

TOWN OF HIGHLAND PARK, TEXAS

AN AMERICAN COMMUNITY MAKING A DIFFERENCE



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Town of Highland Park, Texas

Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2015

Prepared by:

Finance Department



Town of Highland Park, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2015

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INTRODUCTORY SECTION





January 20, 2016

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, 2015 is hereby issued.

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

The Town’s financial statements have been audited by **BKD, LLP** , a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town’s financial statements for the fiscal year ended September 30, 2015 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town’s MD&A can be found immediately following the report of the independent auditor.

Profile of the Town

The Town was incorporated in 1913 and chartered as a home-rule city under Texas law in 1975. The Town is a fully developed upper-class residential community located in the heart of Dallas, just a few miles north of the Dallas central business district. The Town occupies approximately 2.2 square miles and serves a population of about 8,564. The Town is empowered by state statute to levy a property tax on both real and business personal property located within its boundaries.

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

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

The annual budget serves as the foundation of the Town's financial planning and control. The respective department heads prepare and submit line item budget requests for the operations and maintenance portion of their respective departments as well as a listing of capital items for consideration. The personnel portion of the budget is developed by the Town's Administrative Services and Chief Financial Officer, utilizing market data compiled from other cities and compensation professionals. The Town Administrator uses these requests as the starting point for developing a proposed budget. The Town's Charter requires that the proposed budget be submitted to the Town Secretary no later than August 31st with adoption taking place no later than September 30th. The entire budget process includes public involvement as the various elements composing the budget are reviewed in open and advertised public meetings. The appropriated budget is prepared by fund and department (e.g. Public Safety). Department heads may make transfers of appropriations within a department's budgeted operations and maintenance levels, however, reallocation of personnel and capital appropriations must be approved by the Town Administrator. Amendments to budget dollar amounts must be approved by the Town Council. Budget-to-actual comparisons are provided in this report for the General Fund on page 25.

Local Economy

Property tax revenues provide a significant portion of the Town's total governmental revenue within its General Fund. Historically, the Town has realized strong property value growth year-to-year, which was also experienced for fiscal year 2015. The property tax rate remained unchanged from 2014, resulting in property tax revenues being higher than the prior year. Even with the lowest municipal property tax rate in the Dallas/Ft. Worth Metroplex, property tax revenues are still considered a viable revenue source.

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

Relevant Financial Policies

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

Long-Term Financial Planning

At September 30, 2015, General Fund unassigned fund balance exceeded the reserve amount required by its fund balance policy of 17% of operating expenditures. Moreover, the unrestricted net position requirement of 25% operating expenses within the Enterprise Fund was also met. The General Fund ended the year with a fund balance equivalent to 21.6% of current year non-capital expenditures, while the Enterprise Fund unrestricted net position was 69.8% of current year non-capital expenditures. The unrestricted net position of the Enterprise Fund includes \$892,588 related to the Town's net pension asset and related deferred inflows and outflows, which were recorded with the implementation of GASB, Statement No. 68, Accounting and Financial Reporting for Pensions. In addition, the Enterprise Fund had \$1,148,415 in encumbrances at year end. The unrestricted net position equates to 35.9% of current year non-capital expenditures once these two items are taken into account.

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

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

Awards

The Town of Highland Park received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2014. This was the thirty-second time that the Town has achieved this prestigious honor. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by the Town and its management.

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

The Town also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2014. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgments

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

Respectively submitted,



Bill Lindley
Town Administrator



Steven J. Alexander
Director of Administrative Services & CFO



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

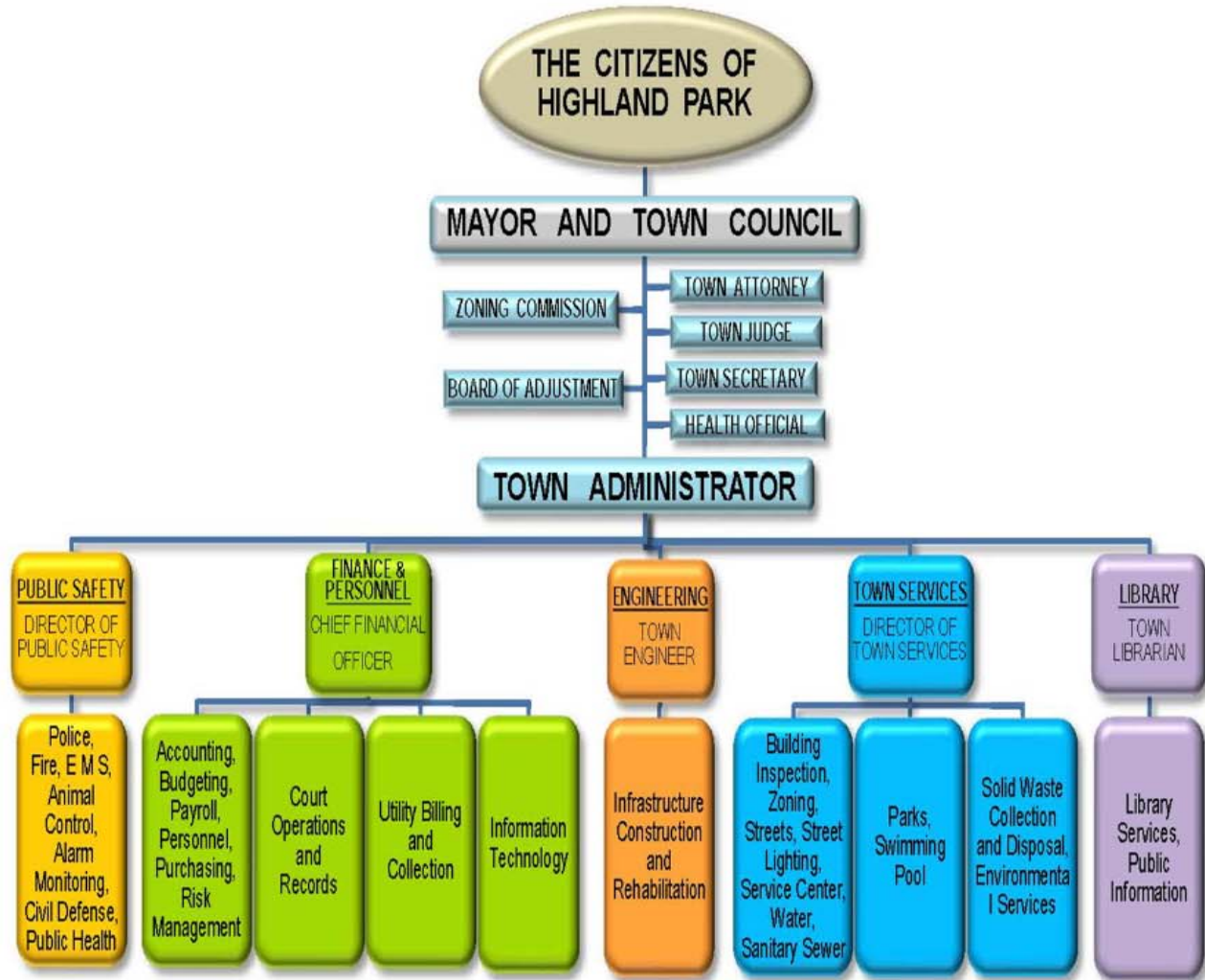
**Town of Highland Park
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

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



DEPARTMENTAL ORGANIZATION CHART

<u>Function</u>	<u>Department Head</u>	<u>Department(s)</u>
Engineering	Town Engineer	Engineering
Finance & Personnel	Chief Financial Officer	Finance, Municipal Court, Utility Administration
Library	Town Librarian	Library
Public Safety	Director of Public Safety	Public Safety
Public Works, Parks & Sanitation	Director of Town Services	Building Inspection, Parks, Pool, Sanitation, Service Center, Sewer, Streets, Street Lighting, Water

LISTING OF PRINCIPAL OFFICIALS

Town Council

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

Town Administrator

Bill Lindley

Town Attorney

Matthew Boyle

Town Judge

Albert Hammack

Town Secretary

Gayle Kirby

Director of Administrative Services and CFO

Steven J. Alexander

Director of Public Safety

Rick Pyle

Director of Town Services

Ronnie Brown

Town Engineer

Meran Dadgostar

Town Librarian

Bonnie Case



FINANCIAL SECTION



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Highland Park, as of and for the year ended September 30, 2015 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Highland Park as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in *Note 1* to the financial statements, in 2015, the Town changed its method of accounting for pensions with the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as amended. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Honorable Mayor and
Members of the Town Council
of the Town of Highland Park
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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2016 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

BKD, LLP

Dallas, Texas
January 20, 2016



Management's Discussion and Analysis

As management of the Town of Highland Park (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$92,790,879 (net position). Of this amount, \$24,049,195 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

- The Town's total net position increased a total of \$11,449,006, the result of operations and implementation of GASB 68.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,590,584, an increase of \$1,947,604 in comparison with the prior year. Approximately 42.2% of the reported combined ending fund balances, or \$4,047,254, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,047,254 or 21.5% of total General Fund expenditures and the unrestricted net position for the Enterprise Fund was \$4,206,136, or 69.8% of total Enterprise Fund operating expenses. Of this amount, \$892,588 is related to the Town's net pension asset and related deferred inflows and outflows, which were recorded with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. In addition, the Enterprise Fund had \$1,148,415 in encumbrances at year end.
- Total governmental capital outlay of \$1,353,905 was primarily funded through resources within the Capital Projects Fund set aside for that purpose.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains nine individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the Capital Projects Fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary funds: The Town maintains two different types of proprietary funds. The Enterprise fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses the enterprise fund to account for its distribution and sale of treated water and the collection and disposal of sanitary sewer. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its fleet of vehicles, building maintenance, and management information systems. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-53 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information pertaining to the Town's funding of its obligation to provide pension benefits to Town employees through the Texas Municipal Retirement System. Also included are the combining fund financial statements. This supplementary information may be found on pages 54-62 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's assets exceeded liabilities by \$92,790,879 at the close of the most recent fiscal year.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 23,284,417	\$15,499,014	\$ 5,529,487	\$3,231,443	\$28,813,904	\$18,730,457
Capital assets	47,756,610	49,151,886	20,559,598	19,377,428	68,316,208	68,529,314
Deferred outflows of resources	926,221	-	118,586	-	1,044,807	-
Total assets and deferred outflows of resources	71,967,248	64,650,900	26,207,671	22,608,871	98,174,919	87,259,771
Current liabilities	1,999,371	3,651,873	1,162,950	1,018,031	3,162,321	4,669,904
Long-term liabilities	1,252,676	1,093,812	190,638	154,181	1,443,314	1,247,993
Deferred inflows of resources	690,056	-	88,349	-	778,405	-
Total liabilities and deferred inflows of resources	3,942,103	4,745,685	1,441,937	1,172,212	5,384,040	5,917,897
Net Position *						
Investment in capital assets	47,756,610	49,151,886	20,559,598	19,377,428	68,316,208	68,529,314
Restricted	425,476	-	-	-	425,476	-
Unrestricted	19,843,059	10,753,328	4,206,136	2,059,231	24,049,195	12,812,559
Total net position	\$ 68,025,145	\$ 59,905,214	\$ 24,765,734	\$ 21,436,659	\$ 92,790,879	\$ 81,341,873

*The cumulative effect of applying GASB Statement 68, resulted in 2015 beginning net position being adjusted. Fiscal year 2014 net position was not adjusted.

The largest portion of the Town's net position (73.6%) is its investment in capital assets (e.g., land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Additionally, \$425,476 is restricted for Public Safety, Library and Parks.

The remaining balance of \$24,049,195, unrestricted net position, may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, \$7,863,942, is related to the Town's net pension asset and related deferred inflows and outflows, which were recorded with the implementation of GASB Statement 68.

At the end of the current fiscal year, the Town is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

	Governmental Activities		Changes in Net Position Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
	Revenue					
Program revenue						
Charges for services	\$ 4,916,776	\$ 4,634,013	\$ 8,735,372	\$ 8,109,508	\$ 13,652,148	\$ 12,743,521
Operating grants and contributions	77,503	98,069	-	-	77,503	98,069
Capital grants and contributions	338,170	702,885	780,300	42,880	1,118,470	745,765
General revenue						
Property tax	10,671,716	10,053,948	-	-	10,671,716	10,053,948
Other taxes and fees	4,791,700	4,651,460	-	-	4,791,700	4,651,460
Other	500,802	570,713	6,519	7,971	507,321	578,684
Total revenue	21,296,667	20,711,088	9,522,191	8,160,359	30,818,858	28,871,447
Expenses						
General government	2,757,174	3,277,962	6,027,849	6,411,751	8,785,023	9,689,713
Public safety	10,864,166	10,831,500	-	-	10,864,166	10,831,500
Streets	1,830,746	1,850,685	-	-	1,830,746	1,850,685
Street lighting	188,515	190,317	-	-	188,515	190,317
Library	813,700	701,144	-	-	813,700	701,144
Parks	1,393,455	1,429,901	-	-	1,393,455	1,429,901
Swimming pool	193,642	181,970	-	-	193,642	181,970
Sanitation	1,094,766	1,133,782	-	-	1,094,766	1,133,782
Municipal court	352,954	280,071	-	-	352,954	280,071
Finance	765,516	780,928	-	-	765,516	780,928
Building inspection	475,766	426,574	-	-	475,766	426,574
Total expenses	20,730,400	21,084,834	6,027,849	6,411,751	26,758,249	27,496,585
Transfers	1,003,851	1,085,346	(1,003,851)	(1,085,346)	-	-
Changes in Net Position	1,570,118	711,600	2,490,491	663,262	4,060,609	1,374,862
Net Position, as Previously Reported	59,905,214	59,193,614	21,436,659	20,773,397	81,341,873	79,967,011
Change in Accounting Principle	6,549,813	-	838,584	-	7,388,397	-
Net Position, Beginning of Year *	66,455,027	59,193,614	22,275,243	20,773,397	88,730,270	79,967,011
Net Position, End of Year	\$ 68,025,145	\$ 59,905,214	\$ 24,765,734	\$ 21,436,659	\$ 92,790,879	\$ 81,341,873

*The cumulative effect of applying GASB Statement 68, resulted in 2015 beginning net position being adjusted. Fiscal year 2014 net position was not adjusted.

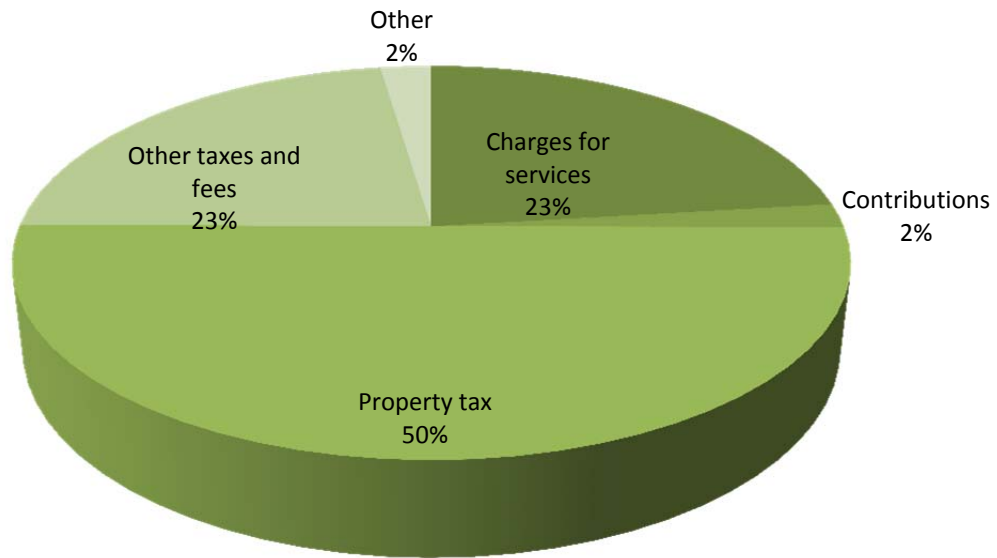
For the fiscal year 2015, the Town's total net position increased \$11,449,006, the result of operations and the implementation of GASB Statement 68, as noted previously. During the year, the Town experienced an increase in sales tax revenue and building permit revenue. While property tax revenue also increased, the increase was directly related to an increase in taxable assessed values. The Town maintained its 22 cent tax rate per \$100 of taxable assessed values between fiscal years 2014 and 2015.

Governmental activities: Governmental activities, excluding transfers, increased the Town's net position by \$566,267.

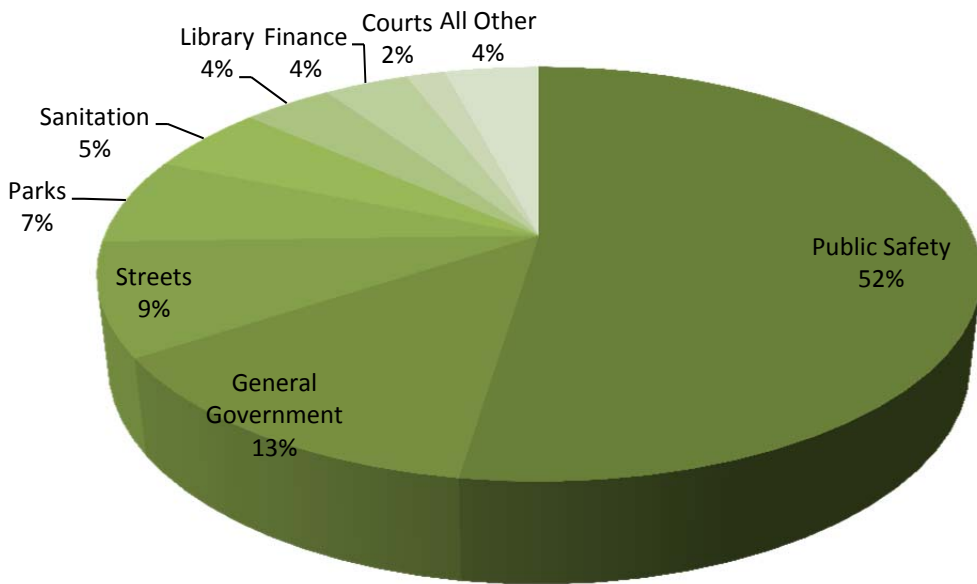
Total revenues for fiscal year 2015 increased by \$585,579 (2.8%) from 2014. This increase primarily resulted from an increase of tax revenue and charges for services totaling \$1,040,771, which was partially offset by a reduction in contributions of \$385,281.

Total expenses decreased \$354,434 (1.6%) from 2014.

Revenue by Source - Governmental Activities



Expense by Function - Governmental Activities

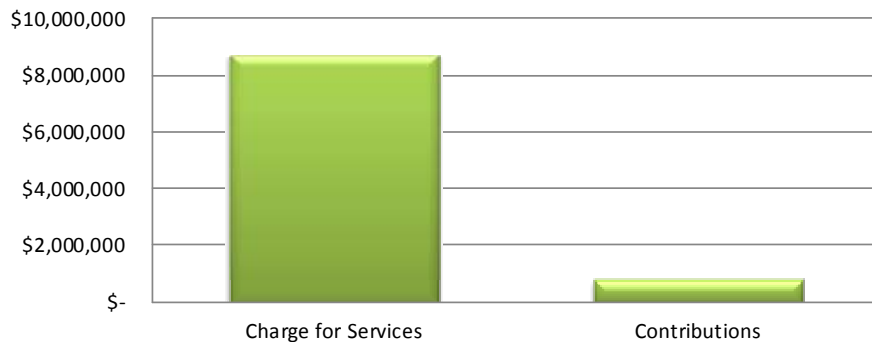


Business-type activities: The rate structures for business-type activities are developed with the intent of generating resources sufficient to fund the cost of the respective service provided and for infrastructure replacement and/or rehabilitation. Net position from operations for business-type activities, excluding transfers, increased \$3,494,342. Comparatively, the increase in the investment in business-type capital assets, net of depreciation, increased \$1,182,170 for the year.

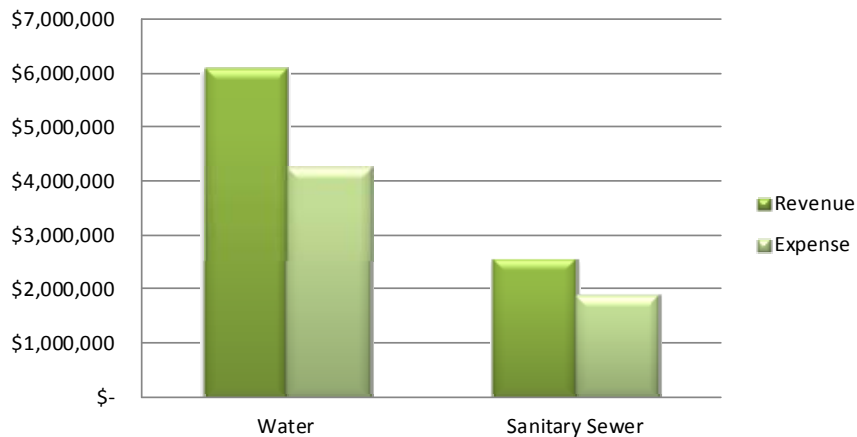
Total business-type revenues for 2015 increased by \$1,361,832 (16.7%) from 2014 revenues. Charges for services increased by \$625,864. This increase reflects a rate adjustment approved by Town Council during fiscal year 2015 offset by an overall reduction in consumption. There was also an increase of \$737,420 in Capital Grants and Contributions due to a contribution from Dallas County Park Cities Municipal Utility District (DCPCMUD) to assist the Town in upgrading to an automatic meter reading system as well as an increase in developer donations related to storm drains and underground water discharge.

Transfers: Transactions of a significant nature that did not impact the Town’s total net position involved transfers made in conjunction with the Town’s capital improvement program. Annually, the Utility Fund transfers a portion of its current resources to the Town’s Capital Improvement Fund. Additionally, as previously mentioned, starting in fiscal year 2013 an inter-fund transfer is made to the General Fund for the purpose of funding a portion of the administrative costs of running the Town that is attributed to the Utility Fund. Transfers in the amount of \$1,046,439, were made from General Fund to Enterprise Fund for these purposes.

Revenue by Source - Business-type Activities



Revenue and Expense by Service - BTA



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,590,584, an increase of \$1,947,604 in comparison with the prior year. This increase consists of the net result of activities described below for each of the individual governmental funds.

Approximately 42.2% of total fund balance, or \$4,047,254, constitutes unassigned fund balance, which is available for spending at the Town's discretion. The remainder of fund balance includes amounts not available for new spending because it is 1) non-spendable and is for inventory and prepaid items (\$12,844); 2) is restricted for special revenue funds and for use by the Library, Parks, DPS and Court (\$425,476); 3) committed for capital acquisition, storm water drainage improvements and employee disbursement (\$4,002,298); or 4) assigned to liquidate contracts and purchase orders of the prior period (\$1,102,712).

The General Fund is the primary operating fund of the Town. The total fund balance of the Town's General Fund increased by \$13,302 during the current fiscal year; this was primarily the net result of (1) an excess of revenues over expenditures of \$1,417,238 (increase); (2) a budgeted transfer in the amount of \$2,418,890 and \$52,485 from current revenues to the Capital Projects Fund and Utility Fund, respectively (decrease); (3) a transfer-in of \$1,067,439 from the Utility Fund for the purpose of funding the Utility Fund's portion of administrative costs related to Town operations.

As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 21.5% of total General Fund expenditures, while total fund balance represents 26.4% of that same amount.

The Capital Projects Fund ended the fiscal year with a total fund balance of \$3,366,194, all committed or assigned for capital acquisitions and projects. Of this amount, \$3,177,685 is restricted for capital acquisition.

The total fund balance of the Capital Projects Fund increased by \$1,671,917 during the current fiscal year; this was the net result of (1) expenditures being higher than revenues by \$866,163 resulting in a decrease of fund balance (2) \$2,829,528 in transfers into the Capital Projects Fund (General Fund \$2,418,890 and the Enterprise Fund \$410,638); and (3) a transfer to the Utility Fund of \$291,448.

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

Unrestricted net position of the Town's Enterprise Fund at the end of the year amounted to \$4,206,136, an increase of \$2,146,905. Other factors concerning the finances of this fund have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The final amended budget was \$122,368 more than the original budget. Overall the increase in appropriations was necessary to address unforeseen expenditures that occurred during the fiscal year.

Actual fiscal year 2015 General Fund expenditures, excluding transfers, were \$698,533 (3.7%) less than the final amended budget.

Capital Assets

The Town's investment in capital assets for its governmental and business type activities as of September 30, 2015 amounts to \$68,316,208 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and park facilities. The net decrease in the Town's investment in capital assets for the current fiscal year was \$213,106, or 0.3%.

Additional information on the Town's capital assets can be found in *Note 2* on pages 41-43 of this report.

Economic Factors and Next Year's Budgets and Rates

The preparation of the fiscal year 2015-16 Operating Budget continued to be positively impacted by the improving economy. Property values continue to improve and have surpassed pre-recession levels, building activity and sales tax revenue continue to improve as well. Significant factors considered in preparing the budget include:

- Taxable property values for the 2015 tax year increased by \$325,648,413 (7.1%). As a result, property tax revenues will be higher due to the combination of a continued increase in values and the decision to keep the tax rate at \$0.22/\$100 of taxable assessed valuation.
- Sales taxes have increased \$76,819 (2.2%) during 2015 over 2014, the result of stronger retail sales within the Town. The Town is projecting sales tax revenue of \$3,693,000 for the 2016 budget year, and is budgeted to increase by 5.1%.
- Water sales have increased \$630,826 (12.0%) during 2015 over 2014. Overall the increase in revenue is attributed to an increase in water and sewer rates approved by Town Council during fiscal year 2015. While the Town experienced a wet spring, consumption increased significantly during the latter part of the summer. Even though water sales were down for the year, the rate increase implemented prevented a decrease in revenue.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Highland Park
Finance Department
4700 Drexel Drive
Highland Park, Texas 75205

BASIC FINANCIAL STATEMENTS

Town of Highland Park
Statement of Net Position
September 30, 2015

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 11,719,636	\$ 1,198,033	\$ 12,917,669
Investments	3,512,147	901,944	4,414,091
Receivables (net of allowances for uncollectibles)	1,304,571	2,208,415	3,512,986
Inventories	8,409	160,799	169,208
Prepays	4,435	7,890	12,325
Restricted assets			
Cash and cash equivalents	-	190,085	190,085
Net pension asset	6,735,219	862,321	7,597,540
Capital assets (net of accumulated depreciation, where applicable)			
Depreciable	41,462,774	18,065,429	59,528,203
Non-depreciable	6,293,836	2,494,169	8,788,005
Total assets	<u>71,041,027</u>	<u>26,089,085</u>	<u>97,130,112</u>
Deferred Outflows of Resources			
Deferred pension contributions	285,436	36,545	321,981
Deferred pension investment loss	640,785	82,041	722,826
Total deferred outflows of resources	<u>926,221</u>	<u>118,586</u>	<u>1,044,807</u>
Liabilities			
Vouchers payable	\$ 703,254	\$ 763,520	\$ 1,466,774
Retainage payable	53,576	49,399	102,975
Accrued liabilities	515,487	56,012	571,499
Deposits	55,137	190,085	245,222
Noncurrent liabilities			
Due within one-year	671,917	103,934	775,851
Due in more than one-year	1,252,676	190,638	1,443,314
Total liabilities	<u>3,252,047</u>	<u>1,353,588</u>	<u>4,605,635</u>
Deferred Inflows of Resources			
Deferred pension experience difference	690,056	88,349	778,405
Net Position			
Investment in capital assets	47,756,610	20,559,598	68,316,208
Restricted for public safety	182,036	-	182,036
Restricted for parks	10,000	-	10,000
Restricted for library	233,440	-	233,440
Unrestricted	19,843,059	4,206,136	24,049,195
Total net position	<u>\$ 68,025,145</u>	<u>\$ 24,765,734</u>	<u>\$ 92,790,879</u>

Town of Highland Park

Statement of Activities

For the Fiscal Year Ended September 30, 2015

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Governmental Activities							
General government	\$ 2,757,174	\$ 500,509	\$ 58,755	\$ 338,170	\$ (1,859,740)	\$ -	\$ (1,859,740)
Department of public safety	10,864,166	745,218	-	-	(10,118,948)	-	(10,118,948)
Street department	1,830,746	153,689	-	-	(1,677,057)	-	(1,677,057)
Street lighting department	188,515	-	-	-	(188,515)	-	(188,515)
Library	813,700	11,033	18,748	-	(783,919)	-	(783,919)
Parks department	1,393,455	14,086	-	-	(1,379,369)	-	(1,379,369)
Swimming pool	193,642	95,699	-	-	(97,943)	-	(97,943)
Sanitation	1,094,766	1,236,438	-	-	141,672	-	141,672
Municipal court	352,954	789,631	-	-	436,677	-	436,677
Finance department	765,516	-	-	-	(765,516)	-	(765,516)
Building inspection department	475,766	1,370,473	-	-	894,707	-	894,707
Total governmental activities	20,730,400	4,916,776	77,503	338,170	(15,397,951)	-	(15,397,951)
Business-type Activities							
Enterprise	6,027,849	8,735,372	-	780,300	-	3,487,823	3,487,823
Total business-type activities	6,027,849	8,735,372	-	780,300	-	3,487,823	3,487,823
Total primary government	\$ 26,758,249	\$ 13,652,148	\$ 77,503	\$ 1,118,470	\$ (15,397,951)	\$ 3,487,823	\$ (11,910,128)
General Revenues							
					\$ 10,671,716	\$ -	\$ 10,671,716
Property taxes					3,514,625	-	3,514,625
Sales taxes					175,550	-	175,550
Other taxes					1,051,658	-	1,051,658
Franchise taxes					49,867	-	49,867
Penalties and interest on taxes					49,550	6,519	56,069
Interest on investments					451,252	-	451,252
Miscellaneous income					1,003,851	(1,003,851)	-
Transfers					16,968,069	(997,332)	15,970,737
Total general revenues and transfers							
					1,570,118	2,490,491	4,060,609
Change in net position							
Net Position, as Previously Reported					59,905,214	21,436,659	81,341,873
Prior Period Restatement					6,549,813	838,584	7,388,397
Net Position, Beginning of Year					66,455,027	22,275,243	88,730,270
Net Position, End of Year					\$ 68,025,145	\$ 24,765,734	\$ 92,790,879

Town of Highland Park
Balance Sheet – Governmental Funds
September 30, 2015

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 4,369,540	\$ 2,955,844	\$ 1,051,294	\$ 8,376,678
Investments	1,451,710	508,508	225,000	2,185,218
Receivables, net				
Interest	1,869	696	-	2,565
Taxes	952,209	-	-	952,209
Other	143,905	45,426	-	189,331
Fines	158,044	-	305	158,349
Inventories	8,409	-	-	8,409
Prepays	4,435	-	-	4,435
	<u>7,090,121</u>	<u>3,510,474</u>	<u>1,276,599</u>	<u>11,877,194</u>
Total assets	<u>\$ 7,090,121</u>	<u>\$ 3,510,474</u>	<u>\$ 1,276,599</u>	<u>\$ 11,877,194</u>
Liabilities				
Vouchers payable	\$ 603,442	\$ 34,591	\$ 19,531	\$ 657,564
Retainage payable	-	53,576	-	53,576
Accrued liabilities	1,131,291	56,113	-	1,187,404
Deposits	55,137	-	-	55,137
	<u>1,789,870</u>	<u>144,280</u>	<u>19,531</u>	<u>1,953,681</u>
Total liabilities	<u>1,789,870</u>	<u>144,280</u>	<u>19,531</u>	<u>1,953,681</u>
Deferred Inflows of Resources				
Unavailable revenue- property taxes	116,071	-	-	116,071
Unavailable revenue- ambulance	75,698	-	-	75,698
Unavailable revenue- fines	141,160	-	-	141,160
	<u>332,929</u>	<u>-</u>	<u>-</u>	<u>332,929</u>
Total deferred inflows of resources	<u>332,929</u>	<u>-</u>	<u>-</u>	<u>332,929</u>
Fund Balances				
Nonspendable				
Inventories	8,409	-	-	8,409
Prepays	4,435	-	-	4,435
Restricted				
Crime prevention	-	-	8,332	8,332
Parks	10,000	-	-	10,000
Court technology	-	-	56,543	56,543
Court security	-	-	5,650	5,650
DPS technology	4,000	-	107,511	111,511
Library	10,000	-	223,440	233,440
Committed				
Capital acquisition	-	3,177,685	-	3,177,685
Stormwater drainage improvements	-	-	823,220	823,220
Employee Christmas fund	-	-	1,393	1,393
Assigned				
Capital projects	-	188,509	-	188,509
Drainage	-	-	30,979	30,979
Other	883,224	-	-	883,224
Unassigned	4,047,254	-	-	4,047,254
	<u>4,967,322</u>	<u>3,366,194</u>	<u>1,257,068</u>	<u>9,590,584</u>
Total fund balances	<u>4,967,322</u>	<u>3,366,194</u>	<u>1,257,068</u>	<u>9,590,584</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,090,121</u>	<u>\$ 3,510,474</u>	<u>\$ 1,276,599</u>	<u>\$ 11,877,194</u>

Town of Highland Park
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
September 30, 2015

Total fund balances — governmental funds balance sheet	\$ 9,590,584
Amounts reported for governmental activities in the statement of net position (SNP) are different because	
Net pension assets are not reported in the funds.	6,735,219
Deferred outflows related to pension contributions and investment losses are not reported in the funds.	926,221
Capital assets used in governmental activities, including the internal service fund, are not reported in the funds.	47,756,610
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	116,071
Ambulance receivables unavailable to pay for current period expenditures are deferred in the funds.	75,698
Court fine receivables unavailable to pay for current period expenditures are deferred in the funds.	141,160
The long-term liability for other post employment benefits are not recorded in the funds.	(479,185)
Deferred inflows related to differences in pension experience are not reported in the funds.	(690,056)
An internal service fund is used by the Town's management: The assets and liabilities of the internal service fund are included with the governmental activities. The net property of \$3,117,917 as is relates to the internal service funds in included in the capital asset amount above.	4,626,314
Payables for compensated absences which are not due in the current period are not reported in the funds.	<u>(773,491)</u>
Net position of governmental activities — SNP	<u>\$ 68,025,145</u>

Town of Highland Park
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended September 30, 2015

	General Fund	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 10,763,525	\$ -	\$ -	\$ 10,763,525
Sales taxes	3,514,625	-	-	3,514,625
Other taxes	175,550	-	-	175,550
Franchise fees	1,051,658	-	-	1,051,658
Penalties and interest	49,867	-	-	49,867
Licenses and permits	1,424,885	-	-	1,424,885
Service fees	2,402,293	-	557,896	2,960,189
Fines and forfeitures	406,839	-	-	406,839
Investment income	25,682	8,020	3,734	37,436
Contributions	38,255	338,170	39,248	415,673
Miscellaneous	357,737	-	92,414	450,151
	<u>20,210,916</u>	<u>346,190</u>	<u>693,292</u>	<u>21,250,398</u>
Total revenues				
Expenditures				
General government	2,128,473	-	60,514	2,188,987
Department of public safety	11,055,921	-	133,839	11,189,760
Street department	377,557	-	-	377,557
Street lighting department	186,869	-	-	186,869
Library	743,172	-	-	743,172
Parks department	1,385,583	-	-	1,385,583
Swimming pool	166,016	-	-	166,016
Municipal court	339,324	-	13,630	352,954
Finance department	791,310	-	-	791,310
Building inspection department	475,766	-	-	475,766
Sanitation	1,094,766	-	-	1,094,766
Capital Outlay	48,921	1,212,353	92,631	1,353,905
	<u>18,793,678</u>	<u>1,212,353</u>	<u>300,614</u>	<u>20,306,645</u>
Total expenditures				
Excess (deficiencies) of revenues over expenditures	<u>1,417,238</u>	<u>(866,163)</u>	<u>392,678</u>	<u>943,753</u>
Other Financing Sources (Uses)				
Transfers in	1,067,439	2,829,528	-	3,896,967
Transfers out	<u>(2,471,375)</u>	<u>(291,448)</u>	<u>(130,293)</u>	<u>(2,893,116)</u>
Net other financing sources	<u>(1,403,936)</u>	<u>2,538,080</u>	<u>(130,293)</u>	<u>1,003,851</u>
Net Change in Fund Balances	13,302	1,671,917	262,385	1,947,604
Fund Balances, Beginning of Year	<u>4,954,020</u>	<u>1,694,277</u>	<u>994,683</u>	<u>7,642,980</u>
Fund Balances, End of Year	<u>\$ 4,967,322</u>	<u>\$ 3,366,194</u>	<u>\$ 1,257,068</u>	<u>\$ 9,590,584</u>

Town of Highland Park
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2015

Net change in fund balances — total governmental funds	\$ 1,947,604
Capital outlays are not reported as expenses in the SOA.	546,170
The depreciation of capital assets used in governmental activities, excluding the Internal Service Funds, is not reported in the funds.	(1,742,927)
Compensated absence are reported as the amount earned in the SOA but as the amount paid in the funds.	140,334
Property taxes levied and ambulance service revenue earned, but not available, are deferred in the governmental funds, but are recognized when earned (net of estimated uncollectible) in the SOA. This is the net change in unearned property taxes, ambulance fees and court fines for the year.	(64,183)
Expenditures related to the long-term liability for other than post are not reported in the funds	(36,868)
Pension expense is reported as the amount paid in the funds, but incorporates deferred outflows and deferred inflows in the SOA	421,571
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 with the governmental activities.	<u>358,417</u>
Change in net position of governmental activities — SOA	<u>\$ 1,570,118</u>

Town of Highland Park
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget
and Actual
September 30, 2015

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ 10,760,424	\$ 10,760,424	\$ 10,763,525	\$ 3,101
Sales taxes	3,275,000	3,483,545	3,514,625	31,080
Other taxes	186,000	186,000	175,550	(10,450)
Franchise fees	1,031,000	1,073,632	1,051,658	(21,974)
Penalties and interest	55,000	55,000	49,867	(5,133)
Licenses and permits	1,187,625	1,192,846	1,424,885	232,039
Service fees	2,544,096	2,410,066	2,402,293	(7,773)
Fines and forfeitures	410,100	410,100	406,839	(3,261)
Investment income	16,100	16,100	25,682	9,582
Contributions	20,796	20,796	38,255	17,459
Miscellaneous	304,090	304,090	357,737	53,647
Total revenues	<u>19,790,231</u>	<u>19,912,599</u>	<u>20,210,916</u>	<u>298,317</u>
Expenditures				
General government	2,067,242	2,179,468	2,128,473	50,995
Department of public safety	10,542,300	11,264,008	11,055,921	208,087
Street department	381,640	401,358	377,557	23,801
Street lighting department	171,796	193,204	186,869	6,335
Library	747,722	772,963	743,172	29,791
Parks department	1,378,100	1,447,586	1,385,583	62,003
Swimming pool	184,070	193,687	166,016	27,671
Municipal court	372,099	391,757	339,324	52,433
Finance department	745,430	850,021	791,310	58,711
Building inspection department	433,357	516,137	475,766	40,371
Sanitation	1,169,320	1,232,741	1,094,766	137,975
Capital Outlay	33,875	49,281	48,921	360
Total Expenditures	<u>18,226,951</u>	<u>19,492,211</u>	<u>18,793,678</u>	<u>698,533</u>
Excess of Revenues over Expenditures	<u>1,563,280</u>	<u>420,388</u>	<u>1,417,238</u>	<u>996,850</u>
Other Financing Sources (Uses)				
Transfers in	1,067,439	1,067,439	1,067,439	-
Transfers out	(2,630,719)	(2,478,454)	(2,471,375)	7,079
Net other financing sources	<u>(1,563,280)</u>	<u>(1,411,015)</u>	<u>(1,403,936)</u>	<u>7,079</u>
Net Change in Fund Balances	<u>-</u>	<u>(990,627)</u>	<u>13,302</u>	<u>1,003,929</u>
Fund Balances, Beginning of Year	<u>4,954,020</u>	<u>4,954,020</u>	<u>4,954,020</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 4,954,020</u>	<u>\$ 3,963,393</u>	<u>\$ 4,967,322</u>	<u>\$ 1,003,929</u>

Town of Highland Park
Proprietary Funds
Statement of Net Position
September 30, 2015

	Enterprise Fund	Governmental Activities Internal Service Funds
Current Assets		
Cash and cash equivalents	\$ 1,198,033	\$ 3,342,958
Investments	901,944	1,326,929
Receivables (net of allowances for uncollectibles)		
Water, Sewer and Garbage		
Billed	1,448,376	-
Unbilled	608,985	-
Other	148,365	-
Interest	2,689	2,117
Inventories	160,799	-
Prepays	7,890	-
	<hr/>	<hr/>
Total current assets	4,477,081	4,672,004
Non-Current Assets		
Restricted cash and cash equivalents	190,085	-
Net pension asset	862,321	-
	<hr/>	<hr/>
Total non-current assets	1,052,406	-
Capital assets		
Land	238,750	-
Buildings	20,197	-
Improvements other than buildings	26,820,321	-
Vehicles and rolling stock	-	4,026,432
Machinery and equipment	692,225	3,645,710
Office furniture and equipment	19,780	-
Construction in progress	2,255,419	95,210
Accumulated depreciation	(9,487,094)	(4,649,435)
Capital assets, net of accumulated depreciation	20,559,598	3,117,917
	<hr/>	<hr/>
Total assets	26,089,085	7,789,921
Deferred Outflows of Resources		
Deferred pension contributions	36,545	-
Deferred pension investment loss	82,041	-
	<hr/>	<hr/>
Total deferred outflows of resources	118,586	-
Liabilities		
Current Liabilities		
Vouchers payable	\$ 763,520	\$ 45,690
Retainage payable	49,399	-
Accrued liabilities	56,012	-
Deposits	190,085	-
Compensated absences-current	103,934	-
	<hr/>	<hr/>
Total current liabilities	1,162,950	45,690
Noncurrent Liabilities		
OPEB	79,784	-
Compensated absences	110,854	-
	<hr/>	<hr/>
Total noncurrent liabilities	190,638	-
	<hr/>	<hr/>
Total liabilities	1,353,588	45,690
Deferred Inflows of Resources		
	88,349	-
	<hr/>	<hr/>
Net Position		
Investment in capital assets	20,559,598	3,117,917
Unrestricted	4,206,136	4,626,314
	<hr/>	<hr/>
Total net position	\$ 24,765,734	\$ 7,744,231

Town of Highland Park
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the year ended September 30, 2015

	Enterprise Fund	Governmental Activities - Internal Service Funds
Operating Revenues		
Water sales	\$ 5,887,496	\$ -
Sewer services	2,551,417	-
New connections	60,500	-
Plumbing permits	65,485	-
Penalties for late payments	63,599	-
Inter-department water sales	101,490	-
Charges for services	-	1,227,176
Miscellaneous	5,385	2,883
	<hr/>	<hr/>
Total operating revenues	8,735,372	1,230,059
Operating Expenses		
Personnel services	1,621,941	-
Materials and supplies	2,367,673	19,186
Services and charges	1,268,716	212,326
Depreciation	769,519	650,462
	<hr/>	<hr/>
Total operating expenses	6,027,849	881,974
Operating income	<hr/>	<hr/>
	2,707,523	348,085
Nonoperating Revenues (Expenses)		
Investment income	6,519	12,114
Loss on sale of assets	-	(1,782)
	<hr/>	<hr/>
Net nonoperating revenues	6,519	10,332
Net income before contributions and transfers	<hr/>	<hr/>
	2,714,042	358,417
Capital Contributions and Transfers		
Capital contributions	428,300	-
Intergovernmental contributions	352,000	-
Transfers in	453,226	-
Transfers out	(1,457,077)	-
	<hr/>	<hr/>
Net transfers and contributions	(223,551)	-
Change in Net Position	<hr/>	<hr/>
	2,490,491	358,417
Net Position, as Previously Reported	<hr/>	<hr/>
	21,436,659	7,385,814
Prior Period Adjustment	<hr/>	<hr/>
	838,584	-
Net Position, Beginning of Year	<hr/>	<hr/>
	22,275,243	7,385,814
Net Position, End of Year	<hr/>	<hr/>
	\$ 24,765,734	\$ 7,744,231

Town of Highland Park
Proprietary Funds
Statement of Cash Flows
For the year ended September 30, 2015

	Enterprise Fund	Governmental Activities Internal Service Funds
Operating Activities		
Cash received from customers	\$ 7,968,299	\$ 1,230,059
Cash payments to employees	(1,496,114)	-
Cash payments to other suppliers for goods and services	<u>(3,643,587)</u>	<u>(286,263)</u>
Net cash provided by operating activities	<u>2,828,598</u>	<u>943,796</u>
Noncapital Financing Activities		
Other	352,000	-
Transfers (to) from other funds	<u>(1,003,851)</u>	<u>-</u>
Net cash used in noncapital financing activities	<u>(651,851)</u>	<u>-</u>
Capital and Related Financing Activities		
Acquisition or construction of capital assets	<u>(1,523,389)</u>	<u>(453,726)</u>
Net cash used in capital and related financing activities	<u>(1,523,389)</u>	<u>(453,726)</u>
Investing Activities		
Investment income	6,519	10,287
Sales (purchases) of investments, net	<u>203,521</u>	<u>(926,928)</u>
Net cash provided by (used in) investing activities	<u>210,040</u>	<u>(916,641)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>863,398</u>	<u>(426,571)</u>
Cash and Cash Equivalents, Beginning of Year	<u>524,720</u>	<u>3,769,529</u>
Cash and Cash Equivalents, End of Year	<u>1,388,118</u>	<u>3,342,958</u>
Reconciliation to the Statement of Net Position		
Cash and cash equivalents	1,198,033	3,342,958
Restricted cash and cash equivalents	<u>190,085</u>	<u>-</u>
	<u>\$ 1,388,118</u>	<u>\$ 3,342,958</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating income (loss)	\$ 2,707,523	\$ 348,085
Adjustments to reconcile operating income to net cash provided by (used in) operating activities		
Depreciation and amortization	769,519	650,462
Change in pension expense	(53,974)	-
Change in assets and liabilities	-	-
Decrease (increase) in receivables	(769,150)	-
Decrease (increase) in inventories	(6,267)	-
Decrease (increase) in prepaid expenses	(429)	-
Increase (decrease) in accounts payable	53,472	-
Increase (decrease) in accrued wages payable	<u>127,904</u>	<u>(54,751)</u>
Total adjustments	<u>121,075</u>	<u>595,711</u>
Net cash provided by operating activities	<u>\$ 2,828,598</u>	<u>\$ 943,796</u>
Noncash Capital Financing Activities		
Capital assets acquired by contribution	<u>\$ 428,300</u>	<u>\$ -</u>

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



Town of Highland Park

Notes to Financial Statements

September 30, 2015

Note 1: Summary of Significant Accounting Policies

The accounting and reporting policies of the Town of Highland Park, Texas (Town), relating to the financial statements for the year ended September 30, 2015, conform to generally accepted accounting principles for local governmental units. The more significant accounting policies are summarized below.

Reporting Entity

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the 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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Town of Highland Park

Notes to Financial Statements

September 30, 2015

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.

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

Forfeited Property Fund – Accounts for the receipt of forfeited assets as a result of criminal activities and the funding of crime prevention programs and equipment.

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

Town of Highland Park
Notes to Financial Statements
September 30, 2015

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

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

Library Fund – Accounts for the receipt of royalty revenues restricted to the Library.
The Town reports the following major 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. The Building Maintenance Fund is used to account for repairs and maintenance to buildings owned by the Town. The Technology Replacement Fund is used to account for the replacement of technology equipment.

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.

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

Town of Highland Park

Notes to Financial Statements

September 30, 2015

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 office and prepares a proposed budget covering the expenditures of the Town in accordance with the provisions of the Town Charter.
 2. A copy of the proposed budget is filed in the office of the Town Secretary no less than 30 days prior to the end of the fiscal year in accordance with provisions of the Town Charter..
 3. A public hearing is conducted at a regular Town Council meeting to obtain citizen comments.
 4. Notice of a public hearing relating to budget adoption is duly advertised by the Town Secretary in accordance with the provision of Vernon's Annotated Civil Statutes.
 5. Prior to September 30, the budget is legally enacted through passage of an ordinance.
 6. Amendments to the budget are made at regularly scheduled Town Council meetings with notice of public hearing posted three days prior to the meeting.
 7. The Town's budget is a line-item budget. Overall control is the responsibility of the Town Administrator with each respective department head being responsible for the administration of their departmental budgets. The department head has the flexibility of transferring appropriations between line items within the department as long as the total departmental appropriations are not exceeded. The exception to this policy is that no recognized salary or capital budgetary savings can be transferred without prior authorization of the Town Administrator.
 8. Encumbrances outstanding at the end of the year that the Town intends to pay during the next year are appropriated in next year's budgeted expenditures as appropriations expire at year-end.
 9. Formal budgetary integration is employed as a management control device during the current year for the General Fund, Enterprise Fund, and Equipment Replacement Fund (Internal Service Fund).
 10. The legally adopted budget for the General Fund is adopted on the modified accrual basis of accounting. Budgeted amounts are as amended.
- 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.

Town of Highland Park
Notes to Financial Statements
September 30, 2015

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 United States Agency Securities in Certificates of Deposits and a local government investment pool. 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 subject to involuntary participation in an external pool,
 - c. 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;
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 Fund Net Position for Proprietary Funds.

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturity of three (3) months or less from the date of acquisition.

Town of Highland Park
Notes to Financial Statements
September 30, 2015

The Town's carrying amounts of cash and cash equivalents as of September 30, 2015, as reflected in the financial statements, is:

Cash and cash equivalents	\$ 12,917,669
Restricted cash and cash equivalents	190,085
Investments – primary government	4,414,091
	\$ 17,521,845

The Town's deposits are insured by the Federal Deposit Insurance Corporation (FDIC), collateralized with securities pledged to the Town, and held in the Town's name at Plains Capital. The bank balance at Plains Capital at year-end was \$13,174,591.

Deposits and investments as of September 30, 2015, consist of the following

Deposits	\$ 13,107,257
Certificates of deposit	4,050,000
Pooled investments	364,588
	\$ 17,521,845

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One
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	50%	None
Fully Collateralized Certificates of Deposit	3 Years	50%	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
Notes to Financial Statements
September 30, 2015

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, 2015, 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, 2015, the Town had the following investments:

Investment Type	Carrying Amount	Maturities Less than 1 year	Rating as of Year-End
Federal agency securities	\$ 350,608	\$ 350,608	AAA
LOGIC	<u>13,980</u>	<u>13,980</u>	AAA
Total fair value - primary government	<u><u>\$ 364,588</u></u>	<u><u>\$ 364,588</u></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 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, 2015, the Town’s deposits with its financial institution in excess of federal depository insurance limits were fully collateralized.

Custodial Credit Risk – Investments – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town avoids custodial credit risk on investments through its investment policy which further limits eligible instruments for investments of public funds. As of September 30, 2015, the Town had no custodial credit risk on its investments.

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Investment in State Investment Pools – During the year the Town invested in a public fund investment pool (LOGIC). Investments in the pool are not categorized in accordance with GASB Statement No. 3 disclosure requirements since the Town has not issued certificates, but rather it owns an individual beneficial interest in the net position of the related investment pool. The fair value of the position of the pool is 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.

Receivables

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

	Governmental			Total Governmental	Business-type Activities
	General	Capital Projects	Other Governmental Funds		Enterprise
Taxes receivable	\$ 988,875	\$ -	\$ -	\$ 988,875	\$ -
Allowance for uncollectible taxes	(36,666)	-	-	(36,666)	-
	<u>952,209</u>	<u>-</u>	<u>-</u>	<u>952,209</u>	<u>-</u>
Accounts receivable	384,209	-	305	384,514	2,074,967
Allowance for uncollectible accounts	(82,260)	-	-	(82,260)	(17,606)
	<u>301,949</u>	<u>-</u>	<u>305</u>	<u>302,254</u>	<u>2,057,361</u>
Other receivables	1,869	46,122	-	47,991	151,054
Total	<u>\$ 1,256,027</u>	<u>\$ 46,122</u>	<u>\$ 305</u>	<u>\$ 1,302,454</u>	<u>\$ 2,208,415</u>

Inventories of Supplies

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

Prepaid Items

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

Town of Highland Park
Notes to Financial Statements
September 30, 2015

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.

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

Assets	Years
Buildings	50
Improvements other than buildings	12-20
Machinery and equipment	5-20
Office furniture and equipment	10
Computer equipment	3--5
Police sedans	1-2
Pickups/small trucks	5
Medium/heavy trucks	6-7
Fire apparatus	15

Pensions

For purposes of measuring the net pension asset, pension related deferred outflows and inflows of resources, and pension expense, Town specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the Town's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the Town's Total Pension Asset is obtained from TMRS through a report prepared for the Town by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*.

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Pension contributions after measurement date – These contributions are deferred and reported as a reduction in net pension liability or increase in net pension asset in the year subsequent to their deferral.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item that qualifies for reporting in this category. The difference in expected and actual pension experience is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

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 both the General Fund and the Enterprise Fund as current liabilities based upon unpaid amounts as of September 30, 2015, that must be paid by December 31, 2015, and amounts that become vested as of September 30, 2015, 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.

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Encumbrances

Encumbrances outstanding at the end of the year are not included in the expenditures of the General Fund. Assigned fund balance is established and a budget reappropriation made for those amounts the Town intends to pay during the next year applicable to next year's budget appropriations.

Fund Balance

Fund balance classifications, under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

In accordance with GASB 54, the Town classifies governmental fund balances as follows:

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

Restricted -- includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long term debt, construction programs, and other federal and state grants.

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

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

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

Town of Highland Park
Notes to Financial Statements
September 30, 2015

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

Minimum Fund Balance Policy -- It is the policy of the Town to achieve and maintain an unassigned fund balance in the General Fund equal to 17% of non-capital expenditures.

Property Tax

Property taxes attach as an enforceable lien on property located in the Town as of January 1. Taxes are levied on October 1 for the current fiscal year and are due and payable on or before January 31 of the following year. Dallas County bills and collects property taxes on behalf of the Town. The property tax revenues are recognized when levied to the extent that they result in current receivables under policies as described in *Note 1*. The tax rate for the current year was \$0.22 on each \$100 of assessed valuation.

New Financial Reporting Requirements:

The GASB has issued the following statement which became effective for fiscal year 2015.

Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* – This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer’s financial statements for any actuarially unfunded portion of pension benefits earned to date.

Adoption of GASB 68 resulted in the following adjustments to beginning net position at October 1, 2014:

	Government-wide Statement of Activities		Fund Level Statement of Revenues, Expenses and Changes in Net Position- Proprietary Fund
	Governmental Activities	Business-type Activities	Enterprise Fund
	Net position at September 30, 2014, as previously reported	\$ 59,905,214	\$ 21,436,659
Recording of net pension asset as of September 30, 2014	6,147,743	787,105	787,105
Deferral for pension contributions made after the measurement date	<u>402,070</u>	<u>51,479</u>	<u>51,479</u>
Net position at September 30, 2014 as restated	<u>\$ 66,455,027</u>	<u>\$ 22,275,243</u>	<u>\$ 22,275,243</u>

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Note 2: Capital Assets

Capital asset activity for the year ended September 30, 2015 was as follows:

	Balance September 30, 2014	Additions	Sales or Other Dispositions	Adjustments/ Transfers	Balance September 30, 2015
General Capital Assets					
Capital assets not being depreciated					
Land	\$ 4,193,026	\$ -	\$ -	\$ -	\$ 4,193,026
Work in progress	1,583,795	543,535	-	(121,730)	2,005,600
Total capital assets not being depreciated	<u>5,776,821</u>	<u>543,535</u>	<u>-</u>	<u>(121,730)</u>	<u>6,198,626</u>
Capital assets being depreciated					
Buildings	22,373,069	1,425	-	-	22,374,494
Capital improvements	35,425,953	1,209	-	116,730	35,543,892
Furniture and fixtures	40,444	-	-	-	40,444
Office equipment	395,155	-	-	5,000	400,155
Machinery and equipment	1,557,496	-	-	-	1,557,496
Total capital assets being depreciated	<u>59,792,117</u>	<u>2,634</u>	<u>-</u>	<u>121,730</u>	<u>59,916,481</u>
Less accumulated depreciation for					
Buildings	(1,333,227)	(680,713)	-	-	(2,013,940)
Capital improvements	(16,860,402)	(951,244)	-	-	(17,811,646)
Furniture and fixtures	(7,309)	(4,369)	-	-	(11,678)
Office equipment	(191,137)	-	-	-	(191,137)
Machinery and equipment	(1,341,413)	(106,601)	-	-	(1,448,014)
Total accumulated depreciation	<u>(19,733,488)</u>	<u>(1,742,927)</u>	<u>-</u>	<u>-</u>	<u>(21,476,415)</u>
Capital assets being depreciated, net	<u>40,058,629</u>	<u>(1,740,293)</u>	<u>-</u>	<u>121,730</u>	<u>38,440,066</u>
Internal Service Fund Capital Assets					
Capital assets not being depreciated					
Work in progress	30,800	64,410	-	-	95,210
Total capital assets not being depreciated	<u>30,800</u>	<u>64,410</u>	<u>-</u>	<u>-</u>	<u>95,210</u>
Capital assets being depreciated					
Machinery and equipment	3,429,283	233,061	(16,634)	-	3,645,710
Vehicles and rolling stock	3,870,178	156,255	-	-	4,026,433
Total capital assets being depreciated	<u>7,299,461</u>	<u>389,316</u>	<u>(16,634)</u>	<u>-</u>	<u>7,672,143</u>
Less accumulated depreciation for					
Machinery and equipment	(1,931,953)	(331,981)	14,852	-	(2,249,082)
Vehicles and rolling stock	(2,081,872)	(318,481)	-	-	(2,400,353)
Total accumulated depreciation	<u>(4,013,825)</u>	<u>(650,462)</u>	<u>14,852</u>	<u>-</u>	<u>(4,649,435)</u>
Total capital assets being depreciated, net	<u>\$ 3,285,636</u>	<u>\$ (261,146)</u>	<u>\$ (1,782)</u>	<u>\$ -</u>	<u>\$ 3,022,708</u>
Governmental activities capital assets, net	<u>\$ 49,151,886</u>	<u>\$ (1,393,494)</u>	<u>\$ (1,782)</u>	<u>\$ -</u>	<u>\$ 47,756,610</u>

Town of Highland Park
Notes to Financial Statements
September 30, 2015

	Balance September 30, 2014	Additions	Sales or Other Dispositions	Adjustments/ Transfers	Balance September 30, 2015
Business-type Activities					
Capital assets not being depreciated					
Land	\$ 238,750	\$ -	\$ -	\$ -	\$ 238,750
Work in progress	2,405,332	1,356,929	-	(1,506,842)	2,255,419
Total capital assets not being depreciated	2,644,082	1,356,929	-	(1,506,842)	2,494,169
Capital assets being depreciated					
Building	20,197	-	-	-	20,197
Improvements other than buildings	24,718,719	594,760	-	1,506,842	26,820,321
Machinery and equipment	692,225	-	-	-	692,225
Office furniture and equipment	19,780	-	-	-	19,780
Total capital assets being depreciated	25,450,921	594,760	-	1,506,842	27,552,523
Less accumulated depreciation for					
Building	(20,197)	-	-	-	(20,197)
Capital improvements	(8,245,903)	(715,014)	-	-	(8,960,917)
Machinery and equipment	(439,406)	(50,482)	-	-	(489,888)
Office equipment	(12,069)	(4,023)	-	-	(16,092)
Total accumulated depreciation	(8,717,575)	(769,519)	-	-	(9,487,094)
Total capital assets being depreciated, net	\$ 16,733,346	\$ (174,759)	\$ -	\$ 1,506,842	\$ 18,065,429
Business-type activities capital assets, net	\$ 19,377,428	\$ 1,182,170	\$ -	\$ -	\$ 20,559,598

Town of Highland Park
Notes to Financial Statements
September 30, 2015

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

Governmental activities	
General government	\$ 731,172
Public safety	205,319
Street department	657,354
Street lighting department	1,646
Library	70,528
Parks department	49,282
Swimming pool	<u>27,626</u>
Total depreciation expense — general capital assets	<u>1,742,927</u>
Internal service fund	<u>650,462</u>
	<u>\$ 2,393,389</u>
Business-type activities	
Enterprise fund	<u>\$ 769,519</u>

Note 3: Interfund Transactions

Interfund transfers are made throughout the fiscal year for a variety of reasons. Transfers made during fiscal year 2015 were as follows:

<u>Transfer Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Purpose of Transfer</u>
General fund	\$ 1,067,439	\$ 2,471,375	Budgetary
Capital projects fund	2,829,528	291,448	Capital Projects
Nonmajor governmental funds	-	130,293	Budgetary
Enterprise fund	<u>453,226</u>	<u>1,457,077</u>	Budgetary
	<u>\$ 4,350,193</u>	<u>\$ 4,350,193</u>	

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Note 4: Long-term Liabilities

Long-term liability activity for the year ended September 30, 2015, was as follows:

	<u>Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>	<u>Within One Year</u>
Governmental activities					
Compensated absences	\$ 1,558,244	\$ 1,411,871	\$ (1,524,707)	\$ 1,445,408	\$ 671,917
OPEB liability	442,317	36,868	-	479,185	-
Total	<u>\$ 2,000,561</u>	<u>\$ 1,448,739</u>	<u>\$ (1,524,707)</u>	<u>\$ 1,924,593</u>	<u>\$ 671,917</u>
Business-type activities					
Compensated absences	208,938	115,540	(109,690)	214,788	103,934
OPEB liability	67,883	11,901	-	79,784	-
Total	<u>\$ 276,821</u>	<u>\$ 127,441</u>	<u>\$ (109,690)</u>	<u>\$ 294,572</u>	<u>\$ 103,934</u>

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

Note 5: Retirement Plans

Texas Municipal Retirement System

Plan Description

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

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

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Benefits Provided:

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

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

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

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

Employees covered by benefit terms –

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	98
Inactive employees entitled to but not yet receiving benefits	31
Active employees	<u>116</u>
	<u>245</u>

Contributions:

Employees for the Town were required to contribute 7% of their annual gross earnings during the fiscal year. Employer contributions are actuarially determined and for the fiscal year ended September 30, 2015, the Town made contributions of \$504,539 or 4.39% of covered employee payroll.

Net Pension Asset:

The Town’s Net Pension Asset (NPA) was measured as of December 31, 2014, and the Total Pension Asset (TPA) used to calculate the NPA was determined by an actuarial valuation as of that date.

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Actuarial assumptions –

The Total Pension Asset in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.5% to 12.0% per year
Investment Rate of Return inflation	7.0%, net of pension plan investment expense, including inflation

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

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. This experience study was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

Town of Highland Park
Notes to Financial Statements
September 30, 2015

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.5%	4.80%
International equity	17.5%	6.05%
Core fixed income	30.0%	1.50%
Non-core fixed income	10.0%	3.50%
Real return	5.0%	1.75%
Real estate	10.0%	5.25%
Absolute return	5.0%	4.25%
Private equity	5.0%	8.50%
Total	<u>100.0%</u>	

Discount Rate –

The discount rate used to measure the Total Pension Asset was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Asset.

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Changes in the Net Pension Asset:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
	(a)	(b)	(a) - (b)
Balance at September 30, 2014	\$ 63,664,908	\$ 70,599,756	\$ (6,934,848)
Changes for the year:			
Service cost	1,355,468	-	1,355,468
Interest	4,389,441	-	4,389,441
Difference between expected and actual experience	(973,479)	-	(973,479)
Contributions-employer	-	636,106	(636,106)
Contributions-employee	-	805,198	(805,198)
Net investment income	-	4,038,451	(4,038,451)
Benefit payments, including refunds of employee contributions	(3,272,671)	(3,272,671)	-
Administrative expense	-	(42,166)	42,166
Other changes	-	(3,467)	3,467
Net changes	<u>1,498,759</u>	<u>2,161,451</u>	<u>(662,692)</u>
Balance at September 30, 2015	<u>\$ 65,163,667</u>	<u>\$ 72,761,207</u>	<u>\$ (7,597,540)</u>

Sensitivity of the net pension (asset) liability to changes in the discount rate –

The following presents the net pension (asset) liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
Town's net pension (asset) liability	\$69,381	(\$7,597,540)	(\$14,061,481)

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Pension Plan Fiduciary Net Position –

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

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

For the year ended September 30, 2015, the Town recognized pension expense of \$28,993.

At September 30, 2015, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actuarial assumptions and actual experience	\$ -	\$ 778,405
Changes in actuarial assumptions used	-	-
Difference between projected and actual investment earnings	722,826	-
Contributions subsequent to the measurement date	321,981	-
Total	\$ 1,044,807	\$ 778,405

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$321,981 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2015 (i.e. recognized in the Town’s financial statements September 30, 2016). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

September 30	
2016	\$ (14,368)
2017	(14,368)
2018	(14,368)
2019	(12,475)
Total	\$ (55,579)

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Deferred Compensation Plan

The Town offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457 to its employees. Under this plan, employees may defer receipt of income. The plan is administered by the International City Management Association Retirement Corporation (ICMARC). All assets and income are held in trust for the exclusive benefit of participants and their beneficiaries, and the Town has no fiduciary responsibilities over the plan. It is therefore not reported in the financial statements of the Town.

Note 6: Postemployment Benefits

The Town offers retired employees the option to retain health and dental insurance coverage under the Town's insurance carrier until age 65 through a single employer defined benefit plan. The Town does not contribute funds for this coverage, and Retirees are required to pay all insurance premiums. While the Town does not directly pay premiums for retirees, the Town's cost for insurance coverage is affected by the inclusion of these individuals in the group. This effect on cost is considered to be an implicit rate subsidy. There were six participating retirees receiving health and dental insurance coverage as of September 30, 2015. Since an irrevocable trust has not been established, the plan is not accounted for as a trust fund. The plan does not issue a separate report. Benefit provisions for retirees are not mandated by any form of employment agreement, and the continued provision of these benefits is based entirely on the discretion of the Town Council. At September 30, 2015, there were approximately 116 active members, and there are no terminated employees entitled to receive benefits in the future.

Funding Policy

Before the age of 65, retired employees are allowed to remain on the Town's healthcare insurance. The Town bills retirees quarterly in advance for the cost of their premiums and the Town remits these premiums at the same time it remits premiums for active employees. Contributions to the plan by the Town during the year (which equals the premiums paid by the Town) was zero (\$0).

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Annual OPEB Cost

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

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ending September 30, 2015 and the preceding two fiscal years were as follows:

	September 30,		
	2015	2014	2013
Annual required contribution	\$ 117,099	\$ 129,480	\$ 125,709
Interest on prior year net OPEB obligation	22,959	19,183	15,433
Adjustment to annual required contribution	<u>(21,271)</u>	<u>(17,773)</u>	<u>(14,298)</u>
Annual OPEB cost	118,787	130,890	126,844
Contributions made	(70,018)	(46,980)	(43,504)
Increase in net OPEB obligation	48,769	83,910	83,340
Net obligation, beginning of year	<u>510,200</u>	<u>426,290</u>	<u>342,950</u>
Net obligation, end of year	<u>558,969</u>	<u>510,200</u>	<u>426,290</u>
Percentage of OPEB costs contributed	58.9%	35.9%	34.3%

Funding Status and Funding Progress

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

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

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

Town of Highland Park
Notes to Financial Statements
September 30, 2015

Actuarial Methods and Assumptions

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

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

Actuarial Methods and Assumptions	3.00% per annum
Inflation rate	4.50%, net of expenses
Investment rate of return	Projected Unit Credit Cost Method
Actuarial cost method	Level as a percentage of employee payroll
Amortization method	30-year, open amortization
Amortization period	3.00% per annum
Payroll Growth	Initial rate of 8.50% declining to an ultimate rate of 4.50%

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

Note 7: Commitments and Contingencies

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

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

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

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

No material litigation was outstanding against the Town as of September 30, 2015.



REQUIRED SUPPLEMENTARY INFORMATION

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

	Measurement Year 2014
Total pension liability	
Service cost	\$ 1,355,468
Interest	4,389,441
Changes of benefit terms	-
Difference between expected and actual experience	(973,479)
Change in assumptions	-
Benefit payments, including refunds of employee contributions	(3,272,671)
Net change in total pension liability	1,498,759
Total pension liability - beginning	63,664,908
Total pension liability - ending (a)	65,163,667
Plan fiduciary net position:	
Contributions - employer	636,106
Contributions - employee	805,198
Net investment income	4,038,451
Benefit payments, including refunds of employee contributions	(3,272,671)
Administrative expense	(42,166)
Other	(3,467)
Net change in plan fiduciary net position	2,161,451
Plan fiduciary net position - beginning	70,599,756
Plan fiduciary net position - ending (b)	72,761,207
Net pension asset - ending (a) - (b)	\$ (7,597,540)
Plan fiduciary net position as a percentage of total pension asset	111.66%
Covered employee payroll	\$ 11,502,823
Net pension asset as a percentage of covered employee payroll	-66.05%

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

	Fiscal Year 2015
Actuarially determined contribution	\$ 504,539
Contribution in relation of the actuarially determined contribution	504,539
Contribution deficiency (excess)	\$ -
 Covered employee payroll	 \$ 11,502,823
 Contributions as a percentage of covered employee payroll	 4.39%

Notes to Schedule:

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 12 months and a day later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	5 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.0%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 – 2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

There were no benefit changes during the year.

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

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

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

**COMBINING AND INDIVIDUAL
FINANCIAL STATEMENTS AND SCHEDULES**



NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

Stormwater Drainage – Accounts for the collection of fees to protect the public health and safety from loss of life and property caused by surface water overflows, surface water stagnation and pollution arising from non-point source runoff within the Town.

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

Forfeited Property – Accounts for the receipt of forfeited assets as a result of criminal activities and the funding of crime prevention programs and equipment.

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

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

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

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

Town of Highland Park
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2015

	Special Revenue Funds						Total Nonmajor Funds	
	Stormwater Drainage	Employee Christmas	Forfeited Property	Court Technology	Court Security	DPS Technology		Library
Assets								
Cash and cash equivalents	\$ 781,160	\$ 1,393	\$ 8,911	\$ 56,979	\$ 5,650	\$ 73,922	\$ 123,279	\$ 1,051,294
Investments	75,000	-	-	-	-	50,000	100,000	225,000
Receivables (net of allowances for uncollectibles)	87	-	-	-	-	57	161	305
Total assets	<u>856,247</u>	<u>1,393</u>	<u>8,911</u>	<u>56,979</u>	<u>5,650</u>	<u>123,979</u>	<u>223,440</u>	<u>1,276,599</u>
Liabilities								
Vouchers payable	2,048	-	579	436	-	16,468	-	19,531
Total liabilities	<u>2,048</u>	<u>-</u>	<u>579</u>	<u>436</u>	<u>-</u>	<u>16,468</u>	<u>-</u>	<u>19,531</u>
Fund Balances								
Restricted								
Crime prevention	-	-	8,332	-	-	-	-	8,332
Court technology	-	-	-	56,543	-	-	-	56,543
Court security	-	-	-	-	5,650	-	-	5,650
DPS technology	-	-	-	-	-	107,511	-	107,511
Library	-	-	-	-	-	-	223,440	223,440
Committed								
Stormwater drainage improvements	823,220	-	-	-	-	-	-	823,220
Employee Christmas fund	-	1,393	-	-	-	-	-	1,393
Assigned								
Drainage	30,979	-	-	-	-	-	-	30,979
Total fund balances	<u>\$ 854,199</u>	<u>\$ 1,393</u>	<u>\$ 8,332</u>	<u>\$ 56,543</u>	<u>\$ 5,650</u>	<u>\$ 107,511</u>	<u>\$ 223,440</u>	<u>\$ 1,257,068</u>

Town of Highland Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2015

	Special Revenue Funds							Nonmajor Funds
	Stormwater Drainage	Employee Christmas	Forfeited Property	Court Technology	Court Security	DPS Technology	Library	
Revenues								
Fees	\$ 381,883	\$ -	\$ -	\$ 25,106	\$ 18,830	\$ 132,077	\$ -	\$ 557,896
Contributions	-	20,500	-	-	-	-	18,748	39,248
Interest on investments	2,523	6	12	177	28	251	737	3,734
Miscellaneous	-	-	8,803	-	-	83,611	-	92,414
Total revenues	<u>384,406</u>	<u>20,506</u>	<u>8,815</u>	<u>25,283</u>	<u>18,858</u>	<u>215,939</u>	<u>19,485</u>	<u>693,292</u>
Expenditures								
Distributions of contributions	-	17,614	-	-	-	-	-	17,614
FICA contribution	-	1,202	-	-	-	-	-	1,202
TMRS	-	964	-	-	-	-	-	964
Materials and supplies	6,299	-	-	2,965	-	-	-	9,264
Services and charges	34,435	-	1,638	10,665	-	132,201	-	178,939
Capital outlay	92,631	-	-	-	-	-	-	92,631
Total expenditures	<u>133,365</u>	<u>19,780</u>	<u>1,638</u>	<u>13,630</u>	<u>-</u>	<u>132,201</u>	<u>-</u>	<u>300,614</u>
Excess (deficiency) of revenues over expenditures	251,041	726	7,177	11,653	18,858	83,738	19,485	392,678
Other Financing Sources (Uses)								
Transfers out	(109,293)	-	-	-	(21,000)	-	-	(130,293)
Total other financing sources (uses)	<u>(109,293)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,000)</u>	<u>-</u>	<u>-</u>	<u>(130,293)</u>
Net change in fund balances	141,748	726	7,177	11,653	(2,142)	83,738	19,485	262,385
Fund Balances, Beginning of Year	<u>712,451</u>	<u>667</u>	<u>1,155</u>	<u>44,890</u>	<u>7,792</u>	<u>23,773</u>	<u>203,955</u>	<u>994,683</u>
Fund Balances, End of Year	<u>\$ 854,199</u>	<u>\$ 1,393</u>	<u>\$ 8,332</u>	<u>\$ 56,543</u>	<u>\$ 5,650</u>	<u>\$ 107,511</u>	<u>\$ 223,440</u>	<u>\$ 1,257,068</u>



INTERNAL SERVICE FUNDS

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

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

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

Town of Highland Park
Combining Statement of Net Position
Internal Service Funds
September 30, 2015

	Equipment Replacement Fund	Building Maintenance Fund	Technology Replacement Fund	Total Internal Service Funds
Assets				
Current Assets				
Cash and cash equivalents	\$ 2,179,209	\$ 311,141	\$ 852,608	\$ 3,342,958
Investments	751,929	75,000	500,000	1,326,929
Accrued interest	1,205	105	807	2,117
Total current assets	<u>2,932,343</u>	<u>386,246</u>	<u>1,353,415</u>	<u>4,672,004</u>
Capital Assets				
Vehicles and rolling stock	4,026,432	-	-	4,026,432
Machinery and equipment	15,819	-	3,629,891	3,645,710
Construction in progress	-	-	95,210	95,210
Less accumulated depreciation	<u>(2,400,353)</u>	<u>-</u>	<u>(2,249,082)</u>	<u>(4,649,435)</u>
Net capital assets	<u>1,641,898</u>	<u>-</u>	<u>1,476,019</u>	<u>3,117,917</u>
Total assets	<u>4,574,241</u>	<u>386,246</u>	<u>2,829,434</u>	<u>7,789,921</u>
Liabilities				
Current Liabilities				
Vouchers payable	-	39,830	5,860	45,690
Total current liabilities	<u>-</u>	<u>39,830</u>	<u>5,860</u>	<u>45,690</u>
Net Position				
Net investment in capital assets	1,641,898	-	1,476,019	3,117,917
Unrestricted	<u>2,932,343</u>	<u>346,416</u>	<u>1,347,555</u>	<u>4,626,314</u>
Total net position	<u>4,574,241</u>	<u>346,416</u>	<u>2,823,574</u>	<u>7,744,231</u>
Total liabilities and net position	<u>\$ 4,574,241</u>	<u>\$ 386,246</u>	<u>\$ 2,829,434</u>	<u>\$ 7,789,921</u>

Town of Highland Park
Combining Statement of Revenues, Expenses, Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2015

	Equipment Replacement Fund	Building Maintenance Fund	Technology Replacement Fund	Total Internal Service Funds
Revenues				
Charges for services	\$ 455,334	\$ 326,206	\$ 445,636	\$ 1,227,176
Miscellaneous	1,782	1,101	-	2,883
Total revenues	<u>457,116</u>	<u>327,307</u>	<u>445,636</u>	<u>1,230,059</u>
Operating Expenses				
Materials and supplies	1,200	16,644	1,342	19,186
Services and charges	-	212,326	-	212,326
Depreciation	312,153	-	338,309	650,462
Total operating expenses	<u>313,353</u>	<u>228,970</u>	<u>339,651</u>	<u>881,974</u>
Operating income	<u>143,763</u>	<u>98,337</u>	<u>105,985</u>	<u>348,085</u>
Nonoperating revenue (expense)				
Interest	8,864	894	2,356	12,114
Loss on sale of assets	(1,782)	-	-	(1,782)
Change in Net Position	150,845	99,231	108,341	358,417
Net Position, Beginning of Year	<u>4,423,396</u>	<u>247,185</u>	<u>2,715,233</u>	<u>7,385,814</u>
Net Position, End of Year	<u>\$ 4,574,241</u>	<u>\$ 346,416</u>	<u>\$ 2,823,574</u>	<u>\$ 7,744,231</u>

Town of Highland Park
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2015

	Equipment Replacement Fund	Building Maintenance Fund	Technology Replacement Fund	Total Internal Service Funds
Operating Activities				
Cash received from customers	\$ 457,116	\$ 327,307	\$ 445,636	\$ 1,230,059
Cash payments to suppliers for goods and services	<u>(1,478)</u>	<u>(285,200)</u>	<u>415</u>	<u>(286,263)</u>
Net cash provided by operating activities	<u>455,638</u>	<u>42,107</u>	<u>446,051</u>	<u>943,796</u>
Investing Activities				
Sales (purchases) of investments, net	(501,928)	-	(425,000)	(926,928)
Investment income	<u>7,659</u>	<u>934</u>	<u>1,694</u>	<u>10,287</u>
Net cash provided by (used in) investing activities	<u>(494,269)</u>	<u>934</u>	<u>(423,306)</u>	<u>(916,641)</u>
Capital Financing Activities				
Acquisition and construction of capital assets	(158,037)	-	(295,689)	(453,726)
Loss on sale of capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used in investing activities	<u>(158,037)</u>	<u>-</u>	<u>(295,689)</u>	<u>(453,726)</u>
Net Increase (Decrease) In Cash and Cash Equivalents	(196,668)	43,041	(272,944)	(426,571)
Cash and Cash Equivalents, Beginning of Year	<u>2,375,877</u>	<u>268,100</u>	<u>1,125,552</u>	<u>3,769,529</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,179,209</u>	<u>\$ 311,141</u>	<u>\$ 852,608</u>	<u>\$ 3,342,958</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	143,763	98,337	105,985	348,085
Item not requiring cash				
Depreciation	312,153	-	338,309	650,462
Change in				
Increase (decrease) in vouchers payable	<u>(278)</u>	<u>(56,230)</u>	<u>1,757</u>	<u>(54,751)</u>
Total adjustments	<u>311,875</u>	<u>(56,230)</u>	<u>340,066</u>	<u>595,711</u>
Net cash provided by operating activities	<u>\$ 455,638</u>	<u>\$ 42,107</u>	<u>\$ 446,051</u>	<u>\$ 943,796</u>

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

	<u>Page</u>
<u>Financial Trends</u>	65-70
This section contains information to help the reader understand how the Town’s financial performance and well-being have changed over time.	
<u>Revenue Capacity</u>	71-74
This section contains information to help the reader assess the Town’s most significant local revenue source, the property tax.	
<u>Debt Capacity</u>	75-76
This section contains information to help the reader assess the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future.	
<u>Demographic and Economic Information</u>	77-79
This section contains information to help the reader understand the environment within which the Town’s financial activities take place.	
<u>Operating Information</u>	80-82
This section contains information to help the reader understand how the information in The Town’s financial report relates to the services the Town provides and the activities it performs.	

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Expenses					
Governmental activities					
General government	\$ 725,157	\$ 877,318	\$ 698,577	\$ 824,699	\$ 1,316,352
Department of public safety	8,619,782	8,730,922	9,628,878	9,867,090	10,164,906
Street department	514,118	678,087	812,623	867,698	1,061,747
Street lighting department	326,216	277,504	318,467	327,938	307,312
Library	529,928	562,314	619,876	644,462	772,491
Parks department	1,259,593	1,234,759	1,342,352	1,430,322	1,431,268
Swimming pool	152,636	166,346	171,912	197,907	228,852
Sanitation	-	-	-	-	-
Municipal court	229,596	297,580	320,864	318,937	343,042
Finance department	447,171	459,684	480,159	481,073	520,784
Building inspection department	288,789	298,711	348,730	402,380	539,980
Total governmental activities expenses	<u>13,092,986</u>	<u>13,583,225</u>	<u>14,742,438</u>	<u>15,362,506</u>	<u>16,686,734</u>
Business-type activities					
Enterprise	<u>6,294,396</u>	<u>6,104,229</u>	<u>6,863,130</u>	<u>7,211,569</u>	<u>7,481,548</u>
Total business-type activities expenses	<u>6,294,396</u>	<u>6,104,229</u>	<u>6,863,130</u>	<u>7,211,569</u>	<u>7,481,548</u>
Total primary government expenses	<u>\$ 19,387,382</u>	<u>\$ 19,687,454</u>	<u>\$ 21,605,568</u>	<u>\$ 22,574,075</u>	<u>\$ 24,168,282</u>
Program Revenues					
Governmental activities					
Charges for services					
General government	\$ 194,078	\$ 190,066	\$ 196,385	\$ 191,381	\$ 206,255
Department of public safety	650,449	655,606	713,878	755,635	568,974
Street department	307,910	254,411	301,998	335,778	118,743
Library	19,167	18,108	14,652	18,619	16,959
Parks department	4,770	4,322	12,955	12,680	11,720
Swimming pool	79,580	87,014	94,432	94,184	92,468
Sanitation	-	-	-	-	-
Municipal court	770,862	724,746	728,369	662,570	676,094
Building inspection department	858,409	1,312,827	725,997	904,647	968,993
Operating grants and contributions	4,960	528,388	1,477,837	32,392	4,383
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>2,890,185</u>	<u>3,775,488</u>	<u>4,266,503</u>	<u>3,007,886</u>	<u>2,664,589</u>
Business-type activities					
Charges for services	7,890,635	6,683,686	7,910,871	8,465,285	8,315,859
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	<u>7,890,635</u>	<u>6,683,686</u>	<u>7,910,871</u>	<u>8,465,285</u>	<u>8,315,859</u>
Total primary government program revenues	<u>\$ 10,780,820</u>	<u>\$ 10,459,174</u>	<u>\$ 12,177,374</u>	<u>\$ 11,473,171</u>	<u>\$ 10,980,448</u>

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

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Net (Expenses) Revenue					
Governmental activities	\$ (10,202,801)	\$ (9,807,737)	\$ (10,475,935)	\$ (12,354,620)	\$ (14,022,145)
Business-type activities	<u>1,596,239</u>	<u>579,457</u>	<u>1,047,741</u>	<u>1,253,716</u>	<u>834,311</u>
Total primary government net expenses	<u>\$ (8,606,562)</u>	<u>\$ (9,228,280)</u>	<u>\$ (9,428,194)</u>	<u>\$ (11,100,904)</u>	<u>\$ (13,187,834)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Property taxes	\$ 7,252,996	\$ 8,055,442	\$ 8,819,669	\$ 9,481,304	\$ 9,934,677
Sales taxes	2,126,860	2,260,502	2,420,130	2,300,369	2,430,775
Other taxes	102,115	105,069	106,462	106,433	94,159
Franchise taxes	950,145	925,302	965,870	1,018,539	1,015,431
Penalty and interest on taxes	46,607	55,763	66,184	65,671	59,834
Investment income	656,533	895,894	767,451	402,349	131,159
Intergovernmental	-	-	1,765,797	1,293,877	87,379
Miscellaneous	252,090	327,332	277,280	418,758	393,567
Transfers	-	2,000,000	-	-	5,200,122
Total governmental activities	<u>11,387,346</u>	<u>14,625,304</u>	<u>15,188,843</u>	<u>15,087,300</u>	<u>19,347,103</u>
Business-type activities					
Investment income	314,591	375,204	190,569	209,841	41,168
Transfers	-	(2,000,000)	-	-	(5,200,122)
Total business-type activities	<u>314,591</u>	<u>(1,624,796)</u>	<u>190,569</u>	<u>209,841</u>	<u>(5,158,954)</u>
Total primary government	<u>\$ 11,701,937</u>	<u>\$ 13,000,508</u>	<u>\$ 15,379,412</u>	<u>\$ 15,297,141</u>	<u>\$ 14,188,149</u>
Change in Net Position					
Governmental activities	\$ 1,184,545	\$ 4,817,567	\$ 4,712,908	\$ 2,732,680	\$ 5,324,958
Business-type activities	<u>1,910,830</u>	<u>(1,045,339)</u>	<u>1,238,310</u>	<u>1,463,557</u>	<u>(4,324,643)</u>
Total primary government	<u>\$ 3,095,375</u>	<u>\$ 3,772,228</u>	<u>\$ 5,951,218</u>	<u>\$ 4,196,237</u>	<u>\$ 1,000,315</u>

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

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

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Mixed Beverage Tax	Total
2006	\$ 7,252,996	\$ 2,126,860	\$ 950,145	\$ 102,115	\$ 10,432,116
2007	8,055,442	2,260,502	925,302	105,069	11,346,315
2008	8,819,669	2,420,130	965,870	106,462	12,312,131
2009	9,488,571	2,300,369	1,030,631	106,433	12,926,004
2010	9,934,677	2,430,775	1,015,431	94,159	13,475,042
2011	9,714,359	2,579,028	1,010,742	127,969	13,432,098
2012	9,640,285	2,923,273	1,078,503	146,057	13,788,118
2013	9,744,640	2,952,203	965,140	160,250	13,822,233
2014	10,053,948	3,437,806	1,024,422	189,232	14,705,408
2015	10,671,716	3,514,625	1,051,658	175,550	15,413,549

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

	Fiscal Year				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 264,686	\$ 227,102	\$ 642,309	\$ 556,019	\$ 460,713
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Unreserved	<u>2,986,225</u>	<u>4,694,373</u>	<u>3,944,352</u>	<u>5,000,470</u>	<u>3,936,857</u>
Total general fund	<u>\$ 3,250,911</u>	<u>\$ 4,921,475</u>	<u>\$ 4,586,661</u>	<u>\$ 5,556,489</u>	<u>\$ 4,397,570</u>
All other governmental funds					
Reserved	\$ 973,604	\$ 9,737,980	\$ 5,292,585	\$ 1,459,922	\$ 4,350,933
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unreserved, reported in Capital projects fund	<u>6,329,012</u>	<u>455,782</u>	<u>1,772,979</u>	<u>5,527,375</u>	<u>13,974,662</u>
Total all other governmental funds	<u>\$ 7,302,616</u>	<u>\$ 10,193,762</u>	<u>\$ 7,065,564</u>	<u>\$ 6,987,297</u>	<u>\$ 18,325,595</u>

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

See *Note 1* to the Basic Financial Statements.

Source: Town Comprehensive Annual Financial Report

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

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

	Fiscal Year				
	2006	2007	2008	2009	2010
Revenues					
Taxes	\$ 10,427,818	\$ 11,290,415	\$ 12,315,728	\$ 12,926,004	\$ 13,389,605
Penalties and interest	46,607	55,763	66,184	65,671	59,834
Intergovernmental – federal	914,566	1,368,191	784,591	965,340	1,051,114
Service fees	1,565,855	1,502,798	1,576,990	1,622,643	1,347,210
Fines and forfeitures	428,586	412,717	388,041	346,085	337,079
Investment income	579,421	761,147	693,784	344,529	114,596
Intergovernmental	-	-	1,765,797	1,293,877	87,379
Contributions	30,376	559,437	1,505,656	132,072	59,280
Miscellaneous	226,674	296,283	249,461	295,673	253,630
Total revenues	14,219,903	16,246,751	19,346,232	17,991,894	16,699,727
Expenditures					
General government	511,794	739,674	806,635	732,754	1,098,201
Department of public safety	8,274,758	8,408,121	9,472,901	9,490,181	9,947,630
Street department	986,893	288,622	785,334	856,776	318,650
Street lighting department	288,187	238,880	279,828	305,611	277,085
Library	532,048	558,488	605,344	569,968	638,351
Parks department	1,270,819	1,157,967	1,274,630	1,447,509	1,396,524
Swimming pool	150,058	160,839	179,667	174,098	205,395
Municipal court	216,607	226,792	239,087	252,461	299,360
Finance department	437,466	451,381	474,821	471,679	514,680
Building inspection department	284,650	292,961	344,512	397,138	534,673
Sanitation	-	-	-	-	-
Capital outlay	168,555	1,161,316	8,350,999	2,403,131	887,491
Total expenditures	13,121,835	13,685,041	22,813,758	17,101,306	16,118,040
Excess (deficiency) of revenues over (under) expenditures	1,098,068	2,561,710	(3,467,526)	890,588	581,687
Other Financing Sources (Uses)					
Transfers in	1,451,550	3,120,330	1,538,834	978,934	8,066,620
Transfers out	(2,227,392)	(1,120,330)	(1,538,834)	(978,934)	(2,866,498)
Sale of assets	121	-	4,514	973	-
Total other financing sources (uses)	(775,721)	2,000,000	4,514	973	5,200,122
Net Change in Fund Balances	\$ 322,347	\$ 4,561,710	\$ (3,463,012)	\$ 891,561	\$ 5,781,809

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

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

Fiscal Year	Estimated Market Value			Total Taxable Assessed Value*	Total Direct Tax Rate
	Residential Property	Business Personal Property	Less: Tax-Exempt Property		
2006	\$ 3,986,604,910	\$ 41,888,720	\$ 853,275,070	\$ 3,175,218,560	0.2300
2007	4,642,666,780	46,476,050	1,102,378,690	3,586,764,140	0.2250
2008	5,187,681,250	54,237,020	1,230,557,711	4,011,360,559	0.2200
2009	5,258,242,810	55,586,640	1,253,698,502	4,364,487,558	0.2200
2010	5,282,026,170	61,504,450	1,157,219,102	4,573,579,178	0.2200
2011	5,126,357,780	59,937,910	1,081,695,766	4,437,430,774	0.2200
2012	5,057,262,630	56,732,470	1,057,634,320	4,406,947,910	0.2200
2013	5,058,223,790	61,252,130	1,038,248,559	4,446,174,261	0.2200
2014	5,220,705,430	72,506,290	1,053,795,597	4,598,788,373	0.2200
2015	5,650,613,160	79,298,850	1,195,241,564	4,924,436,786	0.2200

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

Source: Dallas Central Appraisal District

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

Fiscal Year	Direct Rate	Overlapping Rates					Total Direct Tax Rate	Total Direct & Overlapping Rates
	Highland Park	County				School District		
	Operating/	Dallas County	Hospital District	College District	Total County	Highland Park I.S.D.		
	General Rate							
2006	0.230000	0.21390	0.25400	0.08100	0.54890	1.35570	0.23000	2.13460
2007	0.225000	0.21390	0.25400	0.08100	0.54890	1.35570	0.22500	2.12960
2008	0.220000	0.22810	0.25400	0.08040	0.56250	1.03670	0.22000	1.81920
2009	0.220000	0.22810	0.25400	0.08940	0.57150	1.09000	0.22000	1.88150
2010	0.220000	0.23331	0.27400	0.09490	0.60221	1.11000	0.22000	1.93221
2011	0.220000	0.24310	0.27100	0.09923	0.61333	1.11500	0.22000	1.94833
2012	0.220000	0.24310	0.27100	0.11938	0.63348	1.13420	0.22000	1.98768
2013	0.220000	0.24310	0.27100	0.11938	0.63348	1.13420	0.22000	1.98768
2014	0.220000	0.24310	0.27600	0.12470	0.64380	1.12670	0.22000	1.99050
2015	0.220000	0.24310	0.28600	0.12477	0.65387	1.11810	0.22000	1.99197

Source: Dallas County Appraisal District

Town of Highland Park
Principal Property Taxpayers
September 30, 2015 and 2006
Unaudited

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Town Taxable Assessed Value
HP Village Partners	\$ 130,004,050	1	2.64%	\$ 58,145,720	1	1.83%
Cox, Edwin L Trust	29,051,230	2	0.59%	12,154,802	6	0.38%
Muse, John R	26,114,502	3	0.53%	25,574,144	2	0.81%
Crow Margaret Life Estate	24,265,480	4	0.49%			
Crow, Harlan	22,214,948	5	0.45%			
Highland Park Shops LLC	18,000,000	6	0.37%			
Mitchell, Amy	17,600,000	7	0.36%			
Intercity Investment	17,162,310	8	0.35%			
Dallas Country Club	17,140,230	9	0.35%			
L & B Depp UCEPP 5500	17,000,000	10	0.35%			
Crow, Trammell				23,169,558	3	0.73%
Corrigan Properties, Inc.				16,364,040	4	0.52%
Preston, Lehndorff				13,811,000	5	0.43%
Jones, Jerral W. & Gene C.				11,340,080	7	0.36%
Ladd, Bob				7,421,420	8	0.23%
Clark, Leslie A Lippitt				7,055,010	9	0.22%
Wolford, Denise				7,025,000	10	0.22%
Total	<u>\$ 318,552,750</u>		<u>6.47%</u>	<u>\$ 182,060,774</u>		<u>5.73%</u>
Total assessed valuation	<u>\$ 4,924,436,786</u>		<u>100.00%</u>	<u>\$ 3,175,218,560</u>		<u>100.00%</u>

Source: Dallas County Appraisal District

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy*
2006	\$ 7,303,760	\$ 7,232,503	99.0%	\$ 63,709	\$ 7,296,212	99.9%
2007	8,115,122	8,003,122	98.6%	103,033	8,106,155	99.9%
2008	8,890,683	8,818,214	99.2%	63,056	8,881,270	99.9%
2009	9,603,740	9,535,060	99.3%	57,953	9,593,013	99.9%
2010	10,062,755	9,865,734	98.0%	50,613	9,916,347	98.5%
2011	9,764,883	9,681,165	99.1%	29,636	9,710,801	99.4%
2012	9,696,331	9,622,922	99.2%	14,826	9,637,748	99.4%
2013	9,783,604	9,683,980	99.0%	16,527	9,700,507	99.2%
2014	10,118,831	10,002,650	98.9%	8,959	10,011,609	98.9%
2015	10,836,257	10,732,287	99.0%	-	10,732,287	99.0%

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

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

Town of Highland Park
Computation of Direct and Overlapping Debt
For the Year Ended September 30, 2015
Unaudited

Governmental Unit	Gross Bonded Debt	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Town of Highland Park	\$ -	-	\$ -
Dallas County	84,725,000	2.90%	2,457,025
Dallas Community College District	321,510,000	2.90%	9,323,790
Dallas County Hospital District	715,358,496	2.90%	20,745,396
Dallas Independent School District	2,527,376,563	0.24%	6,065,704
Highland Park Independent School District	<u>87,110,000</u>	34.84%	<u>30,349,124</u>
	<u>\$ 3,736,080,059</u>		<u>\$ 68,941,039</u>
Total Direct and Overlapping Debt to Total Taxable Assessed Valuation			<u>1.40%</u>
Per Capita Overlapping Debt			<u>\$ 7,703</u>

Source: Municipal Advisory Council of Texas Estimated Overlapping Debt Statement

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

Source: Municipal Advisory County of Texas Estimated Overlapping Debt Statement

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

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

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

The Town has no issued debt outstanding as of September 30, 2015.

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

Year	Estimated Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2006	8,842	\$ 856,453,794	\$ 96,862	5.2%
2007	8,842	856,453,794	96,862	4.8
2008	8,842	856,453,794	96,862	5.3
2009	8,842	856,453,794	96,862	7.2
2010	8,564	856,453,794	100,006	8.8
2011	8,580	1,001,903,760	116,772	8.1
2012	8,686	1,152,354,248	132,668	7.3
2013	8,815	1,134,984,140	128,756	4.9
2014	8,862	1,083,166,812	122,226	5.0
2015	8,950	1,107,947,350	123,793	4.0

Sources: US Census Bureau’s American Fact Finder Report, US Census Population Estimate Beginning in 2001, US Department of Labor – Bureau of Labor Statistics – DFW Region

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

2015			2006		
Employer	Number of Establishments	Employees	Business Sector	Number of Establishments	Employees
Retail Trade	54	715	Retail Trade	22	178
Wholesale Trade	10	11	Wholesale Trade	23	69
Information	3	*	Information	10	23
Professional, Scientific & Technical Services	59	159	Professional, Scientific & Technical Services	38	73
Real Estate & Rental Leasing	26	*	Real Estate & Rental Leasing	30	194
Administrative & Support & Waste Management & Remediation	23	95	Administrative & Support & Waste Management & Remediation	5	4
Education Services	5	23	Education Services	1	*
Health Care & Social Assistance	24	*	Health Care & Social Assistance	17	*
Arts, Entertainment & Recreation	8	335	Arts, Entertainment & Recreation	5	*
Accommodations & Food Services	10	313	Accommodations & Food Services	5	95
Other Services (Except Public Administration)	12	179	Other Services (Except Public Administration)	11	92

*Information not available

Note: The Town of Highland Park is a relatively small municipality, with a radius of about 2.2 square miles. The town's most recent estimated population is approximately 8,862. Since there is no chamber of commerce in Highland Park, the only available information on employers is the Economic Census from the U.S. Census Bureau. This Census does not include information on individual businesses; rather, it contains only aggregate information by business sector. The information presented is from the most recent applicable Economic Census: 2015 was obtained from the 2012 Economic Census, and 2006 data was obtained from the 2002 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
2006	30	\$ 3,261,489	1,198	\$ 69,202,875	\$ 3,985,776,180	\$ 46,470,240
2007	20	3,157,626	1,149	99,673,538	4,638,493,550	46,466,590
2008	22	8,626,739	1,113	77,757,810	5,187,681,250	54,237,020
2009	21	41,335,048	870	53,601,984	5,549,244,010	56,490,150
2010	31	19,975,233	1,004	72,021,698	5,622,164,550	61,504,450
2011	38	8,985,914	1,097	76,604,257	5,447,807,590	69,937,910
2012	34	3,235,348	903	64,144,609	5,407,849,850	56,732,470
2013	33	4,517,931	1,150	69,905,735	5,423,170,690	61,252,130
2014	34	8,632,850	1,110	91,191,908	5,580,077,680	72,506,290
2015	48	12,690,806	1,162	100,306,992	6,040,379,500	79,298,850

*Source: Town of Highland Park Permitting and Inspections Department

**Source: Dallas Central Appraisal District

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	1.4	2.2	2.2	2.2	2.2	2.2	2.6	5.0	5.0	5.0
Public safety	67.0	68.0	70.3	69.0	69.0	69.0	69.0	69.0	69.0	69.0
Street	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Street lighting	2.2	2.2	1.7	1.7	1.7	1.7	1.8	2.0	1.0	1.0
Library	5.4	5.4	5.4	5.4	5.4	5.4	5.4	3.0	4.0	4.0
Parks	9.5	9.5	9.5	9.5	9.5	9.5	9.0	9.0	9.0	9.0
Municipal court	2.2	2.2	2.2	2.2	2.7	2.7	2.7	2.0	2.0	2.0
Finance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Building inspection	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Service center	0.5	0.5	0.4	0.4	0.4	0.3	0.2	-	-	-
Information technology	-	-	-	-	-	-	-	1.0	1.0	1.0
Utility administration	6.0	6.2	6.2	6.2	6.2	6.2	6.8	4.0	4.0	4.0
Water	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4	4.4
Sewer	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Sanitation	0.5	0.5	0.5	0.5	0.5	0.5	-	-	-	-
Engineering	3.5	3.5	4.5	4.5	4.5	4.5	4.5	4.5	5.0	5.0
Stormwater administration	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	-	-
Total	116.7	118.7	121.4	120.1	120.6	120.5	120.5	118.0	118.0	118.0

Source: Official Town Budget

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

Function/Program	Fiscal Year				
	2006	2007	2008	2009	2010
Administration					
Service Requests Processed	10,817	8,991	6,440	6,935	7,842
Public Safety					
Call Responses: Police	11,175	10,282	9,461	10,128	10,368
Call Responses: Fire	819	858	883	905	912
Call Responses: EMS	426	425	466	493	1,443
Citations Issued	12,755	11,634	8,566	8,584	7,871
Street					
Asphalt Repairs (Tons)	183	167	161	154	170
Storm Inlets	986	1,617	1,840	1,908	2,556
Library					
Total Circulation	66,870	63,801	48,264	63,729	60,444
Valid Library Cards	3,121	3,039	2,838	2,791	2,770
Swimming Pool					
Annual Passes Sold	1,884	1,652	1,737	1,676	1,680
Daily Passes Sold	1,494	1,625	2,132	2,679	2,325
Finance/Personnel					
Accounts Payable Checks Disbursed	3,866	3,357	3,499	3,301	3,581
Payroll Checks/ACH Disbursed	4,285	4,231	4,459	4,361	4,585
Building Inspection					
Total Inspections	3,615	3,461	3,193	2,837	2,654
Total Permits Issued	1,946	1,831	1,637	1,510	1,655
Water					
Meters Read	63,018	63,542	64,143	62,568	64,763
Meters Installed/Replaced	79	90	67	53	44
Sewer					
Service Calls	66	59	47	40	34
Mains Cleaned	610	773	1,060	903	871

Source: Town Departments

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

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

Function/Program	Fiscal Year				
	2006	2007	2008	2009	2010
Administration					
Municipal Building	1	1	1	1	1
Public Safety					
Stations	1	1	1	1	1
Fire Vehicles	3	3	3	3	3
EMS Vehicles	2	2	2	3	3
Patrol Vehicles	9	9	10	10	10
Street					
Streets (miles)	42	42	42	42	42
Library					
Libraries	1	1	1	1	1
Parks					
Parks	22	22	22	22	22
Tennis Courts	8	8	8	8	8
Swimming Pools	1	1	1	1	1
Water					
Water Mains (miles)	40	40	40	40	40
Fire Hydrants	252	252	252	252	252
Sewer					
Wastewater collection system (miles)	37	37	37	37	37

Source: Town Departments

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

Fiscal Year					
2011	2012	2013	2014	2015	
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
3	3	3	3	3	3
10	10	10	10	10	10
42	42	42	42	42	42
1	1	1	1	1	1
22	22	22	22	22	22
8	8	8	8	8	8
1	1	1	1	1	1
40	40	40	40	40	40
252	252	252	252	252	252
37	37	37	37	37	37