196,237, the result of operations.

Governmental activities: Governmental activities increased the Town's net assets by \$2,732,680, accounting for 65.2 percent of the total growth in the net assets of the Town from operations. Even though total 2009 revenues decreased by \$1,360,160 from 2008, the receipt of \$1,183,139 from Dallas County and the North Texas Tollway Authority, toward the completion of Mockingbird Lane, significantly contributed to the increase in governmental net assets. Property taxes increased by \$661,635, or 7.5 percent, due to an increase of 8.1 percent in the taxable value of property sited within the Town. The tax rate for 2009 was \$0.22/\$100 taxable value, which was unchanged from 2008.

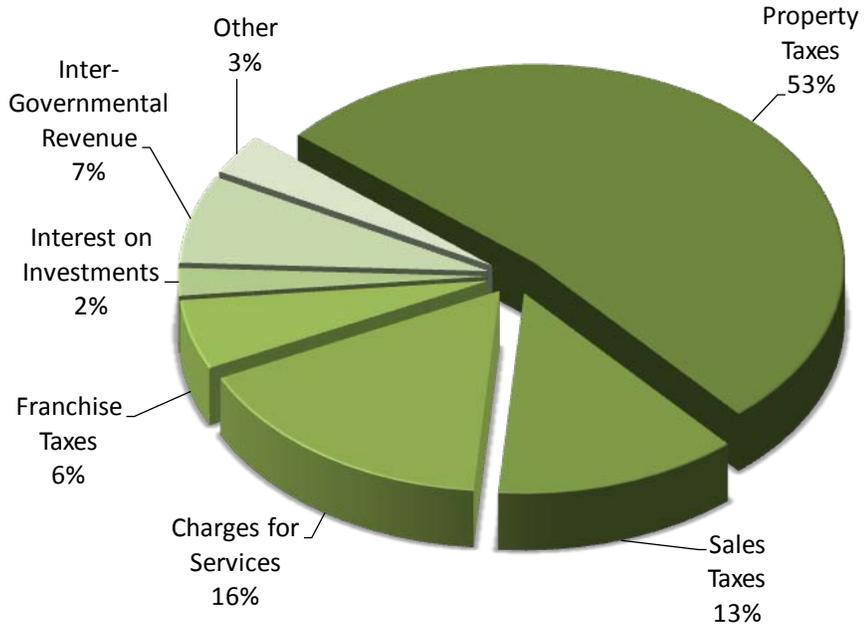
Aside from the fact that expenses increased \$620,068 (or 4.20 percent) from 2008 to 2009, primarily due to increased personnel costs, the balance of the increase in governmental net assets for 2009, was the result of financial management decisions by the Town in response to the economic decline experienced by the region, state and the nation. A targeted 5 percent spending reduction for operations & maintenance expenses, plus the deferral of \$306,700 in operational capital during 2009, contributed an additional \$892,086 to the increase in governmental net assets.

Business-type activities: The revenue rate structures for business-type activities are developed with the intent of generating resources sufficient to fund the cost of services provided and for infrastructure replacement. Net assets from operations for business-type activities increased \$1,463,557 for 2009. Comparatively, the increase in the investment in business-type capital assets, net of depreciation, increased \$168,530 for the year.

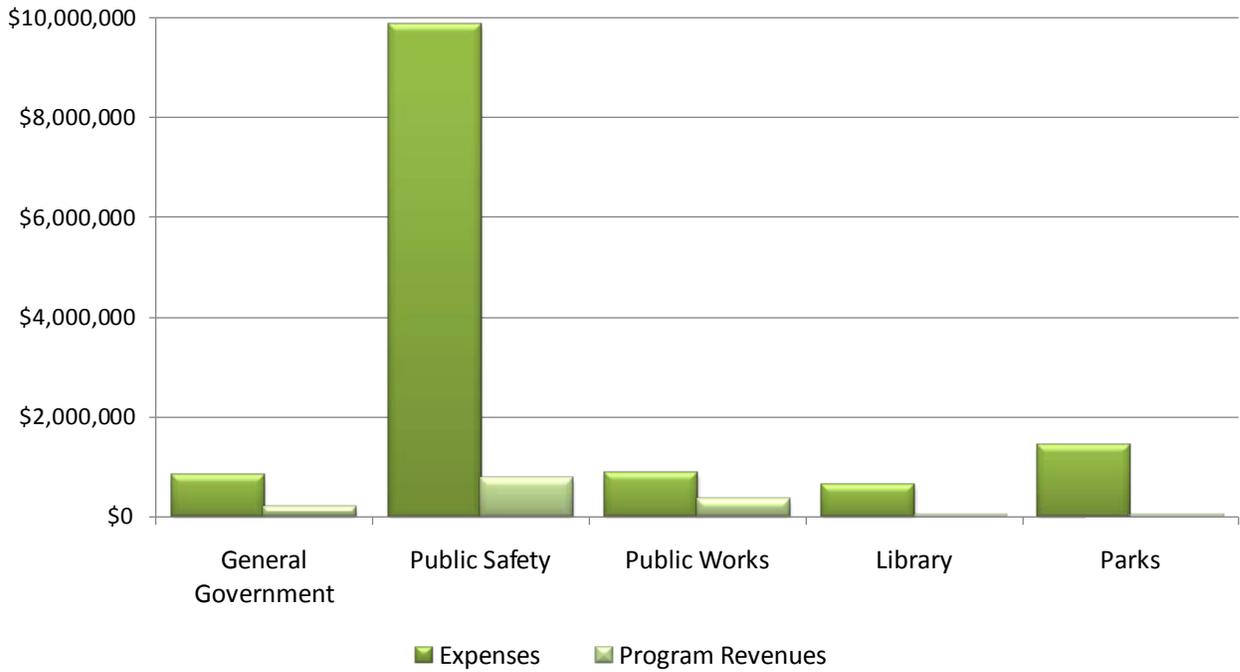
Total revenues for 2009 increased by \$573,686 over 2008 revenues. Charges for services increased by \$554,414 the result of:

- Increased water sales of \$327,751, due to a 10.7 percent increase in the volume rate and an increase of 2.0 percent in consumption.
- Increased sanitary sewer charges of \$312,160 due to increased water sales, partially offset by a decrease in consumption of 3.1 percent primarily due to a program designed to encourage residents to have sprinkler systems on separate meters not subject to sanitary sewer charges.

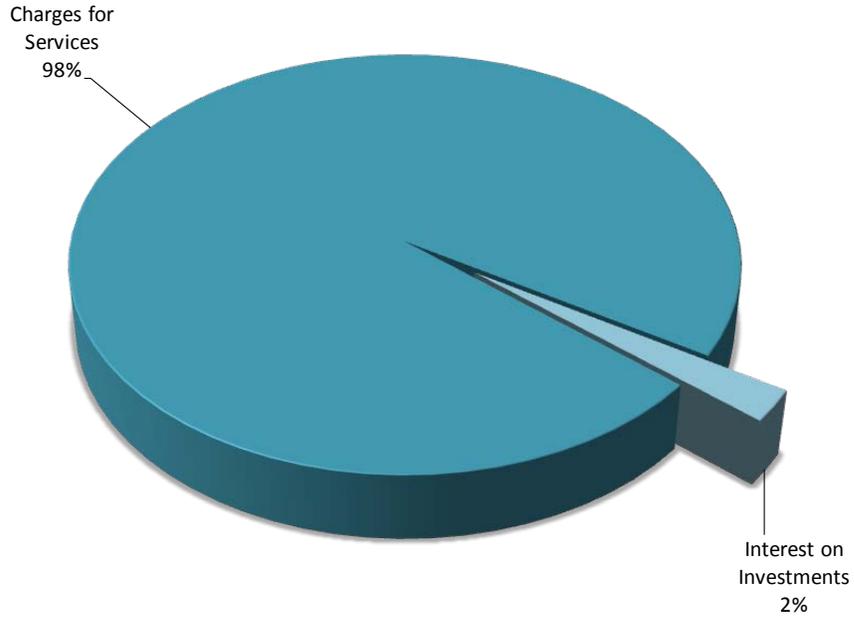
Revenues by Source – Governmental Activities



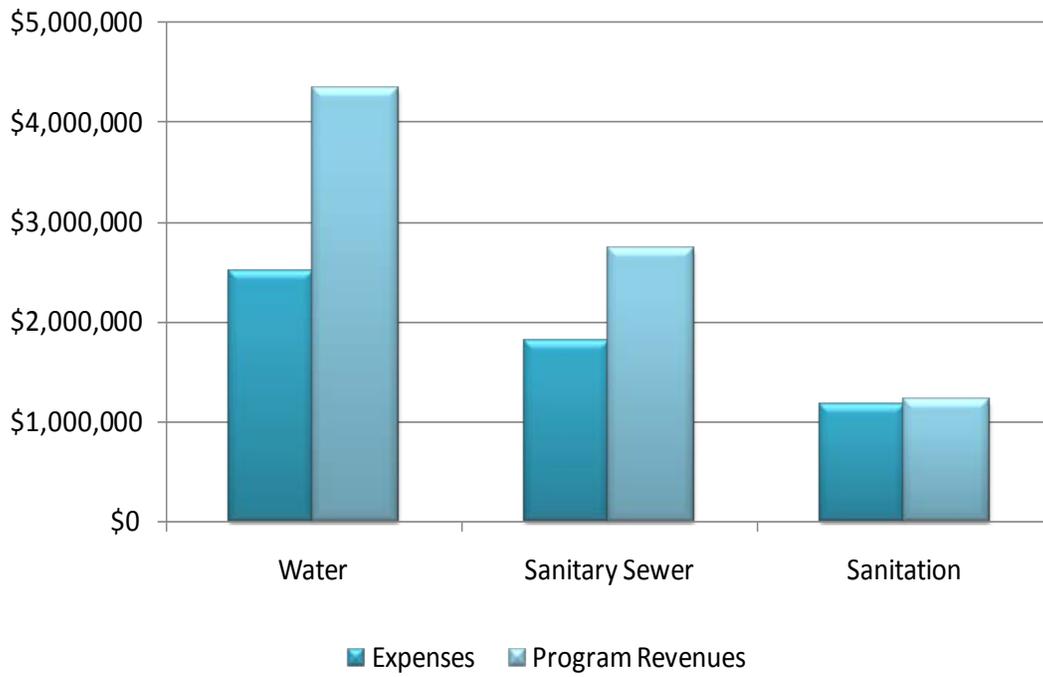
Expense and Program Revenues – Governmental Activities



Revenues by Source – Business-Type Activities



Expense and Revenues – Business-Type Activities



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, unreserved 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 \$12,543,786, an increase of \$891,561 in comparison with the prior year. Approximately 82.2 percent of this total amount (\$10,308,822) constitutes unreserved undesignated fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period (\$1,067,301); 2) for special revenue funds (\$792,644); and 3) for donated resources for future Library service improvements (\$219,023).

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$5,000,470. The total fund balance of the Town's General Fund increased by \$969,828 during the current fiscal year; the result of an excess of revenues over expenditures of \$1,904,223 partially offset by 1) a transfer of a \$649,845 of unreserved fund balance to the Capital Projects Fund in accordance with the Town's Financial Management Policies; and 2) a budgeted transfer to the Capital Projects Fund in the amount of \$307,306 from current revenues to the Capital Projects Fund.

As a measure of the General Fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 34.5 percent of total General Fund expenditures, while total fund balance represents 38.4 percent of that same amount.

The Capital Projects Fund ended the fiscal year with a total fund balance of \$6,136,231. Of this amount, \$608,856 is reserved for encumbrances. The total fund balance of the Capital Projects Fund decreased by \$122,767 during the current fiscal year, the result of a budgeted transfer from the General Fund in the amount of \$957,151 representing the excess of operating revenues over operating expenditures and encumbrances for the fiscal year ended September 30, 2008.

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 assets of the Town's Enterprise Fund at the end of the year amounted to \$7,720,131, an increase of \$1,295,027. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

Fiduciary fund: As part of the significant capital project of reconstructing Mockingbird Lane, the City of Dallas was given the opportunity to rehabilitate or replace a large water supply line that lies within the right-of-way of Mockingbird Lane. By means of an agreement, the Town incorporated this rehab work under the contract for the road and other utility work. The City of Dallas prepaid their portion of the project in the amount of

\$5,324,834. Funds were dispensed to the contractor as work is performed on the City of Dallas water line, and the Fiduciary Fund was closed during the year ending September 30, 2009.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to an \$189,984 increase in appropriations and can be briefly summarized as follows:

- An increase of \$87,000 for plan review services required in conjunction with construction at the Dallas Country Club
- An increase of \$64,984 for the purchase and installation of playground equipment at Abbott Park
- An increase of \$18,000 for participation in the school resource officer program at Highland Park Independent School District

Actual fiscal year 2009 General Fund expenditures were \$1,082,140 less than the final amended budget. This variance is primarily due to a voluntary 5 percent decrease in spending.

Capital Assets

The Town's investment in capital assets for its governmental and business type activities as of September 30, 2009 amounts to \$46,346,442 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities and library materials. The net increase in the Town's investment in capital assets for the current fiscal year was \$1,939,727, or 4.4 percent. This increase is substantially comprised of the completion of the Mockingbird Lane Reconstruction Project.

Additional information on the Town's capital assets can be found in note 2 on pages 49-51 of this report.

Economic Factors and Next Year's Budgets and Rates

- * Increases in the appraised taxable value of property in the Town for the tax years of 2008 and 2009 of 11.8 and 8.1 percent, respectively
- * As a result of the economic downturn, sales tax revenue has declined. The forecast for the 2009-2010 budget is that revenues will see a decline of 11.0 percent.
- * The number of residential building permit decreased 21.8 percent, the result of the economic downturn. A one-time project at the Dallas Country Club offset this decrease, resulting in an overall increase in Building Inspection revenues. As the Town cannot plan on another large commercial project, revenues will likely decrease in the future.

All of these factors were considered in preparing the Town's budget for the 2010 fiscal year.

As noted above, the Town has relied on current revenues to fund capital improvements. The Town has an aging water and sanitary sewer infrastructure, and since the early 1990's, the Town has adopted water and sanitary sewer rates at levels to cover the cost of service plus provide resources to repair and/or replace these systems. Currently, the adopted rates generate \$1,800,000 annually for this funding. To date, the Town has funded over \$23,000,000 in infrastructure improvements without incurring debt to do so.

To fund other major capital projects - those projects that exceed \$100,000 in estimated costs and which are not funded through the operating budget (e.g. street paving, sidewalk replacement), the Town utilizes funds from two (2) General Fund sources. First, the annual budget generally includes a budget transfer from the General Fund to the Capital Projects Fund. As mentioned earlier, the budgeted transfer for 2009 was \$649,835. For 2010, this transfer is budgeted at \$650,000. The 5.4 percent increase in the taxable property value for tax year 2009 provides the resources to fund the increase in this budgeted transfer. The Town's Financial Management Policies provide for a second source in that it provides for the transfer of any surplus of General Fund revenues over expenses, encumbrances and transfers at fiscal year end to the Capital Projects Fund as long as the General Fund retains the minimum fund balance of 22 percent of non-capital budgeted expenses.

The Town increased water and sanitary sewer service rates for the 2009 fiscal year. The increases were necessary to cover the cost of providing the services, which includes maintaining the resources for water and sanitary sewer system capital improvements. The adopted rates result in increases for the average residential consumer of 8.23 percent for water use and 18.0 percent for sanitary sewer charges.

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 the Finance Department, 4700 Drexel Drive, Highland Park, TX, 75205.

BASIC FINANCIAL STATEMENTS

TOWN OF HIGHLAND PARK
Statement of Net Assets
September 30, 2009

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,375,158	\$ 288,281	\$ 3,663,439
Investments	12,184,362	7,063,160	19,247,522
Receivables (net of allowances for uncollectibles)	1,244,393	1,316,882	2,561,275
Inventory of Supplies	11,547	84,085	95,632
Prepaid Items	144,449	8,474	152,923
Capital Assets:			
Land, Improvements and Construction in Progress	4,205,031	636,501	4,841,532
Other Capital Assets, Net of Accumulated Depreciation	<u>27,955,717</u>	<u>13,549,193</u>	<u>41,504,910</u>
Total Assets and Other Debits	<u>\$ 49,120,657</u>	<u>\$ 22,946,576</u>	<u>\$ 72,067,233</u>
LIABILITIES			
Vouchers Payable	\$ 453,996	\$ 523,960	\$ 977,956
Retainage Payable	26,577	21,151	47,728
Accrued Liabilities	896,084	189,438	1,085,522
Deposits	56,561	170,185	226,746
Unearned Revenue	67,113	-	67,113
Noncurrent liabilities:			
Due within one year	232,702	1,974	234,676
Due in more than one year	<u>909,444</u>	<u>134,043</u>	<u>1,043,487</u>
Total Liabilities	<u>2,642,477</u>	<u>1,040,751</u>	<u>3,683,228</u>
NET ASSETS			
Invested in Capital Assets	32,160,748	14,185,694	46,346,442
Unrestricted	<u>14,317,432</u>	<u>7,720,131</u>	<u>22,037,563</u>
Total Net Assets	<u>\$ 46,478,180</u>	<u>\$ 21,905,825</u>	<u>\$ 68,384,005</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF HIGHLAND PARK
Statement of Activities
For the fiscal year ended September 30, 2009

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants And Contributions	Primary Government		
				Governmental Activities	Business - Type Activities	Total
Primary government:						
Governmental Activities:						
General Government	\$ 824,699	\$ 191,381	\$ -	\$ (633,318)	\$ -	\$ (633,318)
Department of Public Safety	9,867,090	755,635	-	(9,111,455)	-	(9,111,455)
Street Department	867,698	335,778	-	(531,920)	-	(531,920)
Street Lighting Department	327,938	-	-	(327,938)	-	(327,938)
Library	644,462	18,619	32,392	(593,451)	-	(593,451)
Parks Department	1,430,322	12,680	-	(1,417,642)	-	(1,417,642)
Swimming Pool	197,907	94,184	-	(103,723)	-	(103,723)
Municipal Court	318,937	662,570	-	343,633	-	343,633
Finance Department	481,073	-	-	(481,073)	-	(481,073)
Building Inspection Department	402,380	904,647	-	502,267	-	502,267
Total governmental activities	15,362,506	2,975,494	32,392	(12,354,620)	-	(12,354,620)
Business-type activities:						
Enterprise	7,211,569	8,465,285	-	-	1,253,716	1,253,716
Total business-type activities	7,211,569	8,465,285	-	-	1,253,716	1,253,716
Total primary government	\$ 22,574,075	\$ 11,440,779	\$ 32,392	\$ (12,354,620)	\$ 1,253,716	\$ (11,100,904)
General Revenues:						
Property Taxes				\$ 9,481,304	\$ -	\$ 9,481,304
Sales Taxes				2,300,369	-	2,300,369
Other Taxes				106,433	-	106,433
Franchise Taxes				1,018,539	-	1,018,539
Penalties and Interest on Taxes				65,671	-	65,671
Interest on Investments				402,349	209,841	612,190
Intergovernmental				1,293,877	-	1,293,877
Miscellaneous				418,758	-	418,758
Total general revenues				15,087,300	209,841	15,297,141
Change in Net Assets				2,732,680	1,463,557	4,196,237
Net Assets - Beginning				43,745,500	20,442,268	64,187,768
Net Assets - Ending				\$ 46,478,180	\$ 21,905,825	\$ 68,384,005

The notes to the financial statements are an integral part of this statement

TOWN OF HIGHLAND PARK
Balance Sheet - Governmental Funds
September 30, 2009

	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 753,061	\$ 644,552	\$ 626,891	\$ 2,024,504
Investments	5,323,155	5,335,822	251,015	10,909,992
Receivables (net of allowances for uncollectibles)-				
Interest	22,935	32,534	-	55,469
Taxes	784,986	-	-	784,986
Other	122,661	161,069	7,550	291,280
Fines	101,173	-	-	101,173
Inventory of Supplies	11,547	-	-	11,547
Prepaid Items	144,449	-	-	144,449
	<u>\$ 7,263,967</u>	<u>\$ 6,173,977</u>	<u>\$ 885,456</u>	<u>\$ 14,323,400</u>
Total Assets				
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers Payable	\$ 408,115	\$ 15,500	\$ 30,381	\$ 453,996
Retainage Payable	1,053	22,246	3,278	26,577
Accrued Liabilities	895,353	-	731	896,084
Deposits	56,561	-	-	56,561
Deferred Revenue				
Property Taxes	143,449	-	-	143,449
Ambulance	101,774	-	-	101,774
Fines	101,173	-	-	101,173
	<u>1,707,478</u>	<u>37,746</u>	<u>34,390</u>	<u>1,779,614</u>
Total Liabilities				
 FUND BALANCES				
Reserved for Encumbrances	400,023	608,856	58,422	1,067,301
Reserved for Inventory of Supplies	11,547	-	-	11,547
Reserved for Prepaid Items	144,449	-	-	144,449
Reserved for Other Purposes	-	-	792,644	792,644
Unreserved				
Designated for Library	130,117	88,906	-	219,023
Unreserved Undesignated Reported In:				
General Fund	4,870,353	-	-	4,870,353
Capital Projects	-	5,438,469	-	5,438,469
	<u>5,556,489</u>	<u>6,136,231</u>	<u>851,066</u>	<u>12,543,786</u>
Total Fund Balances				
Total Liabilities and Fund Balance	<u>\$ 7,263,967</u>	<u>\$ 6,173,977</u>	<u>\$ 885,456</u>	<u>\$ 14,323,400</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF HIGHLAND PARK
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Assets

Total fund balances -- governmental funds \$ 12,543,786

Amounts reported for governmental activities in the statement of net assets (page 26)
are different because:

Capital assets of \$48,206,103 net of accumulated depreciation of \$16,045,355 used in
governmental activities are not financial resources and therefore are not reported as
assets in governmental funds. 32,160,748

Revenues have been recognized in the government-wide financial statements but are
deferred as liabilities at the fund level as follows:

Property Taxes	\$ 143,449	
Ambulance Fees	101,774	
Court Fines	<u>101,173</u>	
		346,396

Franchise fees related to a future period have been recognized in the fund statements but
are deferred as liabilities in the government-wide financial statements (67,113)

Long term liabilities related to compensated absences are recognized on the government-
wide financial statements and not at the fund level. (1,045,267)

Long term liabilities related to other post employment benefits are recognized on the
government-wide financial statements and not at the fund level. (96,879)

An internal service fund is used by the Town's management:

The assets and liabilities of the internal service fund are included with governmental
activities. The net property of \$1,953,097 as it relates to the internal service funds
is included in the capital asset amount above. 2,636,509

Total Net Assets--governmental activities (page 26) \$ 46,478,180

The notes to the financial statements are an integral part of this statement.

TOWN OF HIGHLAND PARK
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended September 30, 2009

	General	Capital Projects	Non-Major	Total Governmental Funds
REVENUES				
Property Taxes	\$ 9,488,571	\$ -	\$ -	\$ 9,488,571
Sales Taxes	2,300,369	-	-	2,300,369
Other Taxes	106,433	-	-	106,433
Franchise Fees	1,030,631	-	-	1,030,631
Penalties and Interest	65,671	-	-	65,671
Licenses and Permits	965,340	-	-	965,340
Service Fees	1,401,152	-	221,491	1,622,643
Fines and Forfeits	346,085	-	-	346,085
Interest on Investments	173,142	161,875	9,512	344,529
Intergovernmental	110,738	1,183,139	-	1,293,877
Contributions	108,621	-	23,451	132,072
Miscellaneous	295,389	-	284	295,673
	<u>16,392,142</u>	<u>1,345,014</u>	<u>254,738</u>	<u>17,991,894</u>
Total Revenues				
EXPENDITURES				
Current-				
General Government	522,498	18	210,238	732,754
Department of Public Safety	9,490,181	-	-	9,490,181
Street Department	856,776	-	-	856,776
Street Lighting Department	305,611	-	-	305,611
Library	569,968	-	-	569,968
Parks Department	1,447,509	-	-	1,447,509
Swimming Pool	174,098	-	-	174,098
Municipal Court	252,461	-	-	252,461
Finance Department	471,679	-	-	471,679
Building Inspection Department	397,138	-	-	397,138
Capital Outlay	-	2,403,131	-	2,403,131
	<u>14,487,919</u>	<u>2,403,149</u>	<u>210,238</u>	<u>17,101,306</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>1,904,223</u>	<u>(1,058,135)</u>	<u>44,500</u>	<u>890,588</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	21,783	957,151	-	978,934
Transfers Out	(957,151)	(21,783)	-	(978,934)
Sale of Assets	973	-	-	973
	<u>(934,395)</u>	<u>935,368</u>	<u>-</u>	<u>973</u>
Net Other Financing Sources (Uses)				
Net Change in Fund Balances	969,828	(122,767)	44,500	891,561
FUND BALANCES, beginning of year	<u>4,586,661</u>	<u>6,258,998</u>	<u>806,566</u>	<u>11,652,225</u>
FUND BALANCES, end of year	<u>\$ 5,556,489</u>	<u>\$ 6,136,231</u>	<u>\$ 851,066</u>	<u>\$ 12,543,786</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF HIGHLAND PARK
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities

Amounts reported for governmental activities in the statement of activities (page 27)
are different because:

Net changes in fund balances--total governmental funds	\$ 891,561
--	------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$3,070,651) exceeded depreciation (\$1,101,920) in the current period.	1,968,731
---	-----------

Revenues in the statement of activities reported on the accrual method differ from amounts reported at the fund level on the modified accrual basis as follows:

Property Taxes	(7,267)	
Franchise Fees	(12,092)	
Ambulance Fees	<u>41,426</u>	
		22,067

Expenditures related to the long-term liability for compensated absences are recognized in the government-wide financial statements.	(128,539)
--	-----------

Expenditures related to the long-term liability for other post employment benefits are recognized in the government-wide financial statements.	(96,879)
--	----------

Internal service funds are used by management to charge the costs of certain activities, such as the purchase of equipment, to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	<u>75,739</u>
---	---------------

Change in net assets of governmental activities (page 27)	<u>\$ 2,732,680</u>
---	---------------------

The notes to the financial statements are an integral part of this statement.

TOWN OF HIGHLAND PARK
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the year ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance -</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Positive</u> <u>(Negative)</u>
REVENUES				
Property Taxes	\$9,551,090	\$ 9,551,090	\$ 9,488,571	\$ (62,519)
Sales Taxes	2,325,000	2,325,000	2,300,369	(24,631)
Other Taxes	103,000	103,000	106,433	3,433
Franchise Fees	963,000	963,000	1,030,631	67,631
Penalties and Interest	45,000	45,000	65,671	20,671
Licenses and Permits	776,700	776,700	965,340	188,640
Service Fees	1,377,430	1,377,430	1,401,152	23,722
Fines and Forfeits	409,700	409,700	346,085	(63,615)
Interest on Investments	250,000	250,000	173,142	(76,858)
Intergovernmental	-	-	110,738	110,738
Contributions	5,000	73,984	108,621	34,637
Miscellaneous	254,500	254,500	295,389	40,889
Total Revenues	<u>16,060,420</u>	<u>16,129,404</u>	<u>16,392,142</u>	<u>262,738</u>
EXPENDITURES				
Current-				
General Government	524,980	529,980	522,498	7,482
Department of Public Safety	10,025,160	10,047,660	9,490,181	557,479
Street Department	1,073,220	1,073,220	856,776	216,444
Street Lighting Department	313,400	313,400	305,611	7,789
Library	643,140	643,140	569,968	73,172
Parks Department	1,455,355	1,520,339	1,447,509	72,830
Swimming Pool	186,965	197,465	174,098	23,367
Municipal Court	269,100	269,100	252,461	16,639
Finance Department	543,585	543,585	471,679	71,906
Building Inspection Department	345,170	432,170	397,138	35,032
Total Expenditures	<u>15,380,075</u>	<u>15,570,059</u>	<u>14,487,919</u>	<u>1,082,140</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>680,345</u>	<u>559,345</u>	<u>1,904,223</u>	<u>1,344,878</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	21,783	21,783
Transfers Out	(683,845)	(957,151)	(957,151)	-
Sale of Assets	3,500	3,500	973	(2,527)
Net Other Financing Sources (Uses)	<u>(680,345)</u>	<u>(953,651)</u>	<u>(934,395)</u>	<u>19,256</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	-	(394,306)	969,828	1,364,134
FUND BALANCES, beginning of year	<u>4,586,661</u>	<u>4,586,661</u>	<u>4,586,661</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$4,586,661</u>	<u>\$ 4,192,355</u>	<u>\$ 5,556,489</u>	<u>\$ 1,364,134</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF HIGHLAND PARK
Proprietary Funds
Statement of Net Assets
September 30, 2009

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 288,281	\$ 1,350,654
Investments	7,063,160	1,274,370
Receivables (net of allowance for uncollectibles)-		
Water, Sewer and Garbage-		
Billed	984,096	-
Unbilled	300,612	-
Interest	32,174	11,485
Inventory of Supplies	84,085	-
Prepaid Items	8,474	-
Total Current Assets	8,760,882	2,636,509
NON-CURRENT ASSETS		
CAPITAL ASSETS		
Land	238,750	-
Buildings	20,197	-
Improvements Other Than Buildings	18,458,698	-
Vehicles and Rolling Stock	-	3,121,380
Machinery and Equipment	651,171	1,565,934
Office Furniture and Equipment	23,058	-
Construction in Progress	397,751	-
	19,789,625	4,687,314
Less Accumulated Depreciation	(5,603,931)	(2,734,217)
Capital Assets, Net of Accumulated Depreciation	14,185,694	1,953,097
Total Assets	22,946,576	4,589,606
LIABILITIES		
Current Liabilities-		
Vouchers Payable	523,960	-
Retainage Payable	21,151	-
Accrued Liabilities	189,438	-
Deposits	170,185	-
Total Current Liabilities	904,734	-
Noncurrent Liabilities		
Compensated Absences Payable	121,628	-
OPEB Liability	14,389	-
Total Noncurrent Liabilities	136,017	-
Total Liabilities	1,040,751	-
NET ASSETS		
Invested in Capital Assets	14,185,694	1,953,097
Unrestricted	7,720,131	2,636,509
Total Net Assets	\$ 21,905,825	\$ 4,589,606

The notes to the financial statements are an integral part of this statement.

TOWN OF HIGHLAND PARK
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Assets
For the year ended September 30, 2009

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Water Sales	\$ 4,345,758	\$ -
Sewer Services	2,746,630	-
Sanitation Services	1,219,342	-
New Connections	13,150	-
Plumbing Permits	32,450	-
Penalties for Late Payments	74,491	-
Inter-Departmental Water Sales	8,843	-
Charges for Services	-	426,200
Miscellaneous	24,621	-
Total Operating Revenues	8,465,285	426,200
OPERATING EXPENSES		
Personnel Services	2,052,675	-
Materials and Supplies	1,625,892	-
Services and Charges	2,990,233	4,510
Depreciation	542,769	426,200
Total Operating Expenses	7,211,569	430,710
Operating Income (Loss)	1,253,716	(4,510)
NONOPERATING REVENUES (EXPENSES)		
Interest	209,841	57,820
Gain (Loss) on Sale of Assets	-	17,027
Total Nonoperating Revenues (Expenses)	209,841	74,847
Income before Transfers	1,463,557	70,337
Contributions of Capital Assets from Government	-	5,402
Change in Net Assets	1,463,557	75,739
NET ASSETS, beginning of year	20,442,268	4,513,867
NET ASSETS, end of year	\$ 21,905,825	\$ 4,589,606

The notes to the financial statements are an integral part of this statement.

TOWN OF HIGHLAND PARK
Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2009

	<u>Business-Type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 8,453,660	\$ 426,200
Cash payments to suppliers	(4,541,622)	(12,033)
Cash payments to employees	(2,059,214)	-
Net cash provided by operating activities	<u>1,852,824</u>	<u>414,167</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(711,299)	(292,533)
Proceeds from Sale of Capital Assets	-	86,297
Net cash used for capital and related financing activities	<u>(711,299)</u>	<u>(206,236)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	(8,031,948)	(2,772,985)
Proceeds from sale and maturities of investment securities	5,024,978	3,240,258
Interest and dividends received on investments	199,431	61,111
Net cash provided by (used for) investing activities	<u>(2,807,539)</u>	<u>528,384</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,666,014)	736,315
CASH AND CASH EQUIVALENTS, beginning of year	1,954,295	614,339
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 288,281</u>	<u>\$ 1,350,654</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 1,253,716	\$ (4,510)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	542,769	426,200
(Increase) decrease in inventory	(2,987)	-
(Increase) in accounts receivable	(1,625)	-
(Increase) decrease in other assets	(3,524)	-
Increase (decrease) in accounts payable and accrued liabilities	81,014	(7,523)
Increase (decrease) in compensated absences payable	(20,928)	-
Increase (decrease) in other post-employment benefits	14,389	-
Increase (decrease) in deposits	(10,000)	-
Total adjustments	<u>599,108</u>	<u>418,677</u>
Net cash provided by operating activities	<u>\$ 1,852,824</u>	<u>\$ 414,167</u>
NONCASH INVESTING, CAPITAL AND RELATED ACTIVITIES:		
Contribution of capital assets from governmental activities	<u>\$ -</u>	<u>\$ 5,402</u>

The notes to the financial statements are an integral part of this statement.



TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting and reporting policies of the Town of Highland Park, Texas (the "Town"), relating to the financial statements for the year ended September 30, 2009, conform to generally accepted accounting principles for local governmental units. The more significant accounting policies are summarized below.

A. 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." 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.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the non-fiduciary activities of the Town. 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.

C. 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, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, 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. 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.

The Town reports the following major governmental funds:

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

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

The Town reports the following non-major governmental funds:

Special Revenue Funds - The Town's Special Revenue Funds are used to account for revenue sources that are legally restricted to expenditures for specified purposes.

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.

Employees' Christmas Fund - The Employees' Christmas Fund accounts for the collection of unsolicited contributions of citizens and the distribution to the Town's employees.

Forfeited Property Fund - The 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.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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

The Town reports the following major proprietary funds:

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 and solid waste for its citizens.

Additionally, the government reports the following fund types:

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.

Agency Fund – The Agency Fund is used to account for assets held by the Town as an agent for other governmental entities. The Agency Fund was closed during the course of the 2008-2009 fiscal year.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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.

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.

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.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

D. 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. The 2008-2009 proposed budget was filed on August 28, 2008.
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. The 2008-2009 budget hearing was held on September 15, 2008.
5. Prior to September 30, the budget is legally enacted through passage of an ordinance. The 2008-2009 budget was approved September 15, 2008 through passage of Ordinance No. 1756.
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 Equipment Replacement Fund (Internal Service Fund).
10. The legally adopted budget for the General Fund and Capital Projects Fund are adopted on the modified accrual basis of accounting as described in Note 1.C. Budgeted amounts are as amended.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Amendments to the General Fund budget were not material to the original appropriations. 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.

E. Deposits, Investments and Investment Policies

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. Though authorized for a variety of investment instruments, the Town invests solely in United States Agency Securities and two (2) local government investment pools. Investments are held until maturity or until market values equal or exceed cost.

In accordance with GASB Statement No. 31, 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.

In applying GASB Statement No. 31, the Town utilizes the following methods and assumptions:

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio did not hold investments in any of the following:
 - a) Items required to be reported at amortized cost,
 - b) Items in external pools that are not SEC-registered,
 - c) Items subject to involuntary participation in an external pool,
 - d) Items associated with a fund other than the fund to which the income is assigned;
- 3) Any unrealized gain/loss resulting from the valuation is recognized in the respective funds that participate in the Town's investment pool;

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

- 4) 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 Retained Earnings 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, 2009, as reflected in the financial statements, is:

	Governmental and Business-Type Net Assets
Cash/Demand Deposits	\$ (579,473)
Investment Pools	4,242,912
Total	\$ 3,663,439

The Town's deposits are fully collateralized with securities pledged to the Town and held in the Town's name by Frost National Bank. The fair value of these securities at year-end was \$4,304,538. The bank balance at year-end was (\$252,638).

The Town's investments are categorized to give an indication of the level of risk assumed at year-end. Category 1 included U.S. government and federal agency securities that are held by the Town's agent in the Town's name. The Town had no Category 2 or Category 3 investments.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

	Carrying Value	Fair Value
Federal Agency Securities	\$ 19,247,522	\$ 19,247,522
Investment Pools (included as cash and cash equivalents per combined balance sheet)	4,242,912	4,242,912
Total Investments	\$ 23,490,434	\$ 23,490,434

Maturities at September 30, 2009, were as follows:

Cash and Cash Equivalents	\$ 4,242,912
3 months to 2 years	19,247,522
Total	\$ 23,490,434

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	100%	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	25%	None
Fully Collateralized Certificates of Deposit	3 Years	25%	50%
SEC-Regulated No-Load Money Market Mutual Fund (per Fund)	3 Years	25%	50%

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.

The Act also requires the Town to have independent auditors perform test procedures related to investment practices as provided by the Act. The Town is in substantial compliance with the requirements of the Act and with local policies.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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, 2009, the Town did not invest in any securities which are highly sensitive to interest rate fluctuations.

Credit Risk - Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. 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, 2009, the Town had the following investments:

Investment Type	Amount	Weighted Average Maturity	Minimum Legal Rating	Rating as of Year End
LOGIC	\$ 4,139,550	31 Days	AAA	AAAm
TexPool	103,362	43 Days	AAA	AAAm
U. S. Government Securities:				
Federal Home Loan Mortgage Corporation	\$ 4,305,301			
Federal Home Loan Bank	11,809,623			
Federal National Mortgage Association	2,625,943			
Federal Farm Credit Bank	502,655	566 Days	N/A	N/A
Total Primary Government	<u>\$ 23,486,434</u>			

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 fifty percent (50 percent) of the total investment portfolio will be invested in any one security type or with a single financial institution. 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 percent of deposits plus any accrued interest less any amount insured by the Federal Deposit Insurance Corporation. As of September 30, 2009, the Town 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, 2009, the Town had no custodial credit risk on its investments.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Investment in State Investment Pools - During the year the Town invested in two public funds investment pools (LOGIC and TexPool). Investments in these pools 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 assets of the related investment pools. The fair values of the position of the pools are designed to approximate the share value.

LOGIC - 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.

TexPool - The Texas State Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. Lehman Brothers and Federated Investors manage the daily operations of the pool under a contract with the Comptroller, acting on behalf of the Trust Company. Lehman Brothers is the administrator for the TexPool program providing participant services and marketing functions to TexPool participants. Lehman Brothers is the participant contact point for account maintenance, assistance with transactions, and other administrative information. Federated Investors is the investment manager for TexPool. Federated Investors also provides for accounting, custodial and transfer agency services to TexPool.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

F. Receivables

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

	<u>General</u>	<u>Capital Projects</u>	<u>Stormwater Drainage</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Total</u>
Receivables:						
Water, sewer and garbage						
Billed	\$ -	\$ -	\$ -	\$ 993,354	\$ -	\$ 993,354
Unbilled	-	-	7,478	300,612	-	308,090
Interest	22,935	32,534	72	32,174	11,485	99,200
Property Taxes	161,995	-	-	-	-	161,995
Sales Taxes	375,132	-	-	-	-	375,132
Mixed Beverage Taxes	24,249	-	-	-	-	24,249
Franchise Taxes	240,029	-	-	-	-	240,029
Other	172,915	161,069	-	-	-	333,984
Fines and Forfeitures	101,173	-	-	-	-	101,173
Gross receivables	1,098,428	193,603	7,550	1,326,140	11,485	2,637,206
Less: allowance for uncollectibles	(66,673)	-	-	(9,258)	-	(75,931)
Net total receivables	<u>\$ 1,031,755</u>	<u>\$ 193,603</u>	<u>\$ 7,550</u>	<u>\$ 1,316,882</u>	<u>\$ 11,485</u>	<u>\$ 2,561,275</u>

G. 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.

H. 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.

I. 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 historical cost when determinable, or estimated historic costs based on appraisals or other acceptable methods. Gifts or contributions of property and equipment are recorded at fair market value at time of receipt. 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.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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

<u>Assets</u>	<u>Years</u>
Buildings	20
Improvements Other Than Buildings	12 - 20
Machinery and Equipment	5 - 20
Office Furniture and Equipment	10
Computer Equipment	3 - 5
Police Sedans	1 - 2
Pickups/Small Trucks	5
Medium/Heavy Trucks	6 - 7
Fire Apparatus	15

J. 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 as current liabilities based upon unpaid amounts as of September 30, 2009, that must be paid by December 31, 2009, and amounts that become vested as of September 30, 2009, 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.

K. Encumbrances

Encumbrances outstanding at the end of the year are not included in the expenditures of the General Fund. A reserve for encumbrances 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.

L. Unreserved - Designated Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Other reserves are for amounts reserved for Employee Christmas and Forfeited Property. Amounts are designated within the General Fund's unreserved fund balance as the Town Council has designated current revenues for future period expenditures. Funds designated for the library are from private donations. All designated funds are accounted for separately, but may be combined with undesignated amounts for investment purposes.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

M. 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 and are due and payable on or before January 31 of the following year. The Town bills and collects its own property taxes. The property tax revenues are recognized when levied to the extent that they result in current receivables under policies as described in Note 1.C. The tax rate for the current year was \$0.22 on each \$100 of assessed valuation.

N. Expenditure Allocations

The expenditures of the service center and municipal building departments of the General Fund are allocated to other departments (in both General and Enterprise Funds) of the Town based upon actual usage and percentage usage calculations for each department. These reallocations to the Enterprise Fund amounted to \$23,393 of service center expenditures and \$11,833 of municipal building expenditures during fiscal year 2009.

The Finance Department also allocates 30 percent of its expenditures to the Enterprise Fund. The reallocation of Finance Department expenditures to the Enterprise Fund amounted to \$204,622.

The Department of Public Safety provides staffing during Municipal Court Sessions to act as bailiff. Personnel cost for this staffing in the amount of \$13,613 was allocated to the Court Security Fund.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

2. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
General Capital Assets:					
Capital Assets, not Being Depreciated:					
Land	\$ 4,094,230	\$ 98,796	\$ -	\$ -	\$ 4,193,026
Work in Progress	<u>7,031,984</u>	<u>12,005</u>	<u>-</u>	<u>(7,031,984)</u>	<u>12,005</u>
Total General Capital Assets, not being Depreciated	<u>11,126,214</u>	<u>110,801</u>	<u>-</u>	<u>(7,031,984)</u>	<u>4,205,031</u>
Capital Assets, Being Depreciated:					
Buildings	5,019,716	-	-	-	5,019,716
Capital Improvements	21,999,474	2,864,975	-	7,031,984	31,896,433
Furniture and Fixtures	52,192	-	-	-	52,192
Office Equipment	250,190	-	-	-	250,190
Machinery and Equipment	1,389,133	33,383	-	-	1,422,516
Library Books	<u>663,787</u>	<u>61,492</u>	<u>(52,568)</u>	<u>-</u>	<u>672,711</u>
Total General Capital Assets Being Depreciated	<u>29,374,492</u>	<u>2,959,850</u>	<u>(52,568)</u>	<u>7,031,984</u>	<u>39,313,758</u>
Less Accumulated Depreciation for:					
Buildings	(471,291)	(101,076)	-	-	(572,367)
Capital Improvements	(10,544,569)	(806,207)	-	-	(11,350,776)
Furniture and Fixtures	(48,021)	(11,934)	-	-	(59,955)
Office Equipment	(215,777)	(7,231)	-	-	(223,008)
Machinery and Equipment	(682,422)	(117,114)	-	-	(799,536)
Library Books	<u>(299,706)</u>	<u>(58,358)</u>	<u>52,568</u>	<u>-</u>	<u>(305,496)</u>
Total Accumulated Depreciation	<u>(12,261,786)</u>	<u>(1,101,920)</u>	<u>52,568</u>	<u>-</u>	<u>(13,311,138)</u>
Total General Capital Assets Being Depreciated, net	<u>17,112,706</u>	<u>1,857,930</u>	<u>-</u>	<u>7,031,984</u>	<u>26,002,620</u>
Internal Service Fund Capital Assets:					
Capital Assets, not Being Depreciated:					
Work in Progress	<u>28,712</u>	<u>-</u>	<u>-</u>	<u>(28,712)</u>	<u>-</u>
Total General Capital Assets, not being Depreciated	<u>28,712</u>	<u>-</u>	<u>-</u>	<u>(28,712)</u>	<u>-</u>
Capital Assets, Being Depreciated:					
Machinery and Equipment	1,748,015	36,602	(247,395)	28,712	1,565,934
Vehicles	<u>3,098,846</u>	<u>232,621</u>	<u>(210,087)</u>	<u>-</u>	<u>3,121,380</u>
Total Capital Assets Being Depreciated	<u>4,846,861</u>	<u>269,223</u>	<u>(457,482)</u>	<u>28,712</u>	<u>4,687,314</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	(1,331,640)	(203,663)	243,162	-	(1,292,141)
Vehicles	<u>(1,393,302)</u>	<u>(222,537)</u>	<u>173,763</u>	<u>-</u>	<u>(1,442,076)</u>
Total Accumulated Depreciation	<u>(2,724,942)</u>	<u>(426,200)</u>	<u>416,925</u>	<u>-</u>	<u>(2,734,217)</u>
Total Capital Assets Being Depreciated, net	<u>2,121,919</u>	<u>(156,977)</u>	<u>(40,557)</u>	<u>28,712</u>	<u>1,953,097</u>
Total Governmental Activities					
Governmental Activities Capital Assets					
Not Being Depreciated	<u>\$ 11,154,926</u>	<u>\$ 110,801</u>	<u>\$ -</u>	<u>\$ (7,060,696)</u>	<u>\$ 4,205,031</u>
Governmental Activities Capital Assets					
Being Depreciated, net	<u>\$ 19,234,625</u>	<u>\$ 1,700,953</u>	<u>\$ (40,557)</u>	<u>\$ 7,060,696</u>	<u>\$ 27,955,717</u>

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

2. CAPITAL ASSETS – continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities:					
Capital Assets, not Being Depreciated:					
Land	\$ 238,750	\$ -	\$ -	\$ -	\$ 238,750
Work in Progress	553,866	272,301	-	(428,416)	397,751
Total Capital Assets, not Being Depreciated	<u>792,616</u>	<u>272,301</u>	<u>-</u>	<u>(428,416)</u>	<u>636,501</u>
Capital Assets, Being Depreciated:					
Buildings	20,197	-	-	-	20,197
	17,650,673	379,609	-	428,416	18,458,698
Machinery and Equipment	619,448	59,389	(27,666)	-	651,171
Office Furniture and Equipment	23,058	-	-	-	23,058
Total Capital Assets Being Depreciated	<u>18,313,376</u>	<u>438,998</u>	<u>(27,666)</u>	<u>428,416</u>	<u>19,153,124</u>
Less Accumulated Depreciation for:					
Buildings	(20,195)	-	-	-	(20,195)
Capital Improvements	(4,793,458)	(499,450)	-	-	(5,292,908)
Machinery and Equipment	(254,581)	(41,896)	27,666	-	(268,811)
Office Furniture and Equipment	(20,594)	(1,423)	-	-	(22,017)
Total Accumulated Depreciation	<u>(5,088,828)</u>	<u>(542,769)</u>	<u>27,666</u>	<u>-</u>	<u>(5,603,931)</u>
Total Capital Assets Being Depreciated, net	<u>\$ 13,224,548</u>	<u>\$ (103,771)</u>	<u>\$ -</u>	<u>\$ 428,416</u>	<u>\$ 13,549,193</u>
Business-Type Activities Capital Assets, net	<u>\$ 14,017,164</u>	<u>\$ 168,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,185,694</u>

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

2. CAPITAL ASSETS – continued

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

Governmental Activities:	
General Government	\$ 125,570
Department of Public Safety	230,643
Street Department	454,162
Street Lighting Department	36,551
Library	130,378
Parks Department	63,857
Swimming Pool	28,988
Municipal Court	<u>31,771</u>
Total Depreciation Expense - General Capital Assets	<u>1,101,920</u>
Internal Service Fund	<u>426,200</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,528,120</u>
Business-type Activities:	
Water and Sewer	<u>\$ 542,769</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 542,769</u>

3. INTERFUND TRANSACTIONS

Individual fund transfers for the fiscal year 2009 were as follows:

<u>Transfer Out:</u>	<u>Transfer In:</u>		
	<u>Capital Projects Fund</u>	<u>General Fund</u>	<u>Total</u>
General Fund	\$ 957,151	\$ -	\$ 957,151
Capital Projects Fund	<u>-</u>	<u>21,783</u>	<u>21,783</u>
Total	<u>\$ 957,151</u>	<u>\$ 21,783</u>	<u>\$ 978,934</u>

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

4. LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2009, was as follows:

	<u>Beginning</u>			<u>Ending</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>One Year</u>
Governmental activities:					
Compensated absences	\$ 916,728	\$ 136,651	\$ (8,112)	\$ 1,045,267	\$ 232,702
OPEB liability	<u>-</u>	<u>96,879</u>	<u>-</u>	<u>96,879</u>	<u>-</u>
Governmental activity					
Long-term liabilities	<u>\$ 916,728</u>	<u>\$ 233,530</u>	<u>\$ (8,112)</u>	<u>\$ 1,142,146</u>	<u>\$ 232,702</u>
Business-type activities:					
Compensated absences	\$ 142,556	\$ 3,523	\$ (24,451)	\$ 121,628	\$ 1,974
OPEB liability	<u>-</u>	<u>14,389</u>	<u>-</u>	<u>14,389</u>	<u>-</u>
Business-type activity					
Long-term liabilities	<u>\$ 142,556</u>	<u>\$ 17,912</u>	<u>\$ (24,451)</u>	<u>\$ 136,017</u>	<u>\$ 1,974</u>

The compensated absences liability attributable to the governmental activities will be liquidated by the General Fund.

5. RETIREMENT PLANS

Texas Municipal Retirement System

Plan Description

The Town provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the Town are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

5. RETIREMENT PLANS - continued

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS. Plan provisions for the Town were as follows:

	<u>Plan Year 2008</u>	<u>Plan Year 2009</u>
Employee deposit rate	7%	7%
Matching ration (Town to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Up Investment Return	100.0%	100.0%
Annuity Increase (to retirees)	50% of CPI	50% of CPI

Contributions

Under the state law governing TMRS, the contribution rate for each Town is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that Town. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The Town contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the Town make contributions monthly. Since the Town needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. The annual pension cost and net pension obligation/ (asset) are as follows:

	<u>September 30</u>		
	<u>2007</u>	<u>2008</u>	<u>2009</u>
Annual Required Contribution (ARC)	\$ 1,302,576	\$ 1,523,221	\$ 1,405,510
Annual Pension Cost	\$ 1,302,576	\$ 1,523,221	\$ 1,405,510
Contributions Made	\$ (1,302,576)	\$ (1,523,221)	\$ (1,405,510)
Change in Net Pension Obligation (NPO)	\$ -	\$ -	\$ -
NPO, Beginning of Year	\$ -	\$ -	\$ -
NPO, End of Year	\$ -	\$ -	\$ -

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

5. RETIREMENT PLANS - continued

The required contribution rates for fiscal year 2009 were determined as part of the December 31, 2006 and 2007 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2008, also follows:

	Valuation Date		
	12/31/2006	12/31/2007	12/31/2008
Actuarial Cost Method	Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level % of payroll	Level % of payroll	Level % of payroll
Remaining Amortization Period	25 years; open period	25 years; closed period	24 years; closed period
Asset Valuation Method	Amortized cost	Amortized cost	Amortized cost
Actuarial Assumptions:			
Investment Rate of Return	7.0%	7.0%	7.5%
Projected Salary Increases	None	None	None
Includes Inflation at	3.0%	3.0%	3.0%
Cost-of-Living Adjustments	N/A	1.5%	0.0%

The funded status as of December 31, 2008, the most recent actuarial valuation date, is as follows:

<u>Actuarial</u> <u>Valuation Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability (AAL)</u>	<u>Funded</u> <u>Ratio</u>	<u>Unfunded</u> <u>AAL</u> <u>(UAAL)</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>Percentage of</u> <u>Covered Payroll</u>
12/31/2008	\$ 32,992,375	\$ 38,190,219	86.4%	\$ 5,197,844	\$ 9,243,239	56.2%

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

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.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

6. POST EMPLOYMENT BENEFITS

The Town offers retired employees the option to retain health and dental insurance coverage under the Town's insurance carrier until age 65. 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. There were three participating retirees receiving health and dental insurance coverage as of September 30, 2009.

Annual OPEB Cost

The Town's annual OPEB cost is calculated based on the annual required contribution of the Town (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Town's annual OPEB cost for the current year and the related information are as follows at September 30, 2009:

Annual Required Contribution	\$ 111,268
Interest of Prior Year Net OPEB Obligation	-
Adjustment to Annual Required Contribution	-
Annual OPEB Cost	111,268
Contributions Made	-
Increase in Net OPEB Obligation	111,268
Net Obligation, Beginning of Year	-
Net Obligation, End of Year	\$ 111,268

Percentage of OPEB Costs Contributed	0%
--------------------------------------	----

Funding Status and Funding Progress

The funded status of the plan as of actuarial measurement date of February 29, 2008 was as follows:

Actuarial Accrued Liability	\$ 1,237,038
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability	\$ 1,237,038
Funded Ration	0%
Covered Payroll	\$ 9,837,729
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	13%

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

7. COMMITMENTS AND CONTINGENCIES

During the current year, the Town purchased treated water from the Dallas County Park Cities Municipal Utility District ("DCPCMUD") for \$1.2388 for each 1,000 gallons consumed. The Town entered into a contract with the District on April 19, 2004 which expires on April 18, 2024. The current year charges for services were \$1,459,350.

Sewage service is provided to the Town under a contract with the City of Dallas, which expires February 22, 2014. The charge for this service is based upon fluctuations in capital expenditures and expenses made by the City of Dallas and is calculated based on the average water sales over the four winter months of the previous year. The current year charges for service were \$1,116,524.

The use of a sanitary landfill for solid waste disposal is provided to the Town under a contract with Waste Management / Skyline Landfill, which expires when the existing landfill has reached its capacity. This landfill was permitted by the State of Texas in 1995 with a projected life of 37 years. The current year charges for service were \$102,014.

The Town entered into a ten (10) year contract effective May 1, 2007 for solid waste collection services with Allied Waste Services. The contract pricing is based upon fixed rates for different service locations and classifications. The current year charges for service were \$808,755.

The Town also entered into a ten (10) year contract effective May 1, 2007 with Allied Waste Services for collection of recyclable materials. Charges are based upon changes in the CPI-U index for Dallas/Ft. Worth. Charges for service are based upon residential service locations and amounted to \$90,773 for the current year.

The sweeping of streets, alleys and cleaning of storm sewer inlets is performed under contract with Moore Disposal. Frequency of service is established under contract and current year charges were \$32,691.

Certain litigation was outstanding against the Town as of September 30, 2009. In the opinion of the Town's attorneys, the potential loss on such litigation would not be significant to the Town's financial statements.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2009

7. COMMITMENTS AND CONTINGENCIES - continued

Risk Management

The Town places all of its property, liability and workers' compensation coverage with Texas Municipal League, a public entity risk pool currently operating as a common risk management and insurance program. The Town pays an annual premium to Texas Municipal League for its general insurance coverage. The risk pool is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of \$1,000,000 for workers' compensation, \$250,000 for property and \$1,000,000 for liability damage.

The limits of liability and deductible are:

	<u>Limit</u>		<u>Deductible</u>
General Liability	\$ 2,000,000	Each Occurrence	\$ 25,000
	\$ 4,000,000	Annual Aggregate	
Auto Liability	\$ 2,000,000	Each Occurrence	\$ 25,000
Law Enforcement Liability	\$ 2,000,000	Each Occurrence	\$ 25,000
	\$ 4,000,000	Annual Aggregate	
Errors and Omissions Liability	\$ 2,000,000	Each Wrongful Act	\$ 25,000
	\$ 4,000,000	Annual Aggregate	
Auto Physical Damage	\$ 1,779,887		\$ 10,000
Real & Personal Property	\$ 14,386,310		\$ 10,000
Mobile Equipment	\$ 138,900		\$ 1,000
Boiler & Machinery	\$ 10,881,600		\$ 500
Workers' Compensation	\$ -	Each Occurrence	\$ 50,000
	\$ -	Annual Aggregate	\$ 150,000

There have been no changes in the liability insurance coverage amounts in over ten (10) years. Auto physical damage, equipment and property limits have changed to reflect changes in replacement cost of insured assets. All coverage amounts have been sufficient to satisfy any and all claims filed against the Town.



REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF HIGHLAND PARK
Schedule of Funding Progress
Texas Municipal Retirement System
Required Supplementary Information
Last Six Fiscal Years (Unaudited)

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial	Actuarial	Actuarial	Funded	Unfunded	Annual	UAAAL as a
Valuation	Value	Accrued	Ratio	AAL	Covered	Percent of
Date	of Assets	Liability (AAL)	(1)/(2)	(UAAL)	Payroll	Covered
				(2)-(1)		(3)/(5)
12/31/2003	\$28,677,331	\$34,621,594	82.8%	\$5,944,263	\$7,155,671	83.1%
12/31/2004	\$30,032,312	\$36,102,365	83.2%	\$6,070,053	\$7,284,108	83.3%
12/31/2005	\$31,923,686	\$37,739,645	84.6%	\$5,815,959	\$7,597,182	76.6%
12/31/2006	\$33,541,290	\$39,966,250	83.9%	\$6,424,960	\$8,009,520	80.2%
12/31/2007	\$35,020,220	\$40,283,066	86.9%	\$5,262,846	\$8,585,683	61.3%
12/31/2008	\$32,992,375	\$38,190,219	86.4%	\$5,197,844	\$9,243,239	56.2%

COMBINING AND INDIVIDUAL
FINANCIAL STATEMENTS AND SCHEDULES



CAPITAL PROJECTS FUND

Capital Projects Fund – The purpose of the Capital Projects Fund is to account for large dollar capital projects and infrastructure maintenance projects. Funding for these items comes from transfers from the General Fund's current revenues and/or cash reserves, as the Town Council determines each year.

TOWN OF HIGHLAND PARK
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the year ended September 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest on Investments	\$ 87,000	\$ 87,000	\$ 161,875	\$ 74,875
Intergovernmental	<u>-</u>	<u>-</u>	<u>1,183,139</u>	<u>1,183,139</u>
Total Revenues	<u>87,000</u>	<u>87,000</u>	<u>1,345,014</u>	<u>1,258,014</u>
EXPENDITURES:				
Current-				
General Government	-	-	18	(18)
Capital Outlay	<u>-</u>	<u>220,000</u>	<u>2,403,131</u>	<u>(2,183,131)</u>
Total Expenditures	<u>-</u>	<u>220,000</u>	<u>2,403,149</u>	<u>(2,183,149)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>87,000</u>	<u>(133,000)</u>	<u>(1,058,135)</u>	<u>(925,135)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	683,845	683,845	957,151	273,306
Transfers Out	<u>-</u>	<u>-</u>	<u>(21,783)</u>	<u>(21,783)</u>
Net Other Financing Sources (Uses)	<u>683,845</u>	<u>683,845</u>	<u>935,368</u>	<u>251,523</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	770,845	550,845	(122,767)	(673,612)
FUND BALANCES, beginning of year	<u>6,258,998</u>	<u>6,258,998</u>	<u>6,258,998</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 7,029,843</u>	<u>\$ 6,809,843</u>	<u>\$6,136,231</u>	<u>\$ (673,612)</u>

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.

TOWN OF HIGHLAND PARK
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2009

	Special Revenue					Total
	Stormwater Drainage	Employee Christmas	Forfeited Property	Court Technology	Court Security	
ASSETS						
Cash and Cash Equivalents	\$ 429,162	\$ 3,630	\$ 11,571	\$ 39,571	\$ 142,957	\$ 626,891
Investments	251,015	-	-	-	-	251,015
Receivables (net of allowances for uncollectibles)-						
Other	7,550	-	-	-	-	7,550
Total Assets and Other Debits	\$ 687,727	\$ 3,630	\$ 11,571	\$ 39,571	\$ 142,957	\$ 885,456
 LIABILITIES AND FUND BALANCES						
LIABILITIES						
Vouchers Payable	\$ 30,141	\$ -	\$ -	\$ 240	\$ -	\$ 30,381
Retainage Payable	3,278	-	-	-	-	3,278
Accrued Liabilities	731	-	-	-	-	731
Total Liabilities	34,150	-	-	240	-	34,390
FUND BALANCE						
Reserved for Encumbrances	58,422	-	-	-	-	58,422
Reserved for Other Purposes	595,155	3,630	11,571	39,331	142,957	792,644
Total Fund Balances	653,577	3,630	11,571	39,331	142,957	851,066
Total Liabilities and Fund Balance	\$ 687,727	\$ 3,630	\$ 11,571	\$ 39,571	\$ 142,957	\$ 885,456

TOWN OF HIGHLAND PARK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended September 30, 2009

	<u>Special Revenue</u>					<u>Total</u>
	<u>Stormwater Drainage</u>	<u>Employee Christmas</u>	<u>Forfeited Property</u>	<u>Court Technology</u>	<u>Court Security</u>	
REVENUES						
Fees	\$ 177,436	\$ -	\$ -	\$ 25,167	\$ 18,888	\$221,491
Contributions	-	23,451	-	-	-	23,451
Interest on Investments	7,630	39	118	311	1,414	9,512
Miscellaneous	284	-	-	-	-	284
	<u>185,350</u>	<u>23,490</u>	<u>118</u>	<u>25,478</u>	<u>20,302</u>	<u>254,738</u>
Total Revenues						
EXPENDITURES						
Personnel Services	43,518	-	-	-	-	43,518
Distributions of Contributions	-	20,353	-	-	-	20,353
FICA Contribution	-	1,426	-	-	-	1,426
TMRS	-	3,375	-	-	-	3,375
Materials and Supplies	1,003	-	-	2,917	-	3,920
Services and Charges	96,021	-	-	15,682	13,938	125,641
Capital Outlay	12,005	-	-	-	-	12,005
	<u>152,547</u>	<u>25,154</u>	<u>-</u>	<u>18,599</u>	<u>13,938</u>	<u>210,238</u>
Total Expenditures						
Excess (Deficiency) of Revenues Over Expenditures	32,803	(1,664)	118	6,879	6,364	44,500
FUND BALANCES, beginning of year	<u>620,774</u>	<u>5,294</u>	<u>11,453</u>	<u>32,452</u>	<u>136,593</u>	<u>806,566</u>
FUND BALANCES, end of year	<u>\$ 653,577</u>	<u>\$ 3,630</u>	<u>\$ 11,571</u>	<u>\$ 39,331</u>	<u>\$142,957</u>	<u>\$851,066</u>



INTERNAL SERVICE FUND

Equipment Replacement Fund – The purpose of the Equipment Replacement Fund is to account for the cost associated with the acquisition of specific equipment through the rental of the same to other departments.

TOWN OF HIGHLAND PARK
 Equipment Replacement Fund
 Schedule of Changes in Equipment and Accumulated Depreciation
 Year Ended September 30, 2009

	Balance October 1, 2008	Additions and Transfers In	Retirements and Transfers Out	Balance September 30, 2009
EQUIPMENT:				
Vehicles and Rolling Stock	\$ 3,098,846	\$ 232,621	\$ 210,087	\$ 3,121,380
Office Equipment	1,748,015	65,314	247,395	1,565,934
Work in Progress	28,712	-	28,712	-
Totals	4,875,573	297,935	486,194	4,687,314
ACCUMULATED DEPRECIATION:				
Vehicles and Rolling Stock	1,393,302	222,537	173,763	1,442,076
Office Equipment	1,331,640	203,663	243,162	1,292,141
Totals	2,724,942	426,200	416,925	2,734,217
NET EQUIPMENT	\$ 2,150,631	\$ (128,265)	\$ 69,269	\$ 1,953,097

FIDUCIARY FUND

Agency Fund - The purpose of the Agency Fund is to account for assets held by the Town as an agent for other governmental entities. The Agency Fund was closed during the 2008-2009 fiscal year.

TOWN OF HIGHLAND PARK
 Fiduciary Fund
 Statement of Changes in Assets and Liabilities
 Year Ended September 30, 2009

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
ASSETS				
Cash and Cash Equivalents	\$ 947,908	\$ -	\$ 947,908	\$ -
Total Assets	<u>\$ 947,908</u>	<u>\$ -</u>	<u>\$ 947,908</u>	<u>\$ -</u>
LIABILITIES				
Vouchers Payable	\$ 4,940	\$ 940,916	\$ 945,856	\$ -
Retainage Payable	229,250	3,679	232,929	-
Held for City of Dallas	<u>713,718</u>	<u>16,877</u>	<u>730,595</u>	-
Total Liabilities	<u>\$ 947,908</u>	<u>\$ 961,472</u>	<u>\$ 1,909,380</u>	<u>\$ -</u>

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

TOWN OF HIGHLAND PARK
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule By Source
September 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS:		
Land and Buildings	\$ 9,212,742	\$ 9,113,946
Capital Improvements	31,896,433	21,999,474
Furniture and Fixtures	52,192	52,192
Office Equipment	250,190	250,190
Machinery and Equipment	1,422,516	1,389,133
Library Books	672,711	663,787
Construction in Progress	<u>12,005</u>	<u>7,031,984</u>
Total Governmental Funds Capital Assets	<u>\$ 43,518,789</u>	<u>\$ 40,500,706</u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:		
General Fund	<u>43,518,789</u>	<u>40,500,706</u>
Total Governmental Funds Capital Assets	<u>\$ 43,518,789</u>	<u>\$ 40,500,706</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in Internal Service Funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

TOWN OF HIGHLAND PARK
 Capital Assets Used in the Operation of Governmental Funds
 Schedule By Function and Activity
 September 30, 2009

	Land and Buildings	Capital Improvements	Furniture and Fixtures	Office Equipment	Machinery and Equipment	Library Books	Construction In Progress	Total
FUNCTION AND ACTIVITY:								
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,005	\$ 12,005
Department of Public Safety	5,104,434	952,539	-	10,265	1,283,111	-	-	7,350,349
Service Center	117,247	633,170	-	-	20,147	-	-	770,564
Parks Department	582,621	2,055,248	10,283	-	21,545	-	-	2,669,697
Street Lighting	-	1,266,615	-	-	-	-	-	1,266,615
Municipal Building	1,054,243	1,935,002	10,465	111,400	64,857	-	-	3,175,967
Street Department	2,333,655	21,823,221	-	-	-	-	-	24,156,876
Swimming Pool	20,542	1,091,999	-	-	32,856	-	-	1,145,397
Library	-	2,138,639	-	-	-	672,711	-	2,811,350
Court	-	-	-	121,025	-	-	-	121,025
Finance	-	-	31,444	-	-	-	-	31,444
Building Inspection	-	-	-	7,500	-	-	-	7,500
Total Governmental Funds Capital Assets	<u>\$ 9,212,742</u>	<u>\$ 31,896,433</u>	<u>\$ 52,192</u>	<u>\$ 250,190</u>	<u>\$ 1,422,516</u>	<u>\$ 672,711</u>	<u>\$ 12,005</u>	<u>\$ 43,518,789</u>

TOWN OF HIGHLAND PARK
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the Fiscal Year Ended September 30, 2009

	Governmental Funds Capital Assets			Governmental Funds Capital Assets
	October 1, 2008	Additions	Retirements	September 30, 2009
Administrative	\$ -	\$ 12,005	\$ -	\$ 12,005
Department of Public Safety	\$ 7,322,143	\$ 28,206	\$ -	\$ 7,350,349
Service Center	770,564	-	-	770,564
Parks Department	2,470,938	198,759	-	2,669,697
Street Lighting	1,250,836	15,779	-	1,266,615
Municipal Building	3,175,967	-	-	3,175,967
Street Department	21,426,872	2,730,004	-	24,156,876
Swimming Pool	1,140,219	5,178	-	1,145,397
Library	2,783,198	80,720	(52,568)	2,811,350
Court	121,025	-	-	121,025
Building Inspection	7,500	-	-	7,500
Finance	31,444	-	-	31,444
Total Governmental Funds Capital Assets	<u>\$ 40,500,706</u>	<u>\$ 3,070,651</u>	<u>\$ (52,568)</u>	<u>\$ 43,518,789</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in Internal Service Funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets

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.

Contents	Page
Financial Trends This section contains information to help the reader understand how the Town's financial performance and well-being have changed over time.	79-84
Revenue Capacity This section contains information to help the reader assess the Town's most significant local revenue source, the property tax.	85-88
Debt Capacity 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.	89-90
Demographic and Economic Information This section contains information to help the reader understand the environment within which the Town's financial activities take place.	91-93
Operating Information 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.	94-96



TOWN OF HIGHLAND PARK
Net Assets by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2007	2009
Governmental activities										
Invested in capital assets	\$ 11,043,436	\$ 13,607,830	\$ 17,853,384	\$ 20,328,471	\$ 20,632,957	\$ 21,010,063	\$ 21,039,497	\$ 22,771,121	\$ 30,389,551	\$ 32,160,748
Unrestricted	10,097,915	11,364,469	12,388,462	10,289,781	10,480,926	11,243,934	12,399,045	16,406,211	13,355,949	14,317,432
Total governmental activities net assets	\$ 21,141,351	\$ 24,972,299	\$ 30,241,846	\$ 30,618,252	\$ 31,113,883	\$ 32,253,997	\$ 33,438,542	\$ 39,177,332	\$ 43,745,500	\$ 46,478,180
Business-type activities										
Invested in capital assets	\$ 6,819,775	\$ 8,911,489	\$ 9,160,606	\$ 10,062,405	\$ 11,390,763	\$ 11,922,018	\$ 12,704,373	\$ 14,125,098	\$ 14,017,164	\$ 14,185,694
Unrestricted	6,649,377	5,757,617	6,393,308	6,212,857	5,723,680	6,416,449	7,544,924	5,078,860	6,425,104	7,720,131
Total business-type activities net assets	\$ 13,469,152	\$ 14,669,106	\$ 15,553,914	\$ 16,275,262	\$ 17,114,443	\$ 18,338,467	\$ 20,249,297	\$ 19,203,958	\$ 20,442,268	\$ 21,905,825
Primary Government										
Invested in capital assets	\$ 17,863,211	\$ 22,519,319	\$ 27,013,990	\$ 30,390,876	\$ 32,023,720	\$ 32,932,081	\$ 33,743,870	\$ 36,896,219	\$ 44,406,715	\$ 46,346,442
Unrestricted	16,747,292	17,122,086	18,781,770	16,502,638	16,204,606	17,660,383	19,943,969	21,485,071	19,781,053	22,037,563
Total primary government net assets	\$ 34,610,503	\$ 39,641,405	\$ 45,795,760	\$ 46,893,514	\$ 48,228,326	\$ 50,592,464	\$ 53,687,839	\$ 58,381,290	\$ 64,187,768	\$ 68,384,005

Source: Town Comprehensive Annual Financial Report

TOWN OF HIGHLAND PARK
Changes in Net Assets
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Expenses										
Governmental activities:										
General Government	\$ 384,562	\$ 447,687	\$ 386,561	\$ 412,898	\$ 485,393	\$ 659,447	\$ 725,157	\$ 877,318	\$ 698,577	\$ 824,699
Department of Public Safety	5,801,240	6,186,187	6,663,668	7,168,797	7,584,900	7,928,535	8,619,782	8,730,922	9,628,878	9,867,090
Street Department	1,077,634	1,357,563	542,805	460,434	549,528	443,041	514,118	678,087	812,623	867,698
Street Lighting Department	280,873	285,519	289,819	338,862	307,291	326,253	326,216	277,504	318,467	327,938
Library	368,017	401,755	432,037	470,052	515,333	511,013	529,928	562,314	619,876	644,462
Parks Department	1,019,003	1,002,676	978,429	1,056,276	1,049,401	1,137,588	1,259,593	1,234,759	1,342,352	1,430,322
Swimming Pool	123,993	135,026	141,045	151,527	153,486	143,633	152,636	166,346	171,912	197,907
Municipal Court	172,643	185,467	186,715	200,874	206,783	232,787	229,596	297,580	320,864	318,937
Finance Department	270,875	365,094	390,409	405,642	435,389	434,076	447,171	459,684	480,159	481,073
Building Inspection Department	162,233	182,498	190,883	182,709	203,320	223,801	288,789	298,711	348,730	402,380
Total governmental activities	9,661,073	10,549,472	10,202,371	10,848,071	11,490,824	12,040,174	13,092,986	13,583,225	14,742,438	15,362,506
Business-type activities:										
Enterprise	4,870,903	4,837,210	5,505,349	5,695,471	5,707,703	5,949,119	6,294,396	6,104,229	6,863,130	7,211,569
Total business-type activities	4,870,903	4,837,210	5,505,349	5,695,471	5,707,703	5,949,119	6,294,396	6,104,229	6,863,130	7,211,569
Total primary government	\$ 14,531,976	\$ 15,386,682	\$ 15,707,720	\$ 16,543,542	\$ 17,198,527	\$ 17,989,293	\$ 19,387,382	\$ 19,687,454	\$ 21,605,568	\$ 22,574,075
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 20,489	\$ 17,986	\$ 20,042	\$ 18,015	\$ 165,917	\$ 195,069	\$ 194,078	\$ 190,066	\$ 196,385	\$ 191,381
Department of Public Safety	582,621	592,048	618,541	612,331	620,643	647,933	650,449	655,606	713,878	755,635
Street Department	233,901	221,895	235,392	250,072	252,884	269,324	307,910	254,411	301,998	335,778
Library	34,059	31,452	24,718	21,842	20,878	20,768	19,167	18,108	14,652	18,619
Parks Department	4,110	5,250	5,281	3,976	4,172	4,186	4,770	4,322	12,955	12,680
Swimming Pool	60,412	68,095	65,532	80,222	76,745	76,094	79,580	87,014	94,432	94,184
Municipal Court	517,934	589,339	583,946	604,717	544,308	842,444	770,862	724,746	728,369	662,570
Building Inspection Department	612,417	966,720	653,185	646,340	748,458	930,257	858,409	1,312,827	725,997	904,647
Operating grants and contributions	86,627	129,088	78,726	134,408	35,455	16,466	4,960	528,388	1,477,837	32,392
Total governmental activities	2,152,570	2,621,873	2,285,363	2,371,923	2,469,460	3,002,541	2,890,185	3,775,488	4,266,503	3,007,886

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Business-type activities:										
Enterprise	6,042,665	5,716,839	6,104,822	6,467,877	6,042,665	7,047,070	7,890,635	6,683,686	7,910,871	8,465,285
Total business-type activities	6,042,665	5,716,839	6,104,822	6,467,877	6,042,665	7,047,070	7,890,635	6,683,686	7,910,871	8,465,285
Total primary government	\$ 8,195,235	\$ 8,338,712	\$ 8,390,185	\$ 8,839,800	\$ 8,512,125	\$ 10,049,611	\$ 10,780,820	\$ 10,459,174	\$ 12,177,374	\$ 11,473,171
Net (expense)/revenue										
Governmental activities	\$ (7,508,503)	\$ (7,927,599)	\$ (7,917,008)	\$ (8,476,148)	\$ (9,021,364)	\$ (9,037,633)	\$ (10,202,801)	\$ (9,807,737)	\$ (10,475,935)	\$ (12,354,620)
Business-type activities	1,171,762	879,629	599,473	772,406	841,710	1,097,951	1,596,239	579,457	1,047,741	1,253,716
Total primary government net expense	\$ (6,336,741)	\$ (7,047,970)	\$ (7,317,535)	\$ (7,703,742)	\$ (8,179,654)	\$ (7,939,682)	\$ (8,606,562)	\$ (9,228,280)	\$ (9,428,194)	\$ (11,100,904)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 4,972,442	\$ 5,243,220	\$ 5,495,547	\$ 5,772,929	\$ 6,328,128	\$ 6,633,472	\$ 7,252,996	\$ 8,055,442	\$ 8,819,669	\$ 9,481,304
Sales taxes	1,600,021	1,647,716	1,603,019	1,635,389	1,711,186	1,952,093	2,126,860	2,260,502	2,420,130	2,300,369
Other taxes	66,952	79,842	82,555	82,562	94,253	107,517	102,115	105,069	106,462	106,433
Franchise taxes	824,076	886,443	918,921	851,643	858,564	880,995	950,145	925,302	965,870	1,018,539
Penalty and interest on taxes	46,192	54,586	35,419	42,942	47,749	42,426	46,607	55,763	66,184	65,671
Interest on investments	656,568	619,598	589,261	252,895	171,152	270,423	656,533	895,894	767,451	402,349
Sale of assets	73,643	200,820	3,101,501	110,308	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	1,765,797	1,293,877
Miscellaneous	269,578	173,393	264,612	272,844	231,338	290,821	252,090	327,332	277,280	418,758
Transfers	(41,793)	-	(60,000)	143,886	74,625	-	-	2,000,000	-	-
Total governmental activities	8,467,679	8,905,618	12,030,835	9,165,398	9,516,995	10,177,747	11,387,346	14,625,304	15,188,843	15,087,300
Business-type activities:										
Interest on investments	367,412	320,401	225,363	134,574	72,096	126,073	314,591	375,204	190,569	209,841
Sale of assets	(1,546)	(76)	(28)	(579)	-	-	-	-	-	-
Transfers	41,793	-	60,000	(143,886)	(74,625)	-	-	(2,000,000)	-	-
Total business-type activities	407,659	320,325	285,335	(9,891)	(2,529)	126,073	314,591	(1,624,796)	190,569	209,841
Total primary government	\$ 8,875,338	\$ 9,225,943	\$ 12,316,170	\$ 9,155,507	\$ 9,514,466	\$ 10,303,820	\$ 11,701,937	\$ 13,000,508	\$ 15,379,412	\$ 15,297,141
Changes in Net Assets										
Governmental activities	\$ 959,176	\$ 978,019	\$ 4,113,827	\$ 689,250	\$ 495,631	\$ 1,140,114	\$ 1,184,545	\$ 4,817,567	\$ 4,712,908	\$ 2,732,680
Business-type activities	1,579,421	1,199,954	884,808	762,515	839,181	1,224,024	1,910,830	(1,045,339)	1,238,310	1,463,557
Total primary government	\$ 2,538,597	\$ 2,177,973	\$ 4,998,635	\$ 1,451,765	\$ 1,334,812	\$ 2,364,138	\$ 3,095,375	\$ 3,772,228	\$ 5,951,218	\$ 4,196,237

Source: Town Comprehensive Annual Financial Report

TOWN OF HIGHLAND PARK
 Governmental Activities Tax Revenues by Source
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)
 (Unaudited)

Fiscal Year	Property	Sales	Franchise	Mixed	Total
	Tax	Tax	Tax	Beverage Tax	
2000	4,972,442	1,600,021	824,076	66,952	7,463,491
2001	5,243,220	1,647,716	886,443	79,842	7,857,221
2002	5,495,547	1,603,019	918,921	82,555	8,100,042
2003	5,772,929	1,635,389	851,643	82,562	8,342,523
2004	6,328,128	1,711,186	858,564	94,253	8,992,131
2005	6,633,472	1,952,093	880,995	107,517	9,574,077
2006	7,252,996	2,126,860	950,145	102,115	10,432,116
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

Source: Town Comprehensive Annual Financial Report

TOWN OF HIGHLAND PARK
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Fund										
Reserved	\$ 725,034	\$ 572,655	\$ 880,388	\$ 817,225	\$ 724,009	\$ 294,011	\$ 264,686	\$ 227,102	\$ 642,309	\$ 556,019
Unreserved	4,654,871	6,326,686	4,241,894	4,237,381	3,662,258	4,326,409	2,986,225	4,694,373	3,944,352	5,000,470
Total General Fund	\$ 5,379,905	\$ 6,899,341	\$ 5,122,282	\$ 5,054,606	\$ 4,386,267	\$ 4,620,420	\$ 3,250,911	\$ 4,921,475	\$ 4,586,661	\$ 5,556,489
All other Governmental Funds										
Reserved	\$ 513,852	\$ 199,044	\$ 2,850,480	\$ 817,698	\$ 921,815	\$ 904,421	\$ 973,604	\$ 9,737,980	\$ 5,292,585	\$ 1,459,922
Unreserved, reported in:										
Capital Projects Fund	2,771,198	3,021,035	3,272,053	3,257,587	3,950,112	4,706,339	6,329,012	455,782	1,772,979	5,527,375
Total all other Governmental Funds	\$ 3,285,050	\$ 3,220,079	\$ 6,122,533	\$ 4,075,285	\$ 4,871,927	\$ 5,610,760	\$ 7,302,616	\$ 10,193,762	\$ 7,065,564	\$ 6,987,297

Source: Town Comprehensive Annual Financial Report

TOWN OF HIGHLAND PARK
Changes in Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)
 (Unaudited)

	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues										
Taxes	\$ 7,468,938	\$ 7,901,678	\$ 8,099,081	\$ 8,308,699	\$ 9,012,222	\$ 9,574,883	\$ 10,427,818	\$ 11,290,415	\$ 12,315,728	\$ 12,926,004
Penalties and Interest	46,192	54,586	35,419	42,942	47,749	42,426	46,607	55,763	66,184	65,671
Licenses and Permits	679,505	1,032,881	721,527	696,305	797,720	1,000,525	914,566	1,368,191	784,591	965,340
Service Fees	1,116,670	1,133,751	1,165,152	1,219,358	1,325,512	1,501,013	1,565,855	1,502,798	1,576,990	1,622,643
Fines and Forfeitures	291,575	327,389	297,112	292,407	278,021	443,971	428,586	412,717	388,041	346,085
Interest on Investments	553,601	556,415	538,565	232,427	147,009	238,279	579,421	761,147	693,784	344,529
Intergovernmental	-	-	-	-	-	-	-	-	1,765,797	1,293,877
Contributions	-	-	-	-	-	21,131	30,376	559,437	1,505,656	132,072
Miscellaneous	91,827	304,904	343,339	407,248	266,793	286,156	226,674	296,283	249,461	295,673
Total Revenues	<u>10,248,308</u>	<u>11,311,604</u>	<u>11,200,195</u>	<u>11,199,386</u>	<u>11,875,026</u>	<u>13,108,384</u>	<u>14,219,903</u>	<u>16,246,751</u>	<u>19,346,232</u>	<u>17,991,894</u>
Expenditures										
General Government	295,914	349,069	324,015	334,886	403,910	443,778	511,794	739,674	806,635	732,754
Department of Public Safety	5,820,161	6,141,980	6,668,713	6,951,840	7,333,508	7,700,362	8,274,758	8,408,121	9,472,901	9,490,181
Street Department	845,794	1,122,439	883,425	887,900	1,154,231	1,055,515	986,893	288,622	785,334	856,776
Street Lighting Department	223,036	221,970	222,763	274,977	243,791	262,063	288,187	238,880	279,828	305,611
Library	381,033	416,595	459,227	475,709	519,901	525,574	532,048	558,488	605,344	569,968
Parks Department	934,932	914,073	887,405	961,025	1,044,014	1,152,238	1,270,819	1,157,967	1,274,630	1,447,509
Swimming Pool	106,154	125,478	119,632	131,856	133,558	123,608	150,058	160,839	179,667	174,098
Municipal Court	172,038	184,716	195,419	199,677	206,532	219,776	216,607	226,792	239,087	252,461
Finance Department	267,977	361,914	387,286	402,047	432,088	427,336	437,466	451,381	474,821	471,679
Building Inspection Department	162,729	182,498	190,883	183,264	208,010	222,239	284,650	292,961	344,512	397,138
Capital Outlay	492,462	429,796	2,682,970	2,613,974	102,103	161,301	168,555	1,161,316	8,350,999	2,403,131
Total Expenditures	<u>9,702,230</u>	<u>10,450,528</u>	<u>13,021,738</u>	<u>13,417,155</u>	<u>11,781,646</u>	<u>12,293,790</u>	<u>13,121,835</u>	<u>13,685,041</u>	<u>22,813,758</u>	<u>17,101,306</u>
Excess of Revenues Over Expenditures	546,078	861,076	(1,821,543)	(2,217,769)	93,380	814,594	1,098,068	2,561,710	(3,467,526)	890,588
Other Financing Sources (Uses):										
Transfers In	2,198,769	207,530	5,329,962	597,079	789,577	737,828	1,451,550	3,120,330	1,538,834	978,934
Transfers Out	(1,935,079)	(236,600)	(5,468,132)	(607,386)	(760,129)	(609,348)	(2,227,392)	(1,120,330)	(1,538,834)	(978,934)
Sale of Assets	356,206	225,773	3,085,108	113,152	5,475	29,912	121	-	4,514	973
Total other Financing Sources (Uses)	<u>619,896</u>	<u>196,703</u>	<u>2,946,938</u>	<u>102,845</u>	<u>34,923</u>	<u>158,392</u>	<u>(775,721)</u>	<u>2,000,000</u>	<u>4,514</u>	<u>973</u>
Net Change in Fund Balances	<u>\$ 1,165,974</u>	<u>\$ 1,057,779</u>	<u>\$ 1,125,395</u>	<u>\$ (2,114,924)</u>	<u>\$ 128,303</u>	<u>\$ 972,986</u>	<u>\$ 322,347</u>	<u>\$ 4,561,710</u>	<u>\$ (3,463,012)</u>	<u>\$ 891,561</u>

Source: Town Comprehensive Annual Financial Report

TOWN OF HIGHLAND PARK
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Residential		Business Personal		Less:		Total Taxable Assessed Value	Total Direct Tax Rate
	Property	Property	Property	Property	Tax-Exempt Property	Property		
2000	2,454,650,200	37,159,380	532,318,240	1,959,491,340			0.25750	
2001	2,752,340,640	46,447,980	630,551,452	2,168,237,168			0.24620	
2002	3,215,531,340	53,368,200	812,298,881	2,456,600,659			0.22900	
2003	3,399,244,710	48,170,540	818,284,174	2,629,131,076			0.22080	
2004	3,453,004,560	52,941,730	736,475,292	2,769,470,998			0.23000	
2005	3,593,332,450	53,801,060	735,668,251	2,911,465,259			0.23000	
2006	3,986,604,910	41,888,720	853,275,070	3,175,218,560			0.23000	
2007	4,642,666,780	46,476,050	1,102,378,690	3,586,764,140			0.22500	
2008	5,187,681,250	54,237,020	1,230,557,711	4,011,360,559			0.22000	
2009	5,549,244,010	56,490,150	1,268,210,249	4,337,523,911			0.22000	

Source: Dallas Central Appraisal District

TOWN OF HIGHLAND PARK
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Town of Highland Park		Overlapping Rates							Total Direct & Overlapping Rates
	Highland Park		County *			Community		School District**		
	General Fund		Dallas County	Hospital District	College District	Total County	Highland Park	I.S.D.		
2000	0.25750		0.19600	0.19600	0.05000	0.44200	1.60550		2.30500	
2001	0.24620		0.19600	0.25400	0.05000	0.50000	1.58300		2.32920	
2002	0.22900		0.19600	0.25400	0.05000	0.50000	1.69500		2.42400	
2003	0.22080		0.19600	0.25400	0.06000	0.51000	1.61000		2.34080	
2004	0.23000		0.20390	0.25400	0.08030	0.53820	1.61000		2.37820	
2005	0.23000		0.21390	0.25400	0.08160	0.54950	1.53000		2.30950	
2006	0.23000		0.21390	0.25400	0.08100	0.54890	1.35570		2.13460	
2007	0.22500		0.21390	0.25400	0.08100	0.54890	1.35570		2.12960	
2008	0.22000		0.22810	0.25400	0.08040	0.56250	1.03670		1.81920	
2009	0.22000		0.22810	0.25400	0.89400	1.37610	1.09000		2.68610	

* Source: Dallas County

** Source: Highland Park Independent School District

TOWN OF HIGHLAND PARK
Principal Property Taxpayers
September 30, 2009 and 2000
(Unaudited)

Taxpayer	2009			2000		
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value		Taxable Assessed Value	Percentage of Total Taxable Assessed Value	
		Rank	Value		Rank	Value
Highland Park Shopping Village	\$ 145,025,450	1	3.17%	\$ 50,808,450	1	2.00%
Muse, John R & Lyn	24,166,776	2	0.53%	N/A	N/A	N/A
Harlan Crow	19,269,952	3	0.42%	N/A	N/A	N/A
L & B Depp	19,000,000	4	0.42%	N/A	N/A	N/A
Edwin L. Cox	17,416,000	5	0.38%	8,683,380	6	0.35%
Corrigan Properties	14,931,960	6	0.33%	8,332,350	7	0.34%
Jerral W. & Gene C. Jones	13,824,560	7	0.30%	9,102,890	4	0.37%
Trammel Crow	12,670,000	8	0.28%	18,822,710	2	0.76%
Intercity Investment	12,000,000	9	0.26%	N/A	N/A	N/A
Amy Mitchell	11,772,430	10	0.26%	N/A	N/A	N/A
Lehndorff Preston	N/A	N/A	N/A	11,522,860	3	0.47%
William P. Clements Jr.	N/A	N/A	N/A	9,041,020	5	0.37%
Dallas Country Club	N/A	N/A	N/A	5,642,300	8	0.23%
Berry R. Cox	N/A	N/A	N/A	5,243,890	9	0.21%
Doborah Charisse	N/A	N/A	N/A	4,765,010	10	0.19%
	<u>\$ 290,077,128</u>		<u>6.35%</u>	<u>\$ 131,964,860</u>		<u>5.29%</u>

Source: Dallas Central Appraisal District

TOWN OF HIGHLAND PARK
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Total Tax Levy	Collected within the		Collections in		Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy	
2000	4,992,831	4,941,705	99.0%	46,939	4,988,644	99.9%	
2001	5,248,398	5,221,531	99.5%	23,125	5,244,656	99.9%	
2002	5,534,428	5,461,883	98.7%	67,066	5,528,949	99.9%	
2003	5,804,651	5,737,070	98.8%	63,765	5,800,835	99.9%	
2004	6,369,983	6,287,173	98.7%	75,385	6,362,558	99.9%	
2005	6,696,521	6,611,586	98.7%	76,803	6,688,389	99.9%	
2006	7,303,760	7,232,503	99.0%	59,498	7,292,001	99.8%	
2007	8,115,122	8,003,122	98.6%	97,994	8,101,116	99.8%	
2008	8,890,683	8,818,214	99.2%	55,433	8,873,647	99.8%	
2009	9,542,553	9,475,509	99.3%	-	9,475,509	99.3%	

Sources: Dallas County, Town Departments

TOWN OF HIGHLAND PARK
Computation of Direct and Overlapping Debt
For the Year Ended September 30, 2008
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Town of Highland Park	\$ -	0.00%	\$ -
Dallas County*	138,531,552	2.51%	3,477,142
Dallas County Community College District*	387,260,000	2.41%	9,332,966
Highland Park Independent School District**	120,773,509	3.91%	4,722,244
	<u>\$ 646,565,061</u>		<u>\$ 17,532,352</u>

Ratio of Total Direct and Overlapping Debt to Assessed Valuation

0.32%

Per Capita Overlapping Debt

\$ 1,983

* Source: Dallas County

** Source: Highland Park Independent School District

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, 2009.

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

Fiscal Year	Population	Personal Income	Personal Income	Personal Income	Median Age	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate
2000	8,842	856,453,794	97,008	42	16.1	1,632	1.9%	
2001	8,842	856,453,794	97,008	42	16.1	1,640	1.9%	
2002	8,842	856,453,794	97,008	42	16.1	1,650	1.9%	
2003	8,842	856,453,794	97,008	42	16.1	1,676	1.9%	
2004	8,842	856,453,794	97,008	42	16.1	1,701	1.9%	
2005	8,842	856,453,794	97,008	42	16.1	1,757	1.9%	
2006	8,842	856,453,794	97,008	42	16.1	1,762	1.9%	
2007	8,842	856,453,794	97,008	42	16.1	1,771	1.9%	
2008	8,842	856,453,794	97,008	42	16.1	1,767	1.9%	
2009	8,842	856,453,794	97,008	42	16.1	1,801	1.9%	

Source: School enrollment data obtained from Highland Park Independent School District. All other data was obtained from U.S. Census Bureau. Information for years after 1999 was obtained from 2000 U. S. Census data. Information for years prior to 2000 was obtained from 1990 U.S. Census data.

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

	2009		2000	
	Business Sector	Number of Establishments	Number of Establishments	Number of Employees
Real Estate & Rental & Leasing	30	194	51	669
Retail Trade	22	178	11	142
Accommodations & Food Services	5	95	37	110
Other Services (Except Public Administration	11	92		
Professional, Scientific & Technical Services	38	73	26	100
Information	10	23	5	97
Administrative & Support & Waste Management & Remediation Services	5	4	7	83
Health Care & Social Assistance	17	N/A	19	52
Arts, Entertainment & Recreation	5	N/A		
Education Services	1	N/A	5	14
			2	N/A

NOTE: The Town of Highland Park is a small municipality, only 2.2 square miles with a population of 8,842. 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, only aggregate information by business sector. The information presented is from the most recent applicable Economic Census: 2009 data was obtained from the 2002 Economic Census, and 2000 data was obtained from the 1997 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
2000	21	\$ 3,528,300	966	\$53,569,827	\$ 2,429,966,640	\$ 41,984,260
2001	31	\$ 20,393,466	917	\$ 68,558,833	\$ 2,724,238,630	\$ 48,305,880
2002	24	\$ 9,313,856	933	\$ 49,801,396	\$ 3,158,653,510	\$ 48,966,670
2003	17	\$ 8,179,448	900	\$ 55,200,021	\$ 3,388,364,020	\$ 49,178,120
2004	31	\$ 8,756,934	1,072	\$ 57,616,387	\$ 3,446,135,340	\$ 53,196,004
2005	16	\$ 1,771,229	1,089	\$ 86,778,948	\$ 3,579,432,340	\$ 54,296,025
2006	30	\$ 3,261,489	1,198	\$ 69,202,875	\$ 3,985,776,180	\$ 46,470,240
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

*Source: Town Departments

**Source: Dallas Central Appraisal District

Town of Highland Park
Full-Time Equivalent Employees by Function
 Last Ten Fiscal Years
 (Unaudited)

Function	Full-Time Equivalent Employees									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Government	2	1	2	2	2	2	2	3	3	3
Public Safety	66	67	65	68	64	65	66	67	67	67
Street	2	2	1	1	1	2	2	3	3	3
Library	3	3	3	3	3	3	3	3	3	3
Parks	9	9	10	10	9	10	10	10	10	10
Municipal Court	3	3	3	3	3	3	3	3	3	3
Finance	5	5	5	5	5	5	5	5	5	5
Building Inspection	2	2	2	2	2	2	3	3	3	3
Service Center	2	2	2	2	2	2	2	2	2	2
Utility Administration	4	4	4	4	4	4	4	4	4	4
Water	3	3	2	4	4	4	5	4	4	4
Sewer	5	5	5	5	5	3	3	3	3	3
Engineering	3	3	3	3	4	4	4	5	5	5
Total	<u>109</u>	<u>109</u>	<u>107</u>	<u>112</u>	<u>108</u>	<u>109</u>	<u>112</u>	<u>115</u>	<u>115</u>	<u>115</u>

Source: Town Departments

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

Function	Fiscal Year									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Administration										
Service Requests Processed	7,775	8,561	8,149	9,063	8,755	8,410	10,817	8,991	6,440	6,935
Public Safety										
Call Responses: Police	12,567	12,621	12,270	12,145	11,599	11,505	11,175	10,282	9,461	10,128
Call Responses: Fire	1,080	1,039	945	897	901	783	819	858	883	905
Call Responses: EMS	523	528	492	465	417	424	426	425	466	493
Citations Issued	10,260	11,525	11,195	11,668	11,088	12,469	12,755	11,634	8,566	8,584
Street										
Asphalt Repairs (Tons)	201	304	301	282	222	192	183	167	161	154
Storm Inlets Cleaned	935	935	734	937	1,242	1,154	986	1,617	1,840	1,908
Library										
Total Circulation	91,296	88,011	79,406	71,297	72,498	76,315	66,870	63,801	48,264	63,729
Valid Library Cards	4,032	3,757	3,571	3,321	3,220	3,133	3,121	3,039	2,838	2,791
Swimming Pool										
Annual Passes Sold	2,239	2,349	2,300	1,952	1,811	1,788	1,884	1,652	1,737	1,676
Daily Passes Sold	1,605	1,440	1,335	1,299	1,360	1,559	1,494	1,625	2,132	2,679
Finance / Personnel										
Accounts Payable Checks Disbursed	4,635	4,618	4,229	4,130	4,072	4,035	3,866	3,357	3,499	3,301
Payroll Checks/ACH Disbursed	4,632	4,632	4,611	4,765	4,573	4,148	4,285	4,231	4,459	4,361
Building Inspection										
Total Inspections	2,887	2,703	3,034	2,632	2,894	3,399	3,615	3,461	3,193	2,837
Total Permits Issued	1,695	1,651	1,622	1,721	1,882	1,805	1,946	1,831	1,637	1,510
Water										
Meters Read	59,067	62,319	60,544	61,246	61,895	62,332	63,018	63,542	64,143	62,568
Meters Installed/Replaced	359	733	432	487	271	238	79	90	67	53
Sewer										
Service Calls	149	114	104	86	61	69	66	59	47	40
Mains Cleaned	113	140	40	689	606	570	610	773	1,060	903

Source: Town Departments

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

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Administration										
Municipal Building										
Public Safety										
Stations										
Fire Vehicles										
EMS Vehicles										
Patrol Vehicles										
Street										
Streets (miles)										
Library										
Libraries										
Parks										
Parks										
Tennis Courts										
Swimming Pools										
Water										
Water Mains (miles)										
Fire Hydrants										
Sewer										
Wastewater collection system (miles)										

Source: Town Departments