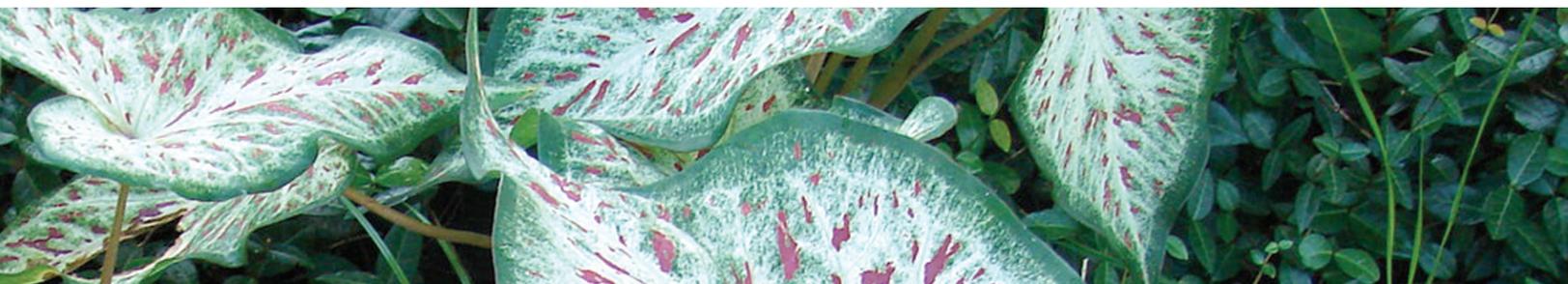




COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
SEPTEMBER 30, 2008

THE TOWN OF
Highland Park
TEXAS



TOWN OF HIGHLAND PARK, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2008

Prepared by:
Finance Department



TOWN OF HIGHLAND PARK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	3
Organization Chart	7
Listing of Principal Officials	8
FINANCIAL SECTION	
Independent Auditor's Report	11
Management's Discussion and Analysis	13
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	24
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet – Governmental Funds	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	27
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	30
Statement of Net Assets – Proprietary Funds	31
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33
Statement of Fiduciary Net Assets – Fiduciary Fund	34
Notes to the Financial Statements	35
Required Supplementary Information	
Schedule of Funding Progress – Texas Municipal Retirement System	58
Combining and Individual Fund Financial Statements and Schedules	
Capital Projects Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	62

TOWN OF HIGHLAND PARK
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2008

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION - continued	
Nonmajor Governmental Funds:	
Combining Balance Sheet	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	65
Internal Service Fund:	
Schedule of Changes in Equipment and Accumulated Depreciation – Equipment Replacement Fund	68
Fiduciary Fund:	
Statement of Changes in Assets and Liabilities	70
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedule by Source	72
Schedule by Function and Activity	73
Schedule of Changes by Function and Activity	74
STATISTICAL SECTION (UNAUDITED)	
Financial Trends	
Net Assets by Component – Last Ten Years	77
Changes in Net Assets – Last Ten Years	78
Governmental Activities Tax Revenues by Source – Last Ten Years	80
Fund Balances of Governmental Funds – Last Ten Years	81
Changes in Fund Balances of Governmental Funds – Last Ten Years	82
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Years	83
Property Tax Rates – Direct and Overlapping Governments – Last Ten Years	84
Principal Property Taxpayers – 2008 and 1999	85
Property Tax Levies and Collections – Last Ten Years	86
Debt Capacity	
Computation of Direct and Overlapping Debt	87
Legal Debt Margin Information	88
Demographic and Economic Information	
Demographic and Economic Statistics – Last Ten Years	89
Principal Employers – 2008 and 1999	90
Property Values and Construction	91
Operating Information	
Full-Time Equivalent Employees by Function	92
Operating Indicators by Function – Last Ten Years	93
Capital Asset Statistics by Function – Last Ten Years	94

INTRODUCTORY SECTION





March 6, 2009

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, 2008 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, 2008, 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, 2008 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 Council. Budget-to-actual comparisons are provided in this report for the General Fund on page 30.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

Local economy. The Town has experienced a stable local economy during this time of national and state economic instability. Although there has been a measurable decrease in employment in the Dallas/Ft. Worth area, particularly in the telecommunications industry, the Town has experienced minimal adverse impact to its economic base other than a reduction in interest earnings from the dramatic drop in interest rates. Continued strong property values, stable sales tax receipts and building activity are key indicators of the strength of the Town's economic position.

Debt management. The Town has been funding its capital program from current revenues and surplus working capital since 1980. This practice allowed the Town to achieve a debt free position in 1998.

Cash Management. The Town's Investment Policy is consistent with the Texas Public Funds Investment Act (as amended) and establishes the Town's investment and banking guidelines. The Investment Policy provides for the investment of Town funds in certificates of obligations with the Town's Bank Depository, direct obligations of the United States Government, obligations of an agency of the United States Government and approved local government investment pools. The Town also uses its bank depository contract to manage its bank accounts in fully collateralized interest bearing and money market accounts.

For the fiscal year ended September 30, 2008, the Town earned a weighted average return on all deposits and investments of 3.65%. Approximately 97.5% of all cash was invested in interest bearing accounts and securities for this period. A comparison of the carrying value and fair value of Town investments is presented on page 41 of this report. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in fair value of investments that the Town intends to hold to maturity.

The Town requires that all deposits with its bank depository be collateralized with securities held in joint accounts at the Federal Home Loan Bank of Dallas. Investments are always executed delivery-versus-payment and investment securities are held by the Town's agent in the Town's name.

Risk Management. Risk management within the Town is a joint effort of all Town department heads in coordination with a Safety Engineer associated with the Town's property and casualty insurance provider. Under a contractual arrangement, the Town's facilities, procedures and claims are reviewed and evaluated by the Safety Engineer. The Safety Engineer and department heads address areas of need as identified through both external and internal analysis.

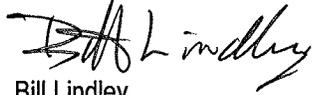
The minimizing of risk is addressed through employee training in the form of training films, safety courses and on-site instruction.

The Town purchases liability insurance with limits of \$2,000,000 for all exposures. The Town also purchases workers' compensation insurance coverage for claims in excess of \$50,000 through a public entity insurance pool. A more detailed schedule of purchased insurance, with limits and deductibles, is shown on page 56 of this report.

Awards. The Town of Highland Park received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2007. 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.

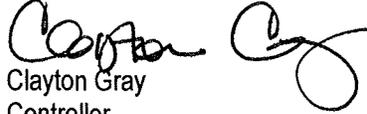
Respectively submitted,



Bill Lindley
Town Administrator

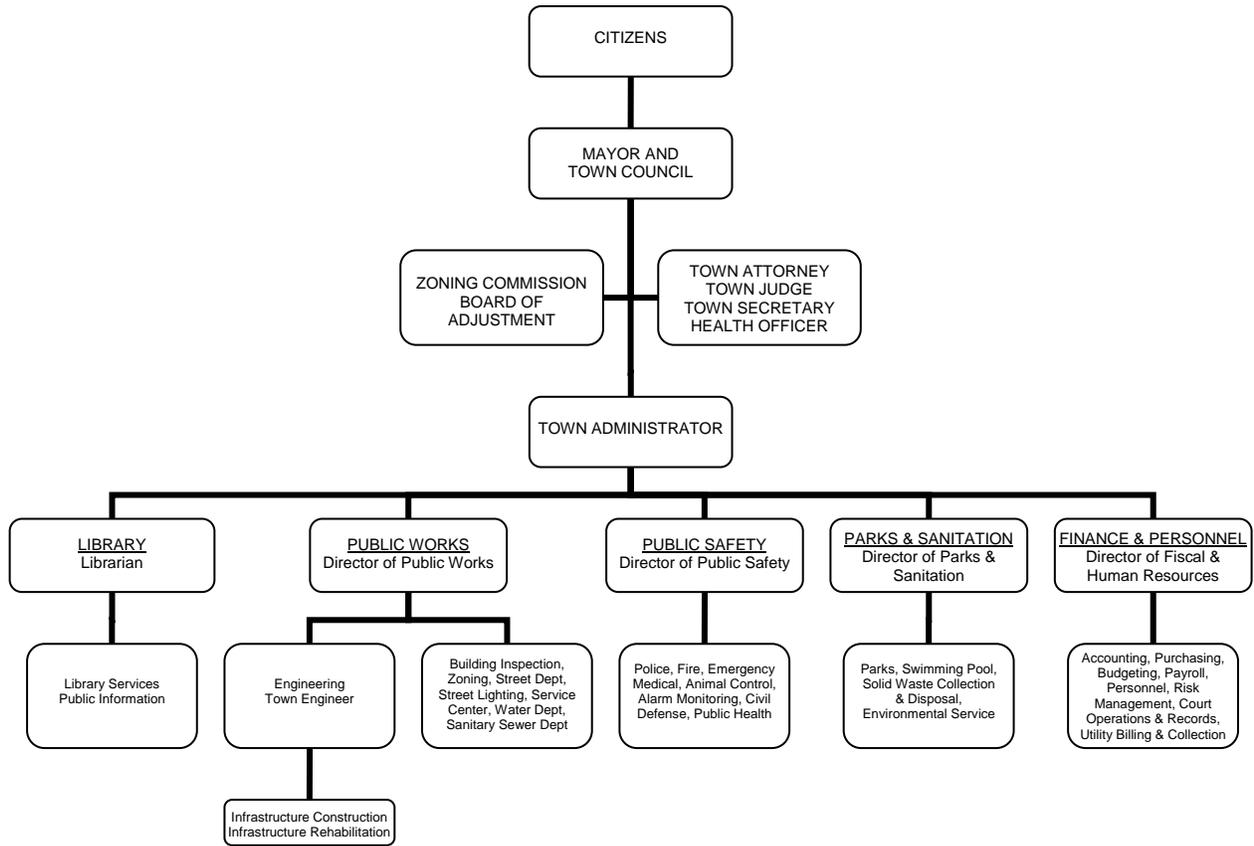


Bill Pollock
Director of Fiscal and Human Resources



Clayton Gray
Controller

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



DEPARTMENTAL ORGANIZATION CHART

<u>Function</u>	<u>Department Head</u>	<u>Department</u>
Library	Librarian	Library
Public Works & Engineering	Director of Public Works/ Town Secretary	Street Street Lighting Building Inspection Service Center Water Sanitary Sewer Engineering
Public Safety	Engineer	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

Mayor	William H. Seay, Jr.
Mayor Pro Tem	Gail Madden
Council Members	Andrew Barr Will C. Beecherl Laurence W. Nixon Bruce M. "Smokey" Swenson
Town Attorney	Albert D. Hammack
Town Judge	Pat A. Robertson
Town Administrator	Bill Lindley
Town Engineer	Meran Dadgostar
Town Secretary	James Fisher
Director of Fiscal & Human Resources	Bill Pollock
Director of Public Works	James Fisher
Town Librarian	Bonnie Case
Director of Public Safety	Chris Vinson
Director of Parks and Sanitation	Ronnie Brown

FINANCIAL SECTION





**WEAVER
AND
TIDWELL**

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

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, 2008, 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, 2008, 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 6, 2009, 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. 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.

*Three Forest Plaza
12221 Merit Drive
Suite 1400*

*Dallas, Texas 75251-2280
972.490.1970
F 972.702.8321*

WWW.WEAVERANDTIDWELL.COM

AN INDEPENDENT MEMBER OF
BAKER TILLY
INTERNATIONAL

DALLAS

OFFICES IN

FORT WORTH

HOUSTON

THE TOWN OF HIGHLAND PARK
Page Two

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 LLP

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 6, 2009

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, 2008. 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 \$64,187,768 (net assets). Of this amount, \$19,781,053 (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 \$5,951,218, the result of operations.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,652,225, a decrease of \$3,463,012 in comparison with the prior year. Approximately 47.4% of the reported combined ending fund balances, or \$5,524,437, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$3,944,352 or 27.7% of total General Fund expenditures and the unrestricted net assets for the Enterprise Fund was \$6,425,104, or 93.6% 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.)

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). 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 24-25 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 individual governmental funds. 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 the general fund and the capital projects fund.

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 26-30 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 31-33 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 35-55 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* pertaining to the Town's funding of its obligation to provide

pension benefits to Town employees through the Texas Municipal Retirement System. Also included are 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 57 to 74.

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 \$64,187,768 at the close of the most recent fiscal year.

	Net Assets					
	Governmental activities		Business-type activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 17,042,686	\$ 18,635,860	\$ 7,401,380	\$ 5,990,637	\$ 24,444,066	\$ 24,626,497
Capital assets	30,389,551	22,626,381	14,017,164	14,125,098	44,406,715	36,751,479
Total assets	\$ 47,432,237	\$ 41,262,241	\$ 21,418,544	\$ 20,115,735	\$ 68,850,781	\$ 61,377,976
Current Liabilities	2,770,009	1,265,321	842,122	789,902	3,612,131	2,055,223
Long term liabilities	916,728	964,328	134,154	121,875	1,050,882	1,086,203
Total liabilities	3,686,737	2,229,649	976,276	911,777	4,663,013	3,141,426
Net assets:						
Invested in capital assets	30,389,551	22,626,381	14,017,164	14,125,098	44,406,715	36,751,479
Unrestricted	13,355,949	16,406,211	6,425,104	5,078,860	19,781,053	21,485,071
Total net assets	\$ 43,745,500	\$ 39,032,592	\$ 20,442,268	\$ 19,203,958	\$ 64,187,768	\$ 58,236,550

The largest portion of the Town's net assets (69.2 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 \$19,781,053, 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	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program revenues:						
Charges for services	\$ 2,788,666	\$ 3,247,100	\$ 7,910,871	\$ 6,683,686	\$ 10,699,537	\$ 9,930,786
Contributions	1,477,837	528,388	-	-	1,477,837	528,388
General Revenues:						
Property taxes	8,819,669	8,055,442	-	-	8,819,669	8,055,442
Other taxes	3,492,462	3,290,873	-	-	3,492,462	3,290,873
Other	2,876,712	1,278,989	190,569	375,204	3,067,281	1,654,193
Total revenues	\$ 19,455,346	\$ 16,400,792	\$ 8,101,440	\$ 7,058,890	\$ 27,556,786	\$ 23,459,682
Expenses:						
General government	698,577	877,318	6,863,130	6,104,229	7,561,707	6,981,547
Public safety	9,628,878	8,730,922	-	-	9,628,878	8,730,922
Streets	812,623	678,087	-	-	812,623	678,087
Street lighting	318,467	277,504	-	-	318,467	277,504
Library	619,876	562,314	-	-	619,876	562,314
Parks	1,342,352	1,234,759	-	-	1,342,352	1,234,759
Swimming pool	171,912	166,346	-	-	171,912	166,346
Municipal Court	320,864	297,580	-	-	320,864	297,580
Finance	480,159	459,684	-	-	480,159	459,684
Building inspection	348,730	298,711	-	-	348,730	298,711
Total expenses	\$ 14,742,438	\$ 13,583,225	\$ 6,863,130	\$ 6,104,229	\$ 21,605,568	\$ 19,687,454
Increase in net assets before transfers	4,712,908	2,817,567	1,238,310	954,661	5,951,218	3,772,228
Transfers	-	2,000,000	-	(2,000,000)	-	-
Increase in net assets	\$ 4,712,908	\$ 4,817,567	\$ 1,238,310	\$ (1,045,339)	\$ 5,951,218	\$ 3,772,228
Net assets 10/1	39,032,592	33,438,542	19,203,958	20,249,297	58,236,550	53,687,839
Prior Period Adjustment	-	776,483	-	-	-	776,483
Net assets 9/30	\$ 43,745,500	\$ 39,032,592	\$ 20,442,268	\$ 19,203,958	\$ 64,187,768	\$ 58,236,550

For the year 2008, the Town's total net assets increased a total of \$5,951,218, the result of operations.

Governmental activities: Governmental activities increased the Town's net assets by \$4,712,908, accounting for 79.2 percent of the total growth in the net assets of the Town from operations.

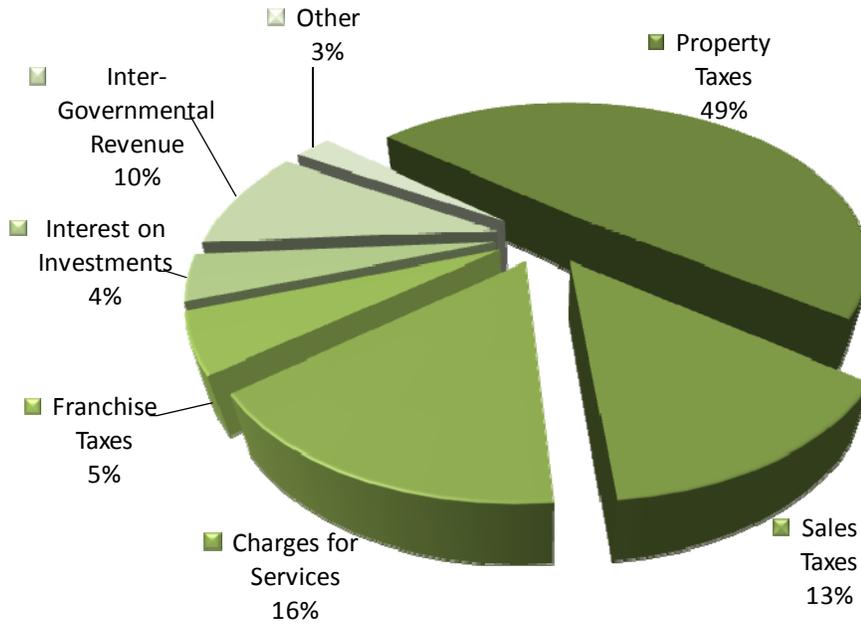
Total revenues for 2008 increased by \$3,054,554 from 2007. Key elements of this increase are as follows:

- The Town received \$1,765,797 intergovernmental revenue from Dallas County associated with the reconstruction of Mockingbird Lane.
- Private, designated contributions toward a Library renovation project added \$1,448,055 in revenues.
- Property taxes increased by \$764,227, or 9.5 percent, due to an increase of 11.8% in the taxable value of property sited in the Town. The tax rate for 2008 was \$0.22/\$100 taxable value, a decrease of \$0.005/\$100 taxable value from 2007.
- Sales tax revenues increased \$159,628, or 7.1%, another indicator of the strong local economy.

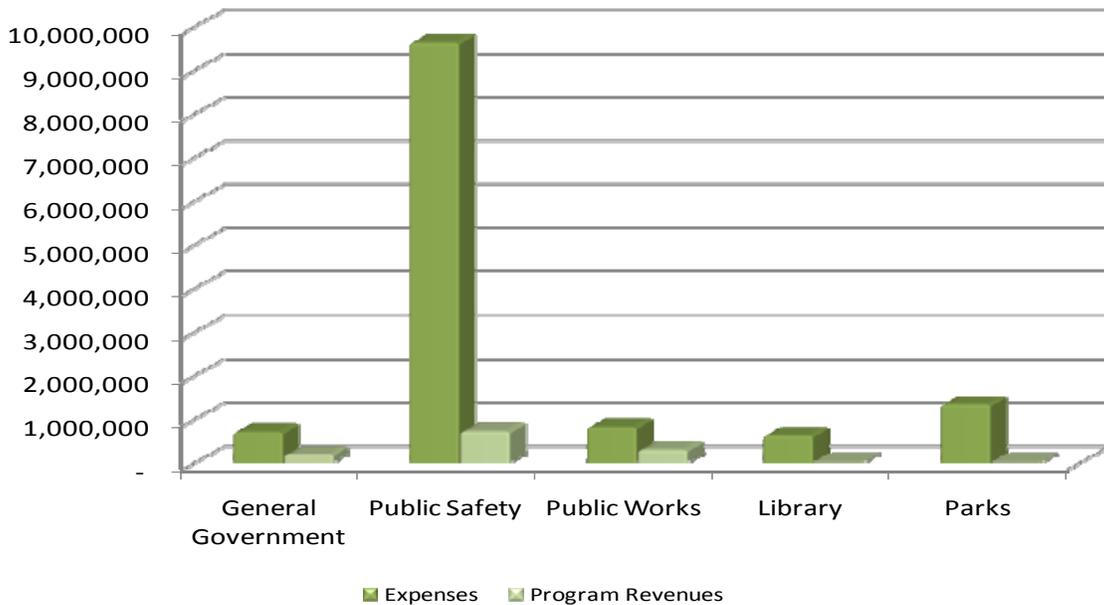
Total expenses for 2008 increased by \$1,159,213, or 8.53%, over 2007 primarily due to increased payroll costs including:

- Implementation of the 2007-2008 pay plan funding of \$495,000 (4%).
- Transitional costs in personnel due to the retirements of \$439,208.

Revenues by Source – Governmental Activities



Expense and Program Revenues – Governmental Activities

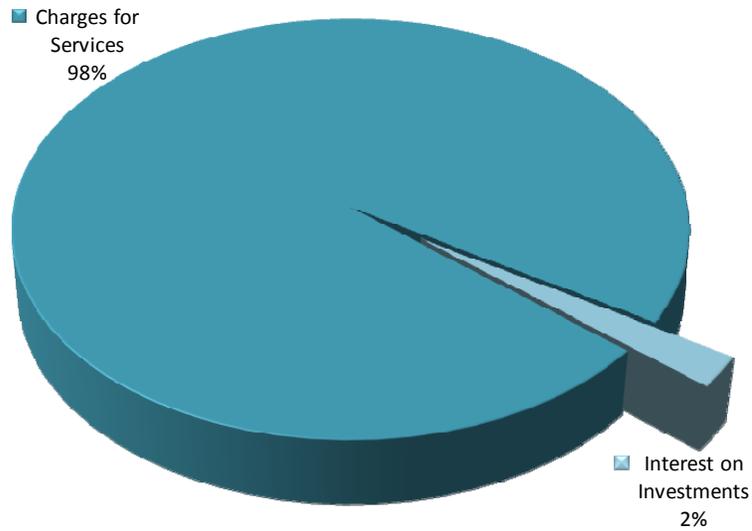


Business-type activities: The revenue rate structures for business-type activities are developed with the intent of generating resources sufficient to fund the cost of services provided and for infrastructure replacement. The increase in net assets from operations for business-type activities increased \$1,238,310 for 2008. Comparatively, the increase in the investment in business-type capital assets, net of depreciation, increased \$1,420,726 for the year.

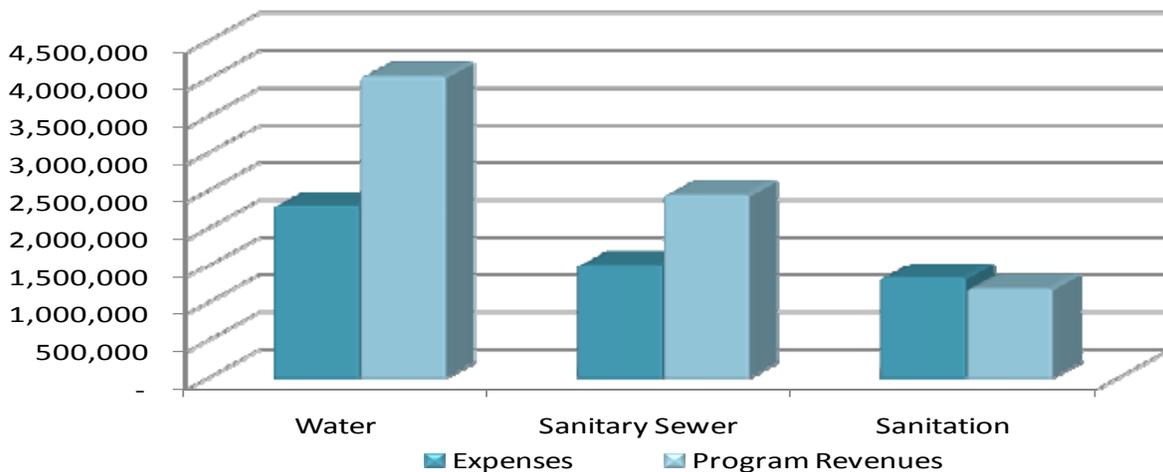
Total revenues for 2008 increased by \$1,043,550 from 2007. Charges for services increased by \$1,227,185, the result of:

- Increased water sales of \$778,598, due to decreased rainfall in 2008.
- Increased sanitary sewer charges of \$341,176 due to increased water sales.

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 \$11,652,225, a decrease of \$3,463,012 in comparison with the prior year. Approximately 47.4 percent of this total amount (\$5,524,437) 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 (\$5,107,709); 2) for special revenue funds (\$804,429).

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 \$3,944,352. The total fund balance of the Town's General Fund decreased by \$334,814 during the current fiscal year; this was the result of an excess of revenues over expenditures of \$1,199,506 partially offset by: 1) a budgeted transfer to the Capital Projects Fund in the amount of \$976,048 representing the excess of operating revenues over operating expenditures and encumbrances for the fiscal year ended September 30, 2007; and 2) a transfer to the Capital Projects Fund in the amount of \$562,786 for capital improvements.

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 27.7 percent of total General Fund expenditures, while total fund balance represents 32.2 percent of that same amount.

The Capital Projects Fund ended the fiscal year with a total fund balance of \$7,499,199. Of this amount, \$4,486,019 is reserved for encumbrances for a contract for the reconstruction of Mockingbird Lane. The total fund balance of the Capital Projects Fund decreased by \$3,199,241 during the current fiscal year, the result of: 1) a budgeted transfer from the General Fund in the amount of \$976,048 representing the excess of operating revenues over operating expenditures and encumbrances for the fiscal year ended September 30, 2007; and 2) a transfer from the General Fund in the amount of \$562,786 for capital improvements.

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 \$6,425,104, an increase of \$1,346,244. 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. The current balance of this amount, \$947,908, is reported as a fiduciary fund. Funds will be dispensed to the contractor as work is performed on the City of Dallas water line.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget amounted to a \$401,754 increase in appropriations and can be briefly summarized as follows:

- An increase of \$105,750 for additional concrete repairs
- An increase of \$88,565 for the purchase and installation of equipment to provide for compliance with a law enforcement network security upgrade
- An increase of \$69,500 for the painting of approximately 420 street light poles through the Town
- An increase of \$67,500 for the renovation of the Flippin Park fountain

Actual fiscal year 2008 General Fund expenditures were \$691,059 less than the final amended budget. This variance is primarily a timing difference of expenditures, as outstanding encumbrances were over \$400,000 more at September 30, 2008 than a year earlier.

Capital Assets

The Town's investment in capital assets for its governmental and business type activities as of September 30, 2008 amounts to \$44,406,715 (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 \$7,655,236, or 20.8 percent. This increase is substantially comprised of: 1) completion of the Library Renovation Project in the amount of \$1,902,878; and 2) additional project-to-date costs of \$6,448,121 toward the Mockingbird Lane Reconstruction Project.

Additional information on the Town's capital assets can be found in note 2 on pages 47-49 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 2007 and 2008 of 13.0 and 11.8 percent, respectively.
- * Strong sales tax receipts for a Town with limited retail businesses.
- * Strong building permit revenues as redevelopment of residential properties continues.

All of these factors were considered in preparing the Town's budget for the 2008 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 \$1,805,300 annually for this funding. To date, the Town has funded over \$20,000,000 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 2008 was \$976,048. For 2009, this transfer is budgeted at \$683,845. The 11.8% increase in the taxable property value for tax year 2008 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 16 percent of non-capital budgeted expenses.

The Town increased water and sanitary sewer service rates for the 2008 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 8.2 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, 2008

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 7,984,749	\$ 1,954,295	\$ 9,939,044
Investments	7,957,799	4,056,190	12,013,989
Receivables (net of allowances for uncollectibles)	1,077,382	1,304,847	2,382,229
Inventory of Supplies	18,726	81,098	99,824
Prepaid Items	4,030	4,950	8,980
Capital Assets:			
Land, Improvements and Construction in Progress	11,154,926	792,616	11,947,542
Other Capital Assets, Net of Accumulated Depreciation	19,234,625	13,224,548	32,459,173
Total Assets and Other Debits	\$ 47,432,237	\$ 21,418,544	\$ 68,850,781
LIABILITIES			
Vouchers Payable	\$ 1,447,605	\$ 369,888	\$ 1,817,493
Retainage Payable	358,291	88,330	446,621
Accrued Liabilities	848,772	195,317	1,044,089
Deposits	60,320	180,185	240,505
Unearned Revenue	55,021	-	55,021
Noncurrent liabilities:			
Due within one year	211,833	23,420	235,253
Due in more than one year	704,895	119,136	824,031
Total Liabilities	3,686,737	976,276	4,663,013
NET ASSETS			
Invested in Capital Assets	30,389,551	14,017,164	44,406,715
Unrestricted	13,355,949	6,425,104	19,781,053
Total Net Assets	\$ 43,745,500	\$ 20,442,268	\$ 64,187,768

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, 2008

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	\$ 698,577	\$ 196,385	\$ -	\$ (502,192)	\$ -	\$ (502,192)
Department of Public Safety	9,628,878	713,878	-	(8,915,000)	-	(8,915,000)
Street Department	812,623	301,998	-	(510,625)	-	(510,625)
Street Lighting Department	318,467	-	-	(318,467)	-	(318,467)
Library	619,876	14,652	1,477,837	872,613	-	872,613
Parks Department	1,342,352	12,955	-	(1,329,397)	-	(1,329,397)
Swimming Pool	171,912	94,432	-	(77,480)	-	(77,480)
Municipal Court	320,864	728,369	-	407,505	-	407,505
Finance Department	480,159	-	-	(480,159)	-	(480,159)
Building Inspection Department	348,730	725,997	-	377,267	-	377,267
Total governmental activities	<u>14,742,438</u>	<u>2,788,666</u>	<u>1,477,837</u>	<u>(10,475,935)</u>	<u>-</u>	<u>(10,475,935)</u>
Business-type activities:						
Enterprise						
Enterprise	6,863,130	7,910,871	-	-	1,047,741	1,047,741
Total business-type activities	<u>6,863,130</u>	<u>7,910,871</u>	<u>-</u>	<u>-</u>	<u>1,047,741</u>	<u>1,047,741</u>
Total primary government	<u>\$ 21,605,568</u>	<u>\$ 10,699,537</u>	<u>\$ 1,477,837</u>	<u>\$ (10,475,935)</u>	<u>\$ 1,047,741</u>	<u>\$ (9,428,194)</u>
General Revenues:						
Property Taxes				\$ 8,819,669	\$ -	\$ 8,819,669
Sales Taxes				2,420,130	-	2,420,130
Other Taxes				106,462	-	106,462
Franchise Taxes				965,870	-	965,870
Penalties and Interest on Taxes				66,184	-	66,184
Interest on Investments				767,451	190,569	958,020
Intergovernmental				1,765,797	-	1,765,797
Miscellaneous				277,280	-	277,280
Total general revenues and transfers				<u>15,188,843</u>	<u>190,569</u>	<u>15,379,412</u>
Change in Net Assets				4,712,908	1,238,310	5,951,218
Net Assets - Beginning				39,032,592	19,203,958	58,236,550
Net Assets - Ending				<u>\$ 43,745,500</u>	<u>\$ 20,442,268</u>	<u>\$ 64,187,768</u>

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

TOWN OF HIGHLAND PARK
Balance Sheet - Governmental Funds
September 30, 2008

	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 2,207,497	\$ 4,361,797	\$ 801,115	\$ 7,370,409
Investments	3,101,084	3,115,072	-	6,216,156
Receivables (net of allowances for uncollectibles)-				
Interest	18,870	22,330	-	41,200
Taxes	822,370	-	-	822,370
Other	88,802	-	9,061	97,863
Fines	101,173	-	-	101,173
Inventory of Supplies	18,726	-	-	18,726
Prepaid Items	4,023	-	7	4,030
	<u>\$ 6,362,545</u>	<u>\$ 7,499,199</u>	<u>\$ 810,183</u>	<u>\$ 14,671,927</u>
Total Assets				
 LIABILITIES AND FUND BALANCES				
LIABILITIES				
Vouchers Payable	\$ 535,062	\$ 902,096	\$ 2,924	\$ 1,440,082
Retainage Payable	20,186	338,105	-	358,291
Accrued Liabilities	848,079	-	693	848,772
Deposits	60,320	-	-	60,320
Deferred Revenue				
Property Taxes	150,716	-	-	150,716
Ambulance	60,348	-	-	60,348
Fines	101,173	-	-	101,173
	<u>1,775,884</u>	<u>1,240,201</u>	<u>3,617</u>	<u>3,019,702</u>
Total Liabilities				
 FUND BALANCES				
Reserved for Encumbrances	619,560	4,486,019	2,130	5,107,709
Reserved for Inventory of Supplies	18,726	-	-	18,726
Reserved for Prepaid Items	4,023	-	7	4,030
Reserved for Other Purposes	-	-	804,429	804,429
Unreserved				
Designated for Library	104,414	88,480	-	192,894
Unreserved Undesignated Reported In:				
General Fund	3,839,938	-	-	3,839,938
Capital Projects	-	1,684,499	-	1,684,499
	<u>4,586,661</u>	<u>6,258,998</u>	<u>806,566</u>	<u>11,652,225</u>
Total Fund Balances				
	<u>\$ 6,362,545</u>	<u>\$ 7,499,199</u>	<u>\$ 810,183</u>	<u>\$ 14,671,927</u>
Total Liabilities and Fund Balances				

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		\$ 11,652,225
<p>Amounts reported for governmental activities in the statement of net assets (page 26) are different because:</p>		
<p>Capital assets of \$45,376,279 net of accumulated depreciation of \$14,986,728 used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>		30,389,551
<p>Revenues have been recognized in the government-wide financial statements but are deferred as liabilities at the fund level as follows:</p>		
Property Taxes	\$ 150,716	
Ambulance Fees	60,348	
Court Fines	101,173	
		312,237
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		(55,021)
Long term liabilities related to compensated absences are recognized on the government-wide financial statements and not at the fund level.		(916,728)
<p>An internal service fund is used by the Town's management:</p>		
The assets and liabilities of the internal service fund are included with governmental activities. The net property of \$1,747,634 as it relates to the internal service funds is included in the capital asset amount above.		2,363,236
Total Net Assets--governmental activities (page 24)		\$ 43,745,500

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, 2008

	<u>General</u>	<u>Capital Projects</u>	<u>Non-Major</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 8,810,756	\$ -	\$ -	\$ 8,810,756
Sales Taxes	2,420,130	-	-	2,420,130
Other Taxes	106,462	-	-	106,462
Franchise Fees	978,380	-	-	978,380
Penalties and Interest	66,184	-	-	66,184
Licenses and Permits	784,591	-	-	784,591
Service Fees	1,347,936	-	229,054	1,576,990
Fines and Forfeits	388,041	-	-	388,041
Interest on Investments	269,455	399,072	25,257	693,784
Intergovernmental	-	1,765,797	-	1,765,797
Contributions	29,782	1,448,055	27,819	1,505,656
Miscellaneous	249,459	-	2	249,461
	<u>15,451,176</u>	<u>3,612,924</u>	<u>282,132</u>	<u>19,346,232</u>
Total Revenues				
EXPENDITURES				
Current-				
General Government	595,546	-	211,089	806,635
Department of Public Safety	9,472,901	-	-	9,472,901
Street Department	785,334	-	-	785,334
Street Lighting Department	279,828	-	-	279,828
Library	605,344	-	-	605,344
Parks Department	1,274,630	-	-	1,274,630
Swimming Pool	179,667	-	-	179,667
Municipal Court	239,087	-	-	239,087
Finance Department	474,821	-	-	474,821
Building Inspection Department	344,512	-	-	344,512
Capital Outlay	-	8,350,999	-	8,350,999
	<u>14,251,670</u>	<u>8,350,999</u>	<u>211,089</u>	<u>22,813,758</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>1,199,506</u>	<u>(4,738,075)</u>	<u>71,043</u>	<u>(3,467,526)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	1,538,834	-	1,538,834
Transfers Out	(1,538,834)	-	-	(1,538,834)
Sale of Assets	4,514	-	-	4,514
	<u>(1,534,320)</u>	<u>1,538,834</u>	<u>-</u>	<u>4,514</u>
Net Other Financing Sources (Uses)				
Net Change in Fund Balances	(334,814)	(3,199,241)	71,043	(3,463,012)
FUND BALANCES, beginning of year	<u>4,921,475</u>	<u>9,458,239</u>	<u>735,523</u>	<u>15,115,237</u>
FUND BALANCES, end of year	<u>\$ 4,586,661</u>	<u>\$ 6,258,998</u>	<u>\$ 806,566</u>	<u>\$ 11,652,225</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 25)
are different because:

Net changes in fund balances--total governmental funds		\$ (3,463,012)
<p>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 (\$8,967,763) exceeded depreciation (\$1,048,669) in the current period.</p>		
	7,919,094	
<p>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:</p>		
Property Taxes	8,913	
Franchise Fees	(12,510)	
Court Fines	156	
Ambulance Fees	<u>38,888</u>	
		35,447
Expenditures related to the long-term liability for compensated absences are recognized in the government-wide financial statements.		47,600
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>173,779</u>
Change in net assets of governmental activities (page 25)		<u>\$ 4,712,908</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
Property Taxes	\$ 8,809,700	\$ 8,809,700	\$ 8,810,756	\$ 1,056
Sales Taxes	2,190,000	2,190,000	2,420,130	230,130
Other Taxes	103,000	103,000	106,462	3,462
Franchise Fees	916,000	916,000	978,380	62,380
Penalties and Interest	45,000	45,000	66,184	21,184
Licenses and Permits	900,000	900,000	784,591	(115,409)
Service Fees	1,306,165	1,306,165	1,347,936	41,771
Fines and Forfeits	419,700	419,700	388,041	(31,659)
Interest on Investments	330,000	320,000	269,455	(50,545)
Contributions	5,000	5,000	29,782	24,782
Miscellaneous	294,500	249,500	249,459	(41)
	<u>15,319,065</u>	<u>15,264,065</u>	<u>15,451,176</u>	<u>187,111</u>
EXPENDITURES				
Current-				
General Government	490,190	554,190	595,546	(41,356)
Department of Public Safety	9,537,640	9,654,094	9,472,901	181,193
Street Department	959,220	1,064,970	785,334	279,636
Street Lighting Department	315,475	418,250	279,828	138,422
Library	614,295	614,295	605,344	8,951
Parks Department	1,315,255	1,316,255	1,274,630	41,625
Swimming Pool	177,025	188,800	179,667	9,133
Municipal Court	266,555	266,555	239,087	27,468
Finance Department	533,255	533,255	474,821	58,434
Building Inspection Department	332,065	332,065	344,512	(12,447)
	<u>14,540,975</u>	<u>14,942,729</u>	<u>14,251,670</u>	<u>691,059</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>778,090</u>	<u>321,336</u>	<u>1,199,506</u>	<u>878,170</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(950,740)	(1,538,923)	(1,538,834)	89
Sale of Assets	3,500	3,500	4,514	1,014
	<u>(947,240)</u>	<u>(1,535,423)</u>	<u>(1,534,320)</u>	<u>1,103</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(169,150)	(1,214,087)	(334,814)	879,273
FUND BALANCES, beginning of year	<u>4,921,475</u>	<u>4,921,475</u>	<u>4,921,475</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 4,752,325</u>	<u>\$ 3,707,388</u>	<u>\$ 4,586,661</u>	<u>\$ 879,273</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, 2008

	<u>Business-Type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 1,954,295	\$ 614,340
Investments	4,056,190	1,741,643
Receivables (net of allowance for uncollectibles)-		
Water, Sewer and Garbage-		
Billed	862,674	-
Unbilled	420,349	-
Interest	21,764	14,776
Other	60	-
Inventory of Supplies	81,098	-
Prepaid Items	4,950	-
Total Current Assets	<u>7,401,380</u>	<u>2,370,759</u>
NON-CURRENT ASSETS		
CAPITAL ASSETS		
Land	238,750	-
Buildings	20,197	-
Improvements Other Than Buildings	17,650,673	-
Vehicles and Rolling Stock	-	3,098,846
Machinery and Equipment	619,448	1,748,015
Office Furniture and Equipment	23,058	-
Construction in Progress	553,866	28,712
	19,105,992	4,875,573
Less Accumulated Depreciation	<u>(5,088,828)</u>	<u>(2,724,942)</u>
Capital Assets, Net of Accumulated Depreciation	<u>14,017,164</u>	<u>2,150,631</u>
Total Assets	<u>21,418,544</u>	<u>4,521,390</u>
LIABILITIES		
Current Liabilities-		
Vouchers Payable	369,888	7,523
Retainage Payable	88,330	-
Accrued Liabilities	195,317	-
Deposits	180,185	-
Total Current Liabilities	<u>833,720</u>	<u>7,523</u>
LONG TERM LIABILITY FROM COMPENSATED ABSENCES		
Total Liabilities	<u>142,556</u>	<u>-</u>
NET ASSETS		
Invested in Capital Assets	14,017,164	2,150,631
Unrestricted	6,425,104	2,363,236
Total Net Assets	<u>\$ 20,442,268</u>	<u>\$ 4,513,867</u>

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
September 30, 2008

	<u>Business-Type Activities - Enterprise Fund</u>	<u>Governmental Activities - Internal Service Funds</u>
OPERATING REVENUES		
Water Sales	\$ 4,018,007	\$ -
Sewer Services	2,434,470	-
Sanitation Services	1,177,944	-
New Connections	12,500	-
Plumbing Permits	43,233	-
Penalties for Late Payments	67,839	-
Inter-Departmental Water Sales	43,399	-
Charges for Services	-	420,088
Miscellaneous	113,479	694
	<u>7,910,871</u>	<u>420,782</u>
Total Operating Revenues		
OPERATING EXPENSES		
Personnel Services	2,042,889	-
Materials and Supplies	1,756,856	-
Services and Charges	2,576,600	3,912
Depreciation	484,094	420,088
Bad Debts	2,691	-
	<u>6,863,130</u>	<u>424,000</u>
Total Operating Expenses		
Operating Income	<u>1,047,741</u>	<u>(3,218)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest	190,569	73,667
Gain (Loss) on Sale of Assets	-	1,254
	<u>190,569</u>	<u>74,921</u>
Total Nonoperating Revenues (Expenses)		
Income before Transfers	1,238,310	71,703
Contributions of Capital Assets from Government	-	102,076
Change in Net Assets	1,238,310	173,779
NET ASSETS, beginning of year	<u>19,203,958</u>	<u>4,340,088</u>
NET ASSETS, end of year	<u>\$ 20,442,268</u>	<u>\$ 4,513,867</u>

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

TOWN OF HIGHLAND PARK
Proprietary Funds
Statement of Cash Flows
September 30, 2008

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 7,713,254	\$ 420,782
Cash payments to suppliers	(4,296,477)	(7,089)
Cash payments to employees	(2,022,208)	-
	<u>1,394,569</u>	<u>413,693</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(376,161)	(209,737)
Proceeds from Sale of Capital Assets	1	48,902
	<u>(376,160)</u>	<u>(160,835)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	(6,250,116)	(2,247,734)
Proceeds from sale and maturities of investment securities	6,692,216	2,120,213
Interest and dividends received on investments	203,739	78,964
	<u>645,839</u>	<u>(48,557)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,664,248	204,301
CASH AND CASH EQUIVALENTS, beginning of year	290,047	410,038
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,954,295</u>	<u>\$ 614,339</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ 1,047,741	\$ (3,218)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	484,094	420,089
(Increase) decrease in inventory	(895)	-
(Increase) in accounts receivable	(203,373)	-
(Increase) decrease in other assets	2,503	-
Increase (decrease) in accounts payable and accrued liabilities	38,062	(3,178)
Increase (decrease) in compensated absences payable	20,681	-
Increase (decrease) in deposits	5,756	-
	<u>346,828</u>	<u>416,911</u>
Total adjustments		
Net cash provided by operating activities	<u>\$ 1,394,569</u>	<u>\$ 413,693</u>
NONCASH INVESTING, CAPITAL AND RELATED ACTIVITIES:		
Contribution of capital assets from governmental activities	\$ -	\$ 102,076

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

TOWN OF HIGHLAND PARK
 Fiduciary Fund
 Statement of Fiduciary Net Assets
 September 30, 2008

	<u>Agency Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 947,908
Total Assets	\$ 947,908
 LIABILITIES	
Vouchers Payable	4,940
Retainage Payable	229,250
Held for City of Dallas	\$ 713,718
Total Liabilities	\$ 947,908

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

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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, 2008, 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, 2008

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, 2008

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.

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, 2008

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 2007-2008 proposed budget was filed on August 31, 2007.
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 2007-2008 budget hearing was held on September 10, 2007.
5. Prior to September 30, the budget is legally enacted through passage of an ordinance. The 2007-2008 budget was approved September 10, 2007 through passage of Ordinance No. 1707.
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, 2008

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, 2008

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, 2008, as reflected in the financial statements, is:

	Governmental and Business-Type Net Assets	Agency Fund Net Assets
Cash/Demand Deposits	\$ 370,990	\$ -
Investment Pools	9,568,054	947,908
Total	\$ 9,939,044	\$ 947,908

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 \$5,251,593. The bank balance at year-end was \$629,222.

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, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

	<u>Carrying Value</u>	<u>Fair Value</u>
Federal Agency Securities	\$ 12,013,989	\$ 12,013,989
Investment Pools (included as cash and cash equivalents per combined balance sheet)	<u>10,515,962</u>	<u>10,515,962</u>
Total Investments	<u>\$ 22,529,951</u>	<u>\$ 22,529,951</u>

Maturities at September 30, 2008, were as follows:

Cash and Cash Equivalents	\$ 10,515,962
3 months to 2 years	<u>12,013,989</u>
Total	<u>\$ 22,529,951</u>

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
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, 2008

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, 2008, 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, 2008, the Town had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>
LOGIC	\$ 8,415,211	31 Days	AAA	AAAm
TexPool	2,100,751	34 Days	AAA	AAAm
U. S. Government Securities	12,013,989	566 Days	N/A	N/A
Total Primary Government	<u>\$ 22,529,951</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%) 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% of deposits plus any accrued interest less any amount insured by the Federal Deposit Insurance Corporation. As of September 30, 2008, 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, 2008, the Town had no custodial credit risk on its investments.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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 value 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, 2008

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 & garbage						
Billed	\$ -	\$ -	\$ -	\$ 865,883	\$ -	\$ 865,883
Unbilled	-	-	9,061	420,349	-	429,410
Interest	18,870	22,330	-	21,764	14,776	77,740
Property Taxes	169,233	-	-	-	-	169,233
Sales Taxes	404,243	-	-	-	-	404,243
Mixed Beverage Taxes	25,283	-	-	-	-	25,283
Franchise Taxes	240,029	-	-	-	-	240,029
Other	127,149	-	-	60	-	127,209
Fines and Forfeitures	101,173	-	-	-	-	101,173
Gross receivables	1,085,980	22,330	9,061	1,308,056	14,776	2,440,203
Less: allowance for uncollectibles	(54,765)	-	-	(3,209)	-	(57,974)
Net total receivables	<u>\$ 1,031,215</u>	<u>\$ 22,330</u>	<u>\$ 9,061</u>	<u>\$ 1,304,847</u>	<u>\$ 14,776</u>	<u>\$ 2,382,229</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, 2008

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, 2008, that must be paid by December 31, 2008, and amounts that become vested as of September 30, 2008, 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, 2008

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 \$17,033 of service center expenditures and \$19,840 of municipal building expenditures during fiscal year 2008.

The Finance Department also allocates 30% of its expenditures to the Enterprise Fund. The reallocation of Finance Department expenditures to the Enterprise Fund amounted to \$198,158.

The Department of Public Safety provides staffing during Municipal Court Sessions to act as bailiff. Personnel cost for this staffing in the amount of \$13,545 was allocated to the Court Security Fund.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

2. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2008 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	\$ -	\$ -	\$ -	\$ 4,094,230
Work in Progress	1,639,519	6,448,121	-	(1,055,656)	7,031,984
Total General Capital Assets, not being Depreciated	<u>5,733,749</u>	<u>6,448,121</u>	<u>-</u>	<u>(1,055,656)</u>	<u>11,126,214</u>
Capital Assets, Being Depreciated:					
Buildings	5,019,716	-	-	-	5,019,716
Capital Improvements	18,577,409	2,366,409	-	1,055,656	21,999,474
Furniture and Fixtures	52,192	-	-	-	52,192
Office Equipment	250,190	-	-	-	250,190
Machinery and Equipment	1,293,412	95,721	-	-	1,389,133
Library Books	652,247	57,512	(45,972)	-	663,787
Total General Capital Assets Being Depreciated	<u>25,845,166</u>	<u>2,519,642</u>	<u>(45,972)</u>	<u>1,055,656</u>	<u>29,374,492</u>
Less Accumulated Depreciation for:					
Buildings	(370,215)	(101,076)	-	-	(471,291)
Capital Improvements	(9,787,654)	(756,915)	-	-	(10,544,569)
Furniture and Fixtures	(45,985)	(2,036)	-	-	(48,021)
Office Equipment	(191,690)	(24,087)	-	-	(215,777)
Machinery and Equipment	(579,238)	(103,184)	-	-	(682,422)
Library Books	(284,307)	(61,371)	45,972	-	(299,706)
Total Accumulated Depreciation	<u>(11,259,089)</u>	<u>(1,048,669)</u>	<u>45,972</u>	<u>-</u>	<u>(12,261,786)</u>
Total General Capital Assets Being Depreciated, net	<u>14,586,077</u>	<u>1,470,973</u>	<u>-</u>	<u>1,055,656</u>	<u>17,112,706</u>
Internal Service Fund Capital Assets:					
Capital Assets, not Being Depreciated:					
Work in Progress	-	28,712	-	-	28,712
Total General Capital Assets, not being Depreciated	<u>-</u>	<u>28,712</u>	<u>-</u>	<u>-</u>	<u>28,712</u>
Capital Assets, Being Depreciated:					
Machinery and Equipment	1,536,612	211,403	-	-	1,748,015
Vehicles	3,289,696	71,698	(262,548)	-	3,098,846
Total Capital Assets Being Depreciated	<u>4,826,308</u>	<u>283,101</u>	<u>(262,548)</u>	<u>-</u>	<u>4,846,861</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	(1,147,685)	(183,955)	-	-	(1,331,640)
Vehicles	(1,372,068)	(236,134)	214,900	-	(1,393,302)
Total Accumulated Depreciation	<u>(2,519,753)</u>	<u>(420,089)</u>	<u>214,900</u>	<u>-</u>	<u>(2,724,942)</u>
Total Capital Assets Being Depreciated, net	<u>2,306,555</u>	<u>(136,988)</u>	<u>(47,648)</u>	<u>-</u>	<u>2,121,919</u>
Total Governmental Activities					
Governmental Activities Capital Assets					
Not Being Depreciated	<u>\$ 5,733,749</u>	<u>\$ 6,476,833</u>	<u>\$ -</u>	<u>\$ (1,055,656)</u>	<u>\$ 11,154,926</u>
Governmental Activities Capital Assets					
Being Depreciated, net	<u>\$ 16,892,632</u>	<u>\$ 1,333,985</u>	<u>\$ (47,648)</u>	<u>\$ 1,055,656</u>	<u>\$ 19,234,625</u>

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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	<u>2,212,923</u>	<u>141,924</u>	<u>-</u>	<u>(1,800,981)</u>	<u>553,866</u>
Total Capital Assets, not Being Depreciated	<u>2,451,673</u>	<u>141,924</u>	<u>-</u>	<u>(1,800,981)</u>	<u>792,616</u>
Capital Assets, Being Depreciated:					
Buildings	20,197	-	-	-	20,197
Capital Improvements	15,692,671	157,021	-	1,800,981	17,650,673
Machinery and Equipment	561,950	77,216	(19,718)	-	619,448
Office Furniture and Equipment	<u>23,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,058</u>
Total Capital Assets Being Depreciated	<u>16,297,876</u>	<u>234,237</u>	<u>(19,718)</u>	<u>1,800,981</u>	<u>18,313,376</u>
Less Accumulated Depreciation for:					
Buildings	(20,195)	-	-	-	(20,195)
Capital Improvements	(4,348,110)	(445,348)	-	-	(4,793,458)
Machinery and Equipment	(237,261)	(37,038)	19,718	-	(254,581)
Office Furniture and Equipment	<u>(18,886)</u>	<u>(1,708)</u>	<u>-</u>	<u>-</u>	<u>(20,594)</u>
Total Accumulated Depreciation	<u>(4,624,452)</u>	<u>(484,094)</u>	<u>19,718</u>	<u>-</u>	<u>(5,088,828)</u>
Total Capital Assets Being Depreciated, net	<u>\$ 11,673,424</u>	<u>\$ (249,857)</u>	<u>\$ -</u>	<u>\$ 1,800,981</u>	<u>\$ 13,224,548</u>
Business-Type Activities Capital Assets, net	<u>\$ 14,125,097</u>	<u>\$ (107,933)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,017,164</u>

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

2. CAPITAL ASSETS – continued

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

Governmental Activities:	
General Government	\$ 122,336
Department of Public Safety	233,122
Street Department	485,538
Street Lighting Department	36,636
Library	68,406
Parks Department	71,461
Swimming Pool	5,983
Municipal Court	<u>25,187</u>
Total Depreciation Expense - General Capital Assets	<u>1,048,669</u>
Internal Service Fund	<u>420,089</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,468,758</u>
Business-type Activities:	
Water and Sewer	<u>\$ 484,094</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 484,094</u>

3. INTERFUND TRANSACTIONS

Individual fund transfers for the fiscal year 2008 were as follows:

Transfer Out:	Transfer In:	
	Capital Projects Fund	Total
General Fund	<u>1,538,834</u>	<u>1,538,834</u>
Total	<u>\$ 1,538,834</u>	<u>\$ 1,538,834</u>

During the year ended September 30, 2008, the Town made the following one-time transfers:

- A transfer of \$562,786 from the General Fund to the Capital Projects Fund for capital improvements.
- A transfer from the General Fund to the Capital Projects Fund in the amount of \$976,048 representing the excess of operating revenues over operating expenditures and encumbrances for the fiscal year ending September 30, 2007.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

4. LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2008, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Compensated absences	\$ 964,328	\$ 96,908	\$ (144,508)	\$ 916,728	\$ 211,833
Governmental activity					
Long-term liabilities	<u>\$ 964,328</u>	<u>\$ 96,908</u>	<u>\$ (144,508)</u>	<u>\$ 916,728</u>	<u>\$ 211,833</u>
Business-type activities:					
Compensated absences	\$ 121,875	\$ 20,798	\$ (117)	\$ 142,556	\$ 23,420
Business-type activity					
Long-term liabilities	<u>\$ 121,875</u>	<u>\$ 20,798</u>	<u>\$ (117)</u>	<u>\$ 142,556</u>	<u>\$ 23,420</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 full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the statewide Texas Municipal Retirement System (TMRS), one of 827 administered by TMRS, an agent multiple-employer public employee retirement system.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

5. RETIREMENT PLANS - continued

Benefits

Benefits depend upon the sum of the employee's contributions to the Plan, with interest, and the Town-financed monetary credits, with interest. At the date the Plan began, the Town granted monetary credits for service rendered before the Plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the Plan. Monetary credits for service since the Plan began are 200% of the employee's accumulated contributions. In addition, the Town can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the Plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and Town matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The Plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. The contribution rate for the employees is 7%, and the Town matching ratio is currently 2 to 1, both as adopted by the governing body of the Town.

Contributions

Under the state law governing TMRS, the actuary annually determines the Town contribution rate. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to Town matching percent, which are the obligation of the Town as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the Town to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the Town contribution 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 is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2007 valuation is effective for rates beginning January 2009).

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

5. RETIREMENT PLANS - continued

The Town is one of 827 municipalities having the benefit plan administered by TMRS. Each municipality has an annual individual actuarial valuation performed. All assumptions for the December 31, 2007 valuations are contained in the 2007 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P. O. Box 149153, Austin, Texas, 78714-9153.

Contributions by the Town were \$1,302,576 or 14.0% of the covered payroll of \$8,585,683 as required by the actuarial valuation. Annual Town TMRS pension cost and related information for the last three years is as follows:

	December 31		
	2005	2006	2007
Actuarial Cost Method	Unit Credit	Unit Credit	Projected Unit Credit
Amortization Method	Level % of payroll	Level % of payroll	Level % of payroll
Amortization Period	25 years-open period	25 years-open period	25 years-open period
Asset Valuation Method	Amortized cost	Amortized cost	Amortized cost
Assumptions:			
Investment Return	7.0%	7.0%	7.0%
Projected Salary Increases	None	None	None
Inflation	3.5%	3.5%	3.0%
Cost-of-Living Adjustments	None	None	None
City-Specific Assumptions:			
Payroll Growth Assumption	4.0%	4.0%	3.0%
Withdrawal Rates for Male/Female	Low/Low	Low/Low	Low/Mid

The Town's net pension obligation (NPO) for TMRS at September 30, 2005, 2006, and 2007 is calculated as follows:

	September 30		
	2005	2006	2007
Annual Required Contribution (ARC)	<u>\$ 1,230,903</u>	<u>\$ 1,264,894</u>	<u>\$ 1,302,576</u>
Annual Pension Cost	\$ 1,230,903	\$ 1,264,894	\$ 1,302,576
Contributions Made	<u>\$(1,230,903)</u>	<u>\$(1,264,894)</u>	<u>\$(1,302,576)</u>
Change in NPO	\$ -	\$ -	\$ -
NPO, Beginning of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NPO, End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

All annual required contributions have been paid; therefore, there is no net pension obligation.

TOWN OF HIGHLAND PARK, TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

5. RETIREMENT PLANS – continued

Funding Issues and Changes in Actuarial and Amortization Methods

At its December 8, 2007 meeting, the TMRS Board of Trustees adopted actuarial assumptions to be used in the actuarial valuation for the year ended December 31, 2007. A summary of actuarial assumptions and definitions can be found in the December 31, 2007 TMRS Comprehensive Annual Financial Report (CAFR).

Since its inception, TMRS has used the Unit Credit actuarial funding method. This method accounts for liability accrued as of the valuation date, but does not project the potential future liability of provisions adopted by a city. Two-thirds of the cities participating in TMRS have adopted the Updated Service Credit and Annuity Increases provisions on an annually repeating basis. For the December 31, 2007 valuation, the TMRS Board determined that the Projected Unit Credit (PUC) funding method should be used, which facilitates advance funding for future updated service credits and annuity increases that are adopted on an annually repeating basis. In addition, the Board also adopted a change in the amortization period from a 25-year “open” to a 25-year “closed” period. TMRS Board of Trustee rules provide that, whenever a change in actuarial assumptions or methods results in a contribution rate increase in an amount greater than 0.5%, the amortization period will be increased to 30 years, unless a city requests that the period remain at 25 years. For cities with repeating features, these changes would likely result initially in higher required contributions and lower funded ratios; however, the funded ratio should show steady improvement over time. To assist in this transition to higher rates, the Board also approved an eight-year phase-in period, which will allow cities the opportunity to increase their contributions gradually (approx. 12.5% each year) to their full rate (or their required contribution rate).

If the changes in actuarial funding method and assumptions had not been adopted for the 2007 valuation, the city's unfunded actuarial accrued liability would have been \$7,874,535 and the funded ratio would have been 81.6%.

In addition, TMRS is currently working on its legislative package for 2009. There is a possibility that the investment rate of return (IRR) assumption of 7% would need to be lowered if desired legislation for the 2009 session is unsuccessful. Maintaining a 7% IRR assumption is contingent in part on the continued diversification of the TMRS portfolio, from an almost exclusive bond portfolio to a portfolio that includes equities as well. If state legislation needed to facilitate the continued diversification is not enacted, TMRS may have to revisit the continued diversification of the portfolio and consider reducing the assumed IRR. A reduction in the IRR would result in increased actuarial accrued liabilities, thus causing further increases in city contribution rates, following the December 31, 2009 actuarial valuation.

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, 2008

6. COMMITMENTS AND CONTINGENCIES

During the current year, the Town purchased treated water from the Dallas County Park Cities Municipal Utility District ("DCPCMUD") for \$1.1367 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 \$1,360,310.

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 \$909,191.

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 \$106,176.

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 \$754,737.

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 \$84,195 for the current year.

The sweeping of streets, alleys and cleaning of storm sewer inlets is performed under contract with Infrastructure Services. Frequency of service is established under contract and current year charges were \$42,185.

Certain litigation was outstanding against the Town as of September 30, 2008. 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, 2008

6. 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	\$ 1,282,731		\$ 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)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Annual Covered Payroll	(6) UAAL as a Percent of Covered Payroll (3)/(5)	Annual Required Contributions	Actual Contributions	Percent Contributed
12/31/2002	\$26,359,893	\$31,452,087	\$5,092,194	83.8%	\$6,641,017	76.7%	\$1,005,102	\$1,005,102	100%
12/31/2003	\$28,677,331	\$34,621,594	\$5,944,263	82.8%	\$7,155,671	83.1%	\$1,053,397	\$1,053,397	100%
12/31/2004	\$30,032,312	\$36,102,365	\$6,070,053	83.2%	\$7,284,108	83.3%	\$1,123,512	\$1,123,512	100%
12/31/2005	\$31,923,686	\$37,739,645	\$5,815,959	84.6%	\$7,597,182	76.6%	\$1,230,903	\$1,230,903	100%
12/31/2006	\$33,541,290	\$39,966,250	\$6,424,960	83.9%	\$8,009,520	80.2%	\$1,264,894	\$1,264,894	100%
12/31/2007	\$35,020,220	\$40,283,066	\$5,262,846	86.9%	\$8,585,683	61.3%	\$1,302,576	\$1,302,576	100%

**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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest on Investments	\$ 285,000	\$ 285,000	\$ 399,072	\$ 114,072
Intergovernmental	-	-	1,765,797	1,765,797
Contributions	-	-	1,448,055	1,448,055
Total Revenues	<u>285,000</u>	<u>285,000</u>	<u>3,612,924</u>	<u>3,327,924</u>
EXPENDITURES:				
Capital Outlay	-	3,172,114	8,350,999	(5,178,885)
Total Expenditures	<u>-</u>	<u>3,172,114</u>	<u>8,350,999</u>	<u>(5,178,885)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>285,000</u>	<u>(2,887,114)</u>	<u>(4,738,075)</u>	<u>(1,850,961)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>950,740</u>	<u>960,740</u>	<u>1,538,834</u>	<u>578,094</u>
Net Other Financing Sources (Uses)	<u>950,740</u>	<u>960,740</u>	<u>1,538,834</u>	<u>578,094</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,235,740	(1,926,374)	(3,199,241)	(1,272,867)
FUND BALANCES, beginning of year	<u>9,458,239</u>	<u>9,458,239</u>	<u>9,458,239</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 10,693,979</u>	<u>\$ 7,531,865</u>	<u>\$ 6,258,998</u>	<u>\$ (1,272,867)</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, 2008

	Special Revenue					Total
	Stormwater Drainage	Employee Christmas	Forfeited Property	Court Technology	Court Security	
ASSETS						
Cash and Cash Equivalents	\$ 615,194	\$ 5,294	\$ 11,453	\$ 32,581	\$ 136,593	\$ 801,115
Receivables (net of allowances for uncollectibles)-						
Other	9,061	-	-	-	-	9,061
Prepaid Items	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
Total Assets and Other Debits	<u>\$ 624,262</u>	<u>\$ 5,294</u>	<u>\$ 11,453</u>	<u>\$ 32,581</u>	<u>\$ 136,593</u>	<u>\$ 810,183</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Vouchers Payable	\$ 2,795	\$ -	\$ -	\$ 129	\$ -	\$ 2,924
Accrued Liabilities	<u>693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>693</u>
Total Liabilities	<u>3,488</u>	<u>-</u>	<u>-</u>	<u>129</u>	<u>-</u>	<u>3,617</u>
FUND BALANCE						
Reserved for Encumbrances	2,130	-	-	-	-	2,130
Reserved for Prepaid Items	7	-	-	-	-	7
Reserved for Other Purposes	<u>618,637</u>	<u>5,294</u>	<u>11,453</u>	<u>32,452</u>	<u>136,593</u>	<u>804,429</u>
Total Fund Balances	<u>620,774</u>	<u>5,294</u>	<u>11,453</u>	<u>32,452</u>	<u>136,593</u>	<u>806,566</u>
Total Liabilities and Fund Balance	<u>\$ 624,262</u>	<u>\$ 5,294</u>	<u>\$ 11,453</u>	<u>\$ 32,581</u>	<u>\$ 136,593</u>	<u>\$ 810,183</u>

TOWN OF HIGHLAND PARK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended September 30, 2008

	Special Revenue					Total
	Stormwater Drainage	Employee Christmas	Forfeited Property	Court Technology	Court Security	
REVENUES						
Fees	\$ 181,050	\$ -	\$ -	\$ 27,426	\$ 20,578	\$ 229,054
Contributions	-	27,819	-	-	-	27,819
Interest on Investments	17,159	176	387	3,026	4,509	25,257
Miscellaneous	2	-	-	-	-	2
Total Revenues	<u>198,211</u>	<u>27,995</u>	<u>387</u>	<u>30,452</u>	<u>25,087</u>	<u>282,132</u>
EXPENDITURES						
Personnel Services	30,458	-	-	-	-	30,458
Distributions of Contributions	-	22,570	-	-	-	22,570
FICA Contribution	-	1,553	-	-	-	1,553
TMRS	-	3,400	-	-	-	3,400
Services and Charges	25,237	-	-	40,148	13,842	79,227
Capital Outlay	-	-	-	73,881	-	73,881
Total Expenditures	<u>55,695</u>	<u>27,523</u>	<u>-</u>	<u>114,029</u>	<u>13,842</u>	<u>211,089</u>
Excess of Revenues Over Expenditures	142,516	472	387	(83,577)	11,245	71,043
FUND BALANCES, beginning of year	<u>478,258</u>	<u>4,822</u>	<u>11,066</u>	<u>116,029</u>	<u>125,348</u>	<u>735,523</u>
FUND BALANCES, end 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>



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
 September 30, 2008

	<u>Balance October 1, 2007</u>	<u>Additions and Transfers In</u>	<u>Retirements and Transfers Out</u>	<u>Balance September 30, 2008</u>
EQUIPMENT:				
Vehicles and Rolling Stock	\$ 3,289,696	\$ 71,698	\$ 262,548	\$ 3,098,846
Office Equipment	1,536,612	211,403	-	1,748,015
Work in Progress	-	28,712	-	28,712
Totals	<u>4,826,308</u>	<u>311,813</u>	<u>262,548</u>	<u>4,875,573</u>
ACCUMULATED DEPRECIATION:				
Vehicles and Rolling Stock	1,372,068	236,134	214,900	1,393,302
Office Equipment	1,147,685	183,955	-	1,331,640
Totals	<u>2,519,753</u>	<u>420,089</u>	<u>214,900</u>	<u>2,724,942</u>
NET EQUIPMENT	<u>\$ 2,306,555</u>	<u>\$ (108,276)</u>	<u>\$ 47,648</u>	<u>\$ 2,150,631</u>

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.

TOWN OF HIGHLAND PARK
Fiduciary Fund
Statement of Changes in Assets and Liabilities
September 30, 2008

	Balance October 1, 2008	Additions	Deductions	Balance September 30, 2009
ASSETS				
Cash and Cash Equivalents	\$ 5,324,834	\$ -	\$ 4,376,926	\$ 947,908
Total Assets	\$ 5,324,834	\$ -	\$ 4,376,926	\$ 947,908
LIABILITIES				
Vouchers Payable	\$ -	\$ 4,392,505	\$ 4,387,565	\$ 4,940
Retainage Payable	-	229,250	-	229,250
Held for City of Dallas	5,324,834	-	4,611,116	713,718
Total Liabilities	\$ 5,324,834	\$ 4,621,755	\$ 8,998,681	\$ 947,908

**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, 2008 and 2007

	<u>2008</u>	<u>2007</u>
GOVERNMENTAL FUNDS CAPITAL ASSETS:		
Land and Buildings	\$ 9,113,946	\$ 9,113,946
Capital Improvements	21,999,474	16,991,506
Furniture and Fixtures	52,192	111,117
Office Equipment	250,190	242,345
Machinery and Equipment	1,389,133	1,759,469
Library Books	663,787	676,942
Construction in Progress	<u>7,031,984</u>	<u>366,561</u>
Total Governmental Funds Capital Assets	<u>\$ 40,500,706</u>	<u>\$ 29,261,886</u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:		
General Fund	<u>40,500,706</u>	<u>29,261,886</u>
Total Governmental Funds Capital Assets	<u>\$ 40,500,706</u>	<u>\$ 29,261,886</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, 2008

	<u>Land and Buildings</u>	<u>Capital Improvements</u>	<u>Furniture and Fixtures</u>	<u>Office Equipment</u>	<u>Machinery and Equipment</u>	<u>Library Books</u>	<u>Construction In Progress</u>	<u>Total</u>
FUNCTION AND ACTIVITY:								
Department of Public Safety	\$ 5,104,434	\$ 952,538	\$ -	\$ 10,265	\$ 1,254,906	\$ -	\$ -	\$ 7,322,143
Service Center	117,247	633,170	-	-	20,147	-	-	770,564
Parks Department	483,825	1,955,285	10,283	-	21,545	-	-	2,470,938
Street Lighting	-	1,250,836	-	-	-	-	-	1,250,836
Municipal Building	1,054,243	1,935,002	10,465	111,400	64,857	-	-	3,175,967
Street Department	2,333,655	12,061,233	-	-	-	-	7,031,984	21,426,872
Swimming Pool	20,542	1,091,999	-	-	27,678	-	-	1,140,219
Library	-	2,119,411	-	-	-	663,787	-	2,783,198
Court	-	-	-	121,025	-	-	-	121,025
Finance	-	-	31,444	-	-	-	-	31,444
Building Inspection	-	-	-	7,500	-	-	-	7,500
Total Governmental Funds Capital Assets	<u>\$ 9,113,946</u>	<u>\$ 21,999,474</u>	<u>\$ 52,192</u>	<u>\$ 250,190</u>	<u>\$ 1,389,133</u>	<u>\$ 663,787</u>	<u>\$ 7,031,984</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 of Changes By Function and Activity
For the Fiscal Year Ended September 30, 2008

	Governmental Funds Capital Assets October 1, 2007	Additions	Retirements	Governmental Funds Capital Assets September 30, 2008
Department of Public Safety	\$ 7,249,817	\$ 72,326	\$ -	\$ 7,322,143
Service Center	770,564	-	-	770,564
Parks Department	2,458,593	12,345	-	2,470,938
Street Lighting	1,250,836	-	-	1,250,836
Municipal Building	3,175,967	-	-	3,175,967
Street Department	14,517,909	6,908,963	-	21,426,872
Swimming Pool	1,126,480	13,739	-	1,140,219
Library	868,780	1,960,390	(45,972)	2,783,198
Court	121,025	-	-	121,025
Building Inspection	7,500	-	-	7,500
Finance	31,444	-	-	31,444
Total Governmental Funds Capital Assets	<u>\$ 31,578,915</u>	<u>\$ 8,967,763</u>	<u>\$ (45,972)</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.

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.	77-82
Revenue Capacity This section contains information to help the reader assess the Town's most significant local revenue source, the property tax.	83-86
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.	87-88
Demographic and Economic Information This section contains information to help the reader understand the environment within which the Town's financial activities take place.	89-91
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.	92-94



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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Governmental activities										
Invested in capital assets	\$ 10,795,013	\$ 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
Unrestricted	9,387,162	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
Total governmental activities net assets	\$ 20,182,175	\$ 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
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
Unrestricted	11,889,731	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
Total business-type activities net assets	\$ 11,889,731	\$ 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
Primary Government										
Invested in capital assets	\$ 10,795,013	\$ 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
Unrestricted	21,276,893	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
Total primary government net assets	\$ 32,071,906	\$ 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

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Expenses										
Governmental activities:										
General Government	\$ 272,196	\$ 384,562	\$ 447,687	\$ 386,561	\$ 412,898	\$ 485,393	\$ 659,447	\$ 725,157	\$ 877,318	\$ 698,577
Department of Public Safety	5,594,513	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
Street Department	1,064,319	1,077,634	1,357,563	542,805	460,434	549,528	443,041	514,118	678,087	812,623
Street Lighting Department	330,378	280,873	285,519	289,819	338,862	307,291	326,253	326,216	277,504	318,467
Library	378,080	368,017	401,755	432,037	470,052	515,333	511,013	529,928	562,314	619,876
Parks Department	885,718	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
Swimming Pool	108,542	123,993	135,026	141,045	151,527	153,486	143,633	152,636	166,346	171,912
Municipal Court	158,667	172,643	185,467	186,715	200,874	206,783	232,787	229,596	297,580	320,864
Finance Department	295,843	270,875	365,094	390,409	405,642	435,389	434,076	447,171	459,684	480,159
Building Inspection Department	162,258	162,233	182,498	190,883	182,709	203,320	223,801	288,789	298,711	348,730
Total governmental activities	9,250,514	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
Business-type activities:										
Enterprise	4,443,386	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
Total business-type activities	4,443,386	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
Total primary government	\$ 13,693,900	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 22,078	\$ 20,489	\$ 17,986	\$ 20,042	\$ 18,015	\$ 165,917	\$ 195,069	\$ 194,078	\$ 190,066	\$ 196,385
Department of Public Safety	524,221	582,621	592,048	618,541	612,331	620,643	647,933	650,449	655,606	713,878
Street Department	213,711	233,901	221,895	235,392	250,072	252,884	269,324	307,910	254,411	301,998
Library	30,627	34,059	31,452	24,718	21,842	20,878	20,768	19,167	18,108	14,652
Parks Department	5,730	4,110	5,250	5,281	3,976	4,172	4,186	4,770	4,322	12,955
Swimming Pool	59,857	60,412	68,095	65,532	80,222	76,745	76,094	79,580	87,014	94,432
Municipal Court	520,465	517,934	589,339	583,946	604,717	544,308	842,444	770,862	724,746	728,369
Building Inspection Department	502,849	612,417	966,720	653,185	646,340	748,458	930,257	858,409	1,312,827	725,997
Operating grants and contributions	254,368	86,627	129,088	78,726	134,408	35,455	16,466	4,960	528,388	1,477,837
Total governmental activities	2,133,906	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

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Business-type activities:										
Enterprise	5,608,228	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
Total business-type activities	5,608,228	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
Total primary government	\$ 7,742,134	\$ 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
Net (expense)/revenue										
Governmental activities	\$ (7,116,608)	\$ (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)
Business-type activities	1,164,842	1,171,762	879,629	599,473	772,406	841,710	1,097,951	1,596,239	579,457	1,047,741
Total primary government net expense	\$ (5,951,766)	\$ (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)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 4,791,905	\$ 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
Sales taxes	1,547,541	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
Other taxes	65,262	66,952	79,842	82,555	82,562	94,253	107,517	102,115	105,069	106,462
Franchise taxes	771,526	824,076	886,443	918,921	851,643	858,564	880,995	950,145	925,302	965,870
Penalty and interest on taxes	45,084	46,192	54,586	35,419	42,942	47,749	42,426	46,607	55,763	66,184
Interest on investments	494,384	656,568	619,598	589,261	252,895	171,152	270,423	656,533	895,894	767,451
Sale of assets	525,263	73,643	200,820	3,101,501	110,308	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	1,765,797
Miscellaneous	118,068	269,578	173,393	264,612	272,844	231,338	290,821	252,090	327,332	277,280
Transfers	35,310	(41,793)	-	(60,000)	143,886	74,625	-	-	2,000,000	-
Total governmental activities	8,394,343	8,467,679	8,905,618	12,030,835	9,765,398	9,516,995	10,177,747	11,387,346	14,625,304	15,188,843
Business-type activities:										
Interest on investments	312,893	367,412	320,401	225,363	134,574	72,096	126,073	314,591	375,204	190,569
Sale of assets	-	(1,546)	(76)	(28)	(579)	-	-	-	-	-
Transfers	(35,310)	41,793	-	60,000	(143,886)	(74,625)	-	-	(2,000,000)	-
Total business-type activities	277,583	407,659	320,325	285,335	(9,891)	(2,529)	126,073	314,591	(1,624,796)	190,569
Total primary government	\$ 8,671,926	\$ 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
Changes in Net Assets										
Governmental activities	\$ 1,277,735	\$ 959,176	\$ 978,019	\$ 4,113,827	\$ 689,250	\$ 495,631	\$ 1,140,114	\$ 1,184,545	\$ 4,817,567	\$ 4,712,908
Business-type activities	1,442,425	1,579,421	1,199,954	884,808	762,515	839,181	1,224,024	1,910,830	(1,045,339)	1,238,310
Total primary government	\$ 2,720,160	\$ 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

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
	<u>Tax</u>	<u>Tax</u>	<u>Tax</u>	<u>Beverage Tax</u>	
1999	4,791,905	1,547,541	771,526	65,262	7,176,234
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

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 493,738	\$ 725,034	\$ 572,655	\$ 880,388	\$ 817,225	\$ 724,009	\$ 294,011	\$ 264,686	\$ 227,102	\$ 642,309
Unreserved	5,289,372	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
Total General Fund	<u>\$ 5,783,110</u>	<u>\$ 5,379,905</u>	<u>\$ 6,899,341</u>	<u>\$ 5,122,282</u>	<u>\$ 5,054,606</u>	<u>\$ 4,386,267</u>	<u>\$ 4,620,420</u>	<u>\$ 3,250,911</u>	<u>\$ 4,921,475</u>	<u>\$ 4,586,661</u>
All other Governmental Funds										
Reserved	\$ 157,997	\$ 513,852	\$ 199,044	\$ 2,850,480	\$ 817,698	\$ 921,815	\$ 904,421	\$ 973,604	\$ 9,737,980	\$ 5,292,585
Unreserved, reported in:										
Capital Projects Fund	1,557,874	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
Total all other Governmental Funds	<u>\$ 1,715,871</u>	<u>\$ 3,285,050</u>	<u>\$ 3,220,079</u>	<u>\$ 6,122,533</u>	<u>\$ 4,075,285</u>	<u>\$ 4,871,927</u>	<u>\$ 5,610,760</u>	<u>\$ 7,302,616</u>	<u>\$ 10,193,762</u>	<u>\$ 7,065,564</u>

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues										
Taxes	\$ 7,185,279	\$ 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
Penalties and Interest	45,084	46,192	54,586	35,419	42,942	47,749	42,426	46,607	55,763	66,184
Licenses and Permits	518,922	679,505	1,032,881	721,527	696,305	797,720	1,000,525	914,566	1,368,191	784,591
Service Fees	1,016,033	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
Fines and Forfeitures	264,281	291,575	327,389	297,112	292,407	278,021	443,971	428,586	412,717	388,041
Interest on Investments	397,025	553,601	556,415	538,565	232,427	147,009	238,279	579,421	761,147	693,784
Intergovernmental	-	-	-	-	-	-	-	-	-	1,765,797
Contributions	-	-	-	-	-	-	21,131	30,376	559,437	1,505,656
Miscellaneous	370,226	91,827	304,904	343,339	407,248	266,793	286,156	226,674	296,283	249,461
Total Revenues	9,796,850	10,248,308	11,311,604	11,200,195	11,199,386	11,875,026	13,108,384	14,219,903	16,246,751	19,346,232
Expenditures										
General Government	261,854	295,914	349,069	324,015	334,886	403,910	443,778	511,794	739,674	806,635
Department of Public Safety	5,430,637	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
Street Department	888,772	845,794	1,122,439	883,425	887,900	1,154,231	1,055,515	986,893	288,622	785,334
Street Lighting Department	260,010	223,036	221,970	222,763	274,977	243,791	262,063	288,187	238,880	279,828
Library	360,666	381,033	416,595	459,227	475,709	519,901	525,574	532,048	558,488	605,344
Parks Department	799,010	934,932	914,073	887,405	961,025	1,044,014	1,152,238	1,270,819	1,157,967	1,274,630
Swimming Pool	88,151	106,154	125,478	119,632	131,856	133,558	123,608	150,058	160,839	179,667
Municipal Court	155,897	172,038	184,716	195,419	199,677	206,532	219,776	216,607	226,792	239,087
Finance Department	287,546	267,977	361,914	387,286	402,047	432,088	427,336	437,466	451,381	474,821
Building Inspection Department	159,757	162,729	182,498	190,883	183,264	208,010	222,239	284,650	292,961	344,512
Capital Outlay	392,223	492,462	429,796	2,682,970	2,613,974	102,103	161,301	168,555	1,161,316	8,350,999
Total Expenditures	9,084,523	9,702,230	10,450,528	13,021,738	13,417,155	11,781,646	12,293,790	13,121,835	13,685,041	22,813,758
Excess of Revenues Over Expenditures	712,327	546,078	861,076	(1,821,543)	(2,217,769)	93,380	814,594	1,098,068	2,561,710	(3,467,526)
Other Financing Sources (Uses):										
Transfers In	1,125,232	2,198,769	207,530	5,329,962	597,079	789,577	737,828	1,451,550	3,120,330	1,538,834
Transfers Out	(1,125,232)	(1,935,079)	(236,600)	(5,468,132)	(607,386)	(760,129)	(609,348)	(2,227,392)	(1,120,330)	(1,538,834)
Sale of Assets	512,744	356,206	225,773	3,085,108	113,152	5,475	29,912	121	-	4,514
Total other Financing Sources (Uses)	512,744	619,896	196,703	2,946,938	102,845	34,923	158,392	(775,721)	2,000,000	4,514
Net Change in Fund Balances	\$ 1,225,071	\$ 1,165,974	\$ 1,057,779	\$ 1,125,395	\$ (2,114,924)	\$ 128,303	\$ 972,986	\$ 322,347	\$ 4,561,710	\$ (3,463,012)

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	Business		Less:		Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Personal Property	Tax-Exempt Property			
1999	2,227,273,760	35,261,230	456,343,100		1,806,191,890	0.26930
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

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 General Fund	Overlapping Rates					Total Direct & Overlapping Rates
		County *		Community		School District**	
		Dallas County	Hospital District	College District	Total County	Highland Park I.S.D.	
1999	0.26930	0.19720	0.17990	0.05000	0.42710	1.49500	2.19140
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

* Source: Dallas County

** Source: Highland Park Independent School District

TOWN OF HIGHLAND PARK
Principal Property Taxpayers
September 30, 2008 and 1999
(Unaudited)

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Highland Park Shopping Village	\$ 95,000,000	1	2.35%	\$ 45,000,000	1	2.00%
Trammell Crow	31,939,952	2	0.79%	9,268,190	3	0.35%
Muse, John R & Lyn	24,006,409	3	0.59%	N/A	N/A	N/A
L & B Depp Inwood Village	21,695,050	4	0.54%	N/A	N/A	N/A
Corrigan Properties, Inc.	17,800,600	5	0.44%	7,864,400	8	0.35%
Edwin L. Cox	16,194,591	6	0.40%	8,683,380	7	0.39%
Highland Park Residences	15,525,000	7	0.38%	N/A	N/A	N/A
Jerral W. & Gene C. Jones	13,874,560	8	0.34%	9,102,890	4	0.41%
Intercity Investments Property	13,289,930	9	0.33%	N/A	N/A	N/A
Dallas Country Club	11,018,230	10	0.27%	6,754,800	9	0.30%
Lehndorff Preston	N/A	N/A	N/A	11,013,720	2	0.49%
Harlan Crow	N/A	N/A	N/A	9,042,770	5	0.40%
William P. Clements Jr.	N/A	N/A	N/A	9,041,020	6	0.40%
Leslie A Lippitt Clark	N/A	N/A	N/A	5,245,420	10	0.23%
	<u>\$ 260,344,322</u>		<u>6.43%</u>	<u>\$ 121,016,590</u>		<u>5.32%</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 Subsequent Years	Total Collections to Date	
		Fiscal Year of the Levy	Percentage of Levy		Amount	Percentage of Levy
1999	4,805,932	4,749,624	98.8%	35,234	4,784,858	99.6%
2000	4,992,831	4,941,705	99.0%	27,527	4,969,232	99.5%
2001	5,248,398	5,221,531	99.5%	17,541	5,239,072	99.8%
2002	5,534,428	5,461,883	98.7%	32,133	5,494,016	99.3%
2003	5,804,651	5,737,070	98.8%	27,453	5,764,523	99.3%
2004	6,369,983	6,287,173	98.7%	26,329	6,313,502	99.1%
2005	6,696,521	6,611,586	98.7%	6,506	6,618,092	98.8%
2006	7,303,760	7,232,503	99.0%	5,664	7,238,167	99.1%
2007	8,115,122	8,003,122	98.6%	51,713	8,054,835	99.3%
2008	8,890,683	8,818,214	99.2%	-	8,818,214	99.2%

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*	158,486,552	2.51%	3,978,012
Dallas County Community College District*	298,185	2.41%	7,186
Highland Park Independent School District**	119,537,766	3.91%	4,673,927
	<u>\$ 278,322,503</u>		<u>\$ 8,659,125</u>

Ratio of Total Direct and Overlapping Debt to Assessed Valuation

0.22%

Per Capita Overlapping Debt

\$ 979

* 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, 2008.

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

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Median Age	Education Level in Years of Formal Schooling			Unemployment Rate
					Personal Income	Median Age	Education Level in Years of Formal Schooling	
1999	8,739	563,445,766	64,476	42	15.8	1,605	1.3%	
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%	

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)

	2008		1999		
	Business Sector	Number of Establishments	Business Sector	Number of Establishments	
		Number of Employees		Number of Employees	
Real Estate & Rental & Leasing	30	194	Retail Trade	51	669
Retail Trade	22	178	Wholesale Trade	11	142
Accommodations & Food Services	5	95	Professional, Scientific & Technical Services	37	110
Other Services (Except Public Administration	11	92	Real Estate & Rental & Leasing	26	100
Professional, Scientific & Technical Services	38	73	Accommodations & Food Services	5	97
Information	10	23	Other Services (Except Public Administration	7	83
Administrative & Support & Waste Management & Remediation Services	5	4	Health Care & Social Assistance	19	52
Health Care & Social Assistance	17	N/A	Administrative & Support & Waste Management & Remediation Services	5	14
Arts, Entertainment & Recreation	5	N/A	Arts, Entertainment & Recreation	2	N/A
Education Services	1	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: 2008 data was obtained from the 2002 Economic Census, and 1999 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
1999	29	\$ 2,757,400	931	\$ 40,620,194	\$ 2,210,452,620	\$ 35,832,380
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

*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>1999</u>	<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>
General Government	2	2	1	2	2	2	2	2	2	3
Public Safety	67	66	67	65	68	64	65	66	67	67
Street	4	2	2	1	1	1	2	2	3	3
Library	3	3	3	3	3	3	3	3	3	3
Parks	10	9	9	10	10	9	10	10	10	10
Municipal Court	3	3	3	3	3	3	3	3	3	3
Finance	4	5	5	5	5	5	5	5	5	5
Building Inspection	2	2	2	2	2	2	2	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	4	3	3	2	4	4	4	5	4	4
Sewer	5	5	5	5	5	5	3	3	3	3
Engineering	2	3	3	3	3	4	4	4	5	5
Total	<u>112</u>	<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>

Source: Town Departments

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

Function	Fiscal Year									
	<u>1999</u>	<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>
Administration										
Service Requests Processed	7,981	7,775	8,561	8,149	9,063	8,755	8,410	10,817	8,991	6,440
Public Safety										
Call Responses: Police	12,490	12,567	12,621	12,270	12,145	11,599	11,505	11,175	10,282	9,461
Call Responses: Fire	779	1,080	1,039	945	897	901	783	819	858	883
Call Responses: EMS	504	523	528	492	465	417	424	426	425	466
Citations Issued	11,974	10,260	11,525	11,195	11,668	11,088	12,469	12,755	11,634	8,566
Street										
Asphalt Repairs (Tons)	355	201	304	301	282	222	192	183	167	161
Storm Inlets Cleaned	300	935	935	734	937	1,242	1,154	986	1,617	1,840
Library										
Total Circulation	91,930	91,296	88,011	79,406	71,297	72,498	76,315	66,870	63,801	48,264
Valid Library Cards	4,321	4,032	3,757	3,571	3,321	3,220	3,133	3,121	3,039	2,838
Swimming Pool										
Annual Passes Sold	2,193	2,239	2,349	2,300	1,952	1,811	1,788	1,884	1,652	1,737
Daily Passes Sold	1,701	1,605	1,440	1,335	1,299	1,360	1,559	1,494	1,625	2,132
Finance / Personnel										
Accounts Payable Checks Disbursed	4,807	4,635	4,618	4,229	4,130	4,072	4,035	3,866	3,357	3,499
Payroll Checks/ACH Disbursed	4,669	4,632	4,632	4,611	4,765	4,573	4,148	4,285	4,231	4,459
Building Inspection										
Total Inspections	2,631	2,887	2,703	3,034	2,632	2,894	3,399	3,615	3,461	3,193
Total Permits Issued	1,612	1,695	1,651	1,622	1,721	1,882	1,805	1,946	1,831	1,637
Water										
Meters Read	61,498	59,067	62,319	60,544	61,246	61,895	62,332	63,018	63,542	64,143
Meters Installed/Replaced	518	359	733	432	487	271	238	79	90	67
Sewer										
Service Calls	71	149	114	104	86	61	69	66	59	47
Mains Cleaned	433	113	140	40	689	606	570	610	773	1,060

Source: Town Departments

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

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Administration										
Municipal Building										
Public Safety										
Stations	1	1	1	1	1	1	1	1	1	1
Fire Vehicles	3	3	3	3	3	3	3	3	3	3
EMS Vehicles	1	1	1	1	2	2	2	3	3	3
Patrol Vehicles	12	10	10	9	9	9	10	10	10	10
Street										
Streets (miles)	42	42	42	42	42	42	42	42	42	42
Library										
Libraries	1	1	1	1	1	1	1	1	1	1
Parks										
Parks	22	22	22	22	22	22	22	22	22	22
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (miles)	40	40	40	40	40	40	40	40	40	40
Fire Hydrants	252	252	252	252	252	252	252	252	252	252
Sewer										
Wastewater collection system (miles)	37	37	37	37	37	37	37	37	37	37

Source: Town Departments