

CITY OF UNIVERSITY PARK, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2019

Issued by
Department of Finance

CITY OF UNIVERSITY PARK, TEXAS

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2019

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City of University Park
Committed to Excellence

April 14, 2021

To the Honorable Mayor, Members of the Governing Council, and Citizens of the City of University Park:

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report for the City of University Park, Texas for the fiscal year ended September 30, 2019. The purpose of this report is to provide the City Council, citizens, representatives of financial institutions, and others with detailed information concerning the financial condition and performance of the City of University Park. In addition, this report provides assurance that the City presents fairly, its financial position, as verified by independent auditors.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Crowe LLP, Certified Public Accountants, have issued an unmodified opinion on the City of University Park's financial statements for the year ended September 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

City Profile

Incorporated in 1924, the City of University Park, Texas, is a stately residential community located five miles north of downtown Dallas, Texas. University Park is surrounded by Dallas on three sides and by Highland Park on the fourth. The City limits have been unchanged since the 1950's and encompass a land area of 3.8 square miles with an estimated population of 22,910. Home to Southern Methodist University, University Park is known for its excellent schools, fine homes and churches, and outstanding local services.

Government Structure

The City has operated under the council-manager form of government since 1989, after voter approval of a Home Rule Charter. Policy-making and legislative authority are vested in the City Council, consisting of a Mayor and four Council members. The City Council is responsible for approving ordinances, adopting the budget, appointing committees and hiring the City Manager, City Attorney, and City Judge.

Elected on an at-large, non-partisan basis, Council members serve concurrent two-year terms and are limited to three consecutive terms. The Mayor is elected to serve a two-year term and is also limited to three consecutive terms. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City Manager is responsible for carrying out the policies and implementing the ordinances of the City Council. He also oversees the day-to-day operations of the government, appoints the directors of the various departments, and prepares an annual budget.

Services Provided

The City of University Park provides a full range of municipal services, including police and fire protection, solid waste collection and disposal, street maintenance and repair, water distribution, wastewater collection, stormwater control, traffic control, building inspection, park maintenance, and swimming pool operation.

Internal services of the City, accounted for on a cost reimbursement basis, are fleet services, risk management, and employee health and disability coverage.

The City is also financially accountable for three legally separate entities: the University Park Civic Foundation, Inc., the Southwest Higher Education Authority, Inc., and the Texas Higher Education Authority, Inc. Additional information on all three entities can be found in Note I.A. to the financial statements.

Accounting System and Budgetary Control

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the goods or services are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on an accrual basis. Both governmental operations and proprietary activities are being appropriated on an annual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) reliability of financial reporting, 2) effectiveness and efficiency of operations, and 3) compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that: 1) the cost of a control should

not exceed the benefits likely to be derived; and 2) the evaluation of costs and benefits requires estimates and judgments by management.

The annual budget serves as the foundation for the City's financial planning and control. Each year the City Manager submits a proposed budget to the City Council. The Council reviews the budget and undertakes formal adoption of the budget through ordinance by September 30. The City Manager is authorized to transfer budgeted amounts between line items and departments within any fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council.

Budgetary control has been established at the individual fund level. Financial reports are produced showing budget and actual expenditures by line item, and are posted electronically on a monthly basis for City departmental management. Individual line items are reviewed for budgetary compliance. Personnel expenditures are monitored and controlled at a position level and capital expenditures are monitored and controlled on a project/sub-project basis. Revenue budgets are reviewed monthly.

Local Economy

The City of University Park enjoys a relatively stable economic environment, which is largely the result of its economic makeup, residential orientation and highly desirable location in the Dallas-Ft. Worth area. While the overall lack of commercial and industrial base means that the City relies primarily on residential property tax revenue, that reliance also affords a measure of protection from sharp swings in the business cycle. Over the past few years, the City's largest employer, Southern Methodist University, has been expanding both its footprint and prestige through facilities such as the George W. Bush Presidential Center and the Sophomore Commons student housing area.

In FY2019, the average market value of a residential parcel in the City increased to \$1,630,666, a 5.2% increase from \$1,549,797 in FY2018. The property tax rate decreased from 24.8761 cents per hundred in FY2018, to 24.5379 cents per hundred in FY2019. This resulted in a budgeted revenue increase of \$986,197 (5.2%) due to the increase in the total certified taxable base, which increased by 6.75% year over year. The revenue increase allowed the City to continue providing high quality municipal services to its citizens.

Long-term Financial Planning

The City Council continues to endorse both the pay-as-you-go philosophy for infrastructure replacement, and the rolling 5-year Capital Improvements Program as formulated and approved by the Capital Projects Review Committee. The City has been debt-free since 2002.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of University Park for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable

and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Subject to the delay in reporting resulting from both the Covid-19 pandemic and the loss of a key Finance Department staff member, we believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all City employees who assisted in and contributed to the preparation of this report.

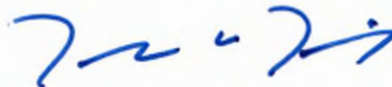
We would also like to thank the members of the City Council for their unfailing support in conducting the financial operation of the City in a responsible and progressive manner.

Respectfully submitted,



Robert L. Corder, III

City Manager



Thomas W. Tvardzik

Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of University Park
Texas**

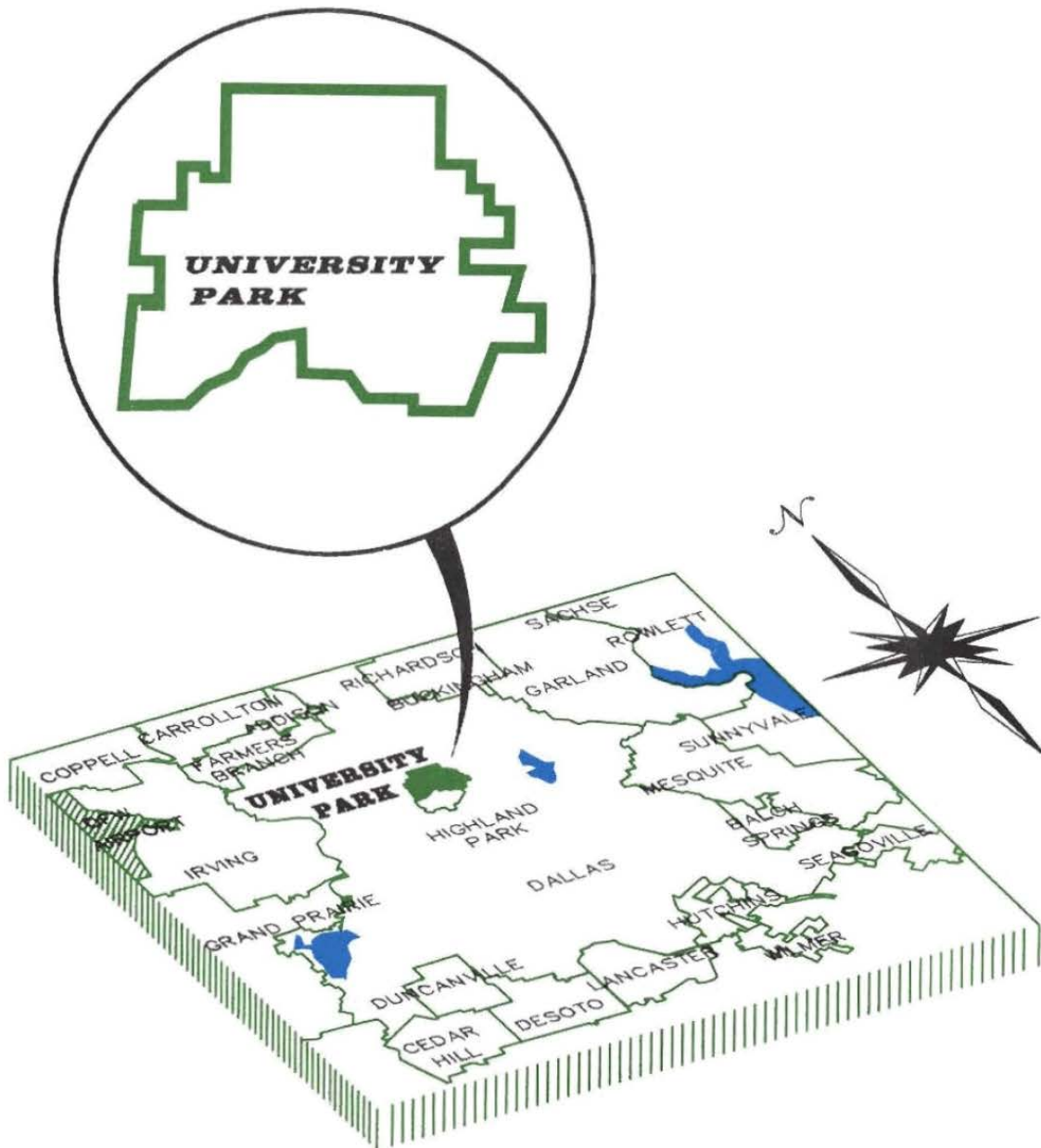
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO

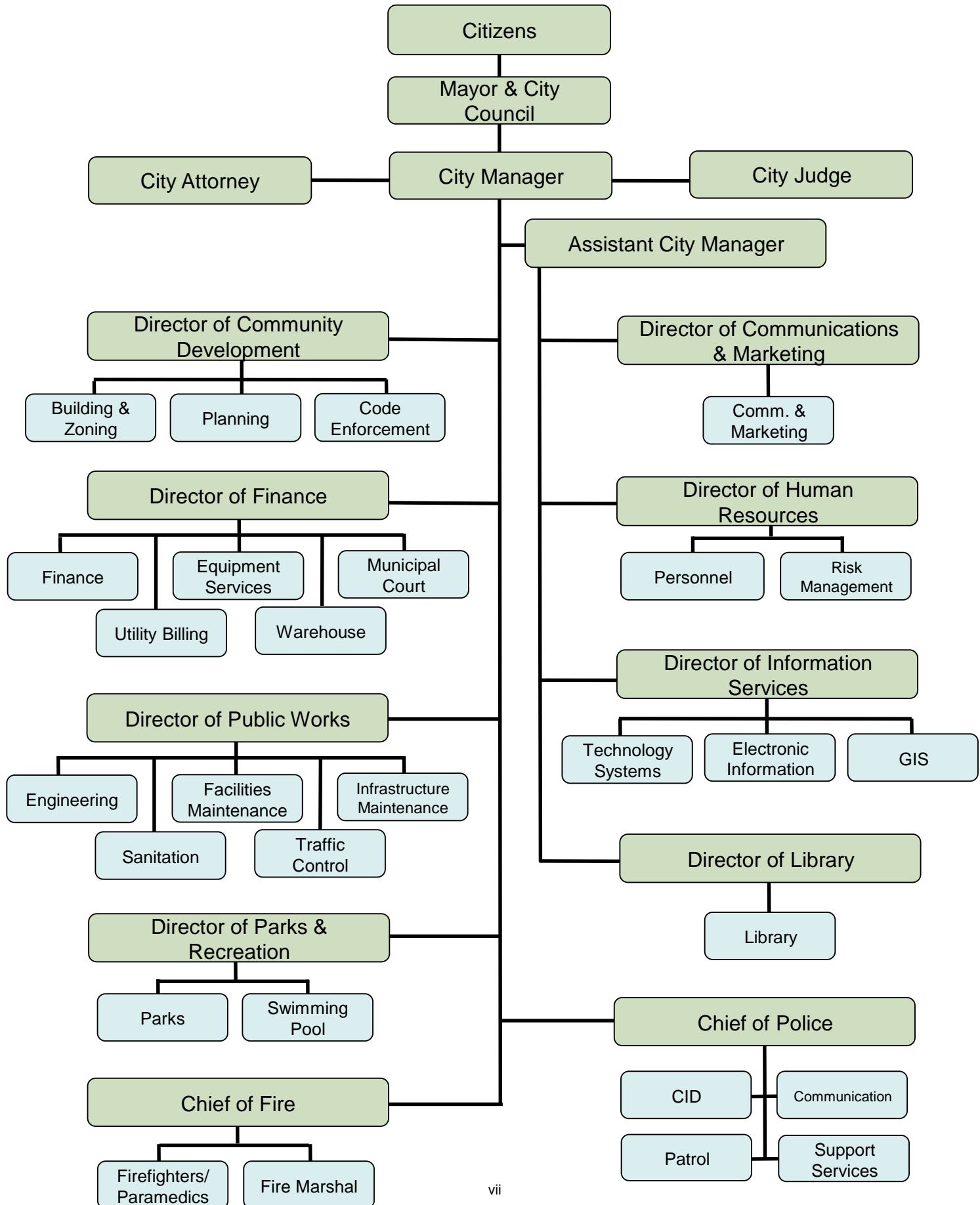
MAP OF UNIVERSITY PARK AND DALLAS COUNTY AREA





CITY OF UNIVERSITY PARK, TEXAS

Organization Chart





CITY OF UNIVERSITY PARK, TEXAS

Elected Officials

Official and Title	First Elected	Term Expires	Professional Background
Olin Burnett Lane, Jr. Mayor	2014	2020	Real Estate Developer
E. Taylor Armstrong, Jr., Mayor Pro Tempore	2014	2020	Architect/Real Estate Broker
Randy Biddle, Council Member	2016	2020	Lawyer
Gage A. Prichard, Sr., Council Member	2016	2020	Real Estate Developer
Liz Farley, Council Member	2018	2020	Medical

Appointed Officials

Name	Position	Year Appointed
Robert L. Corder, III	City Manager	2014
Robert L. Dillard, III	City Attorney	1987
James P. Barklow, Jr.	Municipal Judge	1987
Thomas W. Tvardzik	Director of Finance	2013

Certified Public Accountants

Crowe LLP, Dallas, Texas

Financial Advisor

Hilltop Securities Inc., Dallas, Texas

INDEPENDENT AUDITOR'S REPORT

*To the Honorable Mayor and Members of City Council,
University 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 City of University Park (the "City"), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Texas Municipal Retirement System Schedule of Changes in Net Pension Liability(Asset) and Related Ratios Last 10 Years, Texas Municipal Retirement System Schedule of Contributions Last 10 Years, Texas Municipal Retirement System Schedule of Investment Returns, University Park Firefighters' Relief and Retirement Fund Schedule of Changes in Net Pension Liability and Related Ratios Last 10 Years, University Park Firefighters' Relief and Retirement Fund Schedule of Contributions Last 10 Years, University Park Firemen's Relief and Retirement Fund Schedule of Investment Returns, Retiree Health Care Plan Schedule of Changes in Total OPEB Liability and Related Ratios Last 10 Calendar Years and Budgetary Comparison Schedule General Fund*, on pages 5, 77, 78, 80, 81, 82, 84, 85 and 87, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 City's basic financial statements. The combining financial statements, budgetary comparison schedules, the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and the budgetary comparison schedules, are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and budgetary comparison schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The word "Crowe" is written in a cursive script, and "LLP" is written in a simpler, slightly bold sans-serif font.

Crowe LLP

Dallas, Texas
April 14, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2019

As management of the City of University Park (City), we offer this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2019. In the broadest context, the financial well-being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes combined with the vision of the government's elected and appointed leadership to spend those taxes strategically. This allows the City's tax base, service levels, assets and desirability to be maintained not just for the current year but well into the future. Financial reporting is limited in its ability to provide this "big picture" but rather focuses on financial position and changes in financial position. In other words, are revenues and or expenses/expenditures higher or lower than the previous year? Has net position (containing both short and long term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report. It should be noted that the Independent Auditors' Report describes the auditors association with the various sections of this report and that all of the additional information from the City website and other City sources is unaudited and has not been updated for events that may have occurred subsequent to the issuance of the respective report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$178,249,580 ("*total net position*"). This number should be viewed in the context that the majority of the City's net position, \$131,497,345 (74%) is the net investment in capital assets and that most capital assets in a government do not directly generate revenue nor can they be sold to generate liquid capital. The restricted net position totals \$309,015 and may only be spent for the purpose of the particular fund that holds it. The remaining \$46,443,220 is considered unrestricted net position, and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. The City's total net position decreased \$772,700 (0.4%) from FY2018, with the growth in capital assets largely offset by decreases in unrestricted position.
- The City's total liabilities increased \$10,634,810 due almost entirely to an increase in the Texas Municipal Retirement System (TMRS) net pension liability. TMRS provides pensions for all city employees not covered by the Fireman's Relief and Retirement Fund (FRRF). The increase resulted from city-initiated changes to retirement benefits (enacting a cost-of-living adjustment for retirees, as well as service credit and transfer credit updates for those still working) and a particularly poor system-wide market return for 2018.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$42,520,500, an increase of \$3,717,513 from the prior year. Within this total, \$625,563 is non-spendable by nature (i.e. inventory), \$309,015 is restricted by specific legal requirements, and \$17,514,501 has been committed in accordance with the following: Emergency Reserve (\$2,500,000); SMU PILOT (Payment In Lieu Of Taxes) Reserve (\$2,375,000); and SMU Land Sale Reserve (\$12,639,501). The amount of \$14,724,072 has been assigned to specific types of expenditures, while the remaining \$9,347,349 is unassigned fund balance in the General Fund, and can be used for any lawful purpose.
- The City remains debt free, and has been so since 2002.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City of University Park's basic financial statements. The City's basic financial statements consist of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and 4) required supplementary information. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements.

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2019

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

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two 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 City is improving or deteriorating.

The *statement of activities* presents information showing how the City'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).

Both of the government-wide financial statements distinguish functions of the City of University Park that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or most of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public works, public safety, parks, streets and traffic control. The business-type activities of the City include water distribution, wastewater removal and solid waste collection.

The government-wide financial statements include not only the City of University Park itself (known as the *primary government*), but also a legally separate higher education authority and a legally separate private, non-profit foundation for which the City is financially accountable. Financial information for these *component units* is reported separately from the financial information presented for the primary government should transactions occur. Although also legally separate, the University Park Civic Foundation functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found immediately following the MD&A in this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, 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 City can be divided into two categories: governmental funds and proprietary funds. A third type of fund, the fiduciary fund, is not utilized.

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*.

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2019

The City of University Park maintains ten 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 major funds. Data from the other eight governmental funds are combined in a single aggregated presentation. Individual fund data for each of the nonmajor governmental funds (University Park Civic Foundation, Court Security, Court Technology, Police Training and Education, Police Forfeiture, Fire Training and Education, Library, and Parks Projects and Programs) is provided in the form of combining statements.

The City of University Park adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found in this report following the government-wide financial statements.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste, and storm water operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of University Park uses internal service funds to account for its fleet of vehicles and self-insurance program. Because both of 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 proprietary fund financial statements provide separate information for the water and sewer operations, solid waste operations and stormwater management. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found in this report following the basic governmental fund financial statements.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the Statement of Cash Flows – Proprietary Funds.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees as well as certain budgetary information. Required supplementary information can be found following the notes section.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-wide Overall Financial Analysis

As noted earlier, total net position and especially net position by category may serve over time as a useful indicator of a government's financial health. For the City of University Park, assets exceeded liabilities by \$178,249,580 as of September 30, 2019, a decrease in net position of \$772,700 or 0.4% from the prior year.

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2019

The largest portion of the City's total net position, \$131,497,345 (74%) is its investment in capital assets (e.g., land, construction-in-progress, buildings, improvements, machinery and equipment and infrastructure), less any related accumulated depreciation. The City uses these capital assets to provide a variety of services to its citizens; consequently, these assets are not available for future spending, and with the exception of "business-type" assets, do not generate direct revenue for the City. They do represent, however, an obligation on the part of the City to maintain these assets in good repair for the foreseeable future.

The City has no outstanding debt and funds capital asset acquisition and capital projects on a pay-as-you-go basis.

The City has \$309,015 of restricted net position, resulting from the fund balances of the Special Revenue Funds, which are nonmajor governmental funds combined under the heading "Other Governmental Funds". Due to revenue restrictions, fund balance within the Special Revenue Funds may only be spent for the particular purpose for which the fund was created.

The remaining balance of \$46,443,220 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

CITY OF UNIVERSITY PARK - Net Position

CITY OF UNIVERSITY PARK'S NET ASSETS

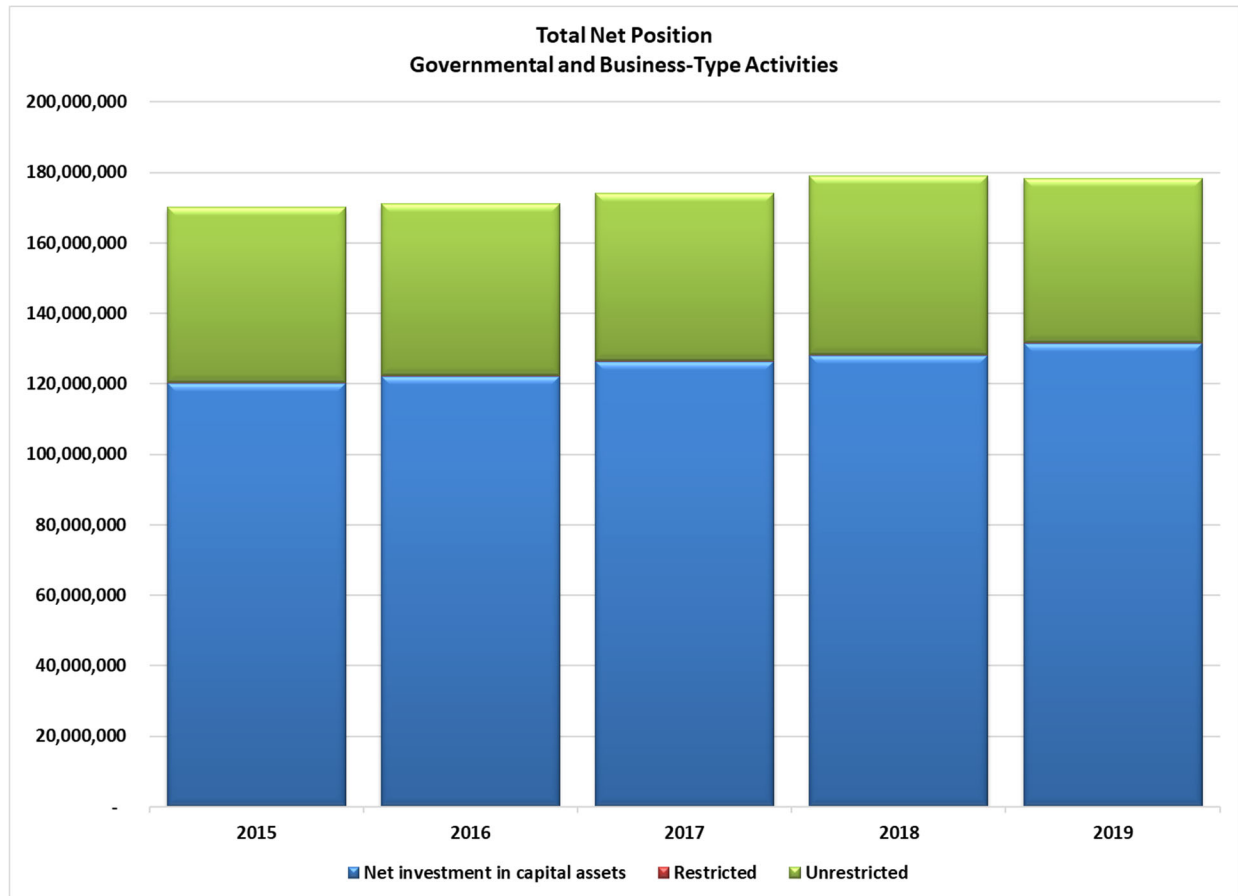
	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 50,592,796	\$ 50,302,987	\$ 21,227,360	\$ 22,321,221	\$ 71,820,156	\$ 72,624,208
Capital assets	77,768,481	75,828,190	53,728,864	52,301,964	131,497,345	128,130,154
Total Assets	128,361,277	126,131,177	74,956,224	74,623,185	203,317,501	200,754,362
Deferred outflows of resources	9,034,763	3,935,437	1,581,070	410,008	10,615,833	4,345,445
Current liabilities	3,628,732	3,698,418	2,317,272	1,804,104	5,946,004	5,502,522
Long-term liabilities	24,166,925	16,017,596	2,560,603	518,604	26,727,528	16,536,200
Total Liabilities	27,795,657	19,716,014	4,877,875	2,322,708	32,673,532	22,038,722
Deferred inflows of resources	2,750,386	3,583,981	259,836	454,824	3,010,222	4,038,805
Net Position:						
Net investment in capital assets	77,768,481	75,828,190	53,728,864	52,301,964	131,497,345	128,130,154
Restricted	309,015	267,200	-	-	309,015	267,200
Unrestricted	28,772,501	30,671,229	17,670,719	19,953,697	46,443,220	50,624,926
Total Net Position	\$ 106,849,997	\$ 106,766,619	\$ 71,399,583	\$ 72,255,661	\$ 178,249,580	\$ 179,022,280

Current and other assets increased in Governmental activities by \$289,809 and decreased in Business-type activities by \$1,093,861. The increase in Governmental assets is primarily due to the result of operations and reimbursements from the Dallas Area Transit District offset by the swing in TMRS from net pension asset to a pension liability during the year. The decrease in Business-type activities is largely for the same reasons, except for the DART reimbursements.

The City's long-term liabilities increased \$10,191,328 due primarily to increases in the net pension liability of both TMRS and FRRF, as well as an increase in other post-employment benefits (OPEB) liability.

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As of September 30, 2019, the City has positive balances in all three 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 was true last year.



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CITY OF UNIVERSITY PARK - Changes in Net Position

	Governmental activities		Business-type activities		Total		
	2019	2018	2019	2018	2019	2018	Change
Revenues:							
Program Revenues:							
Charges for services	\$ 5,831,602	\$ 6,151,972	\$ 18,623,348	\$ 20,125,539	\$ 24,454,950	\$ 26,277,511	\$ (1,822,561)
General revenues:							
Property tax	19,832,232	18,999,877	-	-	19,832,232	18,999,877	832,355
Sales tax	4,914,991	4,558,780	-	-	4,914,991	4,558,780	356,211
Franchise fees	1,860,884	1,848,515	-	-	1,860,884	1,848,515	12,369
Interest	1,324,920	697,960	189,277	115,711	1,514,197	813,671	700,526
Other	3,240,471	1,220,981	24,381	761,570	3,264,852	1,982,551	1,282,301
Donations	110,633	67,313	-	-	110,633	67,313	43,320
Total Revenues	37,115,733	33,545,398	18,837,006	21,002,820	55,952,739	54,548,218	1,404,521
Expenses:							
General Government	7,673,588	6,541,706	-	-	7,673,588	6,541,706	1,131,882
Public Safety	18,247,996	15,230,494	-	-	18,247,996	15,230,494	3,017,502
Streets	2,337,910	1,897,537	-	-	2,337,910	1,897,537	440,373
Parks	4,481,787	4,095,819	-	-	4,481,787	4,095,819	385,968
Public Works	3,645,539	2,788,705	-	-	3,645,539	2,788,705	856,834
Utilities	-	-	16,439,217	15,302,739	16,439,217	15,302,739	1,136,478
Sanitation	-	-	3,662,744	2,946,676	3,662,744	2,946,676	716,068
Stormwater	-	-	236,658	234,719	236,658	234,719	1,939
Total Expenses	36,386,820	30,554,261	20,338,619	18,484,134	56,725,439	49,038,395	7,687,044
Increase in net position before transfers	728,913	2,991,137	(1,501,613)	2,518,686	(772,700)	5,509,823	(6,282,523)
Transfers	(645,535)	(407,988)	645,535	407,988	-	-	-
Increase/(decrease) in net position	83,378	2,583,149	(856,078)	2,926,674	(772,700)	5,509,823	(6,282,523)
Net Position - October 1	106,766,619	104,183,470	72,255,661	69,328,987	179,022,280	173,512,457	5,509,823
Net Position - September 30	\$ 106,849,997	\$ 106,766,619	\$ 71,399,583	\$ 72,255,661	\$ 178,249,580	\$ 179,022,280	\$ (772,700)

Governmental Activities

- Net position from governmental activities increased \$83,378 (after transfers) to \$106,849,997.
- Revenues related to governmental activities increased \$3,570,335 (10.6%) from the prior year.
 - Revenue contributors in FY2019 included:
 - Property tax revenue increased \$832,355 (4.4%) for the year. The total certified taxable property value rose 6.7% year-over-year, while the value of the average single-family home (before applicable exemptions) climbed 5.2% from the prior year. Decreasing the tax rate by 1.4% (to 24.5379 cents per \$100 of taxable value from 24.8761 cents) resulted in an average tax levy increase of just \$117, or 3.8% for the typical single-family homeowner after the 20% homestead exemption.
 - Sales taxes (including mixed beverages) increased \$356,211 (7.8%) from the prior year exceeding budget expectations and reflecting a robust local economy. This increase would have been \$10,900 higher, but for a slight decrease in year-over-year mixed beverage taxes.
 - Interest revenue increased \$626,960 (89.8%) from the prior year. This increase is due to the hiking of the Federal Funds Target Rate by 25 basis points per quarter, begun in earnest in January of 2017, continuing unabated until January of 2019, with only a slight pause in October of 2017. The rate hikes continued until “topping out” around 2.4% by mid-fiscal 2019 (April). As approximately 40% of the City investment portfolio is held in “pooled funds”, interest earnings are very responsive to changes in the Federal Funds rate.

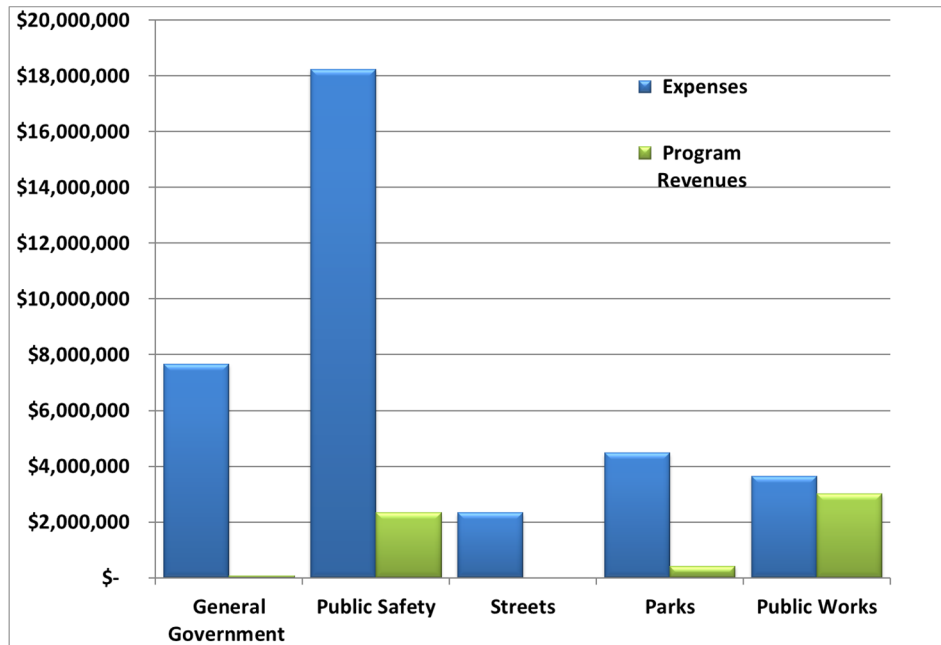
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- The "Other" category increased by \$2,019,490 (165.4%) from the prior year due primarily to an increase of \$1,100,000 in reimbursements from DART, under their Transit Related Improvement Policy ("TRIP"). Under this program, the City is eligible to receive up to 42% of the sales taxes paid to DART from sales within the City as reimbursement on certain transit-related capital projects. Reimbursements received within the General Fund are transferred to the Capital Projects fund at year-end. Additional revenues were received from Dallas County (\$250,000) for milling and overlay of certain streets, and the Highland Park Independent School District (\$340,000) for their share of the Germany Park track renovation.
- Revenue shortfalls occurred in the following categories in FY2019:
 - Charges for service decreased \$320,370 (-5.2%) from FY2018, due in large part to a decrease in building permit revenue (down \$294,000), traffic fines (down \$45,200), red light camera revenue (down \$36,500), and a decrease in the net revenue of pool operations (down \$5,000, primarily in resident swim pool permits). These decreases were offset primarily by increases in crossing guard safety fees (\$24,700), direct alarm revenue (\$8,000) and park service reimbursements (\$36,600).
- Expenses related to governmental activities increased from the prior year, by \$5,832,559 (19.1%) to \$36,386,820. Significant cost drivers were as follows:
 - A 1% market-based, across-the-board pay increase was implemented.
 - Additional position-specific adjustments were made within public safety.
 - The TMRS city-contribution rate increased due to ad hoc Updated Service Credits, Transfer Credits and Retiree Cost of Living Adjustments
 - By far, the most significant increase in FY2019 was due to the TMRS pension expense increase across all departments. Citywide, pension expense (which is an aggregate of 11 different cost factors) totaled \$7,744,545, with \$5,755,034 pertaining to departments classified as governmental, rather than business-type.

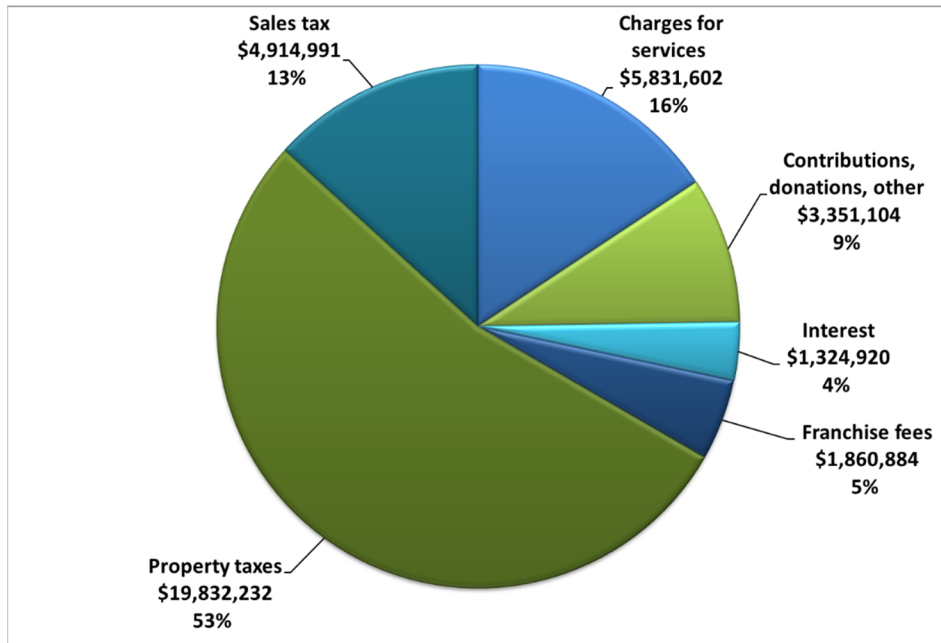
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PROGRAM REVENUES AND EXPENSES – GOVERNMENTAL ACTIVITIES



**REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES
(OTHER THAN PROGRAM REVENUES)**



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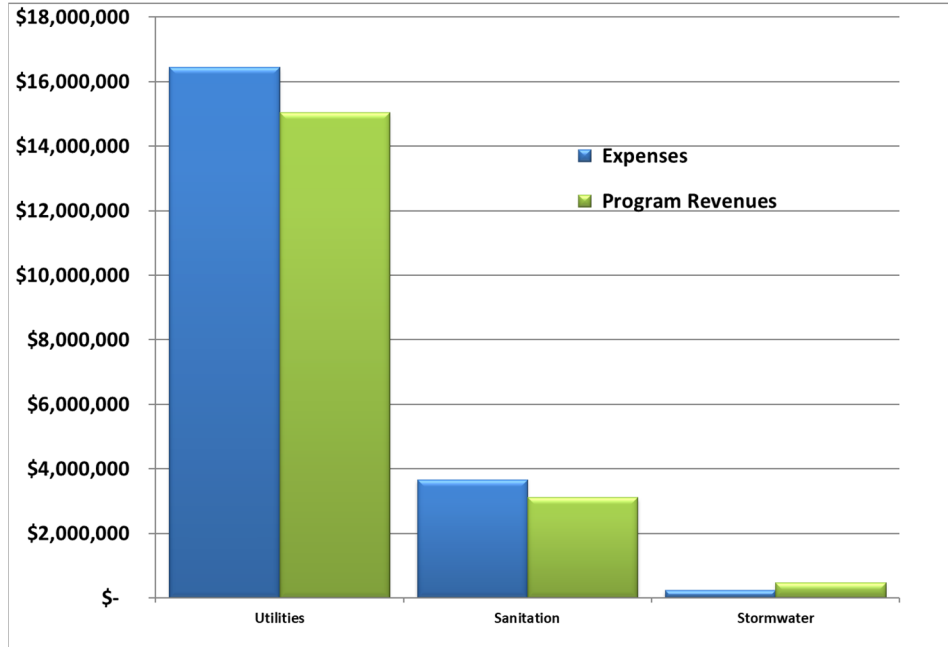
Business-type Activities:

- Net position from business-type activities decreased by \$856,078 after transfers, from \$72,255,661 to \$71,399,583. Similar to the governmental activities of the city, the decrease was due almost entirely to the change from a TMRS net pension asset in FY2018, to a net pension liability in FY2019.
- Revenues related to business-type activities decreased \$2,165,814 (10.3%) in FY2019, due to the following:
 - A decrease of \$1.2 million in water sales, attributable to a lower volume of water sold across all sales categories (residential, commercial, church and schools, and Southern Methodist University. The water rate pricing structure and rate remained unchanged from the FY2018.
 - A decrease of \$316,000 in wastewater billing, due to the lower water usage posted during the "winter averaging" months.
 - A decrease of \$737,000 in Other Revenues. FY2018 was the last year in which the City received a reimbursement payment (\$700,000) from the Dallas County/Park Cities Municipal Water District, to help offset the costs of retrofitting and replacing all of the City's manual water meters to automatic reading. The DC/PC MUD agreed to help defray the cost of this project, envisioning reduced water usage and better management of resources in the future.
 - Sanitation and Stormwater revenues were essentially unchanged from FY2018, as no fee increases were implemented during FY2019.
- Expenses for business-type activities increased by \$1,854,485 (10.0%) in FY2019, due primarily to the following:
 - An increase of \$610,000 within the Utility Fund, reflecting the first year costs (of a planned three year phase-in) of an in-house construction crew dedicated solely to mile-per-year projects.
 - An increase of \$120,000 in supply costs within the Utility Fund for backfill material, which is used to bed pipes within trenches.
 - An increase in the allocation of current year pension and OPEB costs of approximately \$910,000.

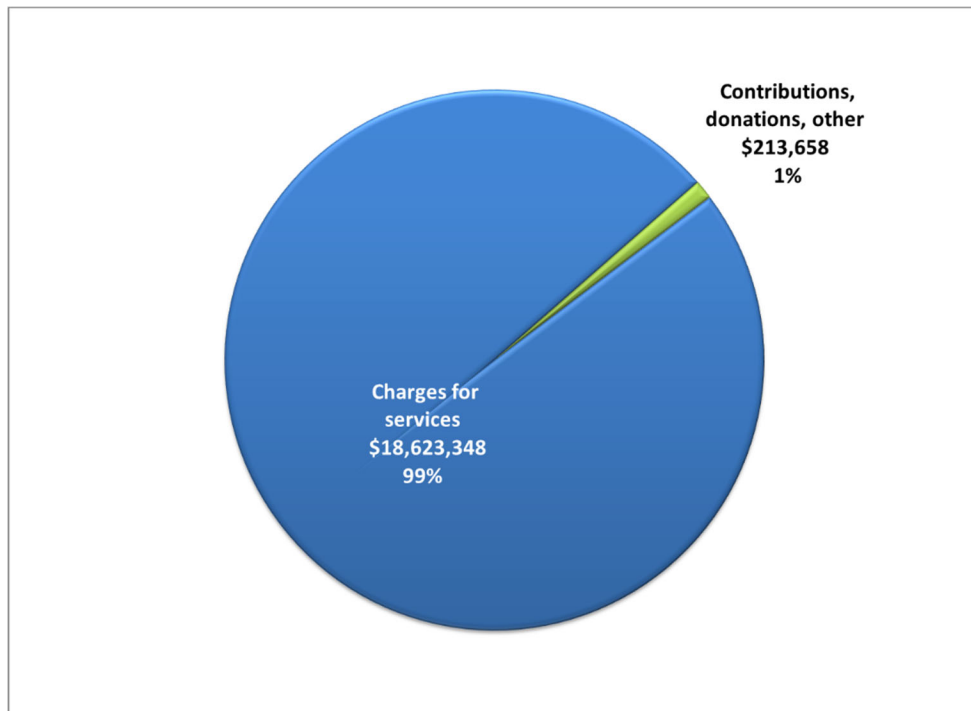
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PROGRAM REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



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Financial Analysis of Governmental Funds

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

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The City's financial statements are presented in conformity with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement changed the presentation of the fund balance section of governmental funds. Instead of classifying amounts as reserved, unreserved, designated or undesignated, the fund balance section uses the following categories:

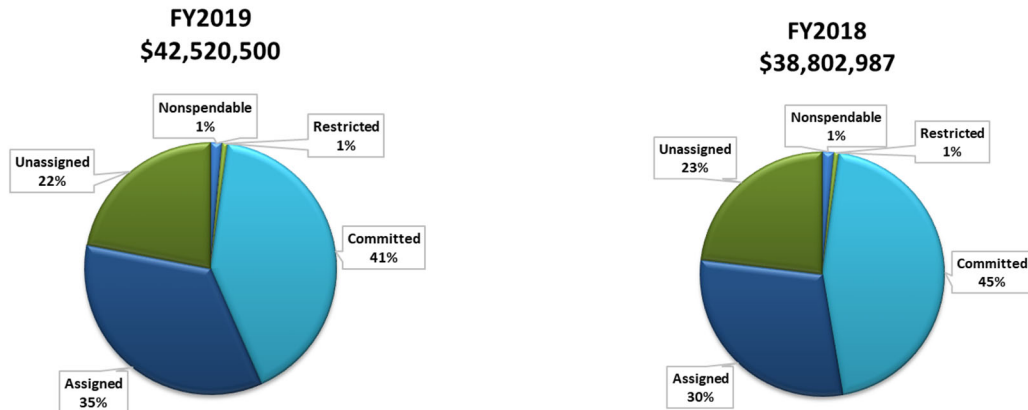
- *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance*—amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- *Assigned fund balance*—an amount a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund.

In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

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**Fund Balances by Type
Governmental Funds**



As of the end of FY2019, the City's governmental funds reported combined ending fund balances of \$42,520,500, an increase of \$3,717,513 (8.7%) compared to the prior year. Of the total, \$625,563 is nonspendable, as it represents fuel and supplies inventories and \$309,015 is restricted, as it may only be spent for the specific purposes set forth in the respective Special Revenue Fund.

The \$17,514,501 reported as "Committed" is governed by resolutions the City Council approved in 2009. Committed funds cannot be expended without further action by the City Council.

The \$14,724,072 of "Assigned" funds represents year-end encumbrances (open purchase orders) among the several governmental functions/activities, as well as money intended for capital projects.

Finally, the "Unassigned" balance of \$9,347,349 (all of which resides within the General Fund) meets and exceeds the City's stated fund balance policy minimum, which is equal to 30 days of budgeted operating expenditures (\$2,785,000 for FY2019).

While actually decreasing slightly from FY2018, building permits remained a significant source of revenue within the General Fund during FY2019. Notably, large-scale commercial and non-profit projects (such as a new school building) can cause material increases in permit revenues. In order to provide a source of revenue for pay-as-you-go capital projects (and prevent the General Fund unassigned balance from growing too large) City Council amended the FY2018 Financial Management Policy to include a mandatory transfer of building permit revenues received in excess of 120% of budget to capital projects. Monies transferred in this way then constitute "assigned" funds within the Capital Projects fund. For FY2019, this transfer (which included aforementioned reimbursements from both DART and Dallas County) amounted to \$3,446,533, with \$1,212,466 attributable to "excess" building permit revenues.

Proprietary Funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The total net position of the Water and Sewer Fund at the end of the year amounted to \$60,655,382, while the Sanitation and Stormwater Funds totaled \$1,353,494 and \$2,244,017, respectively. Prior to transfer activity, the Water and Sewer and Sanitation

CITY OF UNIVERSITY PARK, TEXAS
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General Fund Budgetary Highlights

Original budget compared to final budget. Other than the routine budget amendments that are made as part of the year-end encumbrance process (discussed below), only one other budget amendment was passed by City Council during fiscal 2019. The amendment served to appropriate funds totaling \$691,322.86 from the General Fund "unassigned" balance to increase "other" expenditures within the Executive Department. The increase was necessary to allow for the purchase of a piece of property on Lovers Lane that will be utilized at a later date to straighten an irregular intersection.

There were no other amendments to either increase or decrease budgeted appropriations. Routinely, numerous budget "re-allocations" occur during the year within various departments. Department Directors have the authority to re-allocate budgeted funds within their departments to accommodate minor variations, but may not increase their overall budget without Council approval.

The City does not generally amend the budget for an increase in revenues. As a matter of longstanding practice, the first amendment of the fiscal year brings forward open encumbrances (purchase orders) from the previous fiscal year. By adding the amount of the encumbered items to the current year adopted budget, purchases may be completed without exceeding the current approved budget. Consequently, purchase orders open at the end of the current year are carried over to the next fiscal year. The total carried forward in the General Fund from fiscal 2018 was \$248,846, while the total that will be deducted and carried forward to fiscal 2020 is \$305,553.

Final budget compared to actual results. Actual revenues collected exceeded management's original budget estimate of the General Fund's revenues by \$3,690,177, or 6.18%. The totals in three General Fund revenue categories varied more than \$250,000 from the final budget:

- Sales and Mixed Beverage taxes ended the year at \$4,914,991, or \$274,991 (6%) over budget. This is largely due to a robust local economy and conservative fiscal budgeting. The FY2019 budget for sales and mixed beverage tax collections increased to \$4,640,000, a \$320,000 (7%) increase from FY2018.
- Permit and license revenue ended the year at \$3,153,187, or \$1,548,687 (97%) above the category budget of \$1,604,500. Almost the entire amount can be attributed to building permit revenue. The higher permit revenues reflect the continuation of a number of "big ticket" projects in FY2019, primarily related to the local school district. Budgeted building permit revenue remained at \$1,500,000 for FY2019.
- "Other" revenue ended the year at \$2,780,488, which is \$2,179,988 (363%) above budget. As noted in prior years, the "Other" revenue category can be highly variable – and is thus difficult to budget. In FY2019, the most significant items within the category were reimbursements from DART for TRIP (Transit Related Infrastructure Program) eligible expenditures of \$1,984,067 and a reimbursement from Dallas County of \$250,000 related to a road "mill and overlay" project.

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CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
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- While none of the functional areas within the General Fund had an overall negative variance, the following individual departments were over-budget. These over-budget amounts were largely offset by savings within other departments within the same function:
 - Fire (Public Safety) - \$58,702 over budget, or 0.80%. Compensation and related costs.
 - Swimming Pool (Parks) - \$26,211 over budget, or 5.15%. Unbudgeted benefits, increased cost of concession supplies.
 - Traffic (Public Works) - \$7,027 over budget, or 0.73%. Signal maintenance and repair.

Pensions and Retiree Health Care

Pensions and retiree health care continue to receive negative attention from the media as governments of all sizes struggle to fund their commitments. The City of University Park is committed to providing programs in these areas that are fair to both the employees and taxpayers, and are sustainable over the long term.

Effective for fiscal year 2015, Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions" created specific reporting requirements for pensions that are different than that used for funding purposes. Both valuations are important as the reporting valuation provides a rigorous standard measure that can be used to compare the City's pension liabilities to other governments from around the nation. The funding valuation is important as the actuarial methods used (including strategies for repaying any unfunded actuarial accrued liabilities) combined with the City's history of making those contributions provides insights regarding the city's commitment to the effectiveness of its funding strategy. Information contained in the financial statements themselves including the first schedule of Required Supplementary Information (RSI), Schedule of Changes in Net Pension Liability and Related Ratios, is based on the reporting valuation. The second schedule in the RSI, Schedule of Contributions, is based on the funding valuation.

TMRS - On a reporting basis, the City's financial statements reflect a net pension liability for TMRS as of September 30, 2019 of \$8,899,197, which is 55.75% of the City's annual covered non-firefighter payroll of \$15,961,910. This net pension liability is a change of (\$11,174,927) from the \$2,275,730 net pension liability reported in the previous year, and is due primarily to changes in benefit terms and a marked decrease net investment income during the year.

FRRF - On a reporting basis, the City's financial statements reflect a net pension liability for the FRRF as of September 30, 2019 of \$14,676,706, which is 487.30% of the City's annual covered firefighter payroll of \$3,011,825. The increase is due primarily to a decrease in net investment income during the year.

OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Effective for fiscal year 2018, GASB 75, "Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions (OPEB)" replaced the previous authoritative guidance regarding the City's retiree health care benefits. Implementing this standard required the replacement of the (previously reported) Net OPEB Obligation with the Total OPEB Liability (TOL). The TOL as of September 30, 2019 is \$1,335,479, and increase of \$339,380 (34%) from the previous year \$996,099. The increase is due primarily to changes in the discount rate, plan participation rate, and healthcare cost assumptions.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2019, amounts to \$131,497,343, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress, as illustrated in the following table:

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**CITY OF UNIVERSITY PARK - Capital Assets
(net of depreciation)**

	Governmental activities		Business-type activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 10,989,689	\$ 10,298,366	\$ 108,758	\$ 108,758	\$ 11,098,447	\$ 10,407,124
Construction in progress	6,395,353	5,105,304	6,188,075	2,686,817	12,583,428	7,792,121
Buildings	11,504,676	11,868,925	-	-	11,504,676	11,868,925
Improvements	32,265,404	32,027,858	47,281,196	49,343,454	79,546,600	81,371,312
Equipment	8,930,602	8,523,196	150,833	162,935	9,081,435	8,686,131
Infrastructure	7,682,757	8,004,541	-	-	7,682,757	8,004,541
Total Capital Assets	\$ 77,768,481	\$ 75,828,190	\$ 53,728,862	\$ 52,301,964	\$ 131,497,343	\$ 128,130,154

Capital assets (net of depreciation) related to governmental activities increased by \$1,940,291 in FY2019. Significant projects completed and capitalized during the year include asphalt mill and overlays, security camera replacements, phase 2 of the audio-visual system upgrades, and landscaping around the Mockingbird L and Dallas North Tollway walls.

Business-type capital assets (also net of depreciation) increased \$1,426,900 during fiscal 2019. No significant projects were completed during the year.

Additional detailed information on the City's capital assets (including information related to capital project spending, additions and retirements) can be found in Note III. E., in the Notes to Financial Statements section of this report.

Long-term Debt. The City of University Park has no debt. Currently, the City has no plans to issue new debt.

Economic Factors and Next Year's Budgets and Rates

The following economic factors currently affect the City of University Park and were considered in developing the fiscal 2020 budget:

- One of the most influential factors in considering the FY2020 budget was the current and future limitations authorized under S.B. 2. This bill, which was passed during the Eighty-Sixth Legislative Session, not only imposed a property tax cap of 3.5% effective for FY2021, it also had the effect of decreasing certain FY2020 non-tax revenues, notably red light camera revenue and franchise fees.
- The total certified value of the City's taxable base increased by 2.8% during calendar 2019, a decrease from the previous year increase of 6.7%. While the City has a long standing tradition of decreasing property tax rates as valuations increase, FY2020 was considered a transitional year – where the long-term financial strategy of the City pivoted to address reduced revenues and tighter caps. Ultimately, a tax rate of 25.8548 cents per hundred value was proposed and passed. This was a 1.32 cent increase from the prior year, or 5.3%. The increase was necessary to cover the loss of non-tax revenues, implement a compensation plan and pay philosophy that is representative of the market median, continue the 5% per year increase in capital projects funding, add personal within the Police Department to address school security and patrol services, and make a one-time additional payment of \$250,000 to the Capital Projects Fund.

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- While University Park offers a “standard” 20% homestead exemption based on market value, it also offers an additional 25% “Over-65 and Disabled” exemption to qualifying residents. The “Over-65 and Disabled” exemption is based on the prior calendar year market value of the average single-family home in the City, and is calculated as a single dollar amount applicable to all qualifying residences. In FY2020, this exemption amounted to an additional \$408,000 exemption per qualifying property.
- The strong local economy has positive effects on sales tax revenues. These revenues are expected to continue upward. Consequently, the FY2020 budget for sales and mixed beverage taxes increased \$150,000 to \$4,790,000.
- Interest revenue was a bright spot in the FY2019 results, and benefitted from the actions of the Federal Reserve during the year. Using the end of year rate as a guide (while taking a somewhat conservative outlook), budgeted interest revenue for FY2020 is expected to remain steady with the budgeted FY2019 budgeted amount.

The FY2020 budget proposes increased funding for new personnel and funding for capital projects. The proposed FY2020 budget allows for the City to strategically set revenue and expenditure levels in anticipation of a 3.5 percent revenue cap, effective FY2021. Consequently, the budget recommends a property tax rate increase – the first rate increase since 2011.

Requests for Information

This financial report is designed to provide a general overview of the City of University Park’s finances for all those with an interest in the government's finances. Readers having questions about any of the information in this report or needing additional information should contact Thomas Tvardzik, Finance Director, City of University Park, 3800 University Blvd., University Park, TX 75205, call 214-987-5326, or email ttvardzik@uptexas.org.

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BASIC FINANCIAL STATEMENTS

CITY OF UNIVERSITY PARK, TEXAS
Statement of Net Position

September 30, 2019

	Primary Government			Component
	Governmental Activities	Business type Activities	Total	Unit Southwest Higher Education Authority
ASSETS				
Cash and cash equivalents	\$ 35,321,106	\$ 6,403,342	\$ 41,724,448	\$ -
Investments	22,230,756	995,230	23,225,986	-
Receivables (net of allowance)	1,960,809	3,229,831	5,190,640	-
Due from primary government	-	-	-	55,000
Prepays	10,970	343,564	354,534	-
Internal balances	(9,865,423)	9,865,423	-	-
Inventory	625,563	-	625,563	-
Restricted cash	309,015	389,970	698,985	-
Capital assets:				
Nondepreciated assets				
Land	10,989,689	108,758	11,098,447	-
Construction in progress	6,395,353	6,188,075	12,583,428	-
Total nondepreciated assets	17,385,042	6,296,833	23,681,875	-
Depreciated assets				
Buildings	17,561,145	54,594	17,615,739	-
Improvements other than buildings	48,876,875	92,009,456	140,886,331	-
Machinery and equipment	19,797,562	373,567	20,171,129	-
Infrastructure	12,870,590	-	12,870,590	-
Accumulated depreciation	(38,722,733)	(45,005,586)	(83,728,319)	-
Total depreciated assets	60,383,439	47,432,031	107,815,470	-
Total assets	128,361,277	74,956,224	203,317,501	55,000
DEFERRED OUTFLOWS OF RESOURCES				
Difference in expected and actual pension/OPEB investment experience	139,725	35,395	175,120	-
Changes in pension/OPEB actuarial assumption	2,307,777	135,833	2,443,610	-
Difference in projected and actual pension/OPEB investment earning	4,825,922	1,117,480	5,943,402	-
Pension/OPEB contributions after measurement date	1,761,339	292,362	2,053,701	-
Total deferred outflow of resources	9,034,763	1,581,070	10,615,833	-
LIABILITIES				
Accounts payable	1,726,792	990,405	2,717,197	-
Accrued liabilities	694,829	340,668	1,035,497	-
Customer deposits/other	87,820	389,970	477,790	-
Unearned revenue	-	323,564	323,564	-
Due to component unit	55,000	-	55,000	-
Compensated absences:				
Due within one year	1,064,291	272,665	1,336,956	-
Due beyond one year	1,439,879	376,268	1,816,147	-
Net pension liability - TMRS	6,938,808	1,960,388	8,899,196	-
Net pension liability - FRRF	14,676,706	-	14,676,706	-
Total OPEB liability	1,111,532	223,947	1,335,479	-
Total liabilities	27,795,657	4,877,875	32,673,532	-
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension/OPEB investment experience	2,750,386	259,836	3,010,222	-
Total deferred inflow of resources	2,750,386	259,836	3,010,222	-
NET POSITION				
Investment in capital assets	77,768,481	53,728,864	131,497,345	-
Restricted to:				
General Government	37,665	-	37,665	-
Public Safety	203,967	-	203,967	-
Parks	67,383	-	67,383	-
Unrestricted	28,772,501	17,670,719	46,443,220	-
Total net position	\$ 106,849,997	\$ 71,399,583	\$ 178,249,580	\$ 55,000

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

CITY OF UNIVERSITY PARK, TEXAS
Statement of Activities

For the Year Ended September 30, 2019

		Net (Expenses) Revenues and Changes in Net Position				
		Primary Government				Component Units
		Program Revenues				Southwest Higher
Functions/Programs	Expenses	Charges for Services	Governmental Activities	Business type Activities	Total	Education Authority
Primary government						
Governmental activities:						
General Government	\$ 7,673,588	\$ 67,529	\$ (7,606,059)	\$ -	\$ (7,606,059)	\$ -
Public Safety	18,247,996	2,331,861	(15,916,135)	-	(15,916,135)	-
Streets	2,337,910	-	(2,337,910)	-	(2,337,910)	-
Parks	4,481,787	419,427	(4,062,360)	-	(4,062,360)	-
Public Works	3,645,539	3,012,785	(632,754)	-	(632,754)	-
Total governmental activities	36,386,820	5,831,602	(30,555,218)	-	(30,555,218)	-
Business type activities:						
Utilities	16,439,217	15,033,306	-	(1,405,911)	(1,405,911)	-
Sanitation	3,662,744	3,112,775	-	(549,969)	(549,969)	-
Stormwater	236,658	477,267	-	240,609	240,609	-
Total business type activities	20,338,619	18,623,348	-	(1,715,271)	(1,715,271)	-
Total primary government	\$ 56,725,439	\$ 24,454,950	(30,555,218)	(1,715,271)	(32,270,489)	-
General revenues:						
Property tax			19,832,232	-	19,832,232	-
Sales tax			4,914,991	-	4,914,991	-
Franchise taxes			1,860,884	-	1,860,884	-
Interest			1,324,920	189,277	1,514,197	-
Other			3,240,471	24,381	3,264,852	-
Donations not restricted to specific programs			110,633	-	110,633	-
Transfers			(645,535)	645,535	-	-
Total general revenues and transfers			30,638,596	859,193	31,497,789	-
Changes in net position			83,378	(856,078)	(772,700)	-
Net position - beginning			106,766,619	72,255,661	179,022,280	55,000
Net position - ending			\$106,849,997	\$71,399,583	\$ 178,249,580	\$ 55,000

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

CITY OF UNIVERSITY PARK, TEXAS

Balance Sheet Governmental Funds

September 30, 2019

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 20,571,762	\$ 7,288,256	\$ 88,980	\$ 27,948,998
Investments	19,242,920	-	-	19,242,920
Receivables (net of allowance):				
Ad valorem tax	170,235	-	-	170,235
Sales tax	887,401	-	-	887,401
Franchise fees	409,395	-	-	409,395
Accrued interest	94,899	-	-	94,899
Other, net	373,045	-	15,000	388,045
Due from other funds	259,618	8,173,513	209,566	8,642,697
Inventory	625,563	-	-	625,563
Total assets	<u>\$ 42,634,838</u>	<u>\$ 15,461,769</u>	<u>\$ 313,546</u>	<u>\$ 58,410,153</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 592,207	\$ 1,040,631	\$ 385	\$ 1,633,223
Accrued liabilities	537,128	2,619	-	539,747
Customer deposits/other	87,820	-	-	87,820
Due to other funds	13,318,315	-	4,146	13,322,461
Due to component unit	55,000	-	-	55,000
Total liabilities	<u>14,590,470</u>	<u>1,043,250</u>	<u>4,531</u>	<u>15,638,251</u>
Deferred Inflows of Resources:				
Unavailable revenue	251,402	-	-	251,402
Total deferred inflows of resources	<u>251,402</u>	<u>-</u>	<u>-</u>	<u>251,402</u>
Fund Balances:				
Nonspendable	625,563	-	-	625,563
Spendable				
Restricted to:				
General Government	-	-	37,665	37,665
Public Safety	-	-	203,967	203,967
Parks	-	-	67,383	67,383
Committed to:				
SMU land sale	12,639,501	-	-	12,639,501
Emergency expenditures	2,500,000	-	-	2,500,000
SMU PILOT	2,375,000	-	-	2,375,000
Assigned to:				
General Government	22,772	14,418,519	-	14,441,291
Public Works	88,444	-	-	88,444
Public Safety	76,384	-	-	76,384
Parks	117,953	-	-	117,953
Unassigned	9,347,349	-	-	9,347,349
Total fund balances	<u>27,792,966</u>	<u>14,418,519</u>	<u>309,015</u>	<u>42,520,500</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 42,634,838</u>	<u>\$ 15,461,769</u>	<u>\$ 313,546</u>	<u>\$ 58,410,153</u>

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

CITY OF UNIVERSITY PARK, TEXAS
Reconciliation of the Governmental Fund Balance Sheet to the
Statement of Net Position

September 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$ 42,520,500
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Amount excludes Internal Service Funds' fixed assets.	71,326,543
Certain receivables will be collected this year, but are not available to pay for the current period's expenditures and are, therefore, unavailable in the funds.	251,402
This amount is the net pension liability (TMRS) recorded at the government-wide level, not recorded in any governmental funds. Amount excludes Internal Service Funds' pension liabilities.	(6,567,027)
This amount is the net other post-employment benefits obligation (OPEB) recorded at the government-wide level, not recorded in the funds. Amount excludes Internal Service Funds' OPEB liability.	(1,070,595)
This amount is the net pension liability (FRRF) recorded at the government-wide level, not recorded in the funds.	(14,676,706)
This amount is the net deferred inflow/outflow recorded at the government-wide level, not recorded in the funds. Amount excludes Internal Service Funds' deferred outflows/inflows.	6,015,349
The long-term portion of compensated absences is not due and payable in the current period and therefore is not reported in the funds. Amount excludes Internal Service Funds; compensated absences.	(2,200,330)
Internal service funds are used by management to charge the costs of various services to individual funds. The governmental portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>11,250,861</u>
Total net position - governmental activities	<u><u>\$ 106,849,997</u></u>

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

CITY OF UNIVERSITY PARK, TEXAS
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds

For the Year Ended September 30, 2019

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property tax	\$ 19,826,584	\$ -	\$ -	\$ 19,826,584
Sales tax	4,914,991	-	-	4,914,991
Franchise fees	1,860,884	-	-	1,860,884
Permits and licenses	3,153,187	-	-	3,153,187
Fines	747,952	-	22,266	770,218
Charges for services	1,914,140	-	-	1,914,140
Other	2,780,488	341,016	141	3,121,645
Investment income	912,901	157,625	51	1,070,577
Donations	12,500	-	98,133	110,633
	<u>36,123,627</u>	<u>498,641</u>	<u>120,591</u>	<u>36,742,859</u>
EXPENDITURES				
Current:				
General Government	5,944,633	-	47,242	5,991,875
Public Safety	16,079,134	-	2,771	16,081,905
Streets	1,670,600	(78)	-	1,670,522
Parks	3,712,130	-	20,258	3,732,388
Public Works	2,853,924	-	-	2,853,924
Capital Outlays	-	4,002,367	-	4,002,367
	<u>30,260,421</u>	<u>4,002,289</u>	<u>70,271</u>	<u>34,332,981</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,863,206</u>	<u>(3,503,648)</u>	<u>50,320</u>	<u>2,409,878</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,744,528	6,706,572	-	8,451,100
Transfers out	(7,134,960)	-	(8,505)	(7,143,465)
	<u>(5,390,432)</u>	<u>6,706,572</u>	<u>(8,505)</u>	<u>1,307,635</u>
Net change in fund balances	472,774	3,202,924	41,815	3,717,513
Fund balances - beginning	<u>27,320,192</u>	<u>11,215,595</u>	<u>267,200</u>	<u>38,802,987</u>
Fund balances - ending	<u>\$ 27,792,966</u>	<u>\$ 14,418,519</u>	<u>\$ 309,015</u>	<u>\$ 42,520,500</u>

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

CITY OF UNIVERSITY PARK, TEXAS
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, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 3,717,513
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, exclusive of the capital asset activity of internal service funds.

Capital expenditures	4,002,367	
Depreciation expense	(2,275,824)	
		1,726,543

Revenues in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds.	(292)
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This amount is the net TMRS pension expense recorded at the government-wide level, not recorded in the funds.	(3,851,215)
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This amount is the net other post-employment benefits expense recorded at the government-wide level, not recorded in the funds.	(13,053)
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This amount is the net FRRF pension expense recorded at the government-wide level, not recorded in the funds.	115,713
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This amount is the change in the long-term portion of compensated absences, and as such, it is not reported in the funds.	(101,004)
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Internal service funds are used by management to charge the costs of vehicle service, repair and replacement and various insurance services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(1,510,827)
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Change in net position of governmental activities	<u>\$ 83,378</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS

**Statement of Net Position
Proprietary Funds**

September 30, 2019

	Business type Activities - Enterprise Funds				Governmental
	Nonmajor Enterprise				Activities -
	Water and	Sanitation	Fund -	Total	Internal
	Sewer		Stormwater		Service Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 3,940,580	\$ 427,733	\$ 2,035,029	\$ 6,403,342	\$ 7,681,123
Investments	995,230	-	-	995,230	2,987,836
Receivables (net of allowance)	2,740,826	421,449	67,556	3,229,831	10,834
Due from other funds	1,811,851	1,314,754	209,325	3,335,930	2,269,877
Prepays	-	45,808	-	45,808	10,970
Total current assets	9,488,487	2,209,744	2,311,910	14,010,141	12,960,640
Non-current assets					
Prepays	-	297,756	-	297,756	-
Restricted cash	389,970	-	-	389,970	-
Capital assets:					
Land	108,758	-	-	108,758	-
Buildings	54,594	-	-	54,594	-
Improvements other than buildings	92,009,456	-	-	92,009,456	-
Machinery and equipment	115,077	258,490	-	373,567	13,260,815
Construction in progress	6,188,075	-	-	6,188,075	-
Less accumulated depreciation	(44,876,266)	(129,320)	-	(45,005,586)	(6,818,877)
Total capital assets (net of accumulated depreciation)	53,599,694	129,170	-	53,728,864	6,441,938
Total non-current assets	53,989,664	426,926	-	54,416,590	6,441,938
Total assets	63,478,151	2,636,670	2,311,910	68,426,731	19,402,578
DEFERRED OUTFLOW OF RESOURCES					
Difference in expected and actual pension/OPEB investment experience	20,792	14,603	-	35,395	6,336
Changes in pension/OPEB actuarial assumption	69,215	66,618	-	135,833	35,830
Difference in projected and actual pension/OPEB investment earning	665,786	451,694	-	1,117,480	221,871
Pension/OPEB contributions after measurement date	173,524	118,838	-	292,362	51,731
Total deferred outflow of resources	929,317	651,753	-	1,581,070	315,768
LIABILITIES					
Current liabilities					
Accounts payable	953,868	18,648	17,889	990,405	93,569
Accrued liabilities	282,062	58,602	4	340,668	320,454
Unearned revenue	-	45,808	-	45,808	-
Accrued compensated absences	171,186	101,479	-	272,665	62,666
Due to other funds	276,320	290,877	50,000	617,197	308,846
Total current liabilities	1,683,436	515,414	67,893	2,266,743	785,535
Non-current liabilities					
Unearned revenue	-	277,756	-	277,756	-
Net pension liability - TMRS	1,153,487	806,901	-	1,960,388	371,781
Total OPEB liability	125,957	97,990	-	223,947	40,937
Customer deposits - payable from restricted cash	389,970	-	-	389,970	-
Accrued compensated absences	243,445	132,823	-	376,268	75,802
Total non-current liabilities	1,912,859	1,315,470	-	3,228,329	488,520
Total liabilities	3,596,295	1,830,884	67,893	5,495,072	1,274,055
DEFERRED INFLOW OF RESOURCES					
Difference in expected and actual pension/OPEB investment experience	155,791	104,045	-	259,836	46,740
Total deferred inflow of resources	155,791	104,045	-	259,836	46,740
NET POSITION					
Investment in capital assets	53,599,694	129,170	-	53,728,864	6,441,938
Unrestricted	7,055,688	1,224,324	2,244,017	10,524,029	11,955,613
Total net position	\$ 60,655,382	\$ 1,353,494	\$ 2,244,017	64,252,893	\$ 18,397,551
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				7,146,690	
Net position of business type activities				\$ 71,399,583	

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

CITY OF UNIVERSITY PARK, TEXAS
Statement of Revenues, Expenses, and
Changes in Fund Net Position
Proprietary Funds

For the Year Ended September 30, 2019

	Business type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Nonmajor Enterprise Fund -				
	Water and Sewer	Sanitation	Stormwater	Total	
Operating revenues					
Charges for sales and services:					
Water sales	\$ 9,482,240	\$ -	\$ -	\$ 9,482,240	\$ -
Sewer	5,551,066	-	-	5,551,066	-
Refuse collection	-	2,793,096	-	2,793,096	-
Recycling	-	319,679	-	319,679	-
Stormwater	-	-	477,267	477,267	-
Charges for service	-	-	-	-	2,054,524
Premiums	-	-	-	-	4,601,541
Other revenue	24,381	-	-	24,381	-
Total operating revenues	15,057,687	3,112,775	477,267	18,647,729	6,656,065
Operating expenses					
Personnel services	3,993,971	2,671,419	-	6,665,390	1,135,123
Contractual and other services	9,230,441	848,156	236,658	10,315,255	217,522
Depreciation	2,067,591	6,769	-	2,074,360	943,783
Supplies and other	447,870	122,754	-	570,624	63,238
Administrative and fiscal services	700,000	-	-	700,000	992,515
Claims paid and change in estimate	-	-	-	-	3,247,698
Total operating expenses	16,439,873	3,649,098	236,658	20,325,629	6,599,879
Operating income (loss)	(1,382,186)	(536,323)	240,609	(1,677,900)	56,186
Nonoperating revenues (expenses)					
Investment income	120,242	24,473	44,562	189,277	254,343
Gain on sale of capital assets	-	-	-	-	118,824
Income (loss) before transfers	(1,261,944)	(511,850)	285,171	(1,488,623)	429,353
Transfers					
Transfers from (to) other funds	607,493	88,042	(50,000)	645,535	(1,953,170)
Total transfers	607,493	88,042	(50,000)	645,535	(1,953,170)
Change in net position	(654,451)	(423,808)	235,171	(843,088)	(1,523,817)
Total net position - beginning	61,309,833	1,777,302	2,008,846		19,921,368
Total net position - ending	\$60,655,382	\$1,353,494	\$ 2,244,017		\$ 18,397,551
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(12,990)	
Change in net position of business type activities				<u>\$ (856,078)</u>	

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

CITY OF UNIVERSITY PARK, TEXAS
Statement of Cash Flows
Proprietary Funds

For the Year ended September 30, 2019

	Business type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Nonmajor Enterprise Fund -				
	Water and Sewer	Sanitation	Stormwater	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$14,622,297	\$ 3,104,138	\$ 475,722	\$18,202,157	\$ 6,654,303
Payments (to) from other funds	(275,888)	(939,021)	318,699	(896,210)	2,913,666
Payments to suppliers	(10,037,960)	(963,441)	(266,111)	(11,267,512)	(4,528,434)
Payments to employees	(3,110,945)	(2,172,728)	-	(5,283,673)	(913,657)
Net cash provided by (used in) operating activities	1,197,504	(971,052)	528,310	754,762	4,125,878
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from (to) other funds	129,105	88,042	-	217,147	(1,961,675)
Net cash used in noncapital financing	129,105	88,042	-	217,147	(1,961,675)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(3,501,258)	-	-	(3,501,258)	(1,167,536)
Transfers from (to) other funds	478,388	-	(50,000)	428,388	8,505
Proceeds from sale of capital assets	-	-	-	-	128,831
Net cash used in capital and related financing activities	(3,022,870)	-	(50,000)	(3,072,870)	(1,030,200)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(1,000,000)	-	-	(1,000,000)	(4,000,000)
Proceeds from the sale and maturities of investment securities	2,001,184	992,771	-	2,993,955	2,996,600
Interest on investments	116,554	26,673	44,562	187,789	253,447
Net cash provided by (used in) investing activities	1,117,738	1,019,444	44,562	2,181,744	(749,953)
Net increase (decrease) in cash and cash equivalents	(578,523)	136,434	522,872	80,783	384,050
Cash and cash equivalents (including \$388,925 restricted cash), beginning of year	4,909,073	291,299	1,512,157	6,712,529	7,297,073
Cash and cash equivalents (including \$389,970 restricted cash), end of year	<u>\$ 4,330,550</u>	<u>\$ 427,733</u>	<u>\$ 2,035,029</u>	<u>\$ 6,793,312</u>	<u>\$ 7,681,123</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (1,382,186)	\$ (536,323)	\$ 240,609	\$ (1,677,900)	\$ 56,186
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation expense	2,067,591	6,769	-	2,074,360	943,783
(Increase) decrease in due from other funds	(57,514)	(1,085,025)	268,699	(873,840)	4,586,339
Decrease in pension/OPEB and deferred outflow	659,814	459,546	-	1,119,360	198,951
(Increase) in accounts receivable	(440,318)	(12,116)	(1,545)	(453,979)	-
Decrease in prepaid expenses	-	45,808	-	45,808	-
(Increase) decrease in interest receivable	3,883	3,476	-	7,359	(1,762)
Increase (decrease) in accrued liabilities	564,608	46,618	(29,453)	581,773	15,054
(Decrease) in unearned gain	-	(45,808)	-	(45,808)	-
Increase (decrease) in due to other funds	(218,374)	146,003	50,000	(22,371)	(1,672,673)
Total adjustments	2,579,690	(434,729)	287,701	2,432,662	4,069,692
Net cash provided by operating activities	<u>\$ 1,197,504</u>	<u>\$ (971,052)</u>	<u>\$ 528,310</u>	<u>\$ 754,762</u>	<u>\$ 4,125,878</u>
NON-CASH INVESTING ACTIVITIES					
Change in the fair value of investments	<u>\$ 3,688</u>	<u>\$ (2,200)</u>	<u>\$ -</u>	<u>\$ 1,488</u>	<u>\$ 896</u>

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

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of University Park ("the City") relating to the funds included in the accompanying financial statements conform to the generally accepted accounting principles in the United States of America applicable to local governments. The following represent the more significant accounting and reporting policies and practices used by the City.

A. Reporting entity

The City was incorporated April 17, 1924, to operate as a general law city. Until 1989, a three-member Board of Commissioners served as the elected governing body. On November 9, 1989, University Park voters approved a Home Rule Charter, and the governing body for the City became the five-member City Council. The City is regulated by the Code of State Statutes of the State of Texas and is authorized to provide the following services: public safety (police and fire), public works, planning, building inspection, sanitation, water and sewer utilities, and general administrative services.

The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. The blended component unit, although a legally separate entity, is in substance part of the government's operations. See note below for description to emphasize that it is legally separate from the government.

Blended component unit. The University Park Civic Foundation, Inc. ("the Foundation") is a tax-exempt, non-profit corporation established in 1987 to promote public safety as well as charitable, scientific, literary and educational activities. The Foundation was created to make monetary contributions to the City for the general public purpose of assisting the City in undertaking any lawful civic endeavor. Although the Foundation's Board of Directors appoints its own successors, by practice the Board has always been comprised of three University Park City Council members. The City's Director of Finance also serves as the Foundation's Assistant Secretary/Assistant Treasurer. The Foundation is reported as a special revenue fund in the City's financial statements and does not issue separate audited financial statements.

Discretely presented component units. Created with assistance from the City in 1985, the Texas Higher Education Authority, Inc. ("THEA") provides low-interest construction loans to private higher education institutions. The City Council appoints all Board members of THEA, and may remove them at will. Upon dissolution, THEA's net worth will revert to the City. THEA's operating and capital expenditures, including debt service, were financed entirely by its bond issues. Subsequent to the mandatory redemption of all outstanding bonds in December of 2003, substantially all of THEA's remaining net worth was transferred to the City. THEA is reported as an enterprise fund and has a December 31 fiscal year-end. THEA is comprised of a single fund, and separate financial statements are not prepared. In accordance with the resolution of the Board, all fund balances in THEA were transferred to the City during fiscal year 2013. Although THEA has not been dissolved, there were no transactions during fiscal year 2019. Therefore, this component unit is not presented in the City's fiscal year 2019 financial statements.

A second discretely presented component unit, the Southwest Higher Education Authority, Inc. ("SWHEA"), issues tax-exempt debt solely for the benefit of Southern Methodist University. Sponsored by the City, SWHEA was incorporated in 1983. The City Council appoints all Board members of SWHEA and may remove them at will. SWHEA pays the City a fee of \$15,000 for each bond issuance up to \$50 million, a fee of \$20,000 for an issue from \$50 to \$100 million, and a fee of \$25,000 for an issue over \$100 million.

CITY OF UNIVERSITY PARK, TEXAS

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September 30, 2019

As of September 30, 2019, SWHEA had issued nine series of bonds with an aggregate outstanding principal amount payable of \$475,890,000. These bonds are considered conduit debt of SWHEA and are reported in the financial statements of Southern Methodist University. SWHEA is reported as an enterprise fund and has a December 31 fiscal year-end. SWHEA is comprised of a single fund, and separate financial statements of SWHEA are not prepared. There were no transactions in SWHEA during fiscal year 2019.

B. 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 City and its component units. 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 from support. Likewise, the primary government is reported separately from the discretely presented component units which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function 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) contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, fees, interest and other items not properly included among program revenues are reported as general revenues.

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

C. Measurement focus, basis of accounting, and financial statements presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem taxes are recognized as revenues in the year for which they are levied.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

Ad valorem taxes, sales taxes, franchise fees, 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

CITY OF UNIVERSITY PARK, TEXAS

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period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

General Fund – Accounts for the ordinary operations of the City financed from taxes and other general revenues. It is used to account for all financial resources except those required to be accounted for in another fund by law or contractual agreement.

Capital Projects Fund – Accounts for the acquisition of capital assets or the construction of major capital projects not being financed by proprietary funds.

The City reports the following major and nonmajor proprietary funds:

Water and Sewer Fund – Accounts for the provision of water and sewer services to the residents of the City.

Sanitation Fund – Accounts for the provision of sanitation services to the residents of the City.

Stormwater Fund – Accounts for the provision of stormwater services to the residents of the City.

The City reports the following additional funds:

Nonmajor governmental special revenue funds:

University Park Civic Foundation – Accounts for the donations to and activities of the University Park Civic Foundation.

Court Security – Accounts for the collection and use of the Municipal Court security fee charged to defendants in accordance with state law.

Court Technology – Accounts for the collection and use of the Municipal Court technology fee charged to defendants in accordance with state law.

Police Training and Education – Accounts for the use of monies received for police training and education purposes.

Police Forfeiture – Accounts for awards of monies by the courts to the Police Department. The administration of this fund is legally restricted to the police and the resources are to be used for police activities.

Fire Training and Education – Accounts for the use of monies received for Fire Department training and education.

Library – Accounts for the use of monies received for the City library.

Parks Projects and Programs – Accounts for the use of monies received for City park projects and programs.

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Internal service funds:

Equipment Services Fund – Accounts for the costs associated with the acquisition and maintenance of specific equipment through the rental of it to other departments.

Comprehensive Self-Insurance Fund – Accounts for the costs associated with the general liability, property and casualty, workers' compensation, and employee health self-insurance program established by the City.

As a general rule, the effect of interfund activities has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's business type functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues generally include charges to customers or applicants for goods, services, or privileges provided. Franchise fees, interest earnings and donations are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods or services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's water and sewer, sanitation and stormwater enterprise funds and of the equipment service and self-insurance internal service funds are charges to customers for sales or 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 non-operating revenues and expenses.

Governmental fund balances are presented in accordance with Governmental Accounting Standards Board (GASB) Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of the funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is the residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance. In all other governmental funds, an unassigned balance is limited to negative residual fund balance. For further explanation of the various fund balance classifications refer to Note I.D.9.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

D. Assets, liabilities, deferred outflows/inflows and net position or fund balance

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City uses a pooled cash approach, in which only one fund (the General Fund) has a "cash" account for making investment transactions.

Obligations with maturities of one year or less when purchased are reported at their amortized cost, while investments with maturities greater than one year are reported at fair value. Nonparticipating investment contracts, generally certificates of deposit, are reported at cost. Interest income is allocated to the individual funds based on the funds' proportion of the pooled investments, or specific investment holdings.

The City's investment policy permits investments in U.S. Treasury and Agency obligations, municipal securities, certificates of deposit, local government investment pools, certain money market mutual funds and repurchase agreements. The investment policy is reviewed and approved annually by the Finance Advisory Committee and the City Council and includes all City funds.

2. Receivables and payables

All outstanding balances between funds are reported as "due to/from other funds." Residual balances outstanding between the governmental activities and business type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Trade accounts receivable over 365 days old are the basis for the trade accounts receivable allowance for uncollectible calculation.

Property taxes are levied as of October 1 on property values assessed as of the prior January 1. They are considered past due 120 days after the respective tax billing date, at which time an enforceable lien attaches.

3. Inventories and prepaid items

Inventories are valued at a weighted average cost. In accordance with the consumption method of accounting, inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

4. Restricted assets

The City classifies customer deposits in proprietary funds and assets from nonmajor governmental funds as restricted.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

5. Interfund transactions

Reimbursements between funds are recorded as expenditures or expenses in the reimbursing fund and reductions of expenditures or expenses in the reimbursed fund. All legally authorized transfers are included in the results of operations of both governmental and proprietary funds.

The City's internal service funds – Equipment Services and Comprehensive Self-Insurance – record charges for services as operating revenues. The respective user funds record the related operating expenditures or expenses, as appropriate.

Nonrecurring or non-routine transfers of equity between funds – for example, the transfer of residual balances of discontinued funds to other funds – are accounted for as transfers.

Transactions that occur between the primary government and the component units are classified as “due to/from the primary government/component unit.”

6. Capital assets

Capital assets, which include land, buildings, improvements, infrastructure (e.g., roads, bridges, sidewalks and similar items) 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 City as either assets with an individual cost of more than \$5,000 during acquisition or capital projects exceeding \$50,000 in accumulated expenses, and with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Completed capital project does not meet both of these criteria would be expensed through depreciation expense on the completion year. Donated capital assets are recorded at acquisition value at the date of donation. The City did not obtain any assets through service concession arrangements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

The City's capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Improvements	20-30
Infrastructure	40
Equipment	4-25

7. Compensated absences

It is City policy to permit employees to accumulate certain limited vacation and sick pay benefits. The equivalent of two years of earned but unused vacation earnings may be accumulated and carried over from

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

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year to year. Any vacation leave in excess of this amount is forfeited. Upon termination in good standing, employees are paid for unused vacation.

Employees are able to accumulate unlimited sick leave while employed. However, a maximum of 90 days accumulated sick leave will be paid out upon retirement. Any unused sick leave above this amount is forfeited. A liability has been recognized for the portion of vacation and accumulated sick leave benefits estimated payable in both the following year and upon retirement for all employees. The retirement of this liability is paid from the General Fund, Proprietary Funds or Internal Service Funds based upon the assignment of the employee at termination.

8. Long-term obligations

In addition to the portion of compensated absences estimated payable after September 30, 2019, the City also recognizes the actuarially determined net pension liability and other post-employment benefits as long-term obligations of the City.

9. Fund balance

In accordance with GASB 54, the City classifies governmental fund balance as follows:

Nonspendable Fund Balance – Includes fund balance amounts that cannot be spent either because they are not in a spendable form, or because of legal or contractual requirements.

Spendable Fund Balance

Restricted – Includes fund balance amounts that can only be spent for the particular purpose stipulated by external resource providers either contractually, constitutionally or through enabling legislation.

Committed – Includes fund balance amounts that can only be spent for the specific purposes determined by formal action of the government's highest level of decision-making authority.

Commitments may be modified or rescinded only by the government taking the same formal action that imposed the constraint originally. In the City of University Park, fund balance is committed by resolution of the City Council.

Assigned – Includes amounts intended to be used by the government for specific purposes. For this purpose, intent may be expressed by the governing body or by an official or body to which the governing body has delegated such authority. In accordance with the City Financial Management Policies, the City Council has authorized the City Manager to assign fund balance to a specific purpose. In practice, actions resulting in the assignment of fund balance may be taken by department directors. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – Includes the residual positive fund balance within the General Fund and includes all amounts not contained in any of the above classifications. Unassigned fund balance is available for any valid governmental purpose and may include negative balances for any governmental fund

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

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in which expenditures exceed the amount restricted, committed or assigned for those specific purposes. In accordance with the City Financial Management Policies, "it is the goal of the City to achieve and maintain an unassigned fund balance in the General Fund equal to at least 30 days of expenditures to mitigate financial risk that can occur from unforeseen revenue fluctuations, significant unanticipated expenditures and natural disasters."

When multiple categories of fund balance are available for expenditure, the City will first spend the most restricted category of funds before spending the next most restricted category with available funds. Normally, this will result in the uses of committed, then assigned, and lastly, unassigned fund balance when expenditures are made, with the exception of the emergency reserve established by the City Council. Under normal circumstances, the City would first elect to utilize unassigned fund balance before considering the use of its emergency funds.

Although established by ordinance in 1976 and again in 1980, the City Council re-authorized the maintenance of a \$2,500,000 emergency reserve during fiscal 2011 through the adoption of Resolution 11-08. The emergency reserve "shall be available for expenditure upon authorization of the City Council for emergency relief of economic or natural disaster or other urgent purpose for which the Council sees fit."

The following is an explanation of the fund balance classifications, other than those assigned, as presented on the Governmental Funds Balance Sheet:

Nonspendable Fund Balance – The portion of fund balance indicating items (such as inventory) that are not in spendable form.

Restricted Fund Balance – Includes fund balance amounts that can only be spent for the particular purpose stipulated by external resource providers either contractually, constitutionally or through enabling legislation.

Committed Fund Balance

SMU Land Sale – Committed by City Council resolution to remain invested in the General Fund providing interest earnings until such time as recommendations for use are made by a special review committee.

Emergency Expenditures – Committed by City Council resolution for emergency expenditures. May be added as necessary to future budgets by supplemental appropriations action.

SMU PILOT (Payment In Lieu of Taxes) – Committed by City Council resolution to remain invested in perpetuity, providing interest earnings to the General Fund.

10. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and OPEB liability (asset), deferred outflows and deferred inflows of resources and expense, information about the fiduciary net position of Texas Municipal Retirement System (TMRS), Firemen's Relief and Retirement Fund (FRRF) and total position of Other Postemployment Benefit (OPEB) and additions to/deductions from Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, Plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. The City allocates the net pension asset and liability, total OPEB liability, deferred outflows of resources, deferred inflows of resources and pension/OPEB expenses based on the employee count in each functional areas. Investments are reported at fair value.

11. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The deferred outflows of resources are reported in the government-wide statement of net position for governmental and business activities, and at the fund level for the proprietary statement of net position.

The City has four items that qualify for reporting in this category: (1) The City's pension and OPEB plan contributions made from the measurement date of the pension and OPEB plans to the current fiscal year end are deferred and will be recognized in the subsequent fiscal year. (2) The difference between projected and actual earnings on pension and OPEB plans investments are deferred and recognized as pension and OPEB plans expense over a closed five-year period as required by GASB 68 and GASB 75. (3) The difference between the expected experience and the actual experience in the actuarial measurement of the total pension liabilities and total OPEB liability not recognized in the current year. (4) The changes in actuarial assumption for the current year. The last two amounts are deferred and amortized over a period of years determined by the plan actuaries. The amortization period is based on the estimated average remaining service lives of employees that are provided with a pension through the pension plan (active and inactive employees) and OPEB (inactive employees) for the City determined as the beginning of the measurement date.

In addition to liabilities, the Statement of Net Position and/or Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has three items that qualifies for reporting in this category for governmental fund and government-wide level. At the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. This amount is deferred and recognized as an inflow of resources in the period it becomes available to the City. In the government-wide level, the difference between the expected experience and the actual experience in the actuarial measurement of the total FRRF and TMRS pension liability not recognized in the current year, this amount is deferred and amortized over a period of years determined by the plan actuary, and the difference between projected and actual earnings on pension plan investments are not deferred and recognized as pension plan income over a closed five-year period as required by GASB 68 and GASB 75.

The deferred outflows/inflows as of September 30, 2019 for the City's pension and OPEB plans are as follow:

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

	TMRS	FRRF	OPEB	TOTAL
Government-wide				
Deferred Outflows of Resources				
Difference between expected and actual experience	\$ 121,275	\$ -	\$ 53,845	\$ 175,120
Changes in actuarial assumptions	327,459	1,787,573	328,578	2,443,610
Difference in projected and actual investment earning	4,903,427	1,039,975	-	5,943,402
Employer's contributions after measurement date	1,294,614	694,222	64,865	2,053,701
Total	\$ 6,646,775	\$ 3,521,770	\$ 447,288	\$ 10,615,833
Deferred Inflows of Resources				
Difference between expected and actual experience	\$ 1,186,268	\$ 1,823,954	\$ -	\$ 3,010,222
Changes in actuarial assumptions	-	-	-	-
Difference in projected and actual investment earning	-	-	-	-
Employer's contributions after measurement date	-	-	-	-
Total	\$ 1,186,268	\$ 1,823,954	\$ -	\$ 3,010,222
Proprietary Funds				
Deferred Outflows of Resources				
Difference between expected and actual experience	\$ 26,334	\$ -	\$ 9,061	\$ 35,395
Changes in actuarial assumptions	79,273	-	56,560	135,833
Difference in projected and actual investment earning	1,117,480	-	-	1,117,480
Employer's contributions after measurement date	281,121	-	11,241	292,362
Total	\$ 1,504,208	\$ -	\$ 76,862	\$ 1,581,070
Deferred Inflows of Resources				
Difference between expected and actual experience	\$ 259,836	\$ -	\$ -	\$ 259,836
Changes in actuarial assumptions	-	-	-	-
Difference in projected and actual investment earning	-	-	-	-
Employer's contributions after measurement date	-	-	-	-
Total	\$ 259,836	\$ -	\$ -	\$ 259,836
Internal Service Funds				
Deferred Outflows of Resources				
Difference between expected and actual experience	\$ 4,648	\$ -	\$ 1,688	\$ 6,336
Changes in actuarial assumptions	25,215	-	10,615	35,830
Difference in projected and actual investment earning	221,871	-	-	221,871
Employer's contributions after measurement date	49,616	-	2,115	51,731
Total	\$ 301,350	\$ -	\$ 14,418	\$ 315,768
Deferred Inflows of Resources				
Difference between expected and actual experience	\$ 46,740	\$ -	\$ -	\$ 46,740
Changes in actuarial assumptions	-	-	-	-
Difference in projected and actual investment earning	-	-	-	-
Employer's contributions after measurement date	-	-	-	-
Total	\$ 46,740	\$ -	\$ -	\$ 46,740

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

E. Implementation of new accounting principles

The GASB has issued the following statements which will be effective in future years as described below and in accordance with GASB Statement 95 (see below). The impact on the City's financial statements of implementation has not yet been determined for the following:

GASB Statement No. 83, Certain Asset Retirement Obligations. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are now effective for periods beginning after June 15, 2019.

GASB Statement No. 84, Fiduciary Activities is now effective for periods beginning after December 15, 2019. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 87, Leases is now effective for periods beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements is now effective for periods beginning after June 15, 2019. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period is now effective for reporting periods beginning after December 15, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB Statement No. 90, Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61 is now effective for periods beginning after December 15, 2019. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

GASB Statement No. 91, Conduit Debt Obligations is now effective for periods beginning after December 15, 2021. The primary objectives are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 92, Omnibus paragraphs 6, 7, 8, and 12 is now effective for periods beginning after June 15, 2021. The primary objective is to address implementation issues which have been identified related to GASB 87, Leases, reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits; The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements; Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs); reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments.

GASB Statement No. 93, Replacement of Interbank Offered Rates. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of paragraphs 13 and 14 are now effective for fiscal years beginning after June 15, 2021. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, effective immediately, the primary objective of which was to provide temporary relief to governments in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases.

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

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II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America applicable to local governments. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments within a single fund require the approval of the City Manager. Transfers between funds must be accomplished by budget amendment approved by the City Council.

Encumbrance accounting is employed in governmental funds. Encumbrances outstanding at year end are reported as assignments of fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

B. Excess of expenditures over appropriations

For the year ended September 30, 2019, expenditures exceeded appropriations in the Traffic, Fire and Swimming Pool departments (the legal level of budgetary control) of the General Fund by \$91,940. The over-expenditure in these departments was offset by lower than anticipated spending in other departments within the General Fund.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

III. DETAILED NOTES ON ALL FUNDS

A. Deposits

1. Cash

At September 30, 2019, the carrying amount of the City's bank deposits was \$13,207,690 and the bank balance was \$13,600,995. The City's bank deposits at year-end were covered by federal depository insurance or by pledged collateral held by the City's agent in the City's name. As of September 30, 2019, deposits that totaled \$2,531,029 were collateralized in the City's name. Cash on hand equaled \$2,200. Restricted cash totaled \$698,985.

2. Cash equivalents

The City participates in three investment pools. They include:

TexPool – a State of Texas sponsored state investment pool composed of U.S. government obligations, repurchase agreements, and AAA-rated money market mutual funds; and

TexSTAR (Texas Short Term Asset Reserve Program) – a local government investment pool composed primarily of U.S. Treasury securities, U.S. agency securities – both fixed and floating – and government-repurchase agreement collateralized obligations, the principal and interest of which are unconditionally guaranteed or insured by the full faith and credit of the United States or its agencies or its instrumentalities; and

TexasDAILY – a local government investment pool composed of high-quality money-market instruments backed by the U.S. government or any of its agencies or instrumentalities, as well as repurchase agreements backed by these securities, and certificates of deposits.

Texpool and TexasDaily use amortized cost rather than fair value to report net position to compute share prices. TexStar uses the fair value of the position in the pools which approximates net asset value of the pool shares.

As of September 30, 2019, the City held the following balances in pooled funds:

		Weighted Average Maturity (in Days)	Credit Rating (Standard & Poor's)
Pool:			
TexPool	\$ 6,418,858	38	AAAm
TexSTAR	1,439,815	22	AAAm
TexasDaily	21,354,870	46	AAAm
	<u>\$ 29,213,543</u>		

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

B. Investments and Deposits

	Inputs as of 09/30/2019		Weighted Average Maturity (in Days)
	Bank Balance	Book Balance	
Certificates of Deposit	\$ 14,287,310	\$ 14,250,135	715

Fair Value Measurements – The City categorizes its fair value measurements within the fair market value hierarchy established by generally accepted accounting principles in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset as of September 30, 2019. The three levels of the fair value hierarchy are described as follows:

- i. Level 1 – Quoted prices (unadjusted) in active markets for identical assets. These types of investments primarily include common stock and equities traded on public exchanges.
- ii. Level 2 – Significant observable inputs for the asset other than quoted prices included within Level 1 that are observable for similar securities, but not exact. These types of investments include US Government obligations and obligations of government agencies.
- iii. Level 3 – Significant unobservable inputs for an assets, as they trade infrequently or not at all. (The City does not value any investments using Level 3 inputs.)

As of September 30, 2019, the City held the following investments:

Investment Type	Inputs as of 09/30/2019			Weighted Average Maturity (in Days)
	Level 1	Level 2	Level 3	
U.S. Agencies	\$ -	\$ 8,975,851	\$ -	964

The City's recurring fair value measurements for the Level 2 US Agencies investments of \$9M are valued using quoted prices for similar assets in active markets.

Investments weighted average maturity 811

Combined (pooled funds and investments) weighted average maturity 287

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Interest rate risk – In accordance with its annually adopted investment policy, the City manages its exposure to declines in fair value by limiting the combined weighted average maturity of its portfolio to no more than 548 days, while employing a “buy and hold” strategy. For purposes of the calculation, the combined weighted average also includes pooled fund deposits, which from a city investment perspective have a weighted average maturity of one day.

Credit risk – The investments reported above meet the criteria specified in the City’s investment policy relative to those specific types of instruments.

- i. Obligations of the United States or its agents and instrumentalities with a maturity not to exceed five (5) years from the date of purchase issued by, guaranteed by, or for which the credit of any of the following Federal Agencies and Instrumentalities are pledged for payment: Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corp (FHLMC) and Federal Agricultural Mortgage Corporation (FAMC). Each of the City’s purchased investments was rated at least AA+ by Standard and Poor’s.
- ii. Certificates of Deposit issued by a depository institution with a main office or branch in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC), or secured by obligations or unconditional guarantees of the United States or its agencies and instrumentalities, the State of Texas or its agencies, or obligations of states, agencies, counties, cities and other political subdivision of any state having been rated as to investment quality by a nationally recognized investment firm not less than “A” or its equivalent.

Concentration of credit risk – It is the policy of the City to avoid a concentration of assets in a specific maturity, a specific issue or a specific class of securities. The applicable limits on the City’s current investment are: U.S. Treasuries and Cash (100%), U.S. Agencies (60%), Certificates of Deposit (30%) and Local Government Investment Pools (50%). The actual percentages of these deposits and investments at September 30, 2019 are 20%, 14%, 22% and 44%, respectively.

Custodial credit risk of investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the policy of the City to mitigate this risk by contracting with third-party banks for the safekeeping of securities either owned by the City as part of its investment portfolio or held as collateral to secure certificates of deposit or repurchase agreements. Settlement of all investment transactions are on a delivery versus payment basis, and all securities are held by the third party custodian in the name of the City.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

C. Receivables

Receivables as of year-end for the City's individual major, non-major and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Water and Sewer	Sanitation	Stormwater	Internal Service	Nonmajor and Other	Total
Receivables:							
Ad Valorem tax	\$ 181,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 181,250
Sales Tax	887,401	-	-	-	-	-	887,401
Franchise	409,395	-	-	-	-	-	409,395
Customers	554,670	2,790,999	433,949	67,556	-	15,000	3,862,174
Interest	94,899	2,827	-	-	6,058	-	103,784
Other	26,962	-	-	-	4,776	-	31,738
Gross Receivables	2,154,577	2,793,826	433,949	67,556	10,834	15,000	5,475,742
Less: Allowance for Uncollectibles	(219,602)	(53,000)	(12,500)	-	-	-	(285,102)
Net Total Receivables	\$ 1,934,975	\$ 2,740,826	\$ 421,449	\$ 67,556	\$ 10,834	\$ 15,000	\$ 5,190,640

Ad Valorem (Property) tax attaches as an enforceable lien on property as of January 1. The tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the City. Assessed values are established at 100% of estimated market value and certified by the Dallas County Appraisal District. The assessed value of real and personal property on the tax roll as of January 1, 2018 was \$12,162,783,210. The taxable value (assessed value less exemptions) upon which the fiscal 2019 levy based was \$8,085,217,904.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. The City Charter does not provide for a debt limit. The tax rate for the year ended September 30, 2019 was \$0.245379 per \$100, all of which was allocated to the general government.

Taxes are due October 1, the levy date. Full payment can be made prior to the following January 31 to avoid penalty and interest charges. Current tax collections for the year ended September 30, 2019 were 100% of the tax levy.

Property taxes levied for fiscal year 2019 have been recorded as receivables, net of estimated uncollectible amounts. The net receivables collected during 2019 and those considered "available" at September 30, 2019 (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2019. The remaining receivables have been reflected as unavailable revenue in the fund statements.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district at 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, request annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City sets the tax rate on City property.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Sales and use tax is authorized under state law with the City's levy equal to one percent of taxable sales and uses. The Texas Comptroller of Public Accounts collects all sales and use taxes on behalf of the City, remitting all taxes collected less a 2% service fee to the City on a monthly basis.

The State of Texas utilizes origin based sourcing for municipal sales and use tax. Under this approach, sales and use tax is sourced to the taxing jurisdiction in which the selling business is located regardless of where in the state the purchaser resides or the product is shipped. Origin sourcing can produce large individual sales and use tax payers to specific jurisdictions. Additionally, sales and use tax can fluctuate not only due to general economic factors but also due to relocations of businesses between taxing jurisdictions. The identity of and the amount paid by individual sales and use tax payers is strictly confidential under state law.

D. Prepaid expenses

In 1997, the City exchanged land with an original value of \$20,000 for a reduction in landfill tipping fees for the next 28 years with the City of Garland. The present value of the tipping fees is reflected in the financial statements as a prepaid expense and unearned revenue in the Sanitation Fund.

The City has entered into an agreement to install four fixed license plate readers. The value of \$10,970 is reflected in the Equipment Service Fund. The final readers are going to be installed in FY 2020.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

E. Capital assets

Capital asset activity for the year ended September 30, 2019 was as follows:

	Beginning Balance	Additions	Retirement / Sale	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 10,298,366	\$ 691,323	\$ -	\$ -	\$ 10,989,689
Construction in progress	5,105,304	4,002,369	(8,295)	(2,704,025)	6,395,353
Capital assets, being depreciated:					
Buildings	17,498,780	-	-	62,365	17,561,145
Improvements	46,796,607	-	-	2,080,268	48,876,875
Equipment	18,515,023	1,254,232	(533,085)	561,392	19,797,562
Infrastructure	12,870,590	-	-	-	12,870,590
Total capital assets	<u>111,084,670</u>	<u>5,947,924</u>	<u>(541,380)</u>	<u>-</u>	<u>116,491,214</u>
Less accumulated depreciation for:					
Buildings	(5,629,855)	(426,614)	-	-	(6,056,469)
Improvements	(14,768,749)	(1,842,722)	-	-	(16,611,471)
Equipment	(9,991,827)	(1,398,211)	523,078	-	(10,866,960)
Infrastructure	(4,866,049)	(321,784)	-	-	(5,187,833)
Total accumulated depreciation	<u>(35,256,480)</u>	<u>(3,989,331)</u>	<u>523,078</u>	<u>-</u>	<u>(38,722,733)</u>
Governmental activities capital assets, net	<u>\$ 75,828,190</u>	<u>\$ 1,958,593</u>	<u>\$ (18,302)</u>	<u>\$ -</u>	<u>\$ 77,768,481</u>
	Beginning Balance	Additions	Retirement / Sale	Transfers	Ending Balance
Business type activities:					
Capital assets, not being depreciated:					
Land	\$ 108,758	\$ -	\$ -	\$ -	\$ 108,758
Construction in progress	2,686,817	3,501,258	-	-	6,188,075
Capital assets, being depreciated:					
Buildings	54,594	-	-	-	54,594
Improvements	92,009,456	-	-	-	92,009,456
Equipment	373,567	-	-	-	373,567
Total capital assets	<u>95,233,192</u>	<u>3,501,258</u>	<u>-</u>	<u>-</u>	<u>98,734,450</u>
Less accumulated depreciation for:					
Buildings	(54,594)	-	-	-	(54,594)
Improvements	(42,666,000)	(2,062,258)	-	-	(44,728,258)
Equipment	(210,632)	(12,102)	-	-	(222,734)
Total accumulated depreciation	<u>(42,931,226)</u>	<u>(2,074,360)</u>	<u>-</u>	<u>-</u>	<u>(45,005,586)</u>
Business type activities capital assets, net	<u>\$ 52,301,966</u>	<u>\$ 1,426,898</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,728,864</u>

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Depreciation expense was charged to the functional areas of the primary government as follows:

Governmental activities:

General Government	\$	1,988,888
Public Safety		572,645
Public Works		298,106
Parks		629,460
Streets		500,232
		<hr/>

Total depreciation expense –
Governmental activities

\$ 3,989,331

Business type activities:

Water and Sewer	\$	2,067,591
Sanitation		6,769
		<hr/>

Total depreciation expense – Business
type activities

\$ 2,074,360

The government has active construction projects as of September 30, 2019. The projects include drainage and sewerage improvements, utility improvements, park improvements and renovations as well as on-going “Mile-per-Year” (MPY) projects.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Construction in progress at September 30, 2019 is as follows:

	Balance at 9/30/2018	Expended in FY2019	Transferred or expensed	Balance at 09/30/2019
Governmental Projects				
Pool Building Upgrades	\$ 2,642,941	\$ -	\$ -	\$ 2,642,941
Tollway Wall Landscape - N. of Lovers Lane	122,699	6,199	128,898	-
Radio System Comprehensive Replacement Reserve	42,237	1,129,495	-	1,171,732
Cartograph Upgrade	74,148	7,000	-	81,148
Community Development Electronic Plan Review	-	8,295	8,295	-
Mockingbird Lane Wall Landscape	134,898	-	134,898	-
McFarlin East - Dublin to Central	-	2,000	-	2,000
Humann Park Landscape Improvements	65,612	31,006	-	96,618
LED Lighting Upgrades	19,039	-	-	19,039
Fountain Replacements (pond)	35,000	46,324	-	81,324
LPR Systems (10 units)	-	364,221	-	364,221
Asphalt Overlay 2018	1,818,795	(2,323)	1,816,472	-
Traffic Signal Replacement	67,335	708,547	-	775,882
Sidewalk Replacement	82,600	332,462	-	415,062
City Hall Repairs	-	62,365	62,365	-
Dallas County MCIP Master Plan	-	386,110	-	386,110
Audio/Visual System Upgrade - Phase II	-	171,809	171,809	-
HPISD Fiber Contribution	-	100,000	100,000	-
Security Camera Replacement City-wide	-	214,583	214,583	-
Website Remodel	-	75,000	75,000	-
Pool Filter Upgrades	-	31,975	-	31,975
Tennis Court Resurfacing Program	-	53,090	-	53,090
Fence Replacement (Compressed to '19)	-	28,923	-	28,923
Playground Resurfacing	-	68,661	-	68,661
Bench/Table Replacements	-	39,588	-	39,588
Central Expressway Bridge Landscape	-	30,916	-	30,916
Traffic Signal Replacement	-	60,469	-	60,469
Pavement Assessment Study	-	45,654	-	45,654
Total	\$ 5,105,304	\$ 4,002,369	\$ 2,712,320	\$ 6,395,353
Business type Projects				
Water Meter Replacement	\$ 2,382,567	\$ 207,056	\$ -	\$ 2,589,623
MPY 4200-4500 Normandy/San Carlos	304,250	2,604,663	-	2,908,913
Reconstruction of Old SMU Sewer	-	70,042	-	70,042
Snider Plaza Area Design	-	166,965	-	166,965
Storm Water Projects Reserve	-	452,532	-	452,532
Total	\$ 2,686,817	\$ 3,501,258	\$ -	\$ 6,188,075
Grand Total	\$ 7,792,121	\$ 7,503,627	\$ 2,712,320	\$ 12,583,428

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

F. Interfund receivables, payables and transfers

Individual interfund receivable and payable balances at September 30, 2019 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	02 Water and Sewer	\$ 129,105
	04 Sanitation	88,042
	14 UP Civic Foundation	3,038
	47 Equipment Services	38,325
	58 Parks Projects and Programs	1,108
Water and Sewer	01 General	1,632,746
	05 Stormwater	50,000
	45 Self-Insurance	129,105
Sanitation	01 General	1,226,712
	45 Self-Insurance	88,042
Stormwater	01 General	209,325
Capital Projects - Gen Gov	01 General	8,173,513
Self-Insurance	01 General	675,678
	02 Water and Sewer	49,499
	04 Sanitation	52,841
	47 Equipment Services	15,049
Equip Service	01 General	1,190,775
	02 Water and Sewer	97,716
	04 Sanitation	149,994
	45 Self-Insurance	38,325
Court Security	01 General	113,906
Court Technology	01 General	44,361
Police Training and Education	01 General	31,817
Fire Training and Education	01 General	5,635
Library	01 General	13,847
	Total	<u>\$ 14,248,504</u>

All interfund balances at year-end result from the recording of cash in the General Fund, and the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balances noted above may be settled, offset or reduced in the coming year through cash or other investment asset transfers.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Interfund transfers during the year ended September 30, 2019 were as follows:

Transfer Out	Transfer In					
	Capital Projects	General	Equipment Service	Water and Sewer	Sanitation	Total
General Fund	\$ 6,706,572	\$ -	\$ -	\$ 428,388	\$ -	\$ 7,134,960
Stormwater	-	-	-	50,000	-	50,000
Self-Insurance Fund	-	1,744,528	38,325	129,105	88,042	2,000,000
Special Revenue	-	-	8,505	-	-	8,505
	<u>\$ 6,706,572</u>	<u>\$ 1,744,528</u>	<u>\$ 46,830</u>	<u>\$ 607,493</u>	<u>\$ 88,042</u>	<u>\$ 9,193,465</u>

Interfund transfers are reported in the governmental and proprietary funds financial statements. In the government-wide statements, interfund transfers are eliminated within the governmental and business type activities columns as appropriate.

Interfund transfers are used to move unrestricted revenues collected in the General Fund to finance various capital projects in accordance with budgetary authorizations. Authorized transfers are also made to fund the identifiable governmental-type costs of capital projects within the Water and Sewer fund.

The City did not transfer any funding to any of the special revenue funds during fiscal year 2019.

G. Long-term liabilities

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	\$ 2,371,096	\$ 244,439	\$ (111,365)	\$ 2,504,170	\$ 1,064,291
Business type activities					
Compensated absences	\$ 595,329	\$ 101,595	\$ (47,991)	\$ 648,933	\$ 272,665

H. Component Unit

As stated in Note I.A., SWHEA has a December 31 year-end. As of September 30, 2019, the City's General Fund had a \$55,000 Due to balance to SWHEA. The Statement of Net Assets and Statement of Activities for this component unit are presented on the face of the government-wide financial statement.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

IV. OTHER INFORMATION

A. Risk management and self-insurance

The City maintains a comprehensive self-insurance plan. The self-insurance plan encompasses workers' compensation benefits, fire, law enforcement, auto fleet, computer hardware and software, other property, public officials' liability and general liability coverage.

The Texas Municipal League Inter-Governmental Risk Pool, a public entity risk pool operating as a common risk management and insurance program, coinsures with the City for individual claim retention levels and corresponding policy limits.

The limits and corresponding deductibles are as follows:

	Limit	Deductible
General Liability	\$ 5,000,000	\$ 25,000
Law Enforcement Liability	5,000,000	25,000
Error and Omissions	10,000,000	50,000
Automobile Medical Payments	25,000	100,000
Automobile Liability	5,000,000	100,000
Automobile Physical Damage	Actual Cash Value	10,000
Automobile Catastrophe	6,600,000	10,000
Real and Personal Property	74,165,229	25,000
Boiler and Machinery	36,000,000	25,000
Mobile Equipment	2,127,212	500
Public Employee Dishonesty	4,000,000	25,000
Forgery and Alteration	50,000	500
Theft, Disappearance and Destruction	50,000	0
Computer Fraud	5,000,000	25,000

All claims and maximums are calculated for a plan year ending each September 30. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

In January 2000, the City expanded its self-insurance program to include employee health coverage. The program is configured to offer Preferred Provider Organization (PPO) coverages and Health Savings Accounts (HSA) using an outside provider network. A third-party insurance company provides claims administration and coinsures with the City for individual claim retention levels, with policy limits set at \$93,500 per occurrence and an aggregate stop loss of \$3,226,126 per year.

Premium payments are treated as operating revenues of the Comprehensive Self-Insurance Internal Service Fund and operating expenditures/expenses of the participating funds.

Included in accrued liabilities are the provisions for claims reported and claims incurred but not reported (IBNR) (collectively, unpaid claims liability). The provision for claims reported is determined by estimating the amount that will ultimately be paid to each claimant. The provision for claims incurred but not reported is estimated based on City experience since the inception of the program.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Unpaid claims liability of \$305,848 is included in the accrued liabilities of the Comprehensive Self-Insurance Internal Service Fund.

Changes in the balances of unpaid claims liabilities during 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Unpaid claims, beginning of year	\$ 323,871	\$ 292,265
Current year claims (including IBNR) and change in estimate	3,265,721	2,914,993
Claim Payments	<u>(3,283,744)</u>	<u>(2,883,387)</u>
Unpaid claims, end of year	<u>\$ 305,848</u>	<u>\$ 323,871</u>

B. Commitments and contingencies

1. Water and sewer contracts

The City's water supply is derived from the Dallas County/Park Cities Municipal Utility District ("the MUD") under a twenty-year contract dated March 2, 2004, at an agreed upon rate that is adjusted annually. The original contract was amended in 2010 to a term of 22 years, commencing March 2, 2010 and expiring March 2, 2032. The 2019 rate for treated water was \$2.4985 per 1,000 gallons. The MUD was originally created to serve (and continues to serve) only the cities of University Park and Highland Park. It has its own treatment and storage facilities and obtains its water from Lake Grapevine, in which it has rights to the first 50,000 acre-feet of stored water. During fiscal year 2019, the cost of water purchased under this contract was approximately \$5,021,113.

On November 5, 1973, the City entered into the initial twenty-year contract for sewage disposal with the City of Dallas. This contract was extended for a term of 30 years on February 22, 1984. As of February 22, 2014, the City received another thirty-year extension on the contract to February 21, 2044. Under the terms of the contract, Dallas is paid a monthly fee determined by an annual Cost-of-Service Study. During fiscal 2019, the cost of sewage disposal under this contract was approximately \$3,040,137 at a rate of \$2.8601 per 1,000 gallons.

2. Commitments

The City has contractual commitments of \$305,553 in the General Fund, \$14,418,518 in the Capital Projects Fund, and \$313,546 in other non-major governmental funds. These commitments are for various purchases and construction projects and will be funded by various general governmental incomes.

3. Contingencies

The City is involved in various claims and litigation arising in the ordinary course of operations, none of which, in the opinion of City officials, will have a material effect on the City's financial position.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

C. Deferred compensation plan

The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The employees have a choice of participating in the Nationwide Retirement Solutions (formerly the Public Employees Benefit Services Corporation, or PEBSCO) plan and/or the International City Management Association Retirement Corporation (ICMA-RC) plan. All amounts of compensation under these plans are placed into investment pools administered by Nationwide and ICMA-RC, respectively. The plans, available to all regular employees, permit deferral of up to \$19,000 of compensation (\$25,000 for those over 50) in 2019. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under these plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust by a third party for the exclusive benefit of the participants and their beneficiaries. As a result, the deferred compensation investments are not included in the City's financial statements.

D. Retirement plans

1. Texas Municipal Retirement System (TMRS)

Plan Description

The City participates as one of 883 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 that can be obtained at www.TMRS.com.

All eligible employees of the City are required to participate in TMRS (except for the City's fire personnel covered under the FRRF plan, below).

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, 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 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.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Plan provisions for the City were as follows:

	Plan Year 2018
Employee deposit rate	7.0%
Matching ratio (City to employee)	2 to 1
Years required for vesting	10
Service retirement eligibility (expressed as age/years of service)	60/10, any/20
Updated service credit	100%
Annuity increase (to retirees)	0% of CPI

On the actuarial valuation measurement date of December 31, 2018, the following employees/beneficiaries were covered by the benefit terms:

Membership	
Number of:	
Retirees or beneficiaries currently receiving benefits	156
Terminated employees entitled to but not yet receiving benefits	46
Active employees	215
	<hr/>
Total	417
	<hr/>

Contributions

The contribution rates for employees in TMRS are either 5%, 6% or 7% of employee gross earnings, and the City matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amounts necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

City employees are required to contribute 7% of their annual gross earnings each fiscal year. The contribution rates for the City of University Park were 7.23% and 7.51% in calendar years 2017 and 2018, respectively.

The City's normal contribution to TMRS for the year ended September 30, 2019 was \$1,577,524, and was equal to the required contributions. On December 12, 2018, the City made a special contribution of \$1,000,000 to TMRS in order to help defray the cost of recent plan updates related to service credits, transfer credits and retiree benefits. This contribution was funded through the Comprehensive Self-Insurance Fund and was classified as a transfer to the applicable receiving fund(s). The additional amount was allocated on the same basis as the normal employer contribution.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Net Pension Asset

The City's Net Pension Asset (NPA) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the Net Pension Asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. 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 2016 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, TMRS's actuary, Gabriel Roeder Smith & Company (GRS), focused on the area between (1) the arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic equity	17.50%	4.55%
International equity	17.50%	6.35%
Core fixed income	10.00%	1.00%
Non-core fixed income	20.00%	3.90%
Real return	10.00%	3.80%
Real estate	10.00%	4.50%
Absolute return	10.00%	3.75%
Private equity	5.00%	7.50%
Total	<u>100.00%</u>	

Discount Rate

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

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Changes in the Net Pension (Asset) Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
Balance at 12/31/2017	\$ 92,651,663	\$ 94,927,393	\$ (2,275,730)
Changes for the year:			
Service cost	2,078,241	-	2,078,241
Interest	6,468,373	-	6,468,373
Change of benefit terms	4,542,411	-	4,542,411
Difference between expected and actual experience	(1,497,663)	-	(1,497,663)
Changes of assumptions	-	-	-
Contributions - employer	-	2,198,761	(2,198,761)
Contributions - employee	-	1,117,334	(1,117,334)
Net Investment income	-	(2,841,833)	2,841,833
Benefit payments, including refunds of employee contributions	(4,810,885)	(4,810,885)	-
Administrative expense	-	(54,956)	54,956
Other changes	-	(2,870)	2,870
Net changes	6,780,477	(4,394,449)	11,174,926
Balance at 12/31/2018	\$ 99,432,140	\$ 90,532,944	\$ 8,899,196

Sensitivity of Discount Rate

The following presents the net pension liability/(asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 20,501,882	\$ 8,899,196	\$ (863,239)

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.TMRS.com.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

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

For the year ended September 30, 2019, the City recognized pension expense of \$2,590,613.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FY19	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 121,275	\$ (1,186,268)
Changes in actuarial assumptions	327,459	-
Net difference between projected and actual earnings on pension plan investments	4,903,427	-
Employer's contributions to the pension plan subsequent to the measurement date	1,294,614	-
Total	<u>\$ 6,646,775</u>	<u>\$ (1,186,268)</u>

\$1,294,614 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec 31:		
2019	\$	1,868,220
2020		341,761
2021		298,535
2022		1,657,377
2023		-
Thereafter		-
Total	<u>\$</u>	<u>4,165,893</u>

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

2. Firemen's Relief and Retirement Fund (FRRF)

Plan Description

The Board of Trustees is the administrator of the University Park Firemen's Relief and Retirement Fund ("the Fund"), a single-employer defined benefit pension plan. The City of University Park, Texas is the only contributing employer. Firefighters, who joined the City prior to October 01, 2017, in the University Park Fire Department are covered by the FRRF and also contribute to the FRRF. The FRRF is not a part of the City's reporting entity because the City does not have fiduciary responsibility of the FRRF assets, is not able to impose its will on the FRRF, nor is the FRRF fiscally dependent on the City, since the Board of Trustees has the ability to complete essential fiscal events without approval by the City, and the Board is not appointed by the City.

The plan covers current and former fire fighters of the City of University Park, Texas as well as certain beneficiaries of former firefighters. The plan was closed to new entrants as of November 1, 2017. The types of employees covered, as well as the plan membership as of December 31, 2018 (the most recent actuarial valuation) are as follows:

Number of:	12/31/2018
Retirees and beneficiaries currently receiving benefits	48
Terminated employees entitled to, but not yet receiving benefit	0
Active members	29
Total	77

Benefits

The FRRF provides service retirement, early retirement, disability, death and termination benefits. These benefits fully vest after 20 years of credited service with a partially vested benefit with 19 years of service. Employees may retire at age 50 with 20 years of service. The Plan effective January 1, 2002 provides for a monthly service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity. The monthly benefit equals 60% of the Highest 60-Month Average Salary plus \$80.00 per month for each year of service in excess of 20 years.

A firefighter has the option to participate in a Retroactive Deferred Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced annuity upon termination of employment. Firefighters must be at least age 53 with 23 years of service at the selected RETRO DROP benefit calculation date (which is prior to the date of employment termination).

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically provided for, ad hoc postretirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Fire Firefighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Contributions

The contribution provisions of this plan are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter.

While the contributions made are not actuarially determined, state law requires that each plan of benefits adopted by the Fund must be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the City provides an adequate financing arrangement. Using the entry age actuarial cost method, the Plan's normal cost contribution rate is determined as a percentage of payroll.

The excess of the total contribution rate over the normal cost rate is used to amortize the Plan's unfunded actuarial accrued liability, and the number of years needed to amortize the plan's unfunded actuarial accrued liability is determined using a level percentage of payroll method.

The costs of administering the plan are paid from the Fund.

The funding policy of the FRRF required contributions of 10.00% of pay by the members through September 2009. For the period from October 2009 through September 2010, member contributed 12.00% of total pay. For the period from October 2010 through September 2011, member contributed 14.00% of total pay. For the period from October 2011 through September 2012, member were scheduled to contribute 15.00% of total pay; however the 2011 increase was extended by one year, by vote of the membership. For the period from October 2013 to September 2014, members were scheduled to contribute 15.00% of total pay.

In accordance with current TLFFRA statutes, the City is required to make contributions to the FRRF at the same rate paid by the firefighters, or 12.00%, whichever is less. The City has traditionally contributed to the FRRF at the same rate it contributed to TMRS, which has always resulted in a rate in excess of statutory requirements. On July 1, 2008, the City FRRF contribution rate was set at 15.54% of payroll; to compensate the FRRF for the loss of contributions related to incoming fire department personnel who opted to join the TMRS Plan in accordance with TLFFRA provisions. The City continued to contribute 15.54% of total pay through September 2014.

From October 2014 to September 2016, the FRRF Board accepted the City's proposal to shift 2.00% of the contribution from the firefighters' contribution to the City contribution. This action decreased the firefighters' contribution from 15.00% to 13.00%, and increased the City's contribution from 15.54% to 17.54% for a year.

The Plan was amended as of September 27, 2017, the result of which was the Plan was closed to new entrants as of November 1, 2017 and participating employees' contributions were capped at 10.00% of pay. On October 1, 2017, the City began contributing at a rate of 20.54% of total pay and the participating employees began contributing at a rate of 10.00%.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Starting October 1, 2018, the City contribution rate increased to 28.72% of pay, in accordance with the terms of the Plan which calls for the City to contribute at a rate necessary in order to produce at least a 30-year amortization period. The employee contribution rate will remain unchanged at 10.00%.

The City's normal contribution to the FRRF for the year ended September 30, 2019, was \$906,747, and was equal to the required contributions. On December 12, 2018, the City made a special contribution of \$1,000,000 to the FRRF in order to help pay down the plan liability. This contribution was funded through the Comprehensive Self-Insurance Fund and was classified as a non-operating expense.

General Actuarial Assumptions:

	12/31/2018
Valuation date	
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, closed period
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	3.00%
Investment rate of return	7.50%
Salary increase rate	General wage increase (3%) plus longevity and promotion increases that vary by age and service
Retirement Age	Rates that vary by age and service
Mortality	Mortality rates were based on the PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2018.
Other information	The plan was closed to new entrants effective October 1, 2017

The long-term expected rate of return on pension plan investments is 7.50%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the FRRF 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 FRRF.

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.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

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)
Equities		
Domestic large/all cap	23.00%	5.70%
Domestic small/mid cap	9.00%	6.20%
International developed	10.00%	6.20%
Emerging markets	15.00%	7.70%
Alternatives		
Income opportunity	6.00%	3.70%
Flexible income	5.00%	2.90%
Global Convertibles	5.00%	3.20%
Fixed income		
Domestic core	15.00%	1.20%
High yield	5.00%	2.70%
International developed	5.00%	1.70%
Cash	2.00%	0.00%
Total	<u>100.00%</u>	
Weighted Average		4.57%

Discount Rate

Decrements are assumed to be annual rates, rather than probabilities, and are adjusted for the interaction between competing decrements. The 7.50% rate of return, which has not changed from prior year, was set by examining the fund's rate of return history and by taking into account future expected rates of return for portfolios with similar asset allocations. The assumed 7.50% rate can be considered to include a provision for inflation at 2.50% per year, although other combinations of real return, risk premium and inflation are also accounted for by an 7.50% assumed rate. The rate of return is net of trust expenses. The same inflation component was used in the assumed rate of return on the actuarial value of assets, the assumed increases in compensation for individual members and the other actuarial assumptions.

The discount rate used to measure the Total Pension Liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute, and was projected over a period of 100 years. Based on the assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2017	\$ 23,512,116	\$ 9,686,942	\$ 13,825,174
Changes for the year:			
Service cost	622,059	-	622,059
Interest	1,750,621	-	1,750,621
Change of benefit terms	-	-	-
Difference between expected and actual experience	(554,596)	-	(554,596)
Changes of assumptions	379,290	-	379,290
Contributions - employer	-	1,712,899	(1,712,899)
Contributions - employee	-	317,545	(317,545)
Net Investment income	-	(657,661)	657,661
Benefit payments, including refunds of employee contributions	(1,585,110)	(1,585,110)	-
Administrative expense	-	(26,941)	26,941
Other changes	-	-	-
Net changes	612,264	(239,268)	851,532
Balance at 12/31/2018	\$ 24,124,380	\$ 9,447,674	\$ 14,676,706

Sensitivity of Discount Rate

The following table presents the sensitivity of the Net Pension Liability to changes in the discount rate when calculating it at 1-percentage-point-lower (6.50%) and 1-percentage-point-higher (8.50%).

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

1% Decrease 6.50%	Current Single Rate Assumption 7.50%	1% Increase 8.50%
\$ 17,541,842	\$ 14,676,706	\$ 12,281,728

The Net Pension Liability and the Total Pension Liability were calculated by Rudd and Wisdom, Inc. The value given were based upon a valuation performed as of December 31, 2018. As permitted by Paragraphs 22 and 60 of GASB Statement No. 68, procedures were used to roll forward the Total Pension Liability (TPL) to December 31, 2018.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

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

For the year ended September 30, 2019, the City recognized pension expense of \$908,275.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ -	\$ (1,823,954)
Changes in actuarial assumptions	1,787,573	-
Difference between projected and actual investment earnings	1,039,975	-
Contributions subsequent to the measurement date	<u>694,222</u>	<u>-</u>
Total	<u>\$ 3,521,770</u>	<u>\$ (1,823,954)</u>

\$694,222 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Net Deferred Outflows/(Inflows) of Resources</u>
2020	\$ 398,360
2021	197,140
2022	184,604
2023	286,675
2024	(4,479)
Thereafter	<u>(58,706)</u>
Total	<u>\$ 1,003,594</u>

Separate audited financial statements are available, and can be obtained by contacting the City of University Park Fire Department at 3800 University Blvd., University Park, Texas 75205.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

E. Other Postemployment Benefits

Plan Description

The City of University Park offers certain health care benefits to retired employees through a single-employer defined benefit plan ("the Retiree Health Plan", "the Plan" or "OPEB"). Permanent full-time employees of the City of University Park are eligible to participate in the Plan upon retirement. They may remain members of the Plan until they reach the age of 65 or otherwise become eligible for Medicare benefits. Members must pay 100% of the retiree health care premium. Members become eligible to participate in the Plan upon normal service retirement, or if they meet the Disability Retirement provisions of TMRS or FRRF, whichever applies, and draw disability retirement benefits from TMRS or FRRF, whichever applies. Members terminating their employment before normal service retirement conditions are not eligible for retiree health care. The City of University Park does not provide subsidized retiree vision or dental coverage. The Plan does not issue separate financial statements. All payments received or made on behalf of the Plan are done so through the Comprehensive Self-Insurance Fund. As of September 30, 2018, there are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No.75.

Current retirees contribute to the Plan an amount approximating the blended premium for active and retired participants. This amount is determined annually by an Employee Benefits Committee, under the direction of the City Council. Retiree contribution rates for fiscal 2019 range from \$10,020 to \$17,398 per year, depending on coverage levels.

At the December 31, 2018 measurement date, the following employees were covered by the benefit terms:

	Measurement date
Number of:	12/31/2018
Inactive plan members or beneficiaries currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	233
Total	238

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Total OPEB Liability

The City's Total OPEB Liability was determined by an actuarial valuation performed on December 31, 2017 and included updated procedures that rolled forward the Total OPEB Liability to the measurement date of December 31, 2018.

Total OPEB liability

Service cost	\$	45,173
Interest on the total OPEB liability		31,923
Changes of benefit terms		-
Difference between expected and actual experience of the total OPEB liability		36,425
Changes of assumptions		334,349
Benefit payments		(108,490)
Net change in total OPEB liability		<u>339,380</u>
Total OPEB liability - beginning		<u>996,099</u>
Total OPEB liability - ending	\$	<u>1,335,479</u>

Covered-employee payroll

21,228,201

Total OPEB liability as a percentage of covered-employee payroll

6.29%

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Actuarial assumptions

The actuarial assumptions used to value the liabilities are the same as those used in the valuation report as of December 31, 2018, which include the following:

Valuation date	12/31/2018
Actuarial cost method	Individual Entry age
Discount Rate	3.71% as of December 31, 2018
Inflation	2.50%
Salary increase rate	3.50% to 10.50%, including inflation
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2014 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used 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.
Health care trend rates	Initial rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.
Participation rates	For TMRS members, it was assumed that 0% of those retiring before age 55 and 15% of those retiring after age 55 would choose to elect health care benefits through the City. For Firefighters, it was assumed that 15% of retirees would choose to elect health care benefits through the City.
Other information	The discount rate changed from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018. Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in the Fidelity "20-Year Municipal GO AA Index" as of December 31, 2018.

Sensitivity of Total OPEB Liability to the Discount Rate and Healthcare Cost Trend Assumptions

The following table presents the sensitivity of the Total OPEB Liability to changes in discount rate when calculating it at 1-percentage-point-lower (2.71%) and 1-percentage-point-higher (4.71%).

	1% Decrease 2.71%	Current Discount Rate Assumption 3.71%	1% Increase 4.71%
\$	1,457,477	\$ 1,335,479	\$ 1,223,794

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

The following table presents the sensitivity of the Total OPEB Liability to changes in healthcare cost trend rate when calculating it at 1-percentage-point-lower and 1-percentage-point-higher.

1% Decrease		Current Healthcare Cost Trend Rate Assumption		1% Increase	
\$	1,194,142	\$	1,335,479	\$	1,500,705

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the City recognized OPEB expense of \$124,296.

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	FY19	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 53,845	\$ -
Changes in actuarial assumptions	328,578	
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	64,865	-
Total	\$ 447,288	\$ -

\$64,865 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the fiscal year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2019

Year ending September 30	Net Deferred Outflows/(Inflows) of Resources
2020	\$ 47,200
2021	47,200
2022	47,200
2023	47,200
2024	47,200
Thereafter	146,423
Total	<u>\$ 382,423</u>

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

F. Subsequent Events

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. Certain City revenues, such as sales taxes and recreation program fees as well as expenditures related to providing emergency and other services, have been minimally affected.

In response to the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Act provides economic grants to offset some additional expenses and forgone revenue as a result of the response to COVID-19. The City received the COVID-19 federal grant of \$1,374,175 in fiscal 2020 as a pass-through grant from Dallas County.

The full impact of the COVID-19 pandemic and the scope of any adverse impact cannot be fully determined at this time. The pandemic has adversely affected travel, commerce and financial markets globally and is expected to adversely affect economic output worldwide and in Texas, including the North Texas region. The potential impacts cannot currently be predicted but could be material for future fiscal years.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Last 10 years

	2014	2015	2016	2017	2018
Total pension liability					
Service cost	\$ 1,721,395	\$ 1,850,469	\$ 2,038,054	\$ 1,991,805	\$ 2,078,241
Interest (on the Total Pension Liability)	5,398,451	5,596,121	5,747,031	5,956,942	6,468,373
Changes of benefit terms	-	-	-	-	4,542,411
Difference between expected and actual experience	(544,994)	(6,999)	345,855	(24,424)	(1,497,663)
Changes of assumptions	-	2,198,651	-	-	-
Benefit payments, including refunds of employee contributions	(3,500,753)	(4,130,311)	(4,940,533)	(5,055,510)	(4,810,885)
Net change in total pension liability	3,074,099	5,507,931	3,190,407	2,868,813	6,780,477
Total pension liability -- beginning	78,010,413	81,084,512	86,592,443	89,782,850	92,651,663
Total pension liability -- ending	<u>\$ 81,084,512</u>	<u>\$ 86,592,443</u>	<u>\$ 89,782,850</u>	<u>\$ 92,651,663</u>	<u>\$ 99,432,140</u>
Plan fiduciary net position					
Contributions -- employer	\$ 1,209,153	\$ 932,731	\$ 863,712	\$ 1,100,132	\$ 2,198,761
Contributions -- employee	1,037,372	1,054,827	1,089,289	1,065,136	1,117,334
Net investment income	4,696,136	126,138	5,634,758	11,911,941	(2,841,833)
Benefit payments, including refund of employee contributions	(3,500,753)	(4,130,311)	(4,940,533)	(5,055,510)	(4,810,885)
Administrative expense	(49,034)	(76,833)	(63,648)	(61,750)	(54,956)
Other	(4,031)	(3,795)	(3,429)	(3,129)	(2,870)
Net change in plan fiduciary net position	3,388,843	(2,097,243)	2,580,149	8,956,820	(4,394,449)
Plan fiduciary net position -- beginning	82,098,824	85,487,667	83,390,424	85,970,573	94,927,393
Plan fiduciary net position -- ending	<u>\$ 85,487,667</u>	<u>\$ 83,390,424</u>	<u>\$ 85,970,573</u>	<u>\$ 94,927,393</u>	<u>\$ 90,532,944</u>
Net pension liability (asset)	<u>\$ (4,403,155)</u>	<u>\$ 3,202,019</u>	<u>\$ 3,812,277</u>	<u>\$ (2,275,730)</u>	<u>\$ 8,899,196</u>
Plan fiduciary net position as a percentage of the total pension liability	105.43%	96.30%	95.75%	102.46%	91.05%
Covered payroll	\$ 14,819,603	\$ 15,068,964	\$ 15,545,794	\$ 15,216,231	\$ 15,961,910
Net pension liability as a percentage of covered payroll	(29.71%)	21.25%	24.52%	(14.96%)	55.75%

Note: The City adopted GASB 68 for FY15, and will build this schedule over the next 10 years. The amounts presented for each fiscal year were determined as of the December 31 year-end that occurred within the fiscal year.

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Schedule of Contributions Last 10 years

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>
Actuarially Determined Contribution	\$ 1,010,160	\$ 904,082	\$ 1,051,243	\$ 1,175,525	\$ 1,577,524
Contributions in relation to the actuarially determined contribution	<u>1,010,160</u>	<u>904,082</u>	<u>1,051,243</u>	<u>1,175,525</u>	<u>1,577,524</u>
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	<u>15,035,197</u>	<u>15,820,627</u>	<u>15,421,480</u>	<u>15,786,581</u>	<u>16,484,339</u>
Contributions as a percentage of covered- employee payroll	<u>6.72%</u>	<u>5.71%</u>	<u>6.81%</u>	<u>7.44%</u>	<u>9.56%</u>

Note: The City adopted GASB 68 for FY15, and will build this schedule over the next 10 years.

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Notes to Schedule of Contributions

Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January thirteen months 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	25 years
Asset Valuation Method	10 Year Smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% 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.

Note: The City adopted GASB 68 for FY15.

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Schedule of Investment Returns Last 10 years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	5.85%	0.08%	7.55%	13.82%	(2.38%)

Note:

In accordance with paragraph 50 of GASB Statement No. 67, this Schedule only includes information which has been measured in conformity with Statement No. 67. Disclosures for years in which information was not developed in accordance with GASB Statement No. 67 have not been included. The money-weighted rate of return expresses investment performance, net of investment expense, reflecting the timing of the contributions received and the benefits paid during the year. The City adopted GASB 67 for FY15, and will build this schedule over the next 10 years.

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios Last 10 years

	2014	2015	2016	2017	2018
Total pension liability					
Service cost (Pension benefit)	\$ 500,790	\$ 524,967	\$ 586,350	\$ 603,941	\$ 622,059
Service cost (Administrative expenses)	41,323	38,831	-	-	-
Interest (on the Total Pension Liability)	1,595,786	1,645,714	1,725,426	1,706,004	1,750,621
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(1,524,554)	(717,747)	-	(554,596)
Changes of assumptions	-	1,275,048	1,152,809	-	379,290
Benefit payments, including refunds of member contributions	(1,431,822)	(1,181,483)	(1,289,836)	(1,881,221)	(1,585,110)
Net change in total pension liability	706,077	778,523	1,457,002	428,724	612,264
Total pension liability -- beginning	20,141,790	20,847,867	21,626,390	23,083,392	23,512,116
Total pension liability -- ending	<u>\$ 20,847,867</u>	<u>\$ 21,626,390</u>	<u>\$ 23,083,392</u>	<u>\$ 23,512,116</u>	<u>\$ 24,124,380</u>
Plan fiduciary net position					
Contributions -- employer	\$ 526,289	\$ 588,724	\$ 594,960	\$ 577,935	\$ 1,712,899
Contributions -- employee	477,809	436,340	440,963	383,092	317,545
Net investment income	479,579	(252,668)	651,872	1,183,554	(657,661)
Benefit payments, including refund of employee contributions	(1,431,822)	(1,181,483)	(1,289,836)	(1,881,221)	(1,585,110)
Administrative expense	(41,323)	(38,831)	(17,131)	(24,789)	(26,941)
Other	-	-	-	-	-
Net change in plan fiduciary net position	10,532	(447,918)	380,828	238,571	(239,268)
Plan fiduciary net position -- beginning	9,504,929	9,515,461	9,067,543	9,448,371	9,686,942
Plan fiduciary net position -- ending	<u>\$ 9,515,461</u>	<u>\$ 9,067,543</u>	<u>\$ 9,448,371</u>	<u>\$ 9,686,942</u>	<u>\$ 9,447,674</u>
Net pension liability	<u>\$ 11,332,406</u>	<u>\$ 12,558,847</u>	<u>\$ 13,635,021</u>	<u>\$ 13,825,174</u>	<u>\$ 14,676,706</u>
Plan fiduciary net position as a percentage of the total pension liability	45.64%	41.93%	40.93%	41.20%	39.16%
Covered payroll	\$ 3,281,103	\$ 3,356,465	\$ 3,392,018	\$ 3,159,841	\$ 3,011,825
Net pension liability as a percentage of covered payroll	345.38%	374.17%	401.97%	437.53%	487.30%

Note: The City adopted GASB 68 for FY15, and will build this schedule over the next 10 years.
The amounts presented for each fiscal year were determined as of the December 31 year-end that occurred within the fiscal year.

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Schedule of Contributions Last 10 years

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>
Actuarially Determined Contribution	\$ 577,601	\$ 615,505	\$ 571,700	\$ 650,290	\$ 906,746
Contributions in relation to the actuarially determined contribution	<u>577,601</u>	<u>615,505</u>	<u>571,700</u>	<u>650,290</u>	<u>906,746</u>
Contribution deficiency (excess)	-	-	-	-	-
Covered payroll	3,306,586	3,509,148	3,259,409	3,165,970	3,157,196
Contributions as a percentage of covered-employee payroll	<u>17.47%</u>	<u>17.54%</u>	<u>17.54%</u>	<u>20.54%</u>	<u>28.72%</u>

Note: The City adopted GASB 68 for FY15, and will build this schedule over the next 10 years.

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Notes to Schedule of Contributions

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 and become effective in January thirteen months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age
Amortization method	Level percent of payroll, closed period
Remaining amortization period as of December 31, 2016	30 Years
Asset valuation method	5-year smoothed market value
Inflation	3% per year
Investment rate of return	7.50%
Projected salary increases	3%, including inflation based on service at attained age
Cost-of-living adjustments	None
Retirement Age for vested terminated members	Experienced-based table of rates that are specific to the University Park Firemen's Relief and Retirement Fund
Mortality	Mortality rates were based on the PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2018.

Other Information:

Notes

The plan was closed to new entrants effective October 1, 2017

Note: The City adopted GASB 68 for FY15.

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Schedule of Investment Returns Last 10 years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	4.76%	(2.84%)	7.46%	13.78%	(6.96%)

Note:

In accordance with paragraph 50 of GASB Statement No. 67, this Schedule only includes information which has been measured in conformity with Statement No. 67. Disclosures for years in which information was not developed in accordance with GASB Statement No. 67 have not been included. The money-weighted rate of return expresses investment performance, net of investment expense, reflecting the timing of the contributions received and the benefits paid during the year. The City adopted GASB 67 for FY15, and will build this schedule over the next 10 years.

CITY OF UNIVERSITY PARK, TEXAS

Retiree Health Care Plan

Schedule of Changes in Total OPEB Liability and Related Ratios Last 10 calendar years

	<u>2017</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 37,523	\$ 45,173
Interest on the total OPEB liability	34,925	31,923
Changes of benefit terms	-	-
Difference between expected and actual experience of the total OPEB liability	27,271	36,425
Changes of assumptions	38,741	334,349
Benefit payments	<u>(80,529)</u>	<u>(108,490)</u>
Net change in total OPEB liability	57,931	339,380
Total OPEB liability - beginning	<u>938,168</u>	<u>996,099</u>
Total OPEB liability - ending	<u><u>996,099</u></u>	<u><u>1,335,479</u></u>
 Covered-employee payroll	 18,552,150	 21,228,201
 Total OPEB liability as a percentage of covered-employee payroll	 5.37%	 6.29%

Changes of assumptions reflect a change in the discount rate from 3.31% as of December 31, 2017 to 3.71% as of December 31, 2018, and updates to the health care trend and participation assumptions.

Note: The City adopted GASB 75 for FY18, and will build this schedule over the next 10 years.



CITY OF UNIVERSITY PARK, TEXAS
Budgetary Comparison Schedule
General Fund

For the Year Ended September 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, October 1	\$ 27,320,192	\$ 27,320,192	\$ 27,320,192	\$ -
Resources (inflows)				
Property tax	19,969,450	19,969,450	19,826,584	(142,866)
Sales tax	4,640,000	4,640,000	4,914,991	274,991
Franchise fees	2,095,000	2,095,000	1,860,884	(234,116)
Permits and licenses	1,604,500	1,604,500	3,153,187	1,548,687
Fines	847,500	847,500	747,952	(99,548)
Charges for services	2,076,500	2,076,500	1,914,140	(162,360)
Other	600,500	600,500	2,780,488	2,179,988
Investment income	600,000	600,000	912,901	312,901
Donations	-	-	12,500	12,500
	<u>59,753,642</u>	<u>59,753,642</u>	<u>63,443,819</u>	<u>3,690,177</u>
Amounts available for appropriation				
Charges to appropriations (outflows)				
Executive	1,325,021	2,055,617	2,021,736	33,881
Finance	1,169,097	1,205,082	1,001,587	203,495
Human Resources	435,693	446,982	422,701	24,281
Information Services	1,310,044	1,351,739	1,155,631	196,108
Library	846,875	859,081	841,606	17,475
Court	432,080	441,245	420,986	20,259
Community Development	1,310,257	1,372,755	1,292,291	80,464
Engineering	751,788	782,343	589,165	193,178
Traffic	992,384	965,442	972,469	(7,027)
Facility Maintenance	719,809	737,569	501,370	236,199
Fire	6,268,496	7,348,674	7,407,376	(58,702)
Police	8,303,565	8,588,859	8,250,771	338,088
Parks	3,185,794	3,236,432	3,176,714	59,718
Swimming Pool	524,303	509,206	535,417	(26,211)
Streets	1,869,807	1,959,234	1,670,601	288,633
Transfers	3,688,437	3,688,437	5,390,432	(1,701,995)
	<u>33,133,450</u>	<u>35,548,697</u>	<u>35,650,853</u>	<u>(102,156)</u>
Total charges to appropriations				
Budgetary fund balance, September 30	<u>\$ 26,620,192</u>	<u>\$ 24,204,945</u>	<u>\$ 27,792,966</u>	<u>\$ 3,588,021</u>

See notes to required supplementary information.

CITY OF UNIVERSITY PARK, TEXAS
Notes to Required Supplementary Information
September 30, 2019

Budgetary Information

The City uses the following process to legally adopt the General Fund annual budget as reflected in the financial statements:

1. Before September 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain tax and ratepayer opinion. Public notice is given as required by State law.
3. Before October 1, the City Council legally enacts the budget through passage of an ordinance.

The City Manager is authorized to transfer budgeted amounts between departments (functions); however, any amendments that increase a fund's total expenditures must be approved by the City Council after appropriate public notice and citizen participation.

Management exercises control over budgeted expenditures by sub-function (i.e., department or division), as presented in the accompanying financial statements. Unused appropriations lapse at the end of each fiscal year.

Formal budgetary integration is employed as a planning device for the General Fund. The City adopts an annual operating budget that is prepared on a modified accrual basis consistent with generally accepted accounting principles in the United State of America applicable to local government.



OTHER SUPPLEMENTARY INFORMATION



COMBINING FINANCIAL STATEMENTS

Nonmajor Governmental Funds

Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditure for specified purposes.

University Park Civic Foundation – This fund is used to account for private donations and contributions to the City. Donations may be made for a specific project or specifically restricted for use in charitable, scientific, literary, educational, and public safety programs.

Court Security – This fund is used to account for the receipt and expenditure of the Municipal Court Building Security Fee that is charged to defendants in accordance with state law. Money in the fund may be used only to finance security personnel or to finance items which are used for the purpose of providing security services for buildings housing a municipal court.

Court Technology – This fund is used to account for the receipt and expenditure of the Municipal Court Technology Fee that is charged to defendants in accordance with state law. Money in the fund may be used only to finance the purchase of or to maintain technological enhancements for a municipal court.

Police Training and Education – This fund is used to account for the receipt and expenditure of monies received from various agencies specifically for police training and education purposes.

Police Forfeiture Fund – This fund is used to account for funds awarded by the court to the Police Department. The expenditure of these funds is legally restricted for use in police activities.

Fire Training and Education – This fund is used to account for the receipt and expenditure of monies received from various agencies specifically for fire personnel training and education purposes.

Library – This fund is used to account for the receipt and expenditure of monies donated from various sources for the City library.

Parks Projects and Programs – This fund is used to account for the receipt and expenditure of monies received from various City park projects and programs.

CITY OF UNIVERSITY PARK, TEXAS
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2019

	Special Revenue Funds								Total
	University Park Civic Foundation	Court Security	Court Technology	Police Training and Education	Police Forfeiture	Fire Training and Education	Library	Parks Projects and Programs	
ASSETS									
Cash and cash equivalents	\$ 80,732	\$ -	\$ -	\$ -	\$ 8,248	\$ -	\$ -	\$ -	\$ 88,980
Accounts receivables	-	-	-	-	-	-	-	15,000	15,000
Due from other funds	-	113,906	44,361	31,817	-	5,635	13,847	-	209,566
TOTAL ASSETS	<u>\$ 80,732</u>	<u>\$ 113,906</u>	<u>\$ 44,361</u>	<u>\$ 31,817</u>	<u>\$ 8,248</u>	<u>\$ 5,635</u>	<u>\$ 13,847</u>	<u>\$ 15,000</u>	<u>\$ 313,546</u>
LIABILITIES									
Due to other funds	\$ 3,038	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,108	\$ 4,146
Accounts payable	-	-	-	-	-	-	385	-	385
Total liabilities	<u>\$ 3,038</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385</u>	<u>\$ 1,108</u>	<u>\$ 4,531</u>
FUND BALANCES									
Restricted to:									
General Government	24,203	-	-	-	-	-	13,462	-	37,665
Public Safety	-	113,906	44,361	31,817	8,248	5,635	-	-	203,967
Parks	53,491	-	-	-	-	-	-	13,892	67,383
Total fund balances	<u>77,694</u>	<u>113,906</u>	<u>44,361</u>	<u>31,817</u>	<u>8,248</u>	<u>5,635</u>	<u>13,462</u>	<u>13,892</u>	<u>309,015</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 80,732</u>	<u>\$ 113,906</u>	<u>\$ 44,361</u>	<u>\$ 31,817</u>	<u>\$ 8,248</u>	<u>\$ 5,635</u>	<u>\$ 13,847</u>	<u>\$ 15,000</u>	<u>\$ 313,546</u>

CITY OF UNIVERSITY PARK, TEXAS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds

For the Year Ended September 30, 2019

	Special Revenue Funds								
	University Park Civic Foundation	Court Security	Court Technology	Police Training and Education	Police Forfeiture	Fire Training and Education	Library	Parks Projects and Programs	Total
REVENUES									
Investment income	\$ 45	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ 51
Fines	-	9,543	12,723	-	-	-	-	-	22,266
Donations	41,635	-	-	2,853	-	5,998	28,292	19,355	98,133
Other	-	-	-	-	141	-	-	-	141
Total revenues	41,680	9,543	12,723	2,853	147	5,998	28,292	19,355	120,591
EXPENDITURES									
Parks	8,212	-	-	-	-	-	-	12,046	20,258
Scholarships	37,250	-	-	-	-	-	-	-	37,250
General Government	-	-	-	-	-	-	9,992	-	9,992
Public Safety	-	-	-	-	-	2,771	-	-	2,771
Total expenditures	45,462	-	-	-	-	2,771	9,992	12,046	70,271
Excess (deficiency) of revenues over (under) expenditures	(3,782)	9,543	12,723	2,853	147	3,227	18,300	7,309	50,320
OTHER FINANCING SOURCES									
Transfers in/(out)	-	-	-	-	-	(2,510)	(5,995)	-	(8,505)
Total other financing sources	-	-	-	-	-	(2,510)	(5,995)	-	(8,505)
Net change in fund balances	(3,782)	9,543	12,723	2,853	147	717	12,305	7,309	41,815
Fund balances - beginning	81,476	104,363	31,638	28,964	8,101	4,918	1,157	6,583	267,200
Fund balances - ending	<u>\$ 77,694</u>	<u>\$ 113,906</u>	<u>\$ 44,361</u>	<u>\$ 31,817</u>	<u>\$ 8,248</u>	<u>\$ 5,635</u>	<u>\$ 13,462</u>	<u>\$ 13,892</u>	<u>\$ 309,015</u>



COMBINING FINANCIAL STATEMENTS

Internal Service Funds

The Internal Service Funds account for the services provided by one department to other departments of the City on a cost reimbursement basis. The following is a description of the City's Internal Service Funds:

Equipment Services Fund – Accounts for the costs of materials, supplies and the acquisition and maintenance of specific equipment used exclusively by other departments of the City.

Comprehensive Self-Insurance Fund – Accounts for the costs associated with the general liability, property and casualty, medical and worker's compensation self-insurance program established by the City.

CITY OF UNIVERSITY PARK, TEXAS
Combining Statement of Net Position
Internal Service Funds

September 30, 2019

	<u>Equipment Services</u>	<u>Comprehensive Self-Insurance</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,571,859	\$ 5,109,264	\$ 7,681,123
Investments	992,850	1,994,986	2,987,836
Receivables	2,449	8,385	10,834
Due from other funds	1,476,810	793,067	2,269,877
Prepaid	10,970	-	10,970
Total current assets	<u>5,054,938</u>	<u>7,905,702</u>	<u>12,960,640</u>
Non-current assets:			
Capital assets			
Machinery and equipment	13,260,815	-	13,260,815
Accumulated depreciation	(6,818,877)	-	(6,818,877)
Total non-current assets	<u>6,441,938</u>	<u>-</u>	<u>6,441,938</u>
Total assets	<u>11,496,876</u>	<u>7,905,702</u>	<u>19,402,578</u>
DEFERRED OUTFLOW OF RESOURCES			
Difference in expected and actual pension/OPEB investment experience	6,336	-	6,336
Changes in pension/OPEB actuarial assumption	35,830	-	35,830
Difference in projected and actual pension/OPEB investment earning	221,871	-	221,871
Pension/OPEB contributions after measurement date	51,731	-	51,731
Total deferred outflow of resources	<u>315,768</u>	<u>-</u>	<u>315,768</u>
LIABILITIES			
Current liabilities:			
Accounts payable	505	93,064	93,569
Accrued liabilities	14,606	305,848	320,454
Accrued compensated absences	62,666	-	62,666
Due to other funds	53,374	255,472	308,846
Total current liabilities	<u>131,151</u>	<u>654,384</u>	<u>785,535</u>
Non-current liabilities:			
Net pension liability - TMRS	371,781	-	371,781
Total OPEB liability	40,937	-	40,937
Accrued compensated absences	75,802	-	75,802
Total non-current liabilities	<u>488,520</u>	<u>-</u>	<u>488,520</u>
Total liabilities	<u>619,671</u>	<u>654,384</u>	<u>1,274,055</u>
DEFERRED INFLOW OF RESOURCES			
Difference in expected and actual pension/OPEB investment experience	46,740	-	46,740
Total deferred inflow of resources	<u>46,740</u>	<u>-</u>	<u>46,740</u>
NET POSITION			
Investment in capital assets	6,441,938	-	6,441,938
Unrestricted	4,704,295	7,251,318	11,955,613
Total net position	<u>\$11,146,233</u>	<u>\$ 7,251,318</u>	<u>\$18,397,551</u>

CITY OF UNIVERSITY PARK, TEXAS
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds

For the Year Ended September 30, 2019

	<u>Equipment Services</u>	<u>Comprehensive Self-Insurance</u>	<u>Total</u>
Operating revenues			
Charges for service	\$ 2,054,524	\$ -	\$ 2,054,524
Premiums	-	4,601,541	4,601,541
	<u>2,054,524</u>	<u>4,601,541</u>	<u>6,656,065</u>
Total operating revenues			
	<u>2,054,524</u>	<u>4,601,541</u>	<u>6,656,065</u>
Operating expenses			
Claims paid and change in estimate	-	3,247,698	3,247,698
Personnel services	1,135,123	-	1,135,123
Administrative and fiscal services	-	992,515	992,515
Depreciation	943,783	-	943,783
Supplies and other	63,238	-	63,238
Contractual and other services	78,732	138,790	217,522
	<u>2,220,876</u>	<u>4,379,003</u>	<u>6,599,879</u>
Total operating expenses			
	<u>2,220,876</u>	<u>4,379,003</u>	<u>6,599,879</u>
Operating income (loss)	<u>(166,352)</u>	<u>222,538</u>	<u>56,186</u>
Nonoperating revenues (expenses)			
Investment income	108,747	145,596	254,343
Gain on sale of capital assets	118,824	-	118,824
	<u>108,747</u>	<u>145,596</u>	<u>254,343</u>
Net income (loss)	61,219	368,134	429,353
Transfers from (to) other funds	46,830	(2,000,000)	(1,953,170)
	<u>46,830</u>	<u>(2,000,000)</u>	<u>(1,953,170)</u>
Change in net position	108,049	(1,631,866)	(1,523,817)
Total net position - beginning	<u>11,038,184</u>	<u>8,883,184</u>	<u>19,921,368</u>
Total net position - ending	<u>\$ 11,146,233</u>	<u>\$ 7,251,318</u>	<u>\$ 18,397,551</u>

CITY OF UNIVERSITY PARK, TEXAS
Combining Statement of Cash Flows
Internal Service Funds

For the Year ended September 30, 2019

	Equipment Services	Comprehensive Self-Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,052,075	\$ 4,602,228	\$ 6,654,303
Payments from (to) other funds	(715,548)	3,629,214	2,913,666
Payments to suppliers	(141,827)	(4,386,607)	(4,528,434)
Payments to employees	(913,657)	-	(913,657)
Net cash provided by (used in) operating activities	<u>281,043</u>	<u>3,844,835</u>	<u>4,125,878</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	38,325	(2,000,000)	(1,961,675)
Net cash used in noncapital financing	<u>38,325</u>	<u>(2,000,000)</u>	<u>(1,961,675)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(1,167,536)	-	(1,167,536)
Transfers from other funds	8,505	-	8,505
Proceeds from sale of capital assets	128,831	-	128,831
Net cash used in capital and related financing activities	<u>(1,030,200)</u>	<u>-</u>	<u>(1,030,200)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	(3,000,000)	(1,000,000)	(4,000,000)
Proceeds from the sale and maturities of investment securities	2,000,000	996,600	2,996,600
Interest on investments	115,897	137,550	253,447
Net cash provided by investing activities	<u>(884,103)</u>	<u>134,150</u>	<u>(749,953)</u>
Net increase (decrease) in cash and cash equivalents	(1,594,935)	1,978,985	384,050
Cash and cash equivalents, beginning of year	4,166,794	3,130,279	7,297,073
Cash and cash equivalents, end of year	<u>\$ 2,571,859</u>	<u>\$ 5,109,264</u>	<u>\$ 7,681,123</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (166,352)	\$ 222,538	\$ 56,186
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation expense	943,783	-	943,783
(Increase) decrease in due from other funds	(754,107)	5,340,446	4,586,339
Decrease in pension/OPEB and deferred outflow	198,951	-	198,951
(Increase) decrease in interest receivable	(2,449)	687	(1,762)
Increase (decrease) in accrued liabilities	22,658	(7,604)	15,054
Increase (decrease) in due to other funds	38,559	(1,711,232)	(1,672,673)
Total adjustments	<u>447,395</u>	<u>3,622,297</u>	<u>4,069,692</u>
Net cash provided by operating activities	<u>\$ 281,043</u>	<u>\$ 3,844,835</u>	<u>\$ 4,125,878</u>
NON-CASH INVESTING ACTIVITIES			
Change in the fair value of investments	<u>\$ (7,150)</u>	<u>\$ 8,046</u>	<u>\$ 896</u>



STATISTICAL SECTION (UNAUDITED)

This part of the City of University Park's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Tables

Financial Trends

1-4

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

5-8

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity

9-13

These schedules present information to help the reader assess the City's current levels of outstanding debt (if any) and the City's ability to issue debt in the future.

Demographic and Economic Information

14-15

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

16-18

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in fiscal 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF UNIVERSITY PARK, TEXAS
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 1

					RESTATED			RESTATED		
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Investment in capital assets	\$ 59,672,952	\$ 60,538,038	\$ 62,312,988	\$ 65,190,228	\$ 66,403,103	\$ 66,443,113	\$ 68,817,286	\$ 73,575,392	\$ 75,828,190	\$ 77,768,481
Restricted	-	-	-	-	-	229,197	294,025	310,644	267,200	309,015
Unrestricted	40,972,031	44,123,844	44,289,220	41,264,456	38,478,120	38,525,057	34,824,405	30,297,434	30,671,229	28,772,502
Total governmental activities net position	<u>\$ 100,644,983</u>	<u>\$ 104,661,882</u>	<u>\$ 106,602,208</u>	<u>\$ 106,454,684</u>	<u>\$ 104,881,223</u>	<u>\$ 105,197,367</u>	<u>\$ 103,935,716</u>	<u>\$ 104,183,470</u>	<u>\$ 106,766,619</u>	<u>\$ 106,849,998</u>
Business type activities:										
Investment in capital assets	\$ 45,828,561	\$ 47,970,897	\$ 49,683,932	\$ 51,127,842	\$ 53,218,776	\$ 53,846,733	\$ 53,297,369	\$ 52,774,728	\$ 52,301,964	\$ 53,728,862
Unrestricted	8,558,576	8,690,783	8,156,715	7,022,922	8,603,253	11,052,770	13,825,219	16,554,259	19,953,697	17,670,719
Total business type activities net position	<u>\$ 54,387,137</u>	<u>\$ 56,661,680</u>	<u>\$ 57,840,647</u>	<u>\$ 58,150,764</u>	<u>\$ 61,822,029</u>	<u>\$ 64,899,503</u>	<u>\$ 67,122,588</u>	<u>\$ 69,328,987</u>	<u>\$ 72,255,661</u>	<u>\$ 71,399,581</u>
Primary government:										
Investment in capital assets	\$ 105,501,513	\$ 108,508,935	\$ 111,996,920	\$ 116,318,070	\$ 119,621,879	\$ 120,289,846	\$ 122,114,655	\$ 126,350,120	\$ 128,130,154	\$ 131,497,343
Restricted	-	-	-	-	-	229,197	294,025	310,644	267,200	309,015
Unrestricted	49,530,607	52,814,627	52,445,935	48,287,378	47,081,373	49,577,827	48,649,624	46,851,693	50,624,926	46,443,221
Total primary government net position	<u>\$ 155,032,120</u>	<u>\$ 161,323,562</u>	<u>\$ 164,442,855</u>	<u>\$ 164,605,448</u>	<u>\$ 166,703,252</u>	<u>\$ 170,096,870</u>	<u>\$ 171,058,304</u>	<u>\$ 173,512,457</u>	<u>\$ 179,022,280</u>	<u>\$ 178,249,579</u>

Source: Comprehensive Annual Financial Report

Note: The City implemented GASB 68 in FY15. The unrestricted net position balances were restated for the effects of this statement in FY14 and FY15.
The City implemented GASB 75 in FY18. The unrestricted net position balances were restated for the effects of this statement in FY17 and FY18.

CITY OF UNIVERSITY PARK, TEXAS
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 2

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General Government	\$ 4,616,440	\$ 3,405,642	\$ 4,643,566	\$ 5,168,456	\$ 5,303,529	\$ 6,237,596	\$ 6,236,918	\$ 6,575,387	\$ 6,541,706	\$ 7,673,586
Public Safety	11,681,307	12,173,113	12,198,719	12,914,938	12,870,794	13,866,937	14,562,251	15,049,833	15,230,494	18,247,996
Streets	1,872,143	1,755,084	1,829,907	1,862,581	1,961,153	2,153,362	2,022,909	1,953,853	1,897,537	2,337,910
Parks	3,276,568	3,330,332	3,418,159	3,609,761	3,549,975	3,701,838	3,867,474	3,877,072	4,095,819	4,481,787
Public Works	2,765,385	2,691,034	2,658,904	3,089,173	2,933,931	2,973,871	3,067,854	2,907,656	2,788,705	3,645,539
Total governmental activities expenses	24,211,843	23,355,205	24,749,255	26,644,909	26,619,382	28,933,604	29,757,406	30,363,801	30,554,261	36,386,818
Business type activities:										
Utilities	11,399,252	12,795,748	13,146,550	13,991,080	13,679,558	13,361,608	13,640,627	14,448,042	15,302,739	16,439,218
Sanitation	2,552,159	2,622,334	2,590,435	2,784,109	2,791,940	2,826,506	3,098,111	3,025,626	2,946,676	3,662,745
Stormwater	-	-	-	-	109,032	92,646	68,884	176,504	234,719	236,658
Total business type activities expenses	13,951,411	15,418,082	15,736,985	16,775,189	16,580,530	16,280,760	16,807,622	17,650,172	18,484,134	20,338,621
Total primary government expense	\$ 38,163,254	\$ 38,773,287	\$ 40,486,240	\$ 43,420,098	\$ 43,199,912	\$ 45,214,364	\$ 46,565,028	\$ 48,013,973	\$ 49,038,395	\$ 56,725,439
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 27,965	\$ 36,492	\$ 29,132	\$ 48,342	\$ 58,247	\$ 64,946	\$ 65,914	\$ 69,685	\$ 63,377	\$ 67,529
Public Safety	2,146,698	1,972,793	2,284,805	2,258,352	2,358,022	2,086,722	2,259,477	2,521,682	2,391,984	2,331,866
Streets	-	-	-	-	-	-	-	-	-	-
Parks	360,347	364,402	348,478	353,380	321,664	312,541	319,968	298,901	388,202	419,427
Public Works	985,157	2,885,760	3,113,402	1,593,086	1,898,453	2,196,979	1,334,508	1,762,119	3,308,409	3,012,782
Total governmental activities program revenues	3,520,167	5,259,447	5,775,817	4,253,160	4,636,386	4,661,188	3,979,867	4,652,387	6,151,972	5,831,604
Business type activities:										
Charges for services:										
Utilities	12,115,224	14,384,367	13,655,917	13,911,816	14,936,298	14,606,621	14,605,166	15,339,518	16,548,841	15,033,306
Sanitation	2,800,004	2,953,344	2,828,621	2,743,414	2,716,376	2,692,834	2,860,758	3,061,506	3,100,506	3,112,775
Stormwater	-	-	-	-	465,816	435,563	433,302	437,057	476,192	477,267
Total business type activities program revenues	14,915,228	17,337,711	16,484,538	16,655,230	18,118,490	17,735,018	17,899,226	18,838,081	20,125,539	18,623,348
Total primary government program revenues	\$ 18,435,395	\$ 22,597,158	\$ 22,260,355	\$ 20,908,390	\$ 22,754,876	\$ 22,396,206	\$ 21,879,093	\$ 23,490,468	\$ 26,277,511	\$ 24,454,952
Net (Expense) Revenue										
Governmental activities	\$ (20,691,676)	\$ (18,095,758)	\$ (18,973,438)	\$ (22,391,749)	\$ (21,982,996)	\$ (24,272,416)	\$ (25,777,539)	\$ (25,711,414)	\$ (24,402,289)	\$ (30,555,214)
Business type activities	963,817	1,919,629	747,553	(119,959)	1,537,960	1,454,258	1,091,604	1,187,909	1,641,405	(1,715,273)
Total primary government net expense	\$ (19,727,859)	\$ (16,176,129)	\$ (18,225,885)	\$ (22,511,708)	\$ (20,445,036)	\$ (22,818,158)	\$ (24,685,935)	\$ (24,523,505)	\$ (22,760,884)	\$ (32,270,487)

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes:										
Ad valorem	\$ 15,918,098	\$ 15,928,388	\$ 15,484,579	\$ 15,444,115	\$ 16,160,020	\$ 16,971,682	\$ 17,530,625	\$ 18,463,633	\$ 18,999,877	\$ 19,832,232
Sales tax	3,228,336	3,584,805	3,395,645	3,498,422	4,014,191	4,229,485	4,245,822	4,421,709	4,558,780	4,914,991
Franchise Fees	2,049,354	2,207,303	2,094,494	1,989,121	2,122,312	2,228,552	2,087,318	2,072,947	1,848,515	1,860,884
Investment earnings	369,718	208,533	188,888	98,286	172,591	287,428	347,503	394,574	697,960	1,324,919
Other	1,065,968	502,174	90,026	1,429,414	4,373,130	2,343,344	1,368,791	1,265,815	1,220,981	3,240,469
Contribution	34	34	32	-	-	-	-	-	-	-
Donations	51,462	33,596	12,276	137,043	83,759	84,614	133,524	98,836	67,313	110,633
Gain (loss) on sale of capital assets	-	-	-	-	-	-	(124,075)	-	-	-
Transfers	(352,176)	(352,176)	(352,176)	(352,176)	(952,176)	(1,556,545)	(1,073,620)	(388,560)	(407,988)	(645,535)
Total governmental activities	<u>22,330,794</u>	<u>22,112,657</u>	<u>20,913,764</u>	<u>22,244,225</u>	<u>25,973,827</u>	<u>24,588,560</u>	<u>24,515,888</u>	<u>26,328,954</u>	<u>26,985,438</u>	<u>30,638,593</u>
Business type activities:										
Investment earnings	1,792	2,738	3,241	1,974	448	2,230	25,671	38,991	115,711	189,277
Other	73,036	-	75,997	75,926	80,837	64,441	32,190	737,609	761,570	24,381
Gain (loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	352,176	352,176	352,176	352,176	952,176	1,556,545	1,073,620	388,560	407,988	645,535
Total business type activities	<u>427,004</u>	<u>354,914</u>	<u>431,414</u>	<u>430,076</u>	<u>1,033,461</u>	<u>1,623,216</u>	<u>1,131,481</u>	<u>1,165,160</u>	<u>1,285,269</u>	<u>859,193</u>
Total primary government	<u>\$ 22,757,798</u>	<u>\$ 22,467,571</u>	<u>\$ 21,345,178</u>	<u>\$ 22,674,301</u>	<u>\$ 27,007,288</u>	<u>\$ 26,211,776</u>	<u>\$ 25,647,369</u>	<u>\$ 27,494,114</u>	<u>\$ 28,270,707</u>	<u>\$ 31,497,786</u>
Change in Net Position										
Governmental activities	\$ 1,639,118	\$ 4,016,899	\$ 1,940,326	\$ (147,524)	\$ 3,990,831	\$ 316,144	\$ (1,261,651)	\$ 617,540	\$ 2,583,149	\$ 83,379
Business type activities	1,390,821	2,274,543	1,178,967	310,117	2,571,421	3,077,474	2,223,085	2,353,069	2,926,674	(856,080)
Total primary government	<u>\$ 3,029,939</u>	<u>\$ 6,291,442</u>	<u>\$ 3,119,293</u>	<u>\$ 162,593</u>	<u>\$ 6,562,252</u>	<u>\$ 3,393,618</u>	<u>\$ 961,434</u>	<u>\$ 2,970,609</u>	<u>\$ 5,509,823</u>	<u>\$ (772,701)</u>

Source: Comprehensive Annual Financial Report

CITY OF UNIVERSITY PARK, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Table 3

	2010
General Fund	
Reserved	\$ 940,083
Unreserved	24,285,828
Total General Fund	<u>\$ 25,225,911</u>
All Other Governmental Funds	
Reserved	\$ 1,459,551
Unreserved, reported in:	
Capital Projects fund	7,971,336
Special revenue funds	52,888
Total all other governmental funds	<u>\$ 9,483,775</u>

Note: In fiscal year 2011, the City implemented GASB 54, which classifies fund balance as nonspendable, restricted, committed, assigned and unassigned. No previous years were restated.

	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund									
Nonspendable	\$ 447,942	\$ 502,835	\$ 518,976	\$ 557,109	\$ 576,174	\$ 622,861	\$ 591,377	\$ 589,430	\$ 625,563
Restricted	1,274,954	-	-	-	-	-	-	-	-
Committed	20,750,202	20,750,202	20,750,202	20,750,202	20,750,202	20,750,202	17,514,501	17,514,501	17,514,501
Assigned	711,397	644,732	503,441	455,547	306,923	290,639	309,933	248,846	305,553
Unassigned	5,126,786	6,194,370	5,234,423	5,560,558	6,519,025	7,130,059	8,573,761	8,967,415	9,347,349
Total General Fund	<u>\$ 28,311,281</u>	<u>\$ 28,092,139</u>	<u>\$ 27,007,042</u>	<u>\$ 27,323,416</u>	<u>\$ 28,152,324</u>	<u>\$ 28,793,761</u>	<u>\$ 26,989,572</u>	<u>\$ 27,320,192</u>	<u>\$ 27,792,966</u>
All Other Governmental Funds									
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Spendable									
Restricted	-	-	-	-	229,197	294,025	310,644	267,200	309,015
Committed	-	-	-	-	-	-	-	-	-
Assigned	9,831,161	10,824,871	9,647,996	12,456,022	12,275,219	9,966,009	11,154,189	11,215,595	14,418,519
Unassigned	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 9,831,161</u>	<u>\$ 10,824,871</u>	<u>\$ 9,647,996</u>	<u>\$ 12,456,022</u>	<u>\$ 12,504,416</u>	<u>\$ 10,260,034</u>	<u>\$ 11,464,833</u>	<u>\$ 11,482,795</u>	<u>\$ 14,727,534</u>

Source: Comprehensive Annual Financial Report

CITY OF UNIVERSITY PARK, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

Table 4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes:										
Ad Valorem	\$ 15,942,896	\$ 15,942,729	\$ 15,502,274	\$ 15,437,318	\$ 16,029,692	\$ 17,043,636	\$ 17,527,721	\$ 18,477,455	\$ 19,006,152	\$ 19,826,584
Sales	3,228,336	3,584,805	3,395,645	3,498,422	4,014,191	4,229,485	4,245,822	4,421,709	4,558,780	4,914,991
Franchise fees	2,049,354	2,207,303	2,094,494	1,989,121	2,122,312	2,228,552	2,087,318	2,072,947	1,848,515	1,860,884
Permits and licenses	1,071,690	2,973,785	3,192,446	1,673,681	1,985,049	2,309,390	1,418,959	1,858,996	3,403,512	3,153,187
Fines	529,704	460,329	769,308	758,962	839,055	633,083	820,356	920,316	818,107	770,218
Charges for services	1,546,781	1,468,322	1,434,766	1,465,817	1,785,939	1,738,025	1,851,865	1,882,041	1,914,328	1,914,140
Other	1,424,116	2,329,790	451,824	1,876,407	4,400,268	1,702,884	1,368,791	1,270,395	1,213,126	3,121,645
Investment income	369,718	208,533	188,888	98,286	172,591	287,428	347,503	394,574	697,960	1,070,577
Donations	51,462	33,596	12,276	137,043	83,759	84,614	133,524	98,836	75,167	110,633
Total revenues	26,214,057	29,209,192	27,041,921	26,935,057	31,432,856	30,257,097	29,801,859	31,397,269	33,535,647	36,742,859
Expenditures										
General Government	3,726,579	3,908,128	3,710,920	3,940,032	4,081,360	4,195,769	4,172,217	7,941,643	4,918,401	5,991,875
Public Safety	11,612,306	11,792,300	11,769,965	12,193,142	12,288,514	12,772,317	13,060,294	13,547,700	14,042,235	16,081,905
Streets	1,872,562	1,737,530	1,780,280	1,745,127	1,848,867	1,998,240	1,742,353	1,706,388	1,666,834	1,670,522
Parks	3,101,504	3,105,560	3,080,028	3,140,013	3,188,534	3,225,558	3,271,096	3,255,344	3,532,794	3,732,388
Public Works	2,684,192	2,611,421	2,528,517	2,812,070	2,779,473	2,847,099	2,785,712	2,548,586	2,537,195	2,853,924
Capital Outlay	4,611,004	2,269,321	3,045,468	5,014,469	3,169,532	2,784,267	5,299,512	2,600,773	5,613,757	4,002,367
Total expenditures	27,608,147	25,424,260	25,915,178	28,844,853	27,356,280	27,823,250	30,331,184	31,600,434	32,311,216	34,332,981
Excess of revenues over (under) expenditures	(1,394,090)	3,784,932	1,126,743	(1,909,796)	4,076,576	2,433,847	(529,325)	(203,165)	1,224,431	2,409,878
Other Financing Sources (Uses)										
Transfers in	4,680,020	2,680,020	4,108,561	3,053,014	5,975,020	2,774,428	2,986,407	3,747,854	5,594,617	8,451,100
Transfers out	(3,032,196)	(3,032,196)	(4,460,736)	(3,405,190)	(6,927,196)	(4,330,973)	(4,060,027)	(4,144,079)	(6,470,466)	(7,143,465)
Proceeds from the sale of real estate	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,647,824	(352,176)	(352,175)	(352,176)	(952,176)	(1,556,545)	(1,073,620)	(396,225)	(875,849)	1,307,635
Net change in fund balances	\$ 253,734	\$ 3,432,756	\$ 774,568	\$ (2,261,972)	\$ 3,124,400	\$ 877,302	\$ (1,602,945)	\$ (599,390)	\$ 348,582	\$ 3,717,513

Source: Comprehensive Annual Financial Report

CITY OF UNIVERSITY PARK, TEXAS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Unaudited)

Table 5

Fiscal Year	Real Property		Business Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential	Commercial				
2010	\$ 7,266,425,510	\$ 1,390,034,530	\$ 71,886,140	\$ 2,742,338,498	\$ 5,986,007,682	\$ 0.2655
2011	6,863,828,520	1,405,826,170	70,896,650	2,633,438,386	5,707,112,954	0.2785
2012	6,654,905,050	1,424,711,540	69,909,780	2,581,437,846	5,568,088,524	0.2785
2013	6,644,042,790	1,525,744,050	71,281,470	2,653,643,498	5,587,424,812	0.2785
2014	6,996,977,160	1,666,485,480	75,369,540	2,839,055,026	5,899,777,154	0.2743
2015	7,573,817,110	1,806,314,070	81,981,600	3,113,142,452	6,348,970,328	0.2698
2016	8,184,648,580	1,835,964,380	86,214,430	3,275,569,950	6,831,257,440	0.2589
2017	9,173,260,600	1,886,228,710	86,309,460	3,751,895,965	7,393,902,805	0.2488
2018	9,904,454,470	2,173,399,210	84,929,530	4,077,565,306	8,085,217,904	0.2488
2019	10,122,121,060	2,485,911,280	92,367,990	4,415,105,109	8,285,295,221	0.2454

Note: Property in the City is reassessed each year. Property is assessed at actual value; therefore, the assessed values are equal to actual value. Tax rates are per \$100 of assessed value

Source: Dallas Central Appraisal District "Summary of the Certified Estimated Values Report."
Dallas County Tax Office "Property Tax Rates."

CITY OF UNIVERSITY PARK, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(per \$100 of assessed value)
Last Ten Fiscal Years
(Unaudited)

Table 6

Fiscal Year	City Direct Rates			Overlapping Rates				
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Highland Park Independent School District	Dallas County	Parkland Hospital District	Dallas County Community College District	Total
2010	\$ 0.2655	\$ -	\$ 0.2655	\$ 1.1100	\$ 0.2333	\$ 0.2740	\$ 0.0949	\$ 1.9777
2011	0.2785	-	0.2785	1.1150	0.2531	0.2710	0.0992	2.0168
2012	0.2785	-	0.2785	1.1342	0.2531	0.2710	0.0997	2.0365
2013	0.2785	-	0.2785	1.1342	0.2530	0.2710	0.1194	2.0561
2014	0.2743	-	0.2743	1.1267	0.2531	0.2760	0.1247	2.0548
2015	0.2698	-	0.2698	1.1181	0.2531	0.2860	0.1248	2.0518
2016	0.2589	-	0.2589	1.1119	0.2531	0.2860	0.1237	2.0336
2017	0.2488	-	0.2488	1.2032	0.2531	0.2794	0.1242	2.1087
2018	0.2488	-	0.2488	1.2032	0.2531	0.2794	0.1242	2.1087
2019	0.2454	-	0.2454	1.2355	0.2531	0.2794	0.1240	2.1374

Note: All outstanding debt of the City was extinguished in fiscal 2002.

Source: Dallas Central Appraisal District "Ad Valorem Tax Rates for Dallas County"

**CITY OF UNIVERSITY PARK, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Ten Years Ago
(Unaudited)**

Table 7

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Caruth Preston Road	\$ 87,674,280	1	1.06%	\$ 47,006,990	1	0.79%
Peruna Holdings Corp	24,250,000	2	0.29%	17,600,000	5	0.29%
Southern Methodist University	22,116,580	3	0.27%	27,184,590	2	0.45%
Gerald J. Ford	21,992,000	4	0.27%	24,515,114	3	0.41%
Trevor D. and Janice M. Rees-Jones	20,638,448	5	0.25%			
Finney Mary Clare Life Estate	15,614,696	6	0.19%			
Intercity Investments Inc	15,550,000	7	0.19%	15,700,000	7	0.26%
Heppner Family Home Trust	14,965,330	8	0.18%			
Clint D. and Nancy P. Carlson	14,871,572	9	0.18%	14,396,146	9	0.24%
HTH Diamond Hillcrest Land LLC	14,569,180	10	0.18%			
Peruna Properties Inc				19,174,340	4	0.32%
Richard H. and Tracy B. Cheatham				15,832,040	6	0.26%
Birmingham Wallace LP				15,532,000	8	0.26%
John C. & Debbie Tolleson				11,955,600	10	0.20%
	<u>\$ 252,242,086</u>		<u>3.06%</u>	<u>\$ 208,896,820</u>		<u>3.48%</u>

Source: Dallas County Tax Office

CITY OF UNIVERSITY PARK, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years
(Unaudited)

Table 8

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 Original Levy
2010	\$ 15,893,856	\$ 15,739,996	99.03%	\$ 49,953	\$ 15,789,949	99.35%
2011	15,903,248	15,769,437	99.16%	42,529	15,811,966	99.43%
2012	15,507,883	15,384,088	99.20%	8,978	15,393,066	99.26%
2013	15,561,032	15,377,061	98.82%	21,168	15,398,229	98.95%
2014	16,187,443	15,956,992	98.58%	5,642	15,962,634	98.61%
2015	17,133,359	16,961,640	99.00%	(40,889)	16,920,751	98.76%
2016	17,692,489	17,525,897	99.06%	9,096	17,534,992	99.11%
2017	18,453,201	18,270,892	99.01%	17,630	18,288,522	99.11%
2018	18,936,419	18,870,690	99.65%	-	18,870,690	99.65%
2019	19,843,221	19,679,809	99.18%	252	19,680,061	99.18%

Source: Dallas County Tax Office

CITY OF UNIVERSITY PARK, TEXAS
RATIO OF OUTSTANDING DEBT
Last Ten Fiscal Years
(Unaudited)

Table 9

<u>Fiscal Year</u>	<u>General Obligation Refunding Bonds</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2010	-	-	-
2011	-	-	-
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-

Note: All outstanding debt of the City was extinguished in fiscal 2002.

CITY OF UNIVERSITY PARK, TEXAS
RATIO OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

Table 10

<u>Fiscal Year</u>	<u>General Obligation Refunding Bonds</u>	<u>Less: Amount Available for Debt Service</u>	<u>Net Bonded Debt</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Per Capita</u>
2010	-	-	-	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-

Note: All outstanding debt of the City was extinguished in fiscal 2002.

CITY OF UNIVERSITY PARK, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2019
(Unaudited)

Table 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Highland Park Independent School District	\$ 375,565,000	55.99%	\$ 210,278,844
Dallas County	151,495,000	3.73%	5,650,764
Dallas County Community College District	182,800,000	3.47%	6,343,160
Dallas County Hospital District	640,180,000	3.62%	23,174,516
Dallas Independent School District	2,974,880,000	0.02%	594,976
Subtotal, overlapping debt			246,042,260
City of University Park direct debt			-
Total direct and overlapping debt			\$ 246,042,260

Source: Hilltop Securities Inc.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of The City of University Park. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

**CITY OF UNIVERSITY PARK, TEXAS
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)**

Table 12

The City of University Park has no non-general obligation, long-term debt.

**CITY OF UNIVERSITY PARK, TEXAS
LEGAL DEBT MARGIN IN
Last Ten Fiscal Years
(Unaudited)**

Table 13

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Tax Rate Limit	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000
Current Tax Rate	0.2655	0.2785	0.2785	0.2785	0.2743	0.2698	0.2589	0.2488	0.2488	0.2454
Available Tax Rate	<u>\$ 2.2345</u>	<u>\$ 2.2215</u>	<u>\$ 2.2215</u>	<u>\$ 2.2215</u>	<u>\$ 2.2257</u>	<u>\$ 2.2302</u>	<u>\$ 2.2411</u>	<u>\$ 2.2512</u>	<u>\$ 2.2512</u>	<u>\$ 2.2546</u>

Note: The City Charter of The City of University Park does not provide for a debt limit. Under provisions of Texas state law, the maximum tax rate is limited to \$2.50 per \$100 assessed valuation.

Source: Dallas Central Appraisal District "Summary of the Certified Estimated Values Report."
Dallas County Tax Office "Property Tax Rates."

CITY OF UNIVERSITY PARK, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
(Unaudited)

Table 14

Year	Estimated Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2010	23,068	1,539,997	66,759	27.8	6,448	7.1%
2011	23,068	1,539,997	66,759	27.8	6,448	7.0%
2012	23,040	1,461,059	63,414	29.7	6,757	5.6%
2013	22,920	1,607,013	70,114	29.7	6,848	5.4%
2014	22,860	1,602,806	70,114	29.7	6,804	3.9%
2015	22,840	1,784,672	78,138	29.8	6,804	3.3%
2016	22,720	1,776,772	78,203	29.8	7,037	3.3%
2017	22,820	2,108,568	92,400	32.9	7,091	2.7%
2018	22,890	2,115,036	92,400	32.9	7,024	3.0%
2019	22,910	1,971,841	86,069	33.1	6,971	2.8%
2020	22,900	2,029,719	88,634	35.1	6,801	3.9%

Source: Estimated population obtained from the North Central Texas Council of Governments, 2020 Population Estimates Report.
Current and updated median age, per capita via city-data.com.
Current and updated school enrollment via neighborhoodscout.com.
Current and updated unemployment rate via homefacts.com.

**CITY OF UNIVERSITY PARK, TEXAS
PRINCIPAL EMPLOYERS
Current Year
(Unaudited)**

Table 15

UNIVERSITY PARK			
Employer	Rank	Employees	Percentage of Total City Employment
Southern Methodist University	1	1,429	6%
Highland Park ISD	2	664	3%
Fidelity Investments	3	300	1%
City of University Park	4	248	1%

DALLAS COUNTY			COLLIN COUNTY		
Employer	Rank	Employees	Employer	Rank	Employees
Wal-Mart	1	34,000	State Farm Insurance Corporate Office	1	9,985
American Airlines Group	2	27,000	Plano Independent School District	2	6,854
Texas Health Resource	3	22,296	Capital One Finance	3	5,979
Dallas Independent School District	4	19,740	AT&T	4	4,300
AT&T	5	17,000	DXC Technology	5	4,000
Baylor Scott & White Health	6	16,500	Toyota North America HQ	6	3,937
The Kroger Co.	7	15,397	Bank of America Home Loans	7	3,729
Medical City Healthcare	8	14,000	Blue Cross Blue Shield of Texas	8	3,100
Bank of America	9	13,500	Liberty Mutual Insurance	9	2,700
City of Dallas	10	13,350	No longer eligible for listing	10	26,500

Note: The City of University Park is primarily residential in nature, with a highly mobile workforce. Nestled between the north/south routes of the Dallas North Tollway to the west, and North Central Expressway to the east, the majority of commuters are likely employed in either Dallas or Collin County. Therefore, the major employers of those areas are presented along with the top 4 employers within the City limits. No comparative prior period information is available. Employers information was found in FY19 Dallas County Annual Report and North Central Texas Council of Governments sites/reports, and therefore is not intended as an accurate portrayal of actual City employment.

Source: North Central Texas Council of Government, FY19 Dallas County Annual Report and FY19 Collin County Annual Report

**CITY OF UNIVERSITY PARK, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)**

Table 16

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Administrative	5	5	5	5	5	5	6	6	6	6
Finance	7	7	6	5	6	6	6	6	6	6
Human Resources	2	2	2	2	2	2	2	2	2	2
Information Services	5	5	5	5	5	5	5	5	6	6
Library *				4	4	4	4	4	3	4
Facility Maintenance	3	3	2	2	2	2	2	2	2	2
Public Safety										
Police										
Officers	39	37	39	35	39	39	43	41	41	41
Civilians	11	12	10	13	14	11	10	12	12	14
Fire										
Firefighters and officers	35	35	34	34	35	35	33	31	34	35
Civilians	1	1	1	1	1	1	1	1	1	1
Municipal Court	2	2	2	2	2	2	2	2	2	2
Parks	24	24	22	22	22	22	22	23	23	22
Public Works										
Community Development	9	9	10	11	11	9	10	9	9	10
Engineering	6	6	6	5	5	5	4	3	3	4
Traffic	7	6	7	7	7	7	6	7	7	7
Streets	16	16	16	16	17	16	16	16	16	15
Utilities	32	31	28	32	31	31	31	31	31	36
Sanitation	26	25	26	27	27	27	28	27	26	27
In-House Construction										6
Equipment Services	10	10	10	10	10	10	9	9	9	9
Capital Projects	1	1	1	0	0	0	0	0	0	0
Total	241	237	232	238	245	239	240	237	239	255

Source: City Human Resource Department

* Function added in 2013

CITY OF UNIVERSITY PARK, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Table 17

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public Safety										
Police										
Parking tickets	4,927	5,277	8,426	7,333	6,886	2,873	6,386	5,793	6,499	7,747
Traffic violations	3,808	5,133	5,169	4,050	5,838	5,774	3,386	3,970	7,288	6,657
Accident calls	340	217	210	198	188	535	572	532	623	533
Total calls for service	19,946	25,835	25,756	24,162	24,636	27,767	30,199	31,051	30,862	30,347
Fire										
Number of fire runs	1,340	1,185	1,227	1,437	1,485	1,547	1,455	1,532	1,587	1,857
Number of EMS runs	1,156	1,113	1,012	1,100	1,073	1,033	1,038	1,077	876	853
Inspections	685	725	791	819	1,040	874	856	1,142	952	1,352
Parks										
Pool passes issued	3,480	3,422	3,186	3,161	3,036	2,821	2,645	2,465	2,587	2,299
Public Works										
Building permits issued	2,203	2,597	2,792	3,036	3,257	3,040	2,880	2,511	2,482	2,937
Work orders completed	7,576	7,758	8,203	7,436	6,970	7,538	6,824	7,216	7,408	8,623
Sanitation										
Waste hauled (tons)	17,219	15,022	15,295	15,052	14,487	15,139	12,806	12,751	12,907	13,033
Recycled materials (tons)	2,734	2,854	2,961	2,886	3,116	3,298	3,614	3,222	3,013	3,028
Green Waste	4,365	2,731	2,936	2,647	2,212	2,428	1,652	1,489	1,313	1,862
Utilities										
Number of consumers	8,764	8,790	8,747	8,813	8,848	8,797	8,830	8,815	8,805	8,832
Average daily consumption (ten thousands of gallons)	4,159	5,797	4,844	4,403	4,095	3,931	3,850	3,956	4,086	3,313

Sources: Various City Departments

CITY OF UNIVERSITY PARK, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

Table 18

<u>Function/Program</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	12	12	12	12	13	13	12	12	12
Motorcycle units	1	0	0	0	0	0	0	2	2	2
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Trucks	3	4	4	4	3	3	2	3	3	3
MICU	2	2	2	2	2	2	2	2	2	2
Parks										
Parks (acres)	60	60	60	60	60	60	60	60	60	60
Parks (number of)	8	9	10	10	11	11	11	11	11	11
Playgrounds	9	8	8	8	9	9	9	9	9	8
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Tennis Courts	12	12	12	12	12	12	12	12	12	12
Water										
Water mains (miles)	89	89	89	89	89	89	89	89	89	89
Fire hydrants	472	472	469	470	473	473	473	473	473	473
Streets										
Streets (miles)	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6
Sewer										
Sanitary sewer lines (miles)	63.8	63.8	63.8	63.8	63.8	63.8	63.8	63.8	63.8	63.8
Storm sewer lines (miles)	25.9	25.9	25.9	25.9	25.9	25.9	25.9	25.9	25.9	25.9

Source: Various City Departments

