

CITY OF UNIVERSITY PARK, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2022

Issued by

Department of Finance

Prepared by:

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Accountant

CITY OF UNIVERSITY PARK, TEXAS

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2022

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City of University Park

Committed to Excellence

April 13, 2023

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 Annual Comprehensive Financial Report for the City of University Park, Texas for the fiscal year ended September 30, 2022. 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.

FORVIS LLP, Certified Public Accountants, have issued an unmodified opinion on the City of University Park's financial statements for the year ended September 30, 2022. 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 25,360. 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, technology services, 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 FY2022, the average market value of a residential parcel in the City increased to \$1,738,077, a 2.3% increase from \$1,699,817 in FY2021. The property tax rate decreased 0.1% from 26.4750 cents per hundred in FY2021, to 26.4388 cents per hundred in FY2022. This resulted in a budgeted tax revenue increase of \$0.6 million (2.6%) due to the increase in the total certified taxable base, which grew by 2.7% year over year.

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.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) last awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of University Park for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. 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. The City filed the report for the fiscal year ended September 30, 2021 in March 2022. The report is currently in review and we see no reason the City would not receive the award for the 2021 report. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine is eligiblity for that certificate.

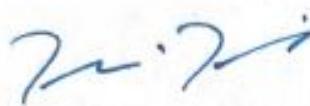
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all City employees who assisted in and contributed to the prepareation of this report.

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

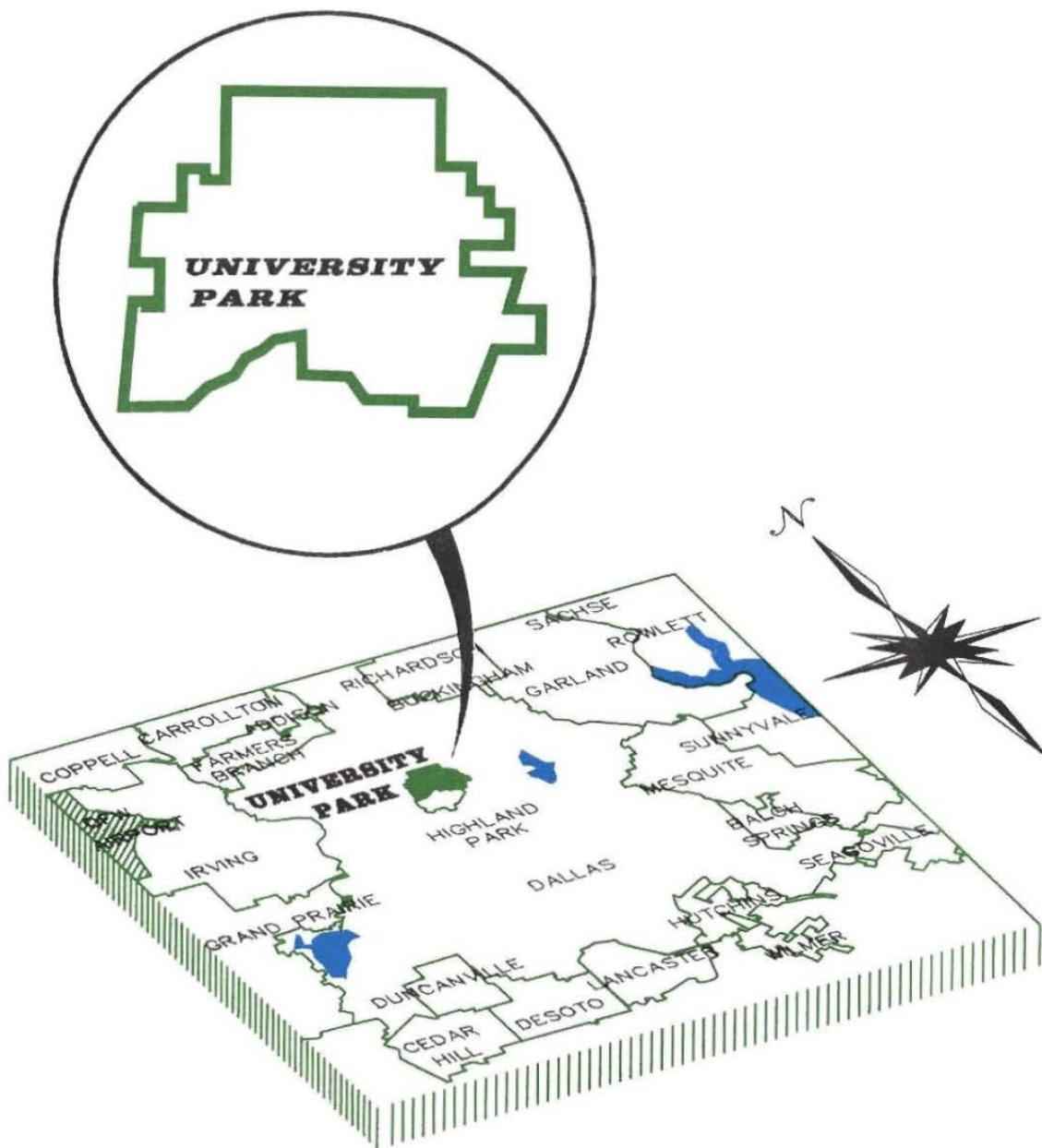


Thomas W. Tvardzik
Director of Finance



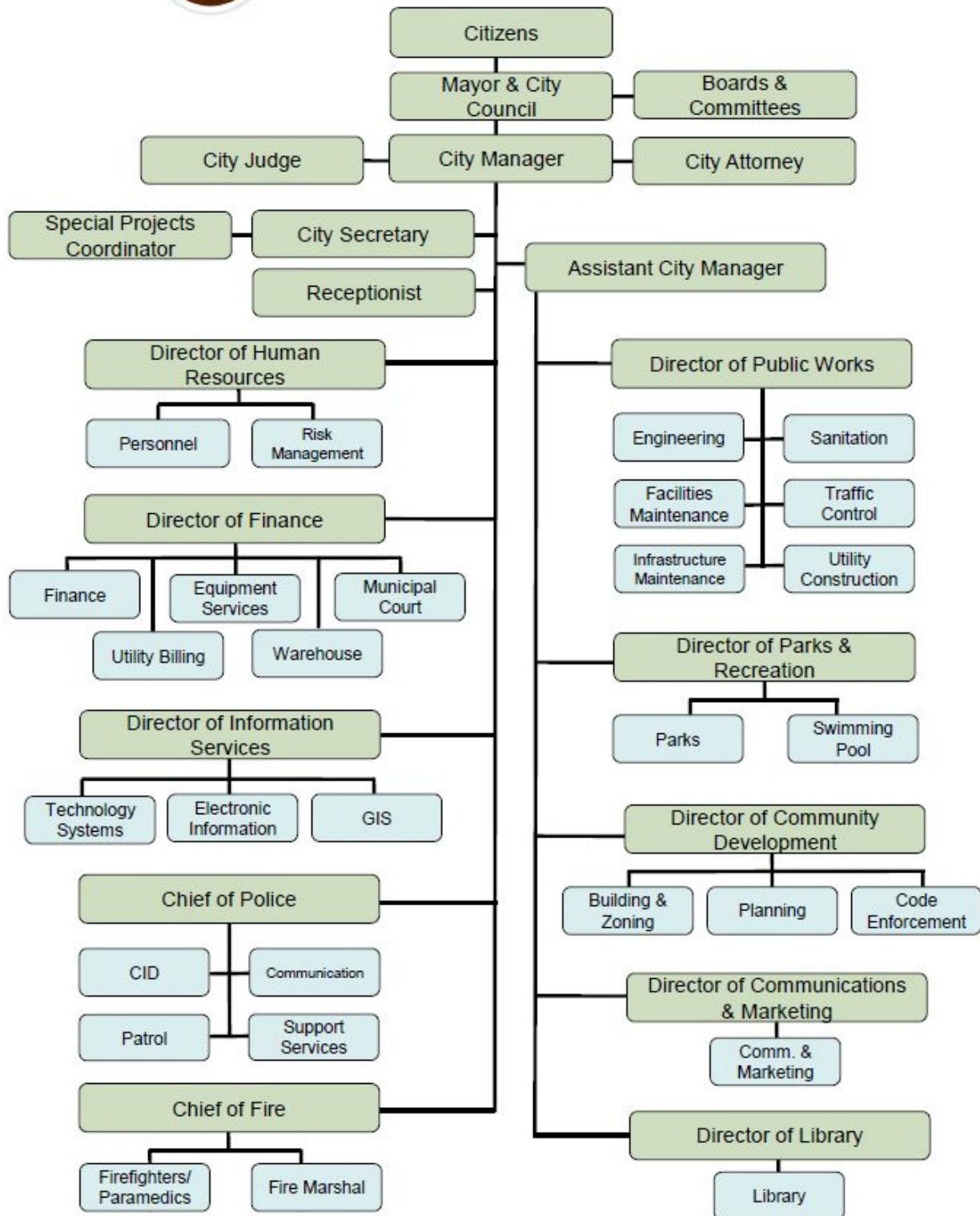
Brian Hogan, CPA
Controller

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
Thomas H. Stewart, Mayor	2020	2024	Commercial Real Estate
Liz Farley, Mayor Pro Tempore	2018	2024	Medical
Mark Aldredge, Councilmember	2020	2024	Real Estate Developer
Bob Myers, Councilmember	2022	2024	Real Estate Developer
Phillip P. Philbin, Councilmember	2022	2024	Lawyer

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

FORVIS, L.L.P, Dallas, Texas

Financial Advisor

Hilltop Securities Inc., Dallas, Texas

Independent Auditor's Report

The Honorable Mayor and Members of the City Council
City of University Park, Texas
University Park, Texas

Opinions

We have audited the financial statements 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 of University Park, Texas (City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of other auditors, the accompanying 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, 2022, 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.

We did not audit the financial statements of the University Park Firemen's Relief and Retirement Fund (FRRF), a fiduciary component unit of the City, which represents 36 percent, 38 percent, and 24 percent, respectively, of the total assets, fund balance/net position, and revenues/additions of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished, and our opinion on the aggregate remaining fund information, insofar as it relates to the amounts included for FRRF, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in *Note 1* to the financial statements, the City adopted Governmental Accounting Standards Board Statement No. 87, *Leases*, in fiscal year 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed..
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension, and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

FORVIS, LLP

Dallas, Texas
April 13, 2023



MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2022

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, 2022. 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 may not be updated for events that may have occurred subsequent to the issuance of the respective report.

Financial Highlights

- The net position of the City at the close of the most recent fiscal year was \$199,092,649. This number must be viewed in the context that the majority of the City's net position of \$136,798,270 (68.7%) 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 \$8,379,175 (4.2%) and may only be spent for the purpose of the particular fund that holds it. The remaining \$53,915,204 (27.1%) 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 net position increased \$9,009,156 (4.7%) in fiscal 2022.
- The City's total liabilities increased \$13,756,419 from the prior year due primarily to the issuance of \$14.1 million of Certificates of Obligation in the Stormwater Fund and a \$1.6 million increase in Unearned Revenue resulting from the receipt of a second tranche of American Rescue Plan Act funds that remained unexpended at year end. These increases were partially offset by a \$1.4 million decrease in accounts payable from the prior year, as well as a \$0.6 million decrease in the net pension liability associated with the Firefighters Relief and Retirement Fund.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$41,389,113, a decrease of \$188,415 from the prior year. Within this total, \$662,255 is non-spendable by nature (i.e. inventory), \$452,183 is restricted by specific legal requirements, and \$16,290,783 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 (\$11,415,783). The amount of \$14,041,965 has been assigned to specific types of expenditures, while the remaining \$9,941,927 is unassigned fund balance and can be used for any lawful purpose.
- As of September 30, 2022, the City had no direct tax-supported general obligation debt, and \$13,520,000 of outstanding revenue-backed Certificates of Obligation issued for the construction of a stormwater detention system in the northeast quadrant of the City.

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

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2022

and 4) required supplementary information. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements.

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, liabilities, deferred inflows of resources, and deferred outflows of resources with the difference 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 compensated absences).

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 for which the City is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government. 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 self-balancing 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.

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. Non-financial assets such as governmental buildings, roads, drainage ways, park land and long-term liabilities that will not be paid with current assets are excluded. 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

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2022

presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The 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 non-major 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, technology services, and self-insurance program. Because these services benefit both governmental and business-type functions, they have been included in both the *governmental activities* and *business-type 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. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements elsewhere in the Annual Comprehensive Financial Report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because of the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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.

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2022

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 non-major 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$199,092,649 as of September 30, 2022, an increase in net position of \$9,009,156 (4.7%) from the prior year.

The largest portion of the City's total net position, \$136,798,270 (68.7%) 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 an obligation on the part of the City to maintain these assets in good repair for the foreseeable future.

As of September 30, 2022, the City has no direct tax-supported general obligation outstanding debt. The City (through the Stormwater Fund) issued \$14.1 million of revenue-backed Certificates of Obligation in fiscal 2022, of which \$13.5 million are outstanding at September 30. All other capital projects and acquisitions are funded on a pay-as-you-go basis.

The City has \$8,379,175 (4.2%) of restricted net position, resulting from the fund balances of the Special Revenue Funds, which are non-major governmental funds combined under the heading "Other Governmental Funds", and a net pension asset with the Texas Municipal Retirement System ("TMRS"). 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 TMRS net pension asset is restricted as the amount is not legally available to the City.

The remaining balance of \$53,915,204 (27.1%) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

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CITY OF UNIVERSITY PARK, TEXAS
 Management's Discussion and Analysis (MD&A)
 September 30, 2022

CITY OF UNIVERSITY PARK - Net Position

CITY OF UNIVERSITY PARK'S NET POSITION

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 67,896,059	\$ 58,790,367	\$ 30,166,798	\$ 13,149,290	\$ 98,062,857	\$ 71,939,657
Capital and lease assets	81,152,689	81,021,263	70,571,766	67,060,504	151,724,455	148,081,767
Total Assets	149,048,748	139,811,630	100,738,564	80,209,794	249,787,312	220,021,424
Deferred outflows of resources	3,877,009	4,238,328	452,971	471,730	4,329,980	4,710,058
Current liabilities	4,333,519	6,924,713	7,361,560	4,082,757	11,695,079	11,007,470
Long-term liabilities	17,250,855	17,973,110	14,505,916	714,851	31,756,771	18,687,961
Total Liabilities	21,584,374	24,897,823	21,867,476	4,797,608	43,451,850	29,695,431
Deferred inflows of resources	10,113,917	4,301,667	1,458,876	650,891	11,572,793	4,952,558
Net Position:						
Net investment in capital assets	80,843,424	81,021,263	55,954,846	65,038,533	136,798,270	146,059,796
Restricted	6,839,168	368,185	1,540,007	-	8,379,175	368,185
Unrestricted	33,544,874	33,461,020	20,370,330	10,194,492	53,915,204	43,655,512
Total Net Position	\$ 121,227,466	\$ 114,850,468	\$ 77,865,183	\$ 75,233,025	\$ 199,092,649	\$ 190,083,493

Current and other assets increased in Governmental activities by \$9.1 million and increased in Business-type activities by \$17.0 million (under a local mobility program) and a \$3.05 increase in receivables - due largely to the implementation of GASB 87, simply titled "Leases". The increase in Business-type activities is due to an increase in cash and equivalents resulting from the previously mentioned issuance of Certificates of Deposit, as well as an increase in Governmental assets is primarily due to a \$5.8 million dollar increase in the TMRS net pension asset resulting from higher than expected net investment income, an increase of \$2.4 million in amounts due from other governments (outstanding Dallas Area Rapid Transit ("DART") reimbursements for expenditures) as well as an increase in internal balances due from Governmental activities.

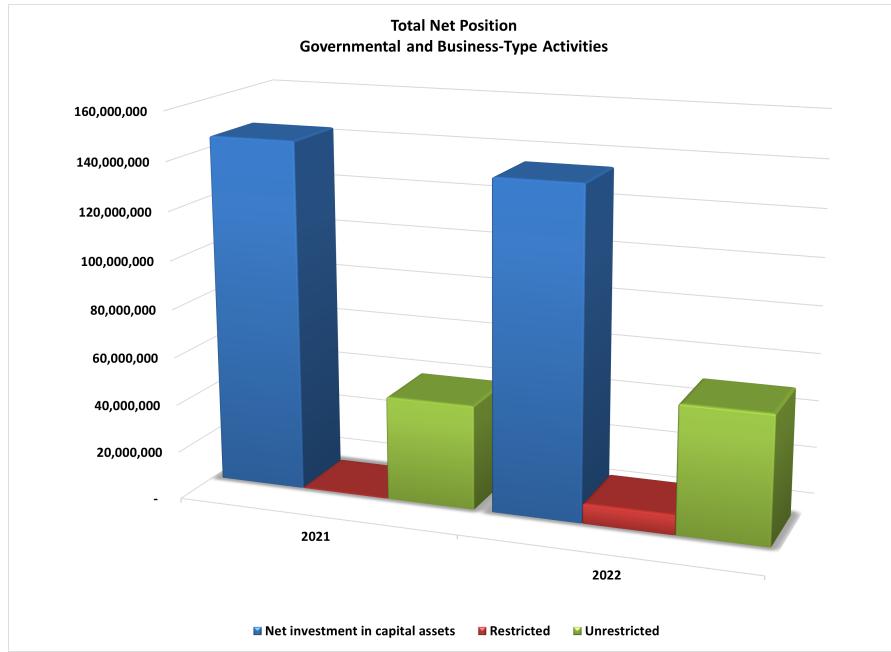
While Governmental capital asset activity remained little changed from the prior year, Business-type capital assets increased \$5.8 million (before depreciation expense) in FY2022, due to continued spending on Stormwater Improvements (\$2.4 million) and the Snider Plaza Area construction project (\$2.4 million).

Governmental current liabilities decreased due to the expenditure of a portion of the previously mentioned ARPA funds (for employee retention) and a transfer of the remaining funds to an infrastructure project - in accordance with program guidelines. Business-type Current liabilities increased due to the remainder of those ARPA funds (\$4.6 million) remaining unspent at year end.

Governmental long-term liabilities remained essentially unchanged from the prior year, while Business-type long-term liabilities increased by \$13.8 million, solely as a result of the issuance of the previously mentioned Certificates of Obligation.

As of September 30, 2022, 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	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 4,976,043	\$ 3,844,817	\$ 22,869,175	\$ 20,165,844	\$ 27,845,218	\$ 24,010,661
Grants and contributions	2,444,835	4,298,409	-	7,821	2,444,835	4,306,230
General revenues:						
Property tax	22,628,214	22,506,548	-	-	22,628,214	22,506,548
Sales tax	7,271,710	5,855,461	-	-	7,271,710	5,855,461
Franchise fees	1,764,712	1,495,762	-	-	1,764,712	1,495,762
Interest	(1,283,227)	(14,284)	(119,497)	(13,635)	(1,402,724)	(27,919)
Other	471,708	848,631	4,560	26,496	476,268	875,127
Grants and contributions not restricted to a specific purpose	1,355,765	98,692	311,684	-	1,667,449	98,692
Gain or sale of Cap Assets	103,742	118,679	-	-	103,742	118,679
Total Revenues	39,733,502	39,052,715	23,065,922	20,186,526	62,799,424	59,239,241
Expenses:						
General Government	6,071,366	6,885,096	-	-	6,071,366	6,885,096
Public Safety	16,491,554	15,768,343	-	-	16,491,554	15,768,343
Streets	2,076,131	2,452,310	-	-	2,076,131	2,452,310
Parks	4,577,656	4,223,877	-	-	4,577,656	4,223,877
Public Works	3,640,481	3,215,457	-	-	3,640,481	3,215,457
Interest Expense	3,392	-	-	-	3,392	-
Utilities	-	-	16,940,489	15,562,781	16,940,489	15,562,781
Sanitation	-	-	3,404,548	2,914,642	3,404,548	2,914,642
Stormwater	-	-	584,651	130,244	584,651	130,244
Total Expenses	32,860,580	32,545,083	20,929,688	18,607,667	53,790,268	51,152,750
Increase in net position before transfers	6,872,922	6,507,632	2,136,234	1,578,859	9,009,156	8,086,491
Transfers	(495,924)	(472,308)	495,924	472,308	-	-
Increase/(decrease) in net position	6,376,998	6,035,324	2,632,158	2,051,167	9,009,156	8,086,491
Net Position - October 1	114,850,468	108,815,144	75,233,025	73,181,858	190,083,493	181,997,002
Net Position - September 30	\$ 121,227,466	\$ 114,850,468	\$ 77,865,183	\$ 75,233,025	\$ 199,092,649	\$ 190,083,493

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Governmental Activities

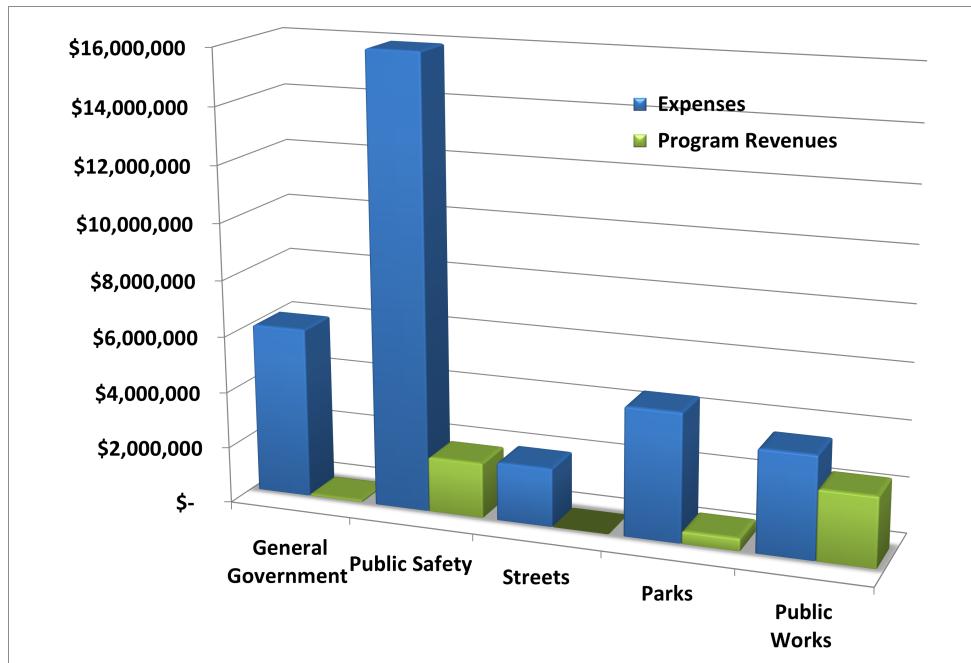
Governmental activities net position increased by \$6,376,998, or 5.6%. Net investment in capital assets decreased by \$177,839, or 0.1%. Restricted net position increased \$6,470,983 or 1,757.5%. Unrestricted net position increased by \$83,854 or 0.3%.

- Revenues related to governmental activities increased \$680,787 (1.7%) from the prior year.
 - Revenue increased in the following categories in FY2022:
 - Property tax revenue increased \$121,666 (0.5%) for the year. The total certified taxable property value rose 2.7% year-over-year, while the value of the average single-family home (before applicable exemptions) climbed 2.25% from the prior year. Decreasing the tax rate slightly (to 26.4388 cents per \$100 of taxable value from 26.4750 cents) resulted in an average tax levy increase of \$76, or 2.1% for the typical single-family homeowner after the 20% homestead exemption.
 - Charges for service increased \$1,131,226 (29.4%) from the prior year due to increased building permit fees, primarily from Southern Methodist University (SMU).
 - Sales tax revenue increased \$1,416,249 (24.2%) from FY2021 due to a reduction in pandemic restrictions, pent-up consumer demand, and a robust sales tax audit program that lead to the recovery of almost \$0.5 million in funds misdirected by local business owners to neighboring jurisdictions.
 - Revenue decreased in the following categories in FY2022:
 - Interest revenue decreased \$(1,268,943) (-8,883.7%) from the prior year, due the extraordinarily rapid increase in interest rates during the year. While cash basis interest and coupon payments remained strong, the entirety of the interest received during the fiscal year was offset by the unrealized loss caused by the year-end "mark-to-market". This valuation technique, which ensures negotiable instruments are reflected in the financial statements at their approximate market value, has a particularly negative impact on fixed rate securities in a rising interest rate environment. However, as the City follows a "buy-and-hold" investment program, these unrealized losses will not affect expected investment returns. In order to take advantage of the higher interest rate environment at the shorter end of the yield curve, over 60% of City investments were held in either cash or local government investment pools.
 - Operating and Capital Grants and Contributions decreased \$(1,861,395) (-43.2%) for the year. The decrease is primarily due to a lower amount of requested reimbursement from DART in accordance with a Transit Related Improvement Program (TRIP) interlocal agreement. The requested reimbursements included the final payment on the Comprehensive Radio System Replacement capital project, which upgraded operational and communications reliability and efficiency, as well as a reimbursement for the replacement and upgrading of certain street signals.
- Expenses related to governmental activities increased \$315,497 (1.0%) from the prior year. The most significant cost-driver in FY2022 was a targeted compensation increase within the Public Safety function to keep pay competitive with surrounding cities.

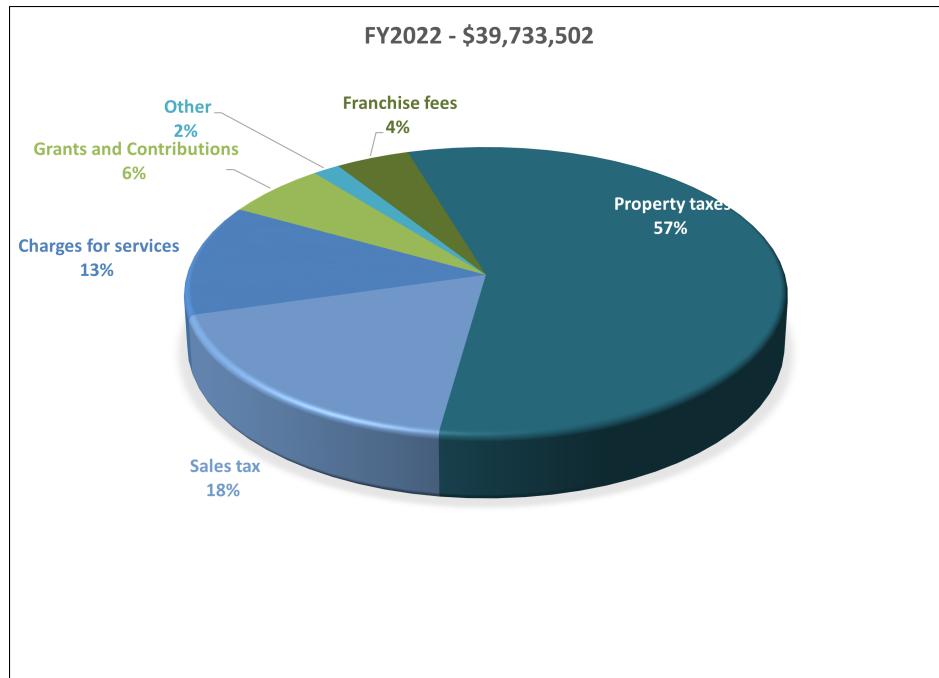
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PROGRAM REVENUES AND EXPENSES – GOVERNMENTAL ACTIVITIES



REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



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Business-type Activities:

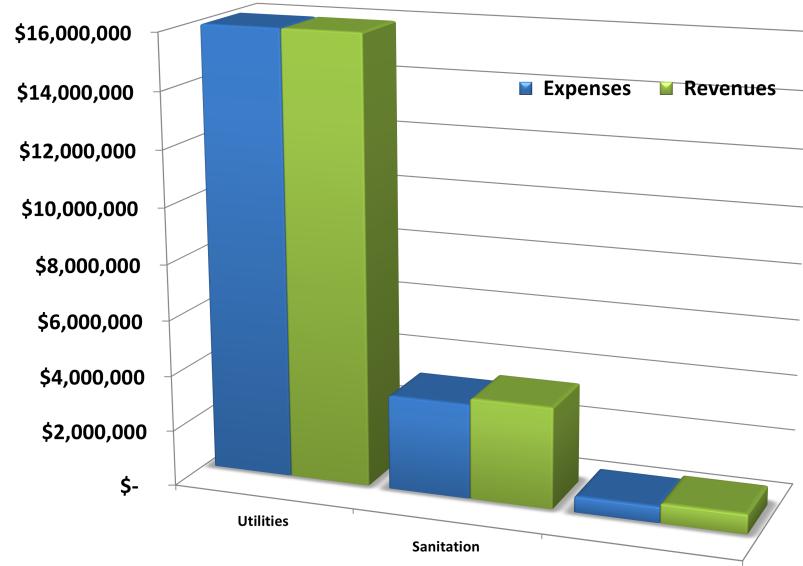
Net position from business-type activities increased by \$2,632,158, or 3.5%. Net investment in capital assets decreased \$(9,083,687), or (14.0%). Restricted net position increased \$1,540,007, versus zero in the prior year. Unrestricted net position increased \$10,175,838, or 99.8%

- Revenues related to business-type activities increased \$2.9 million (14.3%) in FY2022, due primarily to the following:
 - An increase of \$2.0 million in water sales, attributable to a higher volume of water sold across all sales categories (residential, commercial, church and schools, and Southern Methodist University as well as a 5% increase in rates.
 - An increase of \$335,000 in wastewater billing, due to higher water usage posted during the "winter averaging" months.
 - An increase in Sanitation revenues of \$125,000, largely due to recycling rebates resulting from an increase in the value of raw materials.
 - An increase of \$209,800 in stormwater revenues due to planned rate increases necessary to support the repayment of debt.
- Expenses for business-type activities increased by \$2,322,021, (12.5%) in FY2022, due in large part to increased compensation levels necessary to both compete with surrounding jurisdictions, and to assist with employee retention. This was particularly true for those employees holding commercial drivers licenses.

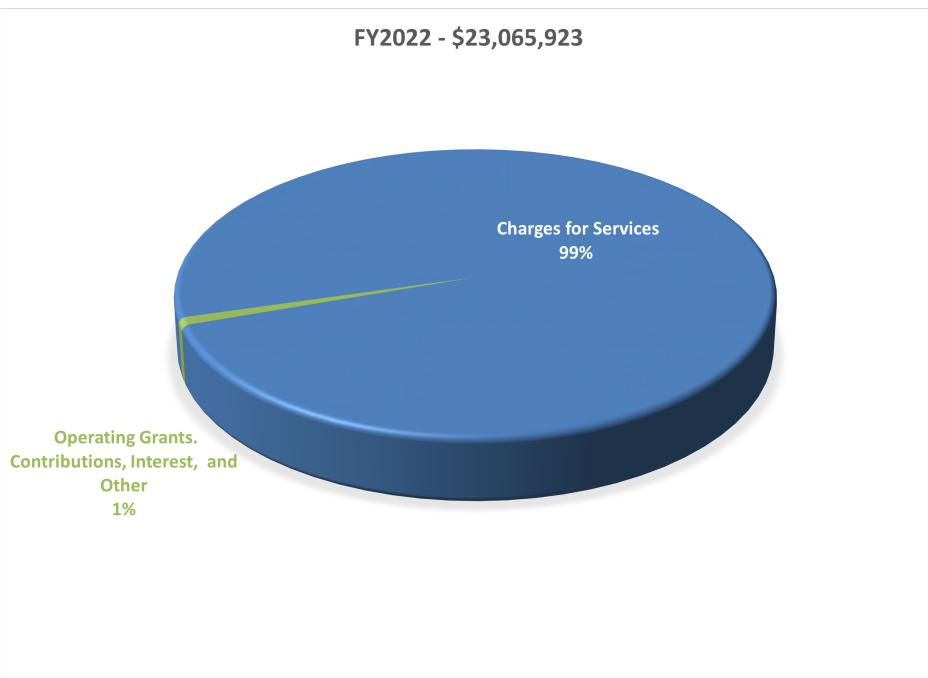
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PROGRAM REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES



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:

- *Non-spendable 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.

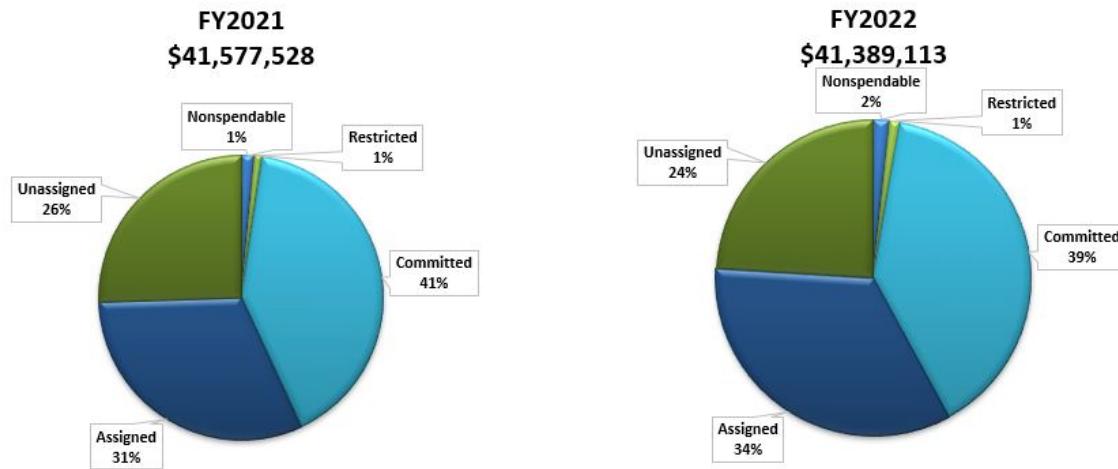
In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or 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 FY2022, the City's governmental funds reported combined ending fund balances of \$41,389,113, a decrease \$188,415 (-0.5%) compared to the prior year. Of the total, \$662,255 is nonspendable, as it represents fuel and supplies inventories and \$452,183 is restricted, as it may only be spent for the specific purposes set forth in the respective Special Revenue Fund.

The \$16,290,783 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 \$14,041,965 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 \$9,941,927 (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 (\$2,900,000 for FY2022).

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 \$65,086,700, while the Sanitation and Stormwater Funds totaled \$2,300,801 and \$3,052,062, respectively. Prior to transfer activity, the Water and Sewer, Sanitation and Stormwater funds had income of \$1,600,736, \$418,207, and \$185,458, respectively.

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), six other budget amendments were passed by City Council during fiscal 2022.

The first amendment served to appropriate funds totaling \$1,000,000 from the General Fund "unassigned" balance and transfer those funds to the new internal service fund designated as Technology Services. The Technology Services fund will operate the same as the Equipment Services fund; providing equipment, software and support to the City as a whole, while being reimbursed for those services. The second amendment of FY2022 in the amount of \$360,800, established the interest expense budget

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necessary to service the certificates of obligation (which were issued in November of 2021) as well as some incidental street sweeping expenses overlooked during the initial budget process. The third amendment, in the amount of \$568,500, was a transfer of excess permit fees received during the year from the General Fund to the (governmental) Capital Projects fund.

The fourth and fifth amendments both deal with American Rescue Plan Act ("ARPA") funds. The fourth amendment, in the amount of \$4,689,999, transfers unexpended ARPA monies from the General Fund to the (business-type) Capital Projects fund, where it is earmarked for use on project 2023-405, (a "mile-per-year" utility project). The fifth amendment recognizes both the expenditure of ARPA funds for retention and premium pay (in accordance with program guidelines) as well as certain expenditures incurred during the year either with Council consent, or that were based on performance (or percentage) criteria. Examples of these expenditures include; additional legal costs incurred to issue the certificates of obligation, additional (required) FRRF pension contribution, contingent sales tax recovery fees, as well as credit card service fees incurred in excess of the original budgeted amount.

The final special amendment directed a release of \$637,000 from the SMU Land Sale Reserve to be transferred to the (governmental) Capital projects fund to be included in the purchase of a park property located at Preston Road and Lovers Lane.

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 routine 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 routinely carried over to the next fiscal year. The total carried forward in the General Fund from fiscal 2021 was \$244,845 while the total that will be deducted and carried forward to fiscal 2023 is \$393,782.

Final budget compared to actual results. Revenues collected exceeded management's original budget estimate of the General Fund's revenues by \$1,895,723 or 5.4%. The totals in five General Fund revenue categories varied more than \$250,000 from the final budget:

- Sales taxes collected were \$2,251,710 (44.9%) above budget for FY2022, due to stronger than anticipated consumer purchasing during the second year of the pandemic, as well as an increase in sales tax collections resulting from prior period audits.
- Franchise fees ended the year at \$1,764,712, or \$4,712 (-0.3%) above budget, as deficits in communication and entertainment fees were offset by increases in fees related to gas and electric service.
- Permit and license revenue ended the year at \$2,579,359, or \$883,359 (52.1%) above budget, due in large part to construction activity at SMU. Permit revenue in excess of 120% of budget is automatically transferred to capital projects.
- Fines finished the year at \$245,663, a \$361,837 (-59.6%) decrease from budget, due almost entirely to reduced vehicular traffic within the City, resulting in fewer moving and parking violations.
- Investment income ended the year in the negative at -\$1,178,279, versus a budgeted amount of \$300,000. While the City earned more than budgeted interest on a cash basis, the recording of the year-end mark-to-market of the City's negotiable securities essentially wiped out the entire year's income "on the books". It should be noted that the FY2021 mark-to-market (which is reversed in FY2022) was extraordinarily high, due to the Federal Reserve essentially dropping interest rates to zero, during the COVID pandemic. It is the policy of the City to buy and hold all securities to maturity, thus negating the effect of the mark-to-market over the holding period and ensuring the City earns the expected rate of return

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- Intergovernmental revenue was a new revenue category for the City in fiscal 2021, and an additional \$1,099,140 in FY2022. As in FY2021, this CARES Act money was used for COVID-related expenditures.
- The following individual departments were over-budget.
 - Human Resources - \$13,888 (2.6%)
 - Library - \$14,191 (1.6%)
 - Engineering - \$820 (0.1%)
 - Parks - \$25,790 (0.7%)

These over-budget amounts were entirely offset by savings within other General Fund departments. In almost all cases, additional costs were incurred as departments dealt with absences due to COVID-19 or quarantines, increased computer and information technology costs resulting from remote-work, reduced staffing due to the "Great Resignation" (and resultant overtime for remaining staff) as well as Covid-19 mitigation costs. At the outset, Staff made the decision to watch these costs carefully, and only amend the budget if aggregate General Fund expenses exceeded the amended budget. As the aggregate charges were \$854,285, (2.6%) less than budget, no further adjustments or amendments were deemed necessary.

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 cities 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 asset for TMRS as of September 30, 2022 of \$7,926,992 which is -43.65% of the City's annual covered non-FFRF eligible payroll of \$18,159,7082. The net pension asset represents an increase of \$7,218,634 from the \$708,358 net pension asset reported in the previous year. The sizable amount of fiduciary net position invested for the City by TMRS combined with the natural volatility of investment returns, often driven by end-of-year marks to the market, make both the NPL and pension expense inherently volatile.

FFRF - On a reporting basis, the City's financial statements reflect a net pension liability for the FRRF as of September 30, 2022 of \$14,376,742, (a decrease of \$553,280 from the prior year) which is 434.08% of the City's annual covered firefighter payroll of \$3,311,980. The decrease is due primarily to changes in assumptions due to Plan closure and investment earnings.

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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, 2022 is \$1,890,288, a decrease of \$98,805 (4.97%) from the previous year. The decrease is due primarily to changes between the expected and actual experience of the total OPEB liability. At the present time, the City maintains a PAYGO funding policy. This funding policy may be reviewed as the situation warrants.

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$151,724,455, 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:

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

	Governmental activities		Business-type activities		Totals	
	2022	2021	2022	2021	2022	2021
Land	\$ 12,291,714	\$ 11,640,078	\$ 108,758	\$ 108,758	\$ 12,400,472	\$ 11,748,836
Construction in progress	2,636,500	7,892,823	2,324,612	19,649,666	4,961,112	27,542,489
Buildings	10,223,718	10,650,516	-	-	10,223,718	10,650,516
Improvements	34,845,863	35,050,197	59,854,082	47,165,342	94,699,945	82,215,539
Equipment	13,546,241	8,243,181	2,764,365	136,738	16,310,606	8,379,919
Lease asset	123,198	144,410	-	-	123,198	144,410
Infrastructure	7,485,455	7,452,677	5,519,949	-	13,005,404	7,452,677
Total Capital Assets	\$ 81,152,689	\$ 81,073,882	\$ 70,571,766	\$ 67,060,504	\$ 151,724,455	\$ 148,134,386

Capital assets (net of depreciation) related to governmental activities increased by \$78,807 in FY2022. Significant projects completed and placed into service during the year include server and network upgrades and replacements, purchase of a lot and significant landscaping at the corner of Lovers Lane and Preston Road, the previously mentioned comprehensive radio system replacement and significant traffic signal replacements. Depreciation expense on existing capital assets (\$4,758,687) offset the value of the additions. Eighteen governmental capital projects remain open at year-end.

Business-type capital assets (also net of depreciation) increased \$3,511,262 during fiscal 2022. Four significant projects were completed and capitalized at year-end: city-wide water meter replacements, phase 1 of the stormwater improvements in the northeast quadrant of the City (underground detention), phase 2 of the stormwater improvements in the same area (underground, street-wide, box culvert drainage), and utility replacements within Snider Plaza.

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. As of September 30, 2022, the City of University Park had no direct tax-supported general obligation debt. However, due to the extraordinary expense associated with upgrading stormwater drainage within the City to prevent flooding, the City issued \$14.1 of combination tax and revenue certificates of obligation. This is the first time the City has issued debt since a debt-service refunding in 1993. The certificates are to be repaid from Stormwater revenues, based on a graduated fee increase. At the time of issuance, the certificates were rated "AAA" by S&P and "Aaa" by Moody's, without regard to credit enhancement.

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Economic Factors and Next Year's Budgets and Rates

The total certified value of the City's taxable base increased by 11.42% during calendar 2022 (the year on which the FY2023 tax rate is calculated) well above the previous year increase of 2.5%. Given the number of homes revalued during the year, general trends within the market, and coupled with an optimistic increase in non-tax revenues of over \$1.6 million, the increase in taxable value allowed a decrease in the FY2023 tax rate of 6.96%, from 26.4388 cents per hundred dollars of value, to 24.5975. While the City has a long-standing tradition of decreasing property tax rates, that tradition can only continue in an economy where the increase in property values outpaces the increase in incremental costs. Given the inflationary pressures experienced during 2022, and which are so far continuing unabated into 2023, the continued "driving down" of the tax rate may be imperiled in the future. Nevertheless, the calculated FY2023 tax revenues were below the state mandated 3.5% cap. However, it should be noted that should non-tax revenues slow in the coming year, as recessionary forces settle in, the City will become more reliant on property taxes for stability.

- University Park offers a "standard" 20% homestead exemption to all homeowners 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 a flat dollar amount applicable to all qualifying residences. In FY2023, this exemption amounted to an additional \$435,000 exemption per qualifying property, a \$10,000 increase from the prior year.
- Consumers buying habits changed substantially during COVID, purchasing more items through the internet and home delivery services. Given this change in purchasing behavior, the release of pent-up demand to "get out" from the prior two years of "lock-downs", and with local businesses welcoming the return of customers in-person, the outlook for sales and mixed beverage tax revenue in FY2023 is robust, not only returning to pre-pandemic levels, but expected to increase. Accordingly, the budget for FY2023 sales taxes was increased by \$1.03 million, the single largest category of increase of non-tax revenues.
- While city-wide interest revenue (on a cash basis) increased substantially throughout FY2022, the mark-to-market unrealized loss at year-end nullified the cash income received. This was due entirely to the laddered nature of the city's investments, (ranging in maturity from 1 month to almost 5 years), the dramatic rise in interest rates during the year, and the fixed rate nature of almost half of the city's portfolio. However, as the City uses a "buy and hold" strategy, unrealized losses are of little concern, as the City knows exactly what interest rate it will earn to maturity, when it purchases a security for its portfolio. With increases in interest rates from .01% to almost 4.0% in less than a year, FY2023 interest earnings (cash basis) were increased \$400,000 or 133%. Should a recession take hold during the latter part of 2023, it would necessitate a falling interest rate environment. Therefore in later 2023 and beyond, the City investment strategy will be to lock in attractive rates and ride the portfolio.

The FY2023 budget proposes maintaining actuarially determined level dollar funding for the Fire Fighters Relief and Retirement Fund. Shortfalls in the required contribution during the year (resulting from declining participation) will be augmented by the use of reserves, thereby not affecting the current tax rate. The FY2023 budget also increases funding for both governmental and proprietary capital projects, anticipates wage and salary adjustments to recruit and retain talented employees, and anticipates operational funding of "action items" resulting from a recently completed Centennial Master Plan exercise.

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.



BASIC FINANCIAL STATEMENTS

CITY OF UNIVERSITY PARK, TEXAS

Statement of Net Position

September 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Southwest Higher Education Authority
ASSETS				
Cash and cash equivalents	\$ 28,713,550	\$ 15,551,319	\$ 44,264,869	\$ -
Investments	25,821,411	2,755,346	28,576,757	- -
Receivables (net of allowance)	5,483,197	3,672,136	9,155,333	- -
Due from other governments	6,425,204	-	6,425,204	- -
Due from primary government	-	-	-	55,000
Prepays	-	206,139	206,139	- -
Internal balances	(6,050,226)	6,050,226	-	- -
Inventory	662,255	-	662,255	- -
Restricted cash	453,683	391,625	845,308	- -
Net pension asset - TMRS	6,386,985	1,540,007	7,926,992	- -
Capital and leased assets:				
Nondepreciated assets				
Land	12,291,714	108,758	12,400,472	- -
Construction in progress	2,636,500	2,324,612	4,961,112	- -
Total nondepreciated assets	<u>14,928,214</u>	<u>2,433,370</u>	<u>17,361,584</u>	- -
Depreciated assets				
Buildings	17,561,145	54,594	17,615,739	- -
Improvements other than buildings	58,086,538	110,931,465	169,018,003	- -
Machinery and equipment	26,711,689	3,033,817	29,745,506	- -
Infrastructure	13,806,038	5,566,334	19,372,372	- -
Lease asset	144,410	-	144,410	- -
Accumulated depreciation	(50,085,345)	(51,447,814)	(101,533,159)	- -
Total depreciated assets	<u>66,224,475</u>	<u>68,138,396</u>	<u>134,362,871</u>	- -
Total assets	<u>149,048,748</u>	<u>100,738,564</u>	<u>249,787,312</u>	<u>55,000</u>
DEFERRED OUTFLOWS OF RESOURCES				
Difference in expected and actual pension/OPEB investment experience	721,091	181,526	902,617	- -
Changes in pension/OPEB actuarial assumptions	1,273,858	12,537	1,286,395	- -
Pension/OPEB contributions after measurement date	1,882,060	258,908	2,140,968	- -
Total deferred outflow of resources	<u>3,877,009</u>	<u>452,971</u>	<u>4,329,980</u>	- -
LIABILITIES				
Accounts payable	1,838,307	779,431	2,617,738	- -
Accrued liabilities	780,603	414,702	1,195,305	- -
Customers deposits other	97,659	391,625	489,284	- -
Unearned revenue	193,553	4,876,138	5,069,691	- -
Due to component unit	55,000	-	55,000	- -
Due within one year				
Compensated absences	1,325,169	251,143	1,576,312	- -
Lease liabilities	43,228	-	43,228	- -
Certificates of obligations	-	648,521	648,521	- -
Due in more than one year				
Compensated absences	1,314,949	328,426	1,643,375	- -
Lease liabilities	57,519	-	57,519	- -
Certificates of obligation	-	13,788,847	13,788,847	- -
Net pension liability - FRRF	14,376,742	-	14,376,742	- -
Total OPEB liability	<u>1,501,645</u>	<u>388,643</u>	<u>1,890,288</u>	- -
Total liabilities	<u>21,584,374</u>	<u>21,867,476</u>	<u>43,451,850</u>	- -
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension/OPEB investment experience	696,337	37,400	733,737	- -
Changes in pension/OPEB actuarial assumptions	112,729	27,181	139,910	- -
Difference in projected and actual pension/OPEB investment earnings	6,458,469	1,394,295	7,852,764	- -
Lease related	2,846,382	-	2,846,382	- -
Total deferred inflows of resources	<u>10,113,917</u>	<u>1,458,876</u>	<u>11,572,793</u>	- -
Net Position				
Investment in capital assets	80,843,424	55,954,846	136,798,270	- -
Restricted to:				
General government	122,160	-	122,160	- -
Public safety	247,713	-	247,713	- -
Parks	82,310	-	82,310	- -
Pensions	6,386,985	1,540,007	7,926,992	- -
Unrestricted	<u>33,544,874</u>	<u>20,370,330</u>	<u>53,915,204</u>	<u>55,000</u>
Total net position	<u><u>\$ 121,227,466</u></u>	<u><u>\$ 77,865,183</u></u>	<u><u>\$ 199,092,649</u></u>	<u><u>\$ 55,000</u></u>

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, 2022

Functions/Programs	Primary Government	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
						Governmental Activities	Business-type Activities	Total
Governmental activities								
General Government	\$ 6,071,366	\$ 70,090	\$ -	\$ -	\$ (6,001,276)	\$ -	\$ (6,001,276)	\$ -
Public Safety	16,491,554	1,965,514	-	1,820,867	(12,705,173)	-	(12,705,173)	-
Streets	2,076,131	-	-	623,968	(1,452,163)	-	(1,452,163)	-
Parks	4,577,656	453,011	-	-	(4,124,645)	-	(4,124,645)	-
Public Works	3,640,481	2,487,428	-	-	(1,153,053)	-	(1,153,053)	-
Interest Expense	3,392	-	-	-	(3,392)	-	(3,392)	-
Total governmental activities	<u>\$ 32,860,580</u>	<u>\$ 4,976,043</u>	<u>-</u>	<u>2,444,835</u>	<u>(25,439,702)</u>	<u>-</u>	<u>(25,439,702)</u>	<u>-</u>
Business-type activities								
Utilities	16,940,489	18,518,674	-	-	-	1,578,185	1,578,185	-
Sanitation	3,404,548	3,638,526	-	-	-	233,978	233,978	-
Stormwater	584,651	711,975	-	-	-	127,324	127,324	-
Total business-type activities	<u>\$ 20,929,688</u>	<u>\$ 22,869,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,939,487</u>	<u>1,939,487</u>	<u>-</u>
Total primary government	<u>\$ 53,790,268</u>	<u>\$ 27,845,218</u>	<u>\$ -</u>	<u>\$ 2,444,835</u>	<u>\$ (25,439,702)</u>	<u>\$ 1,939,487</u>	<u>\$ (23,500,215)</u>	<u>\$ -</u>
General revenues:								
Property tax				22,628,214	-	22,628,214	-	
Sales tax				7,271,710	-	7,271,710	-	
Franchise tax				1,764,712	-	1,764,712	-	
Interest earnings, net				(1,283,227)	(119,497)	(1,402,724)	-	
Other				471,708	4,560	476,268	-	
Grants and contributions not restricted to a specific purpose				1,355,765	311,684	1,667,449	-	
Gain on sale of capital assets				103,742	-	103,742	-	
Transfers				(495,924)	495,924	-	-	
Total general revenues and transfers				<u>31,816,700</u>	<u>692,671</u>	<u>32,509,371</u>	<u>-</u>	
Change in net position				6,376,998	2,632,158	9,009,156	-	
Net position, beginning of year				<u>114,850,468</u>	<u>75,233,025</u>	<u>190,083,493</u>	<u>55,000</u>	
Net position, end of year				<u>\$ 121,227,466</u>	<u>\$ 77,865,183</u>	<u>\$ 199,092,649</u>	<u>\$ 55,000</u>	

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

CITY OF UNIVERSITY PARK, TEXAS
Balance Sheet
Governmental Funds

September 30, 2022

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 18,837,829	\$ 5,380,957	\$ 153,003	\$ 24,371,789
Investments	24,024,341	-	-	24,024,341
Receivables (net of allowance):				
Property tax	197,135	-	-	197,135
Sales tax	1,269,413	-	-	1,269,413
Franchise fees	392,049	-	-	392,049
Accrued interest	85,591	-	-	85,591
Other, net	608,606	-	35,500	644,106
Leases	2,880,069	-	-	2,880,069
Due from other funds	11,157,855	8,480,849	287,411	19,926,115
Due from other governments	-	6,425,203	-	6,425,203
Inventory	662,255	-	-	662,255
Total assets	<u>\$ 60,115,143</u>	<u>\$ 20,287,009</u>	<u>\$ 475,914</u>	<u>\$ 80,878,066</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,192,472	\$ 208,517	\$ 20,843	\$ 1,421,832
Accrued liabilities	783,463	5,028	-	788,491
Other/customer deposits	97,659	-	-	97,659
Due to other funds	27,413,164	78	4,106	27,417,348
Due to component unit	55,000	-	-	55,000
Unearned revenues	46,350	-	-	46,350
Total liabilities	<u>29,588,108</u>	<u>213,623</u>	<u>24,949</u>	<u>29,826,680</u>
Deferred Inflows of Resources:				
Unavailable revenues - property taxes	195,461	-	-	195,461
Unavailable revenues - general services	195,227	-	-	195,227
Unavailable revenues - intergovernmental	-	6,425,203	-	6,425,203
Unavailable revenue - lease related	2,846,382	-	-	2,846,382
Total deferred inflows of resources	<u>3,237,070</u>	<u>6,425,203</u>	<u>-</u>	<u>9,662,273</u>
Fund Balances:				
Nonspendable	662,255	-	-	662,255
Spendable				
Restricted to:				
General government	-	-	122,160	122,160
Public safety	-	-	247,713	247,713
Parks	-	-	82,310	82,310
Committed to:				
SMU land sale	11,415,783	-	-	11,415,783
Emergency expenditures	2,500,000	-	-	2,500,000
SMU PILOT	2,375,000	-	-	2,375,000
Assigned to:				
General Government	105,208	13,648,183	-	13,753,391
Public Works	69,500	-	-	69,500
Public Safety	77,796	-	-	77,796
Parks	141,278	-	-	141,278
Unassigned	9,943,145	-	(1,218)	9,941,927
Total fund balances	<u>27,289,965</u>	<u>13,648,183</u>	<u>450,965</u>	<u>41,389,113</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,115,143</u>	<u>\$ 20,287,009</u>	<u>\$ 475,914</u>	<u>\$ 80,878,066</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, 2022

Total fund balances - governmental funds	\$ 41,389,113
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Amounts reported for governmental activities in the statement of net position are different because:

Capital and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Amount excludes Internal Service Funds' fixed asset	75,233,099
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.	6,815,891
This amount is the net pension asset (TMRS) recorded at the government-wide level, not recorded in any governmental funds. Amount excludes Internal Service Funds' pension asset.	5,774,212
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.	(1,364,610)
This amount is the net pension liability (FRRF) recorded at the government-wide level, not recorded in the funds	(14,376,742)
This amount is the net deferred inflows/outflows recorded at the government-wide level, not recorded in the funds. Amount excludes Internal Service Funds' deferred outflows/inflows.	(2,984,058)
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.	(2,245,956)
The long-term portion of lease payable is not due and payable in the current period and therefore is not reported in the funds. Amount excludes Internal Service Funds' leases payable.	(34,368)
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. The governmental portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	13,020,885

Total net position - governmental activities	<u>\$ 121,227,466</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 Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the Year Ended September 30, 2022

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property taxes	\$ 22,626,082	\$ -	\$ -	\$ 22,626,082
Sales tax	7,271,710	- -	- -	7,271,710
Franchise fees	1,764,712	- -	- -	1,764,712
Permits and licenses	2,579,359	- -	- -	2,579,359
Fines	245,663	- -	8,190	253,853
Charges for services	2,124,407	- -	- -	2,124,407
Intergovernmental	1,099,140	- -	- -	1,099,140
Other	415,994	- -	11,125	427,119
Investment income	(1,178,279)	34,551	70	(1,143,658)
Donations	12,000	- -	142,281	154,281
 Total revenues	 36,960,788	 34,551	 161,666	 37,157,005
EXPENDITURES				
Current:				
General Government	4,834,393	134,237	57,971	5,026,601
Public Safety	17,484,133	- -	14,690	17,498,823
Streets	1,632,388	- -	- -	1,632,388
Parks	4,162,886	- -	3,507	4,166,393
Public Works	3,582,931	- -	- -	3,582,931
Capital Outlays	- -	4,039,573	- -	4,039,573
 Total expenditures	 31,696,731	 4,173,810	 76,168	 35,946,709
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 5,264,057	 (4,139,259)	 85,498	 1,210,296
OTHER FINANCING SOURCES (USES)				
Lease revenue	97,213	- -	- -	97,213
Transfers in	- -	4,979,994	- -	4,979,994
Transfers out	(6,475,918)	- -	- -	(6,475,918)
 Total other financing sources (uses)	 (6,378,705)	 4,979,994	 - -	 (1,398,711)
 Net Change in Fund Balances	 (1,114,648)	 840,735	 85,498	 (188,415)
 Fund Balances, Beginning of Year	 28,404,613	 12,807,448	 365,467	 41,577,528
 Fund Balances, End of Year	 \$ 27,289,965	 \$ 13,648,183	 \$ 450,965	 \$ 41,389,113

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, 2022

Net change in fund balances - total governmental funds	\$ (188,415)
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Amounts reported for governmental activities in the statement of activities are different because:

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	4,038,927
Depreciation and amortization expense	(3,819,961)
	<hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/> 218,966
Revenues in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds.	20,561
This amount is the net effect from the sales of capital assets at the government-wide level, not recorded in the funds.	(9,196)
Revenues in the statement of activities that do not provide current financial resources and are not reported as revenue in the funds.	2,444,835
This amount is the net TMRS pension expense recorded at the government-wide level, not recorded in the funds.	2,722,698
This amount is the net post-employment benefits expense recorded at the government-wide level, not recorded in the funds.	12,186
This amount is the net FRRF pension expense recorded at the government-wide level, not recorded in the funds.	288,844
This amount is the change in the long-term portion of compensated absences, and as such, it is not reported in the funds.	102,712
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.	<hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/> 763,807
Change in net position of governmental activities	<u>\$ 6,376,998</u>

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, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Water and Sewer	Sanitation	Stormwater	Total		
ASSETS						
Current assets						
Cash and cash equivalents	\$ 14,012,263	\$ 434,957	\$ 1,104,099	\$ 15,551,319	\$ 4,795,444	
Investments	2,755,346	-	-	2,755,346	1,797,070	
Receivables (net of allowance)	3,034,501	524,791	112,844	3,672,136	14,834	
Due from other funds	9,013,619	3,506,945	6,643,071	19,163,635	9,026,080	
Prepays	-	45,808	-	45,808	-	
Total current assets	<u>28,815,729</u>	<u>4,512,501</u>	<u>7,860,014</u>	<u>41,188,244</u>	<u>15,633,428</u>	
Noncurrent assets						
Prepays - NC	-	160,331	-	160,331	-	
Restricted cash	391,625	-	-	391,625	-	
Net Pension asset - TMRS	854,429	685,578	-	1,540,007	612,773	
Capital assets:						
Land	108,758	-	-	108,758	-	
Buildings	54,594	-	-	54,594	-	
Improvements other than buildings	96,501,511	-	14,429,954	110,931,465	-	
Machinery and equipment	2,764,180	269,637	-	3,033,817	14,468,017	
Infrastructure	5,566,334	-	-	5,566,334	-	
Construction in progress	1,051,084	-	1,273,528	2,324,612	-	
Less accumulated depreciation	(51,175,651)	(151,913)	(120,250)	(51,447,814)	(8,548,427)	
Total capital assets (net of accumulated depreciation)	<u>54,870,810</u>	<u>117,724</u>	<u>15,583,232</u>	<u>70,571,766</u>	<u>5,919,590</u>	
Total noncurrent assets	<u>56,116,864</u>	<u>963,633</u>	<u>15,583,232</u>	<u>72,663,729</u>	<u>6,532,363</u>	
Total assets	<u>84,932,593</u>	<u>5,476,134</u>	<u>23,443,246</u>	<u>113,851,973</u>	<u>22,165,791</u>	
DEFERRED OUTFLOWS OF RESOURCES						
Difference in expected and actual pension/OPEB experience	95,663	85,863	-	181,526	67,210	
Changes in pension/OPEB actuarial assumptions	6,391	6,146	-	12,537	4,426	
Pension/OPEB contributions after measurement date	143,010	115,898	-	258,908	102,388	
Total deferred outflows of resources	<u>245,064</u>	<u>207,907</u>	<u>-</u>	<u>452,971</u>	<u>174,024</u>	
LIABILITIES						
Current liabilities						
Accounts payable	758,170	21,261	-	779,431	416,475	
Accrued liabilities	293,712	70,655	50,335	414,702	344,444	
Lease liabilities	-	-	-	-	25,953	
Unearned revenue	4,689,999	45,808	-	4,735,807	-	
Accrued compensated absences	135,545	115,598	-	251,143	98,658	
Due to other funds	12,613,108	2,022,440	5,903,481	20,539,029	159,452	
Current maturities of certificates	-	-	648,521	648,521	-	
Total current liabilities	<u>18,490,534</u>	<u>2,275,762</u>	<u>6,602,337</u>	<u>27,368,633</u>	<u>1,044,982</u>	
Noncurrent liabilities						
Unearned revenue	-	140,331	-	140,331	-	
Lease liabilities	-	-	-	-	40,426	
Total OPEB liability	198,102	190,541	-	388,643	137,035	
Customer deposits - payable from restricted cash	391,625	-	-	391,625	-	
Accrued compensated absences	201,280	127,146	-	328,426	90,375	
Certificates of obligation payable	-	-	13,788,847	13,788,847	-	
Total noncurrent liabilities	<u>791,007</u>	<u>458,018</u>	<u>13,788,847</u>	<u>15,037,872</u>	<u>267,836</u>	
DEFERRED INFLOWS OF RESOURCES						
Difference in expected and actual pension/OPEB investment experience	20,750	16,650	-	37,400	14,882	
Changes in pension/OPEB actuarial assumptions	15,081	12,100	-	27,181	10,816	
Difference in projected and actual pension/OPEB investment earnings	773,585	620,710	-	1,394,295	554,794	
Total deferred inflows of resources	<u>809,416</u>	<u>649,460</u>	<u>-</u>	<u>1,458,876</u>	<u>580,492</u>	
NET POSITION						
Net investment in capital assets	54,691,258	117,724	1,145,864	55,954,846	5,919,590	
Restricted for pension	854,429	685,578	-	1,540,007	612,773	
Unrestricted	9,541,013	1,497,499	1,906,198	12,944,710	13,914,142	
Total net position	<u>\$ 65,086,700</u>	<u>\$ 2,300,801</u>	<u>\$ 3,052,062</u>	<u>\$ 70,439,563</u>	<u>\$ 20,446,505</u>	

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. 7,425,620

Net position of business-type activities \$ 77,865,183
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, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Sanitation	Stormwater	Total	
Operating revenues					
Charges for Sales and Services:					
Water sales	\$ 11,880,515	\$ -	\$ -	\$ 11,880,515	\$ -
Sewer	6,638,159	-	-	6,638,159	-
Refuse collection	-	3,191,706	-	3,191,706	-
Recycling	-	446,820	-	446,820	-
Stormwater	-	-	711,975	711,975	-
Charges for service	-	-	-	-	4,358,528
Premiums	-	-	-	-	4,595,102
Other revenue	4,555	-	-	4,555	1,717
Total operating revenues	<u>18,523,229</u>	<u>3,638,526</u>	<u>711,975</u>	<u>22,873,730</u>	<u>8,955,347</u>
Operating expenses					
Personnel services	2,661,298	2,099,892	-	4,761,190	1,975,699
Contractual and other services	10,987,227	1,093,869	77,969	12,159,065	1,603,003
Depreciation	2,208,852	7,626	120,250	2,336,728	938,726
Supplies and other	447,205	170,897	-	618,102	279,100
Administrative and fiscal services	600,000	-	-	600,000	948,805
Claims paid and change in estimate	-	-	-	-	3,587,898
Total operating expenses	<u>16,904,582</u>	<u>3,372,284</u>	<u>198,219</u>	<u>20,475,085</u>	<u>9,333,231</u>
Operating Income	<u>1,618,647</u>	<u>266,242</u>	<u>513,756</u>	<u>2,398,645</u>	<u>(377,884)</u>
Nonoperating revenues (expenses)					
Investment income (loss)	(180,731)	3,101	58,134	(119,496)	(139,569)
Interest expense and fiscal charges	-	-	(386,432)	(386,432)	(2,188)
Intergovernmental revenue	162,820	148,864	-	311,684	102,344
Gain on sale of capital assets	-	-	-	-	112,936
Total nonoperating revenues (expenses)	<u>(17,911)</u>	<u>151,965</u>	<u>(328,298)</u>	<u>(194,244)</u>	<u>73,523</u>
Income before transfers	1,600,736	418,207	185,458	2,204,401	(304,361)
Transfers					
Transfers from (to) other funds	<u>575,924</u>	<u>(30,000)</u>	<u>(50,000)</u>	<u>495,924</u>	<u>1,000,000</u>
Total transfers	<u>575,924</u>	<u>(30,000)</u>	<u>(50,000)</u>	<u>495,924</u>	<u>1,000,000</u>
Change in net position	<u>2,176,660</u>	<u>388,207</u>	<u>135,458</u>	<u>2,700,325</u>	<u>695,639</u>
Total net position - beginning	<u>62,910,040</u>	<u>1,912,594</u>	<u>2,916,604</u>		<u>19,750,866</u>
Total net position - ending	<u><u>\$ 65,086,700</u></u>	<u><u>\$ 2,300,801</u></u>	<u><u>\$ 3,052,062</u></u>		<u><u>\$ 20,446,505</u></u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. (68,167)

Change in net position of business-type activities \$ 2,632,158

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

CITY OF UNIVERSITY PARK
Statement of Cash Flows
Proprietary Funds

For the Year ended September 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water and Sewer	Sanitation	Stormwater	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 18,130,714	\$ 3,646,834	\$ 676,605	\$ 22,454,153	\$ 8,945,976
Payments (to) from other funds	(5,376,954)	(137,078)	1,062,063	(4,451,969)	(1,243,555)
Payments to suppliers	(9,455,946)	(1,276,712)	(86,474)	(10,819,132)	(6,114,999)
Payments to employees	(2,902,611)	(2,351,908)	-	(5,254,519)	(1,944,539)
Net cash provided by (used in) operating activities	<u>395,203</u>	<u>(118,864)</u>	<u>1,652,194</u>	<u>1,928,533</u>	<u>(357,117)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from (to) other funds	575,924	(30,000)	(50,000)	495,924	1,000,000
Intergovernmental revenue	162,820	148,864	-	311,684	102,344
Net cash provided by (used in) noncapital financing	<u>738,744</u>	<u>118,864</u>	<u>(50,000)</u>	<u>807,608</u>	<u>1,102,344</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition/disposal of capital assets	9,855,491	-	(15,703,480)	(5,847,989)	(830,693)
Proceeds from sale of certificates of obligation	-	-	14,100,000	14,100,000	-
Principal paid on certificates of obligation	-	-	(580,000)	(580,000)	-
Interest and agent fees paid	-	-	(490,127)	(490,127)	(2,188)
Premium on issuance of certificates of obligation	-	-	1,071,393	1,071,393	-
Proceeds from sale of capital assets	-	-	-	-	117,614
Net cash (used in) capital and related financing activities	<u>9,855,491</u>	<u>-</u>	<u>(1,602,214)</u>	<u>8,253,277</u>	<u>(715,267)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities	(780,404)	-	(780,404)	181,164	
Interest on investments	(180,731)	3,101	58,134	(119,496)	(139,569)
Net cash provided by (used in) investing activities	<u>(961,135)</u>	<u>3,101</u>	<u>58,134</u>	<u>(899,900)</u>	<u>41,595</u>
Net increase (decrease) in cash and cash equivalents	10,028,303	3,101	58,114	10,089,518	71,555
Cash and cash equivalents (including \$401,435 restricted cash), beginning of year	4,375,585	431,856	1,045,985	5,853,426	4,723,889
Cash and cash equivalents (including \$391,625 restricted cash), end of year	<u>\$ 14,403,888</u>	<u>\$ 434,957</u>	<u>\$ 1,104,099</u>	<u>\$ 15,942,944</u>	<u>\$ 4,795,444</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income / (loss)	\$ 1,618,647	\$ 266,242	\$ 513,756	\$ 2,398,645	\$ (377,884)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation expense	2,208,852	7,626	120,250	2,336,728	938,726
(Increase) in due from other funds	(6,369,312)	(753,942)	(4,691,418)	(11,814,672)	(1,397,586)
(Increase) in pension/OPEB and deferred inflows/outflows	(323,860)	(236,133)	-	(559,993)	(133,067)
(Increase) decrease in accounts receivable	(382,343)	8,308	(35,370)	(409,405)	(7,616)
Decrease in prepaid expenses	-	45,808	-	45,808	-
(Increase) in interest receivable	(363)	-	-	(363)	(1,754)
Increase (decrease) in accrued liabilities	(2,038,775)	(27,829)	(8,505)	(2,075,109)	468,033
Increase (decrease) in unearned gain	4,689,999	(45,808)	-	4,644,191	-
Increase (decrease) in due to other funds	992,358	616,864	5,753,481	7,362,703	154,031
Total adjustments	<u>(1,223,444)</u>	<u>(385,106)</u>	<u>1,138,438</u>	<u>(470,112)</u>	<u>20,767</u>
Net cash provided by (used in) operating activities	<u>\$ 395,203</u>	<u>\$ (118,864)</u>	<u>\$ 1,652,194</u>	<u>\$ 1,928,533</u>	<u>\$ (357,117)</u>
NON-CASH INVESTING ACTIVITIES					
Change in the fair value of investments	<u>\$ (219,594)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (219,594)</u>	<u>\$ (181,164)</u>

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



CITY OF UNIVERSITY PARK, TEXAS
Firemen's Relief and Retirement Fund
Statement of Fiduciary Net Position

December 31, 2021

ASSETS	Total
Cash and cash equivalents	
Westwood Trust	\$ 276,129
Texas State Bank	4,017
Total cash and cash equivalents	<u>280,146</u>
Receivables	
Interest receivable	1,434
Total receivables	<u>1,434</u>
Investments at current value:	
Westwood Trust LargeCap Value Equity	1,287,640
Johem International Select I	384,603
Baron Emerging Markets Fund Institutional Shares	893,808
Westwood Trust AllCap Growth Equity	1,267,347
iShares Russell Value Index	770,967
Westwood Trust SMidCap Value Equity	646,632
Westwood Trust SmallCap Value Equity	903,076
Vanguard FTSE Developed Markets Index Funds	764,368
Vanguard Scottsdale Vng Rus2000grw	252,571
Westwood Trust Core Investment Grade Bond	1,890,396
Westwood High Income Fund	883,591
Westwood Total Return Fund	1,261,803
Westwood Alternative Income Fund	630,098
Westwood Trust Income Opportunity	888,795
Total investments at current value	<u>12,725,695</u>
Total assets	<u>13,007,275</u>
LIABILITIES	
Accounts payable	<u>17,583</u>
Total Liabilities	<u>17,583</u>
NET POSITION	
Net position restricted for pensions	<u>\$ 12,989,692</u>

CITY OF UNIVERSITY PARK, TEXAS
Fireman's Relief and Retirement Fund
Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2021

ADDITIONS

Investment income:

Net depreciation in fair value of investments	\$ (177,850)
Gain on sale of investments:	
Realized gain on sale of investments	1,265,932
Interest and dividend income	<u>201,829</u>
	1,289,911
Less investment expenses	<u>(104,383)</u>
Net investment income	<u><u>1,185,528</u></u>

Contributions:

Employer	1,422,524
Employees	<u>331,198</u>
Total contributions	1,753,722
Total additions	<u><u>2,939,250</u></u>

DEDUCTIONS

Benefits paid directly to participants	1,577,849
Rollover of contributions	12,258
Lump sum distributions	202,398
Administration expenses	<u>13,860</u>
Total deductions	<u><u>1,806,365</u></u>
Net increase in net position	<u><u>1,132,885</u></u>

NET POSITION RESTRICTED FOR PENSIONS

Beginning of year	<u>11,856,807</u>
End of year	<u><u>\$ 12,989,692</u></u>



CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

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 2022. Therefore, this component unit is not presented in the City's fiscal year 2022 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

Notes to Financial Statements

September 30, 2022

As of September 30, 2022, SWHEA had issued seven series of bonds with an aggregate outstanding principal amount payable of \$416,750,000. 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 2022.

Fiduciary component unit. The University Park Firemen's Relief and Retirement Fund (FRRF) is established under the authority of the Texas Local Firefighters' Retirement Act passed in 1937 by the Texas State Legislature. FRRF is governed by seven trustees composed of the Mayor or his designee, the Director of Finance of the City, or his designee, three firefighters elected by majority of firefighters, and two citizens who are not officers or employees of the City and who must be elected by the majority vote of the board of trustees. FRRF is reported as a fiduciary component unit in the accompanying financial statements as a pension trust fund, under the provision of GASB 84 and GASB 14, as amended. The financial information included in these statements is as of FRRF's year end, December 31, 2021.

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. 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 and fiduciary 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. Any amounts collected beyond the 60 days are recorded as deferred inflows of resources.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, net pension liabilities, other post-employment benefits, leases, 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 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 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.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

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

Additionally, the City reports the following fund types:

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.

Technology Services Fund – Accounts for the costs associated with the acquisition and maintenance of the City's array of computer systems, application software, network infrastructure, and internet web presence.

Fiduciary funds:

Firemen's Relief and Retirement Fund – Accounts for the benefits provided for service retirement, death, disability, and withdrawal benefits for full-time firefighters and administrative personnel who work for the fire department.

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, technology 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

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

negative residual fund balance. For further explanation of the various fund balance classifications refer to Note I.D.11.

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. Investments are carried at fair value, except for the position in local government investment pools. Fair value is determined as the price at which two willing parties would complete an exchange. The City uses a modified 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 obligations of the United States or its agencies and instrumentalities, direct obligations of the State of Texas or its agencies; other obligations of which the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States, obligations of states, agencies, counties, cities and other political subdivisions, fully collateralized direct repurchase agreements, certificates of deposit, and local government investment pools. Unless backed by the full faith and credit of the U.S. government, investments in collateralized mortgage obligations are strictly prohibited. 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.

Lease Receivable – The City recognizes a lease receivable and deferred inflow of resources in the government-wide and governmental funds financial statements.

At implementation of GASB Statement No. 87, *Leases*, and the commencement of lease beginning after October 1, 2021, the City initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the lessee's rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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.

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, Technology 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."

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

6. Capital and lease assets

Capital and lease 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 and lease 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Completed capital projects that do not meet both of these criterions are 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 and lease assets are depreciated using the straight-line method over the following estimated useful lives or lease term, whichever is shorter:

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

7. Unearned Revenues

Governmental funds report a liability, unearned revenues, in connection with resources that have been received, but not yet earned, which consists primarily of grant dollars received in advance of incurring eligible expenditures

8. 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 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 Governmental Funds, Proprietary Funds, or Internal Service Funds based upon the assignment of the employee at termination.

9. Long-term obligations

In addition to the portion of compensated absences estimated payable after September 30, 2022, the City also recognizes the actuarial determined net pension liability and other post-employment benefits as long-term obligations of the City.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Additionally, in the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

Lease liability – The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government wide fund financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease right-to-use asset was initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease right-to use asset is amortized on a straight-line basis over its useful life.

The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

10. Net Position

Net position represent the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources of governmental and business-type activities and proprietary funds. The government-wide and proprietary fund financials utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This amount consists of capital and lease assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt, that are attributable to acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Restricted Net Position – This amount is restricted by external parties such as creditor, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

11. 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 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.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

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.

12. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and OPEB liability (asset), deferred outflows and deferred inflows of resources and expenses, 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 the 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 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 area. Investments are reported at fair value.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

13. 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/expenditures) 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 three 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 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. (3) The changes in actuarial assumptions 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 five items that qualify 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. Deferred amounts are reported for leases in which the City is the lessor. This deferred amount is initially recorded to offset the total lease receivable at the commencement of the lease. It is subsequently amortized as lease revenue over the life of the lease term. At the government-wide level, the changes in actuarial assumptions for the current year and 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 are deferred and amortized over a period of years determined by the plan actuary. The difference between projected and actual earnings on pension plan investments are not deferred but recognized as pension plan income over a closed five-year period as required by GASB 68 and GASB 75.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

The deferred outflows/inflows as of September 30, 2022 for the City's pension and OPEB plans are as follow:

	TMRS	FRRF	OPEB	TOTAL
Government-wide				
Deferred Outflows of Resources				
Difference between expected and actual experience	\$ 357,779	\$ -	\$ 544,838	\$ 902,617
Changes in actuarial assumptions	- 1,225,413	60,982	1,286,395	
Employer's contributions after measurement date	1,259,996	812,276	68,696	2,140,968
Total	\$ 1,617,775	\$ 2,037,689	\$ 674,516	\$ 4,329,980
Deferred Inflows of Resources				
Difference between expected and actual experience	\$ 192,511	\$ 541,226	\$ -	\$ 733,737
Changes in actuarial assumptions	139,910	-	-	139,910
Difference in projected and actual investment earnings	7,176,952	675,812	-	7,852,764
Total	\$ 7,509,373	\$ 1,217,038	\$ -	\$ 8,726,411
Proprietary Funds				
Deferred Outflows of Resources				
Difference between expected and actual experience	\$ 69,507	\$ -	\$ 112,019	\$ 181,526
Changes in actuarial assumptions	-	-	12,537	12,537
Employer's contributions after measurement dates	244,784	-	14,124	258,908
Total	\$ 314,291	\$ -	\$ 138,680	\$ 452,971
Deferred Inflows of Resources				
Difference between expected and actual experience	\$ 37,400	\$ -	\$ -	\$ 37,400
Changes in actuarial assumptions	27,181	-	-	27,181
Difference in projected and actual investment earnings	1,394,295	-	-	1,394,295
Total	\$ 1,458,876	\$ -	\$ -	\$ 1,458,876
Internal Service Funds				
Deferred Outflows of Resources				
Difference between expected and actual experience	\$ 27,656	\$ -	\$ 39,554	\$ 67,210
Changes in actuarial assumptions	-	-	4,426	4,426
Employer's contributions after measurement dates	97,401	-	4,987	102,388
Total	\$ 125,057	\$ -	\$ 48,967	\$ 174,024
Deferred Inflows of Resources				
Difference between expected and actual experience	\$ 14,882	\$ -	\$ -	\$ 14,882
Changes in actuarial assumptions	10,816	-	-	10,816
Difference in projected and actual investment earnings	554,794	-	-	554,794
Total	\$ 580,492	\$ -	\$ -	\$ 580,492

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

14. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

15. Implementation of GASB Statement No. 87, Leases

Effective October 1, 2021, the City implemented GASB 87, *Leases* (GASB 87). The Statement establishes a single model for lease accounting based on the principle that leases represent the financing of the right to use an underlying asset. The adoption of GASB 87 resulted in changes in presentation of financial statements and related disclosures in the notes to the financial statements. The adoption of GASB 87 had no impact on the primary government's beginning net position.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

E. Implementation of new accounting principles

The City has reviewed GASB pronouncements that become effective in future years and notes the following statements are applicable to the City.

Statement No. 91, *Conduit Debt Obligations*: This statement provides a single method of reporting conduit debt and clarifies that these obligations are not government liabilities. This statement will be effective for the City in fiscal year 2023. The City will evaluate the potential impact of the City's net position.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*: This statement addresses issues related to public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). This statement will be effective for the City in fiscal year 2023. The City will evaluate the potential impact on the City's net position.

Statement No. 96, *Subscription-Based Information Technology Arrangements*: This statement provides guidance on subscription-based information technology arrangements (SBITAs) to further report on the government's obligations and assets from SBITAs. This statement will be effective for the City in fiscal year 2023. The City will evaluate the potential impact on the City's net position.

GASB Statement No. 100, *Accounting Changes and Error Corrections*: An amendment to GASB Statement No. 62 - This statement improves the clarity and requirements for accounting changes and error corrections. This statement will be effective for the City in fiscal year 2024.

GASB Statement No. 101, *Compensated Absences*: This statement addresses the recognition and measurement of compensated absences. This statement will be effective for the City in fiscal year 2025. The City will evaluate the potential impact on the City's net position.

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.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

B. Excess of expenditures over appropriations

For the year ended September 30, 2022, expenditures exceeded appropriations in the Human Resources, Library, Engineering, and Parks departments (the legal level of budgetary control) of the General Fund by \$54,689. 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, 2022

III. DETAILED NOTES ON ALL FUNDS

A. Deposits

1. Cash

At September 30, 2022, the carrying amount of the City's bank deposits was \$23,418,071 and the bank balance was \$23,386,977. 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, 2022, the bank balance was completely covered by federal depository insurance or by collateral held by the City's agent in the City's name. Cash on hand equaled \$4,200. Restricted cash totaled \$845,308.

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, 2022, the City held the following balances in pooled funds:

Pool:	Weighted Average		Credit Rating (Standard & Poor's)
		Maturity (in Days)	
TexPool	\$ 5,531,768	25	AAAm
TexSTAR	1,462,474	16	AAAm
TexasDaily	<u>14,693,664</u>	21	AAAm
	<u>\$ 21,687,906</u>		

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

B. Investments and Deposits

In fiscal year 2016, the City adopted GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*. GASB 72 was issued to address accounting and financial reporting issues related to fair value measurement.

Fair Value Measurements – The City categorizes its fair value measurements within the fair market value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- i. Level 1 inputs quoted prices in active markets for identical assets;
- ii. Level 2 inputs are significant observable inputs for the asset other than quoted prices; and
- iii. Level 3 inputs are significant unobservable inputs for an asset.

As of September 30, 2022, the City held the following investments:

Investment Type	As of September 30, 2022		Weighted Average Maturity (in Days)
	Level 2		
U.S. Treasury	\$ 1,168,193		1,388
U.S. Agencies	9,182,600		1,169
Municipal Bonds	4,168,461		459
Certificates of Deposit	14,057,503		839
	\$ 28,576,757		915

Combined (pooled funds and investments) weighted average maturity 371

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

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 (50%), Local Government Investment Pools (50%), and Municipal Bonds (20%). The actual percentages of these deposits and investments at September 30, 2022 are 32%, 13%, 20%, 29% and 6%, 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, 2022

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:							
Property tax	\$ 220,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,137
Sales Tax	1,269,413	-	-	-	-	-	1,269,413
Franchise	392,049	-	-	-	-	-	392,049
Customers	279,153	3,084,671	537,291	112,844	4,776	-	4,018,735
Lease	2,880,069	-	-	-	-	-	2,880,069
Interest	85,591	1,751	-	-	725	-	88,067
Other	623,442	1,079	-	-	9,333	35,500	669,354
Gross Receivables	5,749,854	3,087,501	537,291	112,844	14,834	35,500	9,537,824
Less: Allowance for Uncollectibles	(316,991)	(53,000)	(12,500)	-	-	-	(382,491)
Net Total Receivables	\$ 5,432,863	\$ 3,034,501	\$ 524,791	\$ 112,844	\$ 14,834	\$ 35,500	\$ 9,155,333

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, 2021 was \$13,334,668,920. The taxable value (assessed value less exemptions) upon which the fiscal 2022 levy based was \$8,552,028,638.

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, 2022 was \$0.264388 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, 2022 were 100% of the tax levy.

Property taxes levied for fiscal year 2022 have been recorded as receivables, net of estimated uncollectible amounts. The net receivables collected during 2022 and those considered "available" at September 30, 2022 (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2022. The remaining receivables have been reflected as unavailable revenue in the fund statements.

In Texas, 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

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

sets the tax rate on City property.

However, if the effective tax rate, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the maintenance and operating tax rate to no more than 8% above the effective tax rate of the previous year. During the fiscal year, the state legislative passed a tax reform measure that among other things made a rollback election mandatory if property tax revenue will be more than 3.5% more than the "no new revenue rate" formerly known as the effective rate.

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.

The City leases a portion of its property to various cell phone companies and businesses who use the space to conduct their operations, the terms of which expire in various years through 2046. The measurement of the lease receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments.

The City recognized \$97,213 in lease revenue during the current fiscal year related to these leases. As of September 30, 2022, the City's receivable for lease payments was \$2,880,069. Also the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of September 30, 2022, the balance of the deferred inflow of resources was \$2,846,382.

The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of September 30, 2022.

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2023	\$ 78,749	\$ 105,335	\$ 184,084
2024	84,226	102,488	186,714
2025	92,203	99,363	191,566
2026	100,622	95,945	196,567
2027	109,501	92,215	201,716
2028-2032	596,042	399,755	995,797
2033-2037	776,974	275,059	1,052,033
2038-2042	651,114	151,198	802,312
2043-2046	390,638	33,837	424,475
Total	\$ 2,880,069	\$ 1,355,195	\$ 4,235,264

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

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.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

E. Capital and lease assets

Capital and lease asset activity for the year ended September 30, 2022 was as follows:

	Beginning Balance *	Additions	Retirement / Sale	Transfers	Ending Balance
Governmental activities:					
Capital assets, non-depreciable:					
Land	\$ 11,640,078	\$ -	\$ -	\$ 651,636	\$ 12,291,714
Construction in progress	7,892,823	4,039,572	(27,895)	(9,268,000)	2,636,500
Capital and lease assets, depreciable/amortized:					
Buildings	17,561,145	-	-	-	17,561,145
Improvements	55,937,114	-	-	2,149,424	58,086,538
Equipment	20,222,202	839,693	(332,775)	5,982,569	26,711,689
Lease asset	144,410	-	-	-	144,410
Infrastructure	13,321,667	-	-	484,371	13,806,038
Total capital and lease assets	126,719,439	4,879,265	(360,670)	-	131,238,034
Less accumulated depreciation/amortization for:					
Buildings	(6,910,629)	(426,798)	-	-	(7,337,427)
Improvements	(20,886,917)	(2,353,758)	-	-	(23,240,675)
Equipment	(11,979,021)	(1,505,326)	318,899	-	(13,165,448)
Lease asset	-	(21,212)	-	-	(21,212)
Infrastructure	(5,868,990)	(451,593)	-	-	(6,320,583)
Total accumulated depreciation/amortization	(45,645,557)	(4,758,687)	318,899	-	(50,085,345)
Governmental activities capital and lease assets, net	\$ 81,073,882	\$ 120,578	\$ (41,771)	\$ -	\$ 81,152,689

* Fiscal year 2021 amounts have been restated for GASB 87

	Beginning Balance	Additions	Retirement / Sale	Transfers	Ending Balance
Capital assets, non-depreciable:					
Land	\$ 108,758	\$ -	\$ -	\$ -	\$ 108,758
Construction in progress	19,649,666	5,366,943	-	(22,691,997)	2,324,612
Capital assets, depreciable:					
Buildings	54,594	-	-	-	54,594
Improvements	96,020,465	481,047	-	14,429,953	110,931,465
Equipment	338,107	-	-	2,695,710	3,033,817
Infrastructure	-	-	-	5,566,334	5,566,334
Total capital assets	116,171,590	5,847,990	-	-	122,019,580
Less accumulated depreciation for:					
Buildings	(54,594)	-	-	-	(54,594)
Improvements	(48,855,123)	(2,222,260)	-	-	(51,077,383)
Equipment	(201,369)	(68,083)	-	-	(269,452)
Infrastructure	-	(46,385)	-	-	(46,385)
Total accumulated depreciation	(49,111,086)	(2,336,728)	-	-	(51,447,814)
Business type activities capital assets, net	\$ 67,060,504	\$ 3,511,262	\$ -	\$ -	\$ 70,571,766

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

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

Governmental activities:

General Government	\$ 2,021,470
Public Safety	682,002
Public Works	486,590
Parks	776,827
Streets	<u>791,798</u>
Total depreciation/amortization expense – Governmental activities	<u>\$ 4,758,687</u>

Business-Type activities:

Water and Sewer	\$ 2,208,852
Sanitation	7,626
Stormwater	<u>120,250</u>
Total depreciation expense – Business type activities	<u>\$ 2,336,728</u>

The government has active construction projects as of September 30, 2022. The projects include drainage and sewerage improvements, utility improvements, and various infrastructure improvements and renovations.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Construction in progress at September 30, 2022 is as follows:

	Balance at 09/30/2021	Expended in FY2022	Capitalized or expensed	Balance at 09/30/2022
Governmental Projects				
Cartograph Upgrade	\$ 110,374	\$ 13,203	\$ 123,577	\$ -
Server/Network Replacement	621,750	6,240	627,990	-
McFarlin East - Dublin to Central	2,000	-	-	2,000
Tennis Court Resurfacing Program	53,090	37,717	90,807	-
Central Expressway Bridge Landscape	62,878	6,500	-	69,378
Table and Bench Replacement	35,542	-	-	35,542
Curtis Park - West	15,612	386,893	402,505	-
Williams Park West	17,607	7,864	-	25,471
Lovers/Preston Landscaping	72,325	660,915	733,240	-
Fountain Replacement	2,000	28,008	-	30,008
Reservation System Software	-	24,700	-	24,700
Park Furnishings	-	20,348	-	20,348
Germany Park/Roach Track	-	106,939	106,939	-
Structural Repairs at HAC	-	87,250	87,250	-
Playground Resurfacing	-	105,566	105,566	-
Athletic Field Replacement	-	24,688	-	24,688
Radio System Comprehensive Replacement	4,133,365	404,297	4,537,662	-
Building Security Enhancements	159	-	-	159
LPR Systems Phase II	175,977	1,600	-	177,577
Fire Bay Door Replacement	-	32,349	-	32,349
Opticom System	-	313,349	313,349	-
Dispatch Console Replacement	-	161,556	161,556	-
Taser	-	121,569	121,569	-
Dallas County MCIP Master Plan	-	2,690	2,690	-
4419 Service Center Fuel Tank Replacement	74,443	-	-	74,443
4419 Service Center Reconstruction - Design/Build	827,288	39,871	-	867,159
Snider Plaza Area Design	254,779	472,598	-	727,377
Traffic Signal Replacement	691,558	94,858	786,416	-
Snider Plaza Area Construction	15,313	40,069	55,382	-
Sidewalk Replacement	354,097	-	354,097	-
Master Plan Consulting	263,197	84,188	347,385	-
4236 Lovers Lane Improvements	25,205	-	25,205	-
Sidewalk Replacement Program	34,331	216,363	250,694	-
Traffic Signal Replacement	-	76,235	-	76,235
Miracle Mile Street Replacement	49,933	286,545	-	336,478
City Hall Chiller Rebuild	-	62,016	62,016	-
GPS Monument Updates	-	76,713	-	76,713
Pavement Analysis	-	35,875	-	35,875
Total	\$ 7,892,823	\$ 4,039,572	\$ 9,295,895	\$ 2,636,500
Business-Type Projects				
Water Meter Replacement	2,607,728	87,981	2,695,709	-
Snider Plaza Area Design	512,103	88,698	-	600,801
Storm Water Projects Phase 1 Design	1,134,310	139,217	-	1,273,527
Storm Water Improvements AOI-1	5,206,745	3,658	5,210,403	-
Turtle Creek Sewer Interceptor	224,482	179,553	-	404,035
Snider Plaza Area Construction	3,152,301	2,414,033	5,566,334	-
Phase 2 Stormwater Improvements	6,811,997	2,407,554	9,219,551	-
Transfer Station Compactor Overhaul	-	46,249	-	46,249
Total	\$ 19,649,666	\$ 5,366,943	\$ 22,691,997	\$ 2,324,612
City Total	\$ 27,542,489	\$ 9,406,515	\$ 31,987,892	\$ 4,961,112

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

F. Interfund receivables, payables and transfers

Individual interfund receivable and payable balances at September 30, 2022 were as follows:

Receivable Fund	Payable Fund	
General	Water and Sewer	\$ 11,084,737
	UP Civic Foundation	2,888
	Technology Services	69,012
	Parks Projects and Program	1,218
Water and Sewer	General	3,020,125
	Sanitation	90,014
	Stormwater	199,999
Sanitation	General	3,506,945
Stormwater	General	6,643,071
Capital Projects - Water and Sewer	Capital Projects - Stormwater	5,703,481
Capital Projects - Gen Govt	General	8,392,867
	Capital Projects - Water and Sewer	87,982
Self-Insurance	General	2,693,152
	Water and Sewer	88,990
	Sanitation	183,430
	Capital Projects - Gen Govt	78
	Technology Services	1,236
	Equipment Services	18,722
Technology Services	General	1,000,000
	Self-Insurance	55,032
Equipment Service	General	1,885,044
	Water and Sewer	1,351,399
	Sanitation	1,748,996
Fire Training and Education	General	16,420
	Equipment Services	15,450
Court Security	General	133,102
Court Technology	General	49,428
Police Training and Education	General	24,235
Library	General	48,776
	<u>Total</u>	<u>\$ 48,115,829</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.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Interfund transfers during the year ended September 30, 2022 were as follows:

	Transfer Out		Transfer In			
	Capital Projects	Water and Sewer	Internal Service Funds	Total		
General Fund	\$ 4,979,994	\$ 495,924	\$ 1,000,000	\$ 6,475,918		
Sanitation	-	30,000	-	30,000		
Stormwater	-	50,000	-	50,000		
	\$ 4,979,994	\$ 575,924	\$ 1,000,000	\$ 6,555,918		

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 2022.

G. Long-term liabilities

The following is a summary of changes in long-term obligations for the year ended September 30, 2022.

	Beginning						
	Balance,			Ending	Due Within		
	as restated	Additions	Deductions				
Governmental activities							
Compensated absences	\$ 2,683,081	\$ 174,667	\$ (217,630)	\$ 2,640,118	\$ 1,325,169		
Leases payable	144,410	-	(43,663)	100,747	43,228		
Business type activities							
Compensated absences	\$ 667,068	\$ 48,041	\$ (135,540)	\$ 579,569	\$ 251,143		
Certificates of obligation	-	14,100,000	(580,000)	13,520,000	510,000		
Unamortized premium	-	1,071,393	(154,025)	917,368	138,521		

In November 2021, the City issued \$14,100,000 of Combination Tax and Revenue Certificates of Obligation Series 2021. The interest rate on the certificates of obligation ranges from 2% to 4% and maturity date is February 15, 2041.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

The debt service requirements for the City's certificates of obligation are as follows:

Fiscal Year	Business-type Activities			Total
	Principal	Interest		
2023	\$ 510,000	\$ 392,450		\$ 902,450
2024	530,000	371,650		901,650
2025	550,000	350,050		900,050
2026	575,000	327,550		902,550
2027	595,000	304,150		899,150
2028-2032	3,365,000	1,135,750		4,500,750
2033-2037	3,945,000	560,225		4,505,225
2038-2042	3,450,000	146,413		3,596,413
	<u>\$ 13,520,000</u>	<u>\$ 3,588,238</u>		<u>\$ 17,108,238</u>

The City's general fund has agreements for equipment, the terms of which expire in various years through 2025. During the fiscal year ended September 30, 2022, the City did not recognize any rental expense for variable payments not previously included in the measurement of the lease liability.

The following is a schedule of payments under leases as of September 30, 2022:

Fiscal Year	Governmental Activities			Total
	Principal	Interest		
2023	\$ 43,228	\$ 2,430		\$ 45,658
2024	37,447	1,222		38,669
2025	20,072	184		20,256
Total	<u>\$ 100,747</u>	<u>\$ 3,836</u>		<u>\$ 104,583</u>

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

H. Component Unit

As stated in Note I.A., SWHEA has a December 31 year-end. As of September 30, 2022, the City's General Fund had a \$55,000 due to balance to SWHEA. The Statement of Net Position and Statement of Activities for this component unit are presented on the face of the government-wide financial statement.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

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 Liability/Medical Payments	5,000,000/25,000	100,000/100,000
Automobile Physical Damage	Actual Cash Value	10,000
Automobile Catastrophe	6,600,000	25,000
Real and Personal Property	91,230,806	25,000
Boiler and Machinery	36,000,000	25,000
Mobile Equipment	2,633,724	500
Employee Theft	5,000,000	25,000
Forgery and Alteration	250,000	25,000
Computer Fraud	5,000,000	25,000
Cyberinsurance	5,000,000	100,000

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 \$115,000 per occurrence and an aggregate stop loss of \$4,118,185 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, 2022

Unpaid claims liability of \$297,070 is included in the accrued liabilities of the Comprehensive Self-Insurance Internal Service Fund.

Changes in the balances of unpaid claims liabilities during 2022 and 2021 were as follows:

	2022	2021
Unpaid claims, beginning of year	\$ 264,813	\$ 259,071
Current year claims (including IBNR) and change in estimate	3,587,898	3,549,879
Claim Payments	<u>(3,555,641)</u>	<u>(3,544,137)</u>
Unpaid claims, end of year	<u><u>\$ 297,070</u></u>	<u><u>\$ 264,813</u></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 2022 rate for treated water was \$2.5759 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 2022, the cost of water purchased under this contract was \$5,499,383.

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 2022, the cost of sewage disposal under this contract was \$3,900,584 at a rate of \$3.1433 per 1,000 gallons.

2. Commitments

The City has contractual commitments of \$393,782 in the General Fund, \$13,648,183 in the Capital Projects Fund and \$475,914 in other non-major governmental funds. These commitments are for various purchases and construction projects and will be funded by various general governmental revenues.

3. Contingencies and Uncertainties

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 effect on the City's financial position.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

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 PEBS CO) plan and/or the Mission Square Retirement (formerly 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 Mission Square, respectively. The plans, available to all regular employees, permit deferral of up to \$20,500 of compensation (\$27,000 for those over 50) in 2022. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City does not contribute to these plans.

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 over 920 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of the System with a six-member, governor appointed Board of Trustees, however TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available annual comprehensive financial report that can be obtained at www.TMRS.com.

All eligible employees of the City are required to participate in TMRS (except for certain City 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, 2022

Plan provisions for the City were as follows:

	Plan Year 2021
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% (Ad Hoc)
Transfer Service Credit	100% (Ad Hoc)
Annuity increase (to retirees)	70% of CPI (Ad Hoc)

On the actuarial valuation measurement date of December 31, 2021, the following employees/beneficiaries were covered by the benefit terms:

Membership	
Number of:	
Retirees or beneficiaries currently receiving benefits	189
Terminated employees entitled to but not yet receiving benefits	52
Active employees	<u>221</u>
Total	<u><u>462</u></u>

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 were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rate for the City of University Park was 9.17% and 8.69% in calendar years 2021 and 2022, respectively.

The City's contributions to TMRS for the year ended September 30, 2022 was \$1,719,415, and was equal to required contributions.

Net Pension Liability/Asset

The City's Net Pension Liability/(Asset) (NPL/NPA) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability/(Asset) was determined by an actuarial valuation as of that date.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Actuarial Assumptions

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall Payroll Growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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 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:

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.55%
Core fixed income	6.00%	2.00%
Non-core fixed income	20.00%	5.68%
Other Public and Private Markets	12.00%	7.22%
Real estate	12.00%	6.85%
Hedge Funds	5.00%	5.35%
Private equity	<u>10.00%</u>	10.00%
	<u><u>100.00%</u></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, 2022

Changes in the Net Pension (Asset) Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Increase (Decrease)	Net Pension (Asset) Liability (a)-(b)
Balance at 12/31/2020	\$ 106,255,291	\$ 106,963,649	\$ (708,358)	
Changes for the year:				
Service cost	2,337,154	-	2,337,154	
Interest	7,034,128	-	7,034,128	
Difference between expected and actual experience	142,559	-	142,559	
Changes in assumptions	-	-	-	
Contributions - employer	-	1,598,054	(1,598,054)	
Contributions - employee	-	1,271,180	(1,271,180)	
Net investment income	-	13,927,319	(13,927,319)	
Benefit payments, including refunds of employee contributions	(6,429,139)	(6,429,139)	-	
Administrative expenses	-	(64,520)	64,520	
Other changes	-	442	(442)	
Net changes	<u>3,084,702</u>	<u>10,303,336</u>	<u>(7,218,634)</u>	
Balance at 12/31/2021	<u>\$ 109,339,993</u>	<u>\$ 117,266,985</u>	<u>\$ (7,926,992)</u>	

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-precentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 4,402,977	\$ (7,926,992)	\$ (18,320,528)

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, 2022

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

For the year ended September 30, 2022, the City recognized pension income of \$1,801,154.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 357,779	\$ 192,511
Changes in actuarial assumptions	-	139,910
Net difference between projected and actual earnings on pension plan investments	-	7,176,952
Employer's contributions to the pension plan subsequent to the measurement date	<u>1,259,996</u>	-
Total	<u>\$ 1,617,775</u>	<u>\$ 7,509,373</u>

\$1,259,996 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:

2023	\$	(1,386,446)
2024	(3,025,675)	
2025	(1,418,731)	
2026	<u>(1,320,742)</u>	
Total	<u>\$ (7,151,594)</u>	

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

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 November 01, 2017, in the University Park Fire Department are covered by the FRRF and also contribute to the FRRF.

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, 2020 (the most recent actuarial valuation) are as follows:

Number of:	12/31/2020
Retirees and beneficiaries currently receiving benefits	47
Terminated employees entitled to, but not yet receiving benefit	0
Active members	28
 Total	 75

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.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Net Pension Liability

The City's Net Pension Liability was measured as of December 31, 2021, based on an actuarial valuation date as of December 30, 2020, and the Total Pension Liability used to calculate the Net Pension Liability was determined by an actuarial valuation performed 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, 2022

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 City contribution continued at 28.72% of pay and the employee contribution remained unchanged at 10.00%.

The City's normal contribution to the FRRF for the year ended September 30, 2022, was \$1,124,913, and was equal to the required contributions.

General Actuarial Assumptions:

The long-term expected rate of return on pension plan investments is 7.25%. 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.

Valuation date	12/31/2020
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, closed period
Remaining amortization period	28.75 years
Asset valuation method	5-year adjusted market value
Inflation	3.00% per year
Investment rate of return	7.50%, net of investment expense
Projected salary increases	General wage increase (3%) plus promotion, step, and longevity increases that vary by age and service
Cost-of-living adjustments	None
Retirement Age for vested terminated members	Rates that vary by age and service
Mortality	PubS-2010 (public safety) total dataset mortality tables for employees and retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2018.
Other information	The plan was closed to new entrants effective November 1, 2017

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

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	24.00%	5.60%
Domestic small/mid cap	9.00%	6.10%
International developed	9.00%	6.10%
Emerging markets	14.00%	7.60%
Alternatives		
Income opportunity	6.00%	4.10%
Flexible income	5.00%	3.60%
Global Convertibles	5.00%	3.10%
Fixed income		
Domestic core	16.00%	1.10%
High yield	5.00%	2.60%
International developed	5.00%	1.60%
Cash	<u>2.00%</u>	0.00%
Total	<u>100.00%</u>	
Weighted Average		4.47%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. No projection of cash flows was used to determine the discount rate because the December 31, 2020 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 27 years. Because of the 27-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.25%, net of investment-related expenses, was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Changes in the Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2020	\$ 26,786,829	\$ 11,856,807	\$ 14,930,022
Changes for the year:			
Service cost	461,579	-	461,579
Interest	1,910,531	-	1,910,531
Contributions - employer	-	1,422,524	(1,422,524)
Contributions - employee	-	331,198	(331,198)
Net Investment income	-	1,185,528	(1,185,528)
Benefit payments, including refunds of employee contributions	(1,792,505)	(1,792,505)	-
Administrative expense	-	(13,860)	13,860
Net changes	<u>579,605</u>	<u>1,132,885</u>	<u>(553,280)</u>
Balance at 12/31/2021	<u>\$ 27,366,434</u>	<u>\$ 12,989,692</u>	<u>\$ 14,376,742</u>

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

The following presents the net pension liability of the City of University Park, calculated using the discount rate of 7.25%, compared to what the city's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
\$ 17,697,289	\$ 14,376,742	\$ 11,603,662

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

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

For the year ended September 30, 2022, the City recognized pension expense of \$1,261,036.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual economic experience	\$ -	\$ 541,226
Changes in actuarial assumptions	1,225,413	-
Difference between projected and actual investment earnings	-	675,812
Contributions subsequent to the measurement date	<u>812,276</u>	-
Total	<u>\$ 2,037,689</u>	<u>\$ 1,217,038</u>

The contributions of \$812,276 made by the City to the Fund subsequent to the measurement date of the net pension liability, December 31, 2021, through September 30, 2022 is a deferred outflow of resources that will be recognized as a reduction in the net pension liability in the fiscal year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows/(Inflows) of Resources
2023	\$ 166,043
2024	(125,111)
2025	72,633
2026	(84,644)
2027	(19,080)
Thereafter	<u>(1,466)</u>
Total	<u>\$ 8,375</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, 2022

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, 2022, 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 2022 range from \$11,128 to \$50,367 per year, depending on coverage levels.

At the December 31, 2021 measurement date, based on an actuarial valuation date as of December 31, 2020, the following employees were covered by the benefit terms:

	Valuation date
	12/31/2020
Number of:	
Inactive plan members or beneficiaries currently receiving benefits	10
Inactive plan members entitled to but not yet receiving benefits	0
Active plan members	<u>242</u>
 Total	 <u>252</u>

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Total OPEB Liability

The City's Total OPEB Liability was measured as of December 31, 2021 and the Total OPEB liability was determined by an actuarial valuation performed as of December 31, 2020.

Total OPEB liability

Service cost	\$ 79,806
Interest on the total OPEB liability	39,340
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	38,167
Changes of assumptions	(132,113)
Benefit payments	<u>(124,005)</u>
Net change in total OPEB liability	(98,805)
Total OPEB liability - beginning	<u>1,989,093</u>
Total OPEB liability - ending	<u>\$ 1,890,288</u>

Covered-employee payroll	21,947,477
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Total OPEB liability as a percentage of covered-employee payroll	8.61%
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Changes of assumptions reflect a change in the discount rate from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021. Additionally, the period of service used for the allocation of service costs was changed to only reflect service with the City of University Park.

The benefit payments during the measurement period were determined as follows:

- a. Age-adjusted premiums \$ 269,551 (retiree contributions * 1.852)
- b. Retiree contributions (145,546) (data provided by the City)
- c. Total benefit payments \$ 124,005

The 1.852 factor equals the ratio of the expected retiree claims to the expected retiree contributions.

The underlying retiree claims were estimated using age-adjusted premiums.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Actuarial assumptions

The actuarial assumptions used to value the liabilities are the same as those used in the valuation report as of December 31, 2020, which include the following:

	12/31/2020
Valuation date	
Actuarial cost method	Individual Entry age
Discount Rate	1.84% as of December 31, 2021 (2.00% as of December 31, 2020)
Inflation	2.50%
Salary increase rate	3.50% to 11.50%, including inflation
Demographic assumptions	Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.
Health care trend rates	Initial rate of 6.80% declining to an ultimate rate of 4.25% after 12 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 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021. Additionally, the period of service used for the allocation of service costs was changed to only reflect the City of University Park.

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 the discount rate when calculating it at 1-percentage-point-lower (0.84%) and 1-percentage-point-higher (2.84%).

	Current Discount		
	1% Decrease 0.84%	Rate Assumption 1.84%	1% Increase 2.84%
\$	2,046,124	\$ 1,890,288	\$ 1,747,640

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

The following table presents the sensitivity of the Total OPEB Liability to changes in the 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
\$ 1,706,144	\$ 1,890,288	\$ 2,105,223

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$220,664.

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 544,838	\$ -
Changes in actuarial assumptions	262,576	201,594
Employer's contributions to the OPEB plan subsequent to the measurement date	<u>68,696</u>	<u>-</u>
Total	<u>\$ 876,110</u>	<u>\$ 201,594</u>

\$68,696 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, 2023.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2022

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30		Net Deferred Outflows/(Inflows) of Resources
2023	\$	101,518
2024		101,518
2025		101,518
2026		101,518
2027		95,900
Thereafter		<u>103,848</u>
Total	\$	<u>605,820</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.

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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 8 years

	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability								
Service cost	\$ 1,721,395	\$ 1,850,469	\$ 2,038,054	\$ 1,991,805	\$ 2,078,241	\$ 2,176,926	\$ 2,260,839	\$ 2,337,154
Interest (on the Total Pension Liability)	5,398,451	5,596,121	5,747,031	5,956,942	6,468,373	6,617,043	6,816,210	7,034,128
Changes of benefit terms	-	-	-	-	4,542,411	-	-	-
Difference between expected and actual experience	(544,994)	(6,999)	345,855	(24,424)	(1,497,663)	50,290	391,874	142,559
Changes in assumptions	-	2,198,651	-	-	-	(381,134)	-	-
Benefit payments, including refunds of employee contributions	<u>(3,500,753)</u>	<u>(4,130,311)</u>	<u>(4,940,533)</u>	<u>(5,055,510)</u>	<u>(4,810,885)</u>	<u>(4,980,680)</u>	<u>(6,128,217)</u>	<u>(6,429,139)</u>
Net change in total pension liability	3,074,099	5,507,931	3,190,407	2,868,813	6,780,477	3,482,445	3,340,706	3,084,702
Total pension liability -- beginning	78,010,413	81,084,512	86,592,443	89,782,850	92,651,663	99,432,140	102,914,585	106,255,291
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>	<u>\$ 102,914,585</u>	<u>\$ 106,255,291</u>	<u>\$ 109,339,993</u>
Plan fiduciary net position								
Contributions -- employer	\$ 1,209,153	\$ 932,731	\$ 863,712	\$ 1,100,132	\$ 2,198,761	\$ 1,707,326	\$ 1,805,126	\$ 1,598,054
Contributions -- employee	1,037,372	1,054,827	1,089,289	1,065,136	1,117,334	1,173,997	1,241,245	1,271,180
Net investment income	4,696,136	126,138	5,634,758	11,911,941	(2,841,833)	13,986,212	7,759,386	13,927,319
Benefit payments, including refund of employee contributions	(3,500,753)	(4,130,311)	(4,940,533)	(5,055,510)	(4,810,885)	(4,980,680)	(6,128,217)	(6,429,139)
Administrative expense	(49,034)	(76,833)	(63,648)	(61,750)	(54,956)	(79,085)	(50,266)	(64,520)
Other	(4,031)	(3,795)	(3,429)	(3,129)	(2,870)	(2,374)	(1,965)	442
Net change in plan fiduciary net position	3,388,843	(2,097,243)	2,580,149	8,956,820	(4,394,449)	11,805,396	4,625,309	10,303,336
Plan fiduciary net position -- beginning	82,098,824	85,487,667	83,390,424	85,970,573	94,927,393	90,532,944	102,338,340	106,963,649
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>	<u>\$ 102,338,340</u>	<u>\$ 106,963,649</u>	<u>\$ 117,266,985</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>	<u>\$ 576,245</u>	<u>\$ (708,358)</u>	<u>\$ (7,926,992)</u>
Net pension liability (asset) Plan fiduciary net position as a percentage of the total pension liability	105.43%	96.30%	95.75%	102.46%	91.05%	99.44%	100.67%	107.25%
Covered payroll	\$ 14,819,603	\$ 15,068,964	\$ 15,545,794	\$ 15,216,231	\$ 15,961,910	\$ 16,771,388	\$ 17,732,072	\$ 18,159,708
Net pension liability/(asset) as a percentage of covered employee payroll	(29.71)%	21.25%	24.52%	(14.96)%	55.75%	3.44%	(3.99)%	(43.65)%

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 8 years

	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>
Actuarially Determined Contribution	\$ 1,010,160	\$ 904,082	\$ 1,051,243	\$ 1,175,525	\$ 1,577,524	\$ 1,646,763	\$ 1,580,266	\$ 1,719,415
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>2,577,524</u>	<u>1,742,092</u>	<u>1,614,381</u>	<u>1,719,415</u>
Contribution deficiency (excess)	-	-	-	-	(1,000,000)	(95,329)	(34,115)	-
Covered payroll	15,035,197	15,820,627	15,421,480	15,786,581	16,484,339	17,112,884	17,612,376	19,787,101
Contributions as a percentage of covered-employee payroll	<u>6.72%</u>	<u>5.71%</u>	<u>6.82%</u>	<u>7.45%</u>	<u>15.64%</u>	<u>10.18%</u>	<u>9.17%</u>	<u>8.69%</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
Amortization method	Level percentage of payroll, closed period
Remaining amortization period	20 years (longest amortization ladder)
Asset valuation method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary increases	3.50% to 11.50% 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 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

There were no benefit changes during the year.

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Schedule of Investment Returns Last 8 years

	2014	2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	5.85%	0.08%	7.55%	13.82%	(2.38)%	14.68%	7.55%	12.92%

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 has 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 8 years

	2014	2015	2016	2017	2018	2019	2020	2021
Total pension liability								
Service cost (Pension benefit)	\$ 500,790	\$ 524,967	\$ 586,350	\$ 603,941	\$ 622,059	\$ 435,507	\$ 448,572	\$ 461,579
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	1,783,836	1,835,803	1,910,531
Difference between expected and actual experience	-	(1,524,554)	(717,747)	-	(554,596)	-	565,369	-
Changes of assumptions	-	1,275,048	1,152,809	-	379,290	-	672,398	-
Benefit payments, including refunds of member contributions	<u>(1,431,822)</u>	<u>(1,181,483)</u>	<u>(1,289,836)</u>	<u>(1,881,221)</u>	<u>(1,585,110)</u>	<u>(1,550,811)</u>	<u>(1,528,225)</u>	<u>(1,792,505)</u>
Net change in total pension liability	706,077	778,523	1,457,002	428,724	612,264	668,532	1,993,917	579,605
Total pension liability -- beginning	<u>20,141,790</u>	<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>	<u>24,792,912</u>	<u>26,786,829</u>
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>	<u>\$ 24,792,912</u>	<u>\$ 26,786,829</u>	<u>\$ 27,366,434</u>
Plan fiduciary net position								
Contributions -- employer	\$ 526,289	\$ 588,724	\$ 594,960	\$ 577,935	\$ 1,712,899	\$ 911,456	\$ 951,808	\$ 1,422,524
Contributions -- employee	477,809	436,340	440,963	383,092	317,545	317,360	331,410	331,198
Net in investment income	479,579	(252,668)	651,872	1,183,554	(657,661)	1,782,571	1,238,227	1,185,528
Benefit payments, including refund of employee contributions	<u>(1,431,822)</u>	<u>(1,181,483)</u>	<u>(1,289,836)</u>	<u>(1,881,221)</u>	<u>(1,585,110)</u>	<u>(1,550,811)</u>	<u>(1,528,225)</u>	<u>(1,792,505)</u>
Administrative expense	<u>(41,323)</u>	<u>(38,831)</u>	<u>(17,131)</u>	<u>(24,789)</u>	<u>(26,941)</u>	<u>(13,900)</u>	<u>(30,763)</u>	<u>(13,860)</u>
Net change in plan fiduciary net position	10,532	(447,918)	380,828	238,571	(239,268)	1,446,676	962,457	1,132,885
Plan fiduciary net position -- beginning	<u>9,504,929</u>	<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>	<u>10,894,350</u>	<u>11,856,807</u>
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>	<u>\$ 10,894,350</u>	<u>\$ 11,856,807</u>	<u>\$ 12,989,692</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>	<u>\$ 13,898,562</u>	<u>\$ 14,930,022</u>	<u>\$ 14,376,742</u>
Plan fiduciary net position as a percentage of the total pension liability	45.64%	41.93%	40.93%	41.20%	39.16%	43.94%	44.26%	47.47%
Covered payroll	\$ 3,281,103	\$ 3,356,465	\$ 3,392,018	\$ 3,159,841	\$ 3,175,450	\$ 3,173,600	\$ 3,314,100	\$ 3,311,980
Net pension liability as a percentage of covered payroll	345.38%	374.17%	401.97%	437.53%	462.19%	437.94%	450.50%	434.08%

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 8 years

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Actuarially Determined Contribution	\$ 577,601	\$ 615,505	\$ 571,700	\$ 650,290	\$ 906,746	\$ 908,237	\$ 945,724	\$ 1,124,913
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>1,906,746</u>	<u>908,237</u>	<u>945,724</u>	<u>1,124,913</u>
Contribution deficiency (excess)	-	-	-	-	-	(1,000,000)	-	-
Covered-employee payroll	3,306,586	3,509,148	3,259,409	3,165,970	3,157,196	3,162,386	3,292,913	3,336,041
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>60.39%</u>	<u>28.72%</u>	<u>28.72%</u>	<u>33.72%</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:

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 percentage of payroll, closed period
Remaining amortization period	28.75 Years
Asset valuation method	5-year adjusted market value
Inflation	3.0% per year
Investment rate of return	7.5%, net of investment expense
Projected salary increases	General wage increase (3%) plus promotion, step, and longevity increases that vary by age and service
Cost-of-living adjustments	None
Retirement Age for vested terminated members	Rates that vary by age and service
Mortality	PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using projections scale MP-2018

Other Information:

Notes	The plan was closed to new entrants effective November 1, 2017
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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 8 years

	2014	2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	4.76%	(2.84)%	7.46%	13.78%	(6.65)%	19.21%	11.51%	10.02%

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 5 calendar years

	2017	2018	2019	2020	2021
Total OPEB liability					
Service cost	\$ 37,523	\$ 45,173	\$ 59,148	\$ 79,102	\$ 79,806
Interest on the total OPEB liability	34,925	31,923	49,118	40,633	39,340
Difference between expected and actual experience of the total OPEB liability	27,271	36,425	36,631	580,366	38,167
Changes of assumptions	38,741	334,349	81,241	(107,616)	(132,113)
Benefit payments	(80,529)	(108,490)	(82,232)	(82,777)	(124,005)
Net change in total OPEB liability	57,931	339,380	143,906	509,708	(98,805)
Total OPEB liability - beginning	<u>938,168</u>	<u>996,099</u>	<u>1,335,479</u>	<u>1,479,385</u>	<u>1,989,093</u>
Total OPEB liability - ending	<u>\$ 996,099</u>	<u>\$ 1,335,479</u>	<u>\$ 1,479,385</u>	<u>\$ 1,989,093</u>	<u>\$ 1,890,288</u>
 Covered-employee payroll	 \$ 18,552,150	 \$ 21,228,201	 \$ 20,002,948	 \$ 21,515,438	 \$ 21,947,477
 Total OPEB liability as a percentage of covered-employee payroll	 5.37%	 6.29%	 7.40%	 9.24%	 8.61%

Changes of assumptions reflect a change in the discount rate from 2.00% as of December 31, 2020 to 1.84% as of December 31, 2021. Additionally, the period of service for the allocation of service costs was changed to only reflect service with the City of University Park.

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

Year Ended September 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Resources (inflows)				
Property tax	\$ 22,862,630	\$ 22,862,630	\$ 22,626,082	\$ (236,548)
Sales tax	5,020,000	5,020,000	7,271,710	2,251,710
Franchise fees	1,760,000	1,760,000	1,764,712	4,712
Permits and licenses	1,696,000	1,696,000	2,579,359	883,359
Fines	607,500	607,500	245,663	(361,837)
Charges for services	2,144,000	2,144,000	2,124,407	(19,593)
Intergovernmental revenue	-	-	1,099,140	1,099,140
Other	662,935	662,935	415,994	(246,941)
Investment income (loss)	300,000	300,000	(1,178,279)	(1,478,279)
Donations	12,000	12,000	12,000	-
Amounts available for appropriation	<u>35,065,065</u>	<u>35,065,065</u>	<u>36,960,788</u>	<u>1,895,723</u>
Charges to appropriations				
Executive	1,413,404	1,589,511	1,588,132	1,379
Finance	1,057,971	1,363,257	1,336,026	27,231
Human Resources	510,495	542,103	555,991	(13,888)
Library	883,556	905,252	919,443	(14,191)
Court	472,708	493,642	452,363	41,279
Community Development	1,361,225	1,477,375	1,406,092	71,283
Engineering	944,561	1,019,516	1,020,336	(820)
Traffic	1,117,580	1,173,404	1,156,503	16,901
Facility Maintenance	478,845	457,672	434,801	22,871
Fire	7,183,405	7,648,022	7,526,574	121,448
Police	9,328,152	9,632,182	9,505,196	126,986
Parks	3,410,667	3,509,828	3,535,618	(25,790)
Swimming Pool	590,129	630,424	627,268	3,156
Streets	2,042,540	2,108,828	1,632,388	476,440
Total charges to appropriations	<u>30,795,238</u>	<u>32,551,016</u>	<u>31,696,731</u>	<u>854,285</u>
Other Financing Sources (Uses)				
Leases	-	-	97,213	97,213
Transfers	<u>(4,269,827)</u>	<u>(11,165,916)</u>	<u>(6,475,918)</u>	<u>4,689,998</u>
Total other financing sources (uses)	<u>(4,269,827)</u>	<u>(11,165,916)</u>	<u>(6,378,705)</u>	<u>4,787,211</u>
Total change	-	(8,651,867)	(1,114,648)	7,537,219
Budgetary fund balance, October 1	<u>28,404,613</u>	<u>28,404,613</u>	<u>28,404,613</u>	-
Budgetary fund balance, September 30	<u>\$ 28,404,613</u>	<u>\$ 19,752,746</u>	<u>\$ 27,289,965</u>	<u>\$ 7,537,219</u>

See notes to required supplementary information.

CITY OF UNIVERSITY PARK, TEXAS
Notes to Required Supplementary Information
September 30, 2022

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 States 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, 2022

Special Revenue Funds									
	University Park Civic Foundation	Court Security	Court Technology	Police Training and Education	Police Forfeiture Fund	Fire Training and Education	Library	Parks Projects and Programs	Total
ASSETS									
Cash and cash equivalents	\$ 143,925	\$ -	\$ -	\$ -	\$ 9,078	\$ -	\$ -	\$ -	\$ 153,003
Other, net	500	-	-	-	-	-	35,000	-	35,500
Due from other funds	-	133,102	49,428	24,235	-	31,870	48,776	-	287,411
TOTAL ASSETS	\$ 144,425	\$ 133,102	\$ 49,428	\$ 24,235	\$ 9,078	\$ 31,870	\$ 83,776	\$ -	\$ 475,914
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,843	\$ -	\$ 20,843
Due to other funds	2,888	-	-	-	-	-	-	1,218	4,106
Total liabilities	2,888	-	-	-	-	-	20,843	1,218	24,949
FUND BALANCES/(DEFICIT)									
Restricted to:									
General Government	59,227	-	-	-	-	-	62,933	-	122,160
Public Safety	-	133,102	49,428	24,235	9,078	31,870	-	-	247,713
Parks	82,310	-	-	-	-	-	-	-	82,310
Unassigned	-	-	-	-	-	-	-	(1,218)	(1,218)
Total fund balances	141,537	133,102	49,428	24,235	9,078	31,870	62,933	(1,218)	450,965
TOTAL LIABILITIES AND FUND BALANCES	\$ 144,425	\$ 133,102	\$ 49,428	\$ 24,235	\$ 9,078	\$ 31,870	\$ 83,776	\$ -	\$ 475,914

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

Year Ended September 30, 2022

	Special Revenue Funds								Total
	University Park Civic Foundation	Court Security	Court Technology	Police Training and Education	Police Forfeiture Fund	Fire Training and Education	Library	Parks Projects and Programs	
REVENUES									
Fines	\$ -	\$ 4,446	\$ 3,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,190
Other	-	-	636	-	262	5,742	-	4,485	11,125
Investment income	64	-	-	-	6	-	-	-	70
Donations	52,860	-	-	2,783	-	598	86,040	-	142,281
Total revenues	52,924	4,446	4,380	2,783	268	6,340	86,040	4,485	161,666
EXPENDITURES									
General Government	29,375	-	-	-	-	-	28,596	-	57,971
Public Safety	-	-	4,440	10,250	-	-	-	-	14,690
Parks	522	-	-	-	-	-	-	2,985	3,507
Total expenditures	29,897	-	4,440	10,250	-	-	28,596	2,985	76,168
Excess (deficiency) of revenues over (under) expenditures	23,027	4,446	(60)	(7,467)	268	6,340	57,444	1,500	85,498
Fund balances/(deficit) - beginning	118,510	128,656	49,488	31,702	8,810	25,530	5,489	(2,718)	365,467
Fund balances/(deficit) - ending	<u>\$ 141,537</u>	<u>\$ 133,102</u>	<u>\$ 49,428</u>	<u>\$ 24,235</u>	<u>\$ 9,078</u>	<u>\$ 31,870</u>	<u>\$ 62,933</u>	<u>\$ (1,218)</u>	<u>\$ 450,965</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.

Technology Services Fund - Accounts for the costs associated with the acquisition and maintenance of the City's array of computer systems, application software, network infrastructure, and internet web presence.



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

September 30, 2022

	Equipment Services	Comprehensive Self-Insurance Fund	Technology Services	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,598,774	\$ 3,196,670	\$ -	\$ 4,795,444
Investments	-	1,797,070	-	1,797,070
Receivables (net of allowance)	1,717	13,117	-	14,834
Due from other funds	4,985,440	2,985,608	1,055,032	9,026,080
Total current assets	6,585,931	7,992,465	1,055,032	15,633,428
Non-current assets:				
Net Pension asset - TMRS	287,859	31,159	293,755	612,773
Machinery and equipment	14,369,648	-	98,369	14,468,017
Less accumulated depreciation	(8,540,257)	-	(8,170)	(8,548,427)
Total non-current assets	6,117,250	31,159	383,954	6,532,363
Total assets	12,703,181	8,023,624	1,438,986	22,165,791
DEFERRED OUTFLOWS OF RESOURCES				
Difference in expected and actual pension/OPEB investment experience	34,747	3,779	28,684	67,210
Changes in pension/OPEB actuarial assumptions	2,434	265	1,727	4,426
Pension/OPEB contributions after measurement date	48,499	5,252	48,637	102,388
Total deferred outflows of resources	85,680	9,296	79,048	174,024
LIABILITIES				
Current liabilities:				
Accounts payable	120,261	286,478	9,736	416,475
Accrued liabilities	21,491	299,600	23,353	344,444
Lease liabilities	-	-	25,953	25,953
Accrued compensated absences	39,949	4,883	53,826	98,658
Due to other funds	89,204	-	70,248	159,452
Total current liabilities	270,905	590,961	183,116	1,044,982
Non-current liabilities:				
Lease liabilities	-	-	40,426	40,426
Total OPEB liability	76,214	7,526	53,295	137,035
Accrued compensated absences	48,932	308	41,135	90,375
Total non-current liabilities	125,146	7,834	134,856	267,836
Total Liabilities	396,051	598,795	317,972	1,312,818
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension/OPEB investment experience	6,991	757	7,134	14,882
Changes in pension/OPEB actuarial assumptions	5,081	550	5,185	10,816
Difference in projected and actual pension/OPEB investment earnings	260,622	28,211	265,961	554,794
Total deferred inflows of resources	272,694	29,518	278,280	580,492
NET POSITION				
Net investment in capital assets	5,829,391	-	90,199	5,919,590
Restricted for pension	287,859	31,159	293,755	612,773
Unrestricted	6,002,866	7,373,448	537,828	13,914,142
Total net position	\$ 12,120,116	\$ 7,404,607	\$ 921,782	\$ 20,446,505

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, 2022

	Equipment Services	Comprehensive Self-Insurance Fund	Technology Services	Total
Operating revenues				
Charges for service	\$ 2,101,337	\$ -	\$ 2,257,191	\$ 4,358,528
Premiums	-	4,595,102	-	4,595,102
Other revenue	1,717	-	-	1,717
Total operating revenues	<u>2,103,054</u>	<u>4,595,102</u>	<u>2,257,191</u>	<u>8,955,347</u>
Operating expenses				
Personnel services	893,720	106,331	975,648	1,975,699
Contractual and other services	127,215	256,503	1,219,285	1,603,003
Depreciation	930,556	-	8,170	938,726
Supplies and other	111,766	-	167,334	279,100
Administrative and fiscal services	-	948,805	-	948,805
Claims paid and change in estimate	-	3,587,898	-	3,587,898
Total operating expenses	<u>2,063,257</u>	<u>4,899,537</u>	<u>2,370,437</u>	<u>9,333,231</u>
Operating income (loss)	<u>39,797</u>	<u>(304,435)</u>	<u>(113,246)</u>	<u>(377,884)</u>
Nonoperating revenues (expenses)				
Investment income (loss)	11,175	(150,744)	-	(139,569)
Interest expense and fiscal charges	-	-	(2,188)	(2,188)
Intergovernmental revenue	62,802	2,326	37,216	102,344
Gain on sale of capital assets	112,936	-	-	112,936
Total nonoperating revenues (expenses)	<u>186,913</u>	<u>(148,418)</u>	<u>35,028</u>	<u>73,523</u>
Income (Loss) Before Transfers	<u>226,710</u>	<u>(452,853)</u>	<u>(78,218)</u>	<u>(304,361)</u>
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
Change in net position	<u>226,710</u>	<u>(452,853)</u>	<u>921,782</u>	<u>695,639</u>
Total net position - beginning	<u>11,893,406</u>	<u>7,857,460</u>	<u>-</u>	<u>19,750,866</u>
Total net position - ending	<u>\$ 12,120,116</u>	<u>\$ 7,404,607</u>	<u>\$ 921,782</u>	<u>\$ 20,446,505</u>

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

For the Year ended September 30, 2022

	Equipment Services	Comprehensive Self-Insurance	Technology Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,101,336	\$ 4,587,449	\$ 2,257,191	\$ 8,945,976
Payments (to) from other funds	(447,517)	188,746	(984,784)	(1,243,555)
Payments to suppliers	(118,842)	(4,644,426)	(1,351,731)	(6,114,999)
Payments to employees	(983,071)	(104,134)	(857,334)	(1,944,539)
Net cash provided by (used in) operating activities	<u>551,906</u>	<u>27,635</u>	<u>(936,658)</u>	<u>(357,117)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	-	1,000,000	1,000,000
Intergovernmental revenue	62,802	2,326	37,216	102,344
Net cash provided by noncapital financing	<u>62,802</u>	<u>2,326</u>	<u>1,037,216</u>	<u>1,102,344</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(732,323)	-	(98,370)	(830,693)
Interest and agent fees	-	-	(2,188)	(2,188)
Proceeds from sale of capital assets	117,614	-	-	117,614
Net cash used in capital and related financing activities	<u>(614,709)</u>	<u>-</u>	<u>(100,558)</u>	<u>(715,267)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	-	181,164	-	181,164
Interest on investments	11,175	(150,744)	-	(139,569)
Net cash provided by investing activities	<u>11,175</u>	<u>30,420</u>	<u>-</u>	<u>41,595</u>
Net increase in cash and cash equivalents	11,174	60,381	-	71,555
Cash and cash equivalents, beginning of year	1,587,600	3,136,289	-	4,723,889
Cash and cash equivalents, end of year	<u>1,598,774</u>	<u>3,196,670</u>	<u>-</u>	<u>4,795,444</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	39,797	(304,435)	(113,246)	(377,884)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation expense	930,556	-	8,170	938,726
(Increase) decrease in due from other funds	(531,300)	188,746	(1,055,032)	(1,397,586)
(Increase) in pension/OPEB and deferred inflows/outflows	(88,428)	(3,411)	(41,228)	(133,067)
(Increase) in accounts receivable	-	(7,616)	-	(7,616)
(Increase) in interest receivable	(1,717)	(37)	-	(1,754)
Increase in accrued liabilities	119,215	154,388	194,430	468,033
Increase in due to other funds	83,783	-	70,248	154,031
Total adjustments	<u>512,109</u>	<u>332,070</u>	<u>(823,412)</u>	<u>20,767</u>
Net cash provided by (used in) operating activities	<u>\$ 551,906</u>	<u>\$ 27,635</u>	<u>\$ (936,658)</u>	<u>\$ (357,117)</u>
NON-CASH INVESTING ACTIVITIES				
Change in the fair value of investments	<u>\$ -</u>	<u>\$ (181,164)</u>	<u>\$ -</u>	<u>\$ (181,164)</u>



STATISTICAL SECTION (UNAUDITED)

This part of the City of University Park 's annual comprehensive 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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Financial Trends

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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

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

Debt Capacity

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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

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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

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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 annual comprehensive 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					
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Governmental activities:											
Investment in capital assets	\$ 65,190,228	\$ 66,403,103	\$ 66,443,113	\$ 68,817,286	\$ 73,575,392	\$ 75,828,190	\$ 77,768,481	\$ 81,126,644	\$ 81,021,263	\$ 80,843,424	
Restricted	-	-	229,197	294,025	310,644	267,200	309,015	351,551	368,185	6,839,168	
Unrestricted	41,264,456	38,478,120	38,525,057	34,824,405	30,297,434	30,671,229	28,772,501	27,336,949	33,461,020	33,544,874	
Total governmental activities net position	\$ 106,454,684	\$ 104,881,223	\$ 105,197,367	\$ 103,935,716	\$ 104,183,470	\$ 106,766,619	\$ 106,849,997	\$ 108,815,144	\$ 114,850,468	\$ 121,227,466	
Business type activities:											
Investment in capital assets	\$ 51,127,842	\$ 53,218,776	\$ 53,846,733	\$ 53,297,369	\$ 52,774,728	\$ 52,301,964	\$ 53,728,864	\$ 58,672,778	\$ 65,038,533	\$ 55,954,846	
Restricted	-	-	-	-	-	-	-	-	-	-	1,540,007
Unrestricted	7,022,922	8,603,253	11,052,770	13,825,219	16,554,259	19,953,697	17,670,719	14,509,080	10,194,492	20,370,330	
Total business type activities net position	\$ 58,150,764	\$ 61,822,029	\$ 64,899,503	\$ 67,122,588	\$ 69,328,987	\$ 72,255,661	\$ 71,399,583	\$ 73,181,858	\$ 75,233,025	\$ 77,865,183	
Primary government:											
Investment in capital assets	\$ 116,318,070	\$ 119,621,879	\$ 120,289,846	\$ 122,114,655	\$ 126,350,120	\$ 128,130,154	\$ 131,497,345	\$ 139,799,422	\$ 146,059,796	\$ 136,798,270	
Restricted	-	-	229,197	294,025	310,644	267,200	309,015	351,551	368,185	8,379,175	
Unrestricted	48,287,378	47,081,373	49,577,827	48,649,624	46,851,693	50,624,926	46,443,220	41,846,029	43,655,512	53,915,204	
Total primary government net position	\$ 164,605,448	\$ 166,703,252	\$ 170,096,870	\$ 171,058,304	\$ 173,512,457	\$ 179,022,280	\$ 178,249,580	\$ 181,997,002	\$ 190,083,493	\$ 199,092,649	

Source: Annual Comprehensive 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 10 Fiscal Years
(accrual basis of accounting)
(Unaudited)

Table 2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General Government	\$ 5,168,456	\$ 5,303,529	\$ 6,237,596	\$ 6,236,918	\$ 6,575,387	\$ 6,541,706	\$ 7,673,588	\$ 6,412,090	\$ 6,885,096	\$ 6,071,366
Public Safety	12,914,938	12,870,794	13,866,937	14,562,251	15,049,833	15,230,494	18,247,996	15,962,509	15,768,343	16,491,554
Streets	1,862,581	1,961,153	2,153,362	2,022,909	1,953,853	1,897,537	2,337,910	2,129,771	2,452,310	2,076,131
Parks	3,609,761	3,549,975	3,701,838	3,867,474	3,877,072	4,095,819	4,481,787	4,211,621	4,223,877	4,577,656
Public Works	3,089,173	2,933,931	2,973,871	3,067,854	2,907,656	2,788,705	3,645,539	3,501,692	3,215,457	3,640,481
Interest Expense	-	-	-	-	-	-	-	-	-	3,392
Total governmental activities expenses	<u>26,644,909</u>	<u>26,619,382</u>	<u>28,933,604</u>	<u>29,757,406</u>	<u>30,363,801</u>	<u>30,554,261</u>	<u>36,386,820</u>	<u>32,217,683</u>	<u>32,545,083</u>	<u>32,860,580</u>
Business type activities:										
Utilities	13,991,080	13,679,558	13,361,608	13,640,627	14,448,042	15,302,739	16,439,217	15,330,875	15,562,781	16,940,489
Sanitation	2,784,109	2,791,940	2,826,506	3,098,111	3,025,626	2,946,676	3,662,744	3,200,828	2,914,642	3,404,548
Stormwater	-	109,032	92,646	68,884	176,504	234,719	236,658	122,427	130,244	584,651
Total business type activities expenses	<u>16,775,189</u>	<u>16,580,530</u>	<u>16,280,760</u>	<u>16,807,622</u>	<u>17,650,172</u>	<u>18,484,134</u>	<u>20,338,619</u>	<u>18,654,130</u>	<u>18,607,667</u>	<u>20,929,688</u>
Total primary government expense	<u>\$ 43,420,098</u>	<u>\$ 43,199,912</u>	<u>\$ 45,214,364</u>	<u>\$ 46,565,028</u>	<u>\$ 48,013,973</u>	<u>\$ 49,038,395</u>	<u>\$ 56,725,439</u>	<u>\$ 50,871,813</u>	<u>\$ 51,152,750</u>	<u>\$ 53,790,268</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 48,342	\$ 58,247	\$ 64,946	\$ 65,914	\$ 69,685	\$ 63,377	\$ 67,529	\$ 53,450	\$ 60,771	\$ 70,090
Public Safety	2,258,352	2,358,022	2,086,722	2,259,477	2,521,682	2,391,984	2,331,861	2,089,829	1,938,734	1,965,514
Parks	353,380	321,664	312,541	319,968	298,901	388,202	419,427	86,430	417,147	453,011
Public Works	1,593,086	1,898,453	2,196,979	1,334,508	1,762,119	3,308,409	3,012,785	1,635,531	1,428,165	2,487,428
Grants and contributions:	-	-	-	-	-	-	-	1,043,534	4,298,409	2,444,835
Total governmental activities program revenues	<u>4,253,160</u>	<u>4,636,386</u>	<u>4,661,188</u>	<u>3,979,867</u>	<u>4,652,387</u>	<u>6,151,972</u>	<u>5,831,602</u>	<u>4,908,774</u>	<u>8,143,226</u>	<u>7,420,878</u>
Business type activities:										
Charges for services:										
Utilities	13,911,816	14,936,298	14,606,621	14,605,166	15,339,518	16,548,841	15,033,306	15,994,361	16,150,249	18,518,674
Sanitation	2,743,414	2,716,376	2,692,834	2,860,758	3,061,506	3,100,506	3,112,775	3,392,167	3,513,400	3,638,526
Stormwater	-	465,816	435,563	433,302	437,057	476,192	477,267	500,729	502,195	711,975
Operating grants and contributions:	-	-	-	-	-	-	-	4,779	7,821	-
Total business type activities program revenues	<u>16,655,230</u>	<u>18,118,490</u>	<u>17,735,018</u>	<u>17,899,226</u>	<u>18,838,081</u>	<u>20,125,539</u>	<u>18,623,348</u>	<u>19,892,036</u>	<u>20,173,665</u>	<u>22,869,175</u>
Total primary government program revenues	<u>\$ 20,908,390</u>	<u>\$ 22,754,876</u>	<u>\$ 22,396,206</u>	<u>\$ 21,879,093</u>	<u>\$ 23,490,468</u>	<u>\$ 26,277,511</u>	<u>\$ 24,454,950</u>	<u>\$ 24,800,810</u>	<u>\$ 28,316,891</u>	<u>\$ 30,290,053</u>
Net (Expense) Revenue										
Governmental activities	\$ (22,391,749)	\$ (21,982,996)	\$ (24,272,416)	\$ (25,777,539)	\$ (25,711,414)	\$ (24,402,289)	\$ (30,555,218)	\$ (27,308,909)	\$ (24,401,857)	\$ (25,439,702)
Business type activities	(119,959)	1,537,960	1,454,258	1,091,604	1,187,909	1,641,405	(1,715,271)	1,237,906	1,565,998	1,939,487
Total primary government net expense	<u>\$ (22,511,708)</u>	<u>\$ (20,445,036)</u>	<u>\$ (22,818,158)</u>	<u>\$ (24,685,935)</u>	<u>\$ (24,523,505)</u>	<u>\$ (22,760,884)</u>	<u>\$ (32,270,489)</u>	<u>\$ (26,071,003)</u>	<u>\$ (22,835,859)</u>	<u>\$ (23,500,215)</u>

Source: Annual Comprehensive Financial Report

CITY OF UNIVERSITY PARK, TEXAS
 CHANGES IN NET POSITION
 Last 10 Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

Table 2

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes:

Property	\$ 15,444,115	\$ 16,160,020	\$ 16,971,682	\$ 17,530,625	\$ 18,463,633	\$ 18,999,877	\$ 19,832,232	\$ 19,832,232	\$ 22,506,548	\$ 22,628,214
Sales tax	3,498,422	4,014,191	4,229,485	4,245,822	4,421,709	4,558,780	4,914,991	4,914,991	5,855,461	7,271,710
Franchise Fees	1,989,121	2,122,312	2,228,552	2,087,318	2,072,947	1,848,515	1,860,884	1,860,884	1,495,762	1,764,712
Investment earnings (loss)	98,286	172,591	287,428	347,503	394,574	697,960	1,324,920	1,324,920	(14,284)	(1,283,227)
Other	1,429,414	4,373,130	2,343,344	1,368,791	1,265,815	1,220,981	3,240,471	3,240,471	848,631	471,708
Grants and contributions not restricted	137,043	83,759	84,614	133,524	98,836	67,313	110,633	110,633	98,692	1,355,765
Gain (loss) on sale of capital assets	-	-	-	(124,075)	-	-	-	-	118,679	103,742
Transfers	(352,176)	(952,176)	(1,556,545)	(1,073,620)	(388,560)	(407,988)	(645,535)	(645,535)	(472,308)	(495,924)
Total governmental activities	<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>30,638,596</u>	<u>30,638,596</u>	<u>30,437,181</u>	<u>31,816,700</u>

Business type activities:

Investment earnings (loss)	1,974	448	2,230	25,671	38,991	115,711	189,277	189,277	(13,635)	(119,497)
Other	75,926	80,837	64,441	32,190	737,609	761,570	24,381	24,381	26,496	4,560
Grants and contributions not restricted	-	-	-	-	-	-	-	-	-	311,684
Transfers	352,176	952,176	1,556,545	1,073,620	388,560	407,988	645,535	645,535	472,308	495,924
Total business type activities	<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>	<u>859,193</u>	<u>485,169</u>	<u>692,671</u>

Total primary government

	<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>\$ 31,497,789</u>	<u>\$ 31,497,789</u>	<u>\$ 30,922,350</u>	<u>\$ 32,509,371</u>
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Change in Net Position

Governmental activities	\$ (147,524)	\$ 3,990,831	\$ 316,144	\$ (1,261,651)	\$ 617,540	\$ 2,583,149	\$ 83,378	\$ 3,329,687	\$ 6,035,324	\$ 6,376,998
Business type activities	310,117	2,571,421	3,077,474	2,223,085	2,353,069	2,926,674	(856,078)	2,097,099	2,051,167	2,632,158
Total primary government net	<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>\$ (772,700)</u>	<u>\$ 5,426,786</u>	<u>\$ 8,086,491</u>	<u>\$ 9,009,156</u>

Source: Annual Comprehensive Financial Report

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

Table 3

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 518,976	\$ 557,109	\$ 576,174	\$ 622,861	\$ 591,377	\$ 589,430	\$ 625,563	\$ 672,762	\$ 609,298	\$ 662,255
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	20,750,202	20,750,202	20,750,202	20,750,202	17,514,501	17,514,501	17,514,501	17,514,501	16,928,283	16,290,783
Assigned	503,441	455,547	306,923	290,639	309,933	248,846	305,553	564,742	262,447	393,782
Unassigned	5,234,423	5,560,558	6,519,025	7,130,059	8,573,761	8,967,415	9,347,349	10,032,174	10,604,585	9,943,145
Total General Fund	\$ 27,007,042	\$ 27,323,416	\$ 28,152,324	\$ 28,793,761	\$ 26,989,572	\$ 27,320,192	\$ 27,792,966	\$ 28,784,179	\$ 28,404,613	\$ 27,289,965
All Other Governmental Funds										
Spendable										
Restricted	\$ -	\$ -	\$ 229,197	\$ 294,025	\$ 310,644	\$ 267,200	\$ 309,015	\$ 351,551	\$ 368,185	\$ 452,183
Assigned	9,647,996	12,456,022	12,275,219	9,966,009	11,154,189	11,215,595	14,418,519	12,596,788	12,807,448	13,648,183
Unassigned	-	-	-	-	-	-	-	-	(2,718)	(1,218)
Total all other governmental funds	\$ 9,647,996	\$ 12,456,022	\$ 12,504,416	\$ 10,260,034	\$ 11,464,833	\$ 11,482,795	\$ 14,727,534	\$ 12,948,339	\$ 13,172,915	\$ 14,099,148

Source: Annual Comprehensive 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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes:										
Property	\$ 15,437,318	\$ 16,029,692	\$ 17,043,636	\$ 17,527,721	\$ 18,477,455	\$ 19,006,152	\$ 19,826,584	\$ 21,398,952	\$ 22,495,393	\$ 22,626,082
Sales	3,498,422	4,014,191	4,229,485	4,245,822	4,421,709	4,558,780	4,914,991	4,755,160	5,855,461	7,271,710
Franchise fees	1,989,121	2,122,312	2,228,552	2,087,318	2,072,947	1,848,515	1,860,884	1,584,008	1,495,762	1,764,712
Permits and licenses	1,673,681	1,985,049	2,309,390	1,418,959	1,858,996	3,403,512	3,153,187	1,726,086	1,513,555	2,579,359
Fines	758,962	839,055	633,083	820,356	920,316	818,107	770,218	462,838	308,028	253,853
Charges for services	1,465,817	1,785,939	1,738,025	1,851,865	1,882,041	1,914,328	1,914,140	1,639,898	1,964,270	2,124,407
Intergovernmental	-	-	-	-	-	-	-	1,042,808	317,794	1,099,140
Other	1,876,407	4,400,268	1,702,884	1,368,791	1,270,395	1,213,126	3,121,645	581,490	848,631	427,119
Investment income (loss)	98,286	172,591	287,428	347,503	394,574	697,960	1,070,577	1,175,765	(9,238)	(1,143,658)
Donations	137,043	83,759	84,614	133,524	98,836	75,167	110,633	97,875	98,692	154,281
Total revenues	26,935,057	31,432,856	30,257,097	29,801,859	31,397,269	33,535,647	36,742,859	34,464,880	34,888,348	37,157,005
Expenditures										
General Government	3,940,032	4,081,360	4,195,769	4,172,217	7,941,643	4,918,401	5,991,875	5,439,946	5,628,073	5,026,601
Public Safety	12,193,142	12,288,514	12,772,317	13,060,294	13,547,700	14,042,235	16,081,905	15,141,156	16,113,911	17,498,823
Streets	1,745,127	1,848,867	1,998,240	1,742,353	1,706,388	1,666,834	1,670,522	1,639,957	1,971,714	1,632,388
Parks	3,140,013	3,188,534	3,225,558	3,271,096	3,255,344	3,532,794	3,732,388	3,569,263	3,782,837	4,166,393
Public Works	2,812,070	2,779,473	2,847,099	2,785,712	2,548,586	2,537,195	2,853,924	3,104,044	3,096,698	3,582,931
Capital Outlay	5,014,469	3,169,532	2,784,267	5,299,512	2,600,773	5,613,757	4,002,367	5,908,688	3,977,797	4,039,573
Total expenditures	28,844,853	27,356,280	27,823,250	30,331,184	31,600,434	32,311,216	34,332,981	34,803,054	34,571,030	35,946,709
Excess (deficiency) of revenues over (under) expenditures	(1,909,796)	4,076,576	2,433,847	(529,325)	(203,165)	1,224,431	2,409,878	(338,174)	317,318	1,210,296
Other Financing Sources (Uses)										
Lease revenue	-	-	-	-	-	-	-	-	-	97,213
Transfers in	3,053,014	5,975,020	2,774,428	2,986,407	3,747,854	5,594,617	8,451,100	3,673,044	3,594,204	4,979,994
Transfers out	(3,405,190)	(6,927,196)	(4,330,973)	(4,060,027)	(4,144,079)	(6,470,466)	(7,143,465)	(4,122,852)	(4,066,512)	(6,475,918)
Total other financing sources (uses)	(352,176)	(952,176)	(1,556,545)	(1,073,620)	(396,225)	(875,849)	1,307,635	(449,808)	(472,308)	(1,398,711)
Net change in fund balances	\$ (2,261,972)	\$ 3,124,400	\$ 877,302	\$ (1,602,945)	\$ (599,390)	\$ 348,582	\$ 3,717,513	\$ (787,982)	\$ (154,990)	\$ (188,415)

Source: Annual Comprehensive 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				
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	9,010,915,120	2,066,730,380	86,661,520	3,748,019,105	7,416,287,915	0.2488
2018	8,935,709,610	2,123,779,700	86,309,460	3,751,895,965	7,393,902,805	0.2488
2019	9,857,823,530	2,220,030,150	84,929,530	4,077,565,306	8,085,217,904	0.2454
2020	10,073,452,960	2,534,579,380	92,367,990	4,415,105,109	8,285,295,221	0.2585
2021	9,872,515,045 *	2,635,699,820	92,804,600	4,569,047,207	8,031,972,258	0.2648
2022	10,490,946,460	2,742,214,510	101,507,950	4,782,640,282	8,552,028,638	0.2644

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
 * Due to significant delays resulting from the COVID-19 pandemic, properties with a market value of \$589,278,250 were under protest and review at the time of certification.

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 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
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
2020	0.2585	-	0.2585	1.1655	0.2531	0.2695	0.1240	2.0706
2021	0.2648	-	0.2648	1.1519	0.2497	0.2661	0.1240	2.0565
2022	0.2644	-	0.2644	1.1310	0.2379	0.2550	0.1235	2.0118

Note: The City issued \$14,100,000 of Combination Tax & Revenue Certificates of Obligation, Series 2021 in November 2021.

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	2022		Percentage of Total City Taxable Assessed Value	2013		Percentage of Total City Taxable Assessed Value
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Caruth Preston Road Associate	\$ 81,046,850	1	0.95%	\$ 68,703,780	1	1.23%
Diamond Hillcrest LLC	48,928,020	2	0.57%			
Jean C. Thompson	40,000,000	3	0.47%			
Gerald J. Ford	27,805,000	4	0.33%	23,725,000	2	0.42%
Peruna Holdings Corp.	27,000,000	5	0.32%	21,149,080	4	0.38%
Janice & Trevor Rees-Jones Revocable	25,954,402	6	0.30%			
Mary C. Finney Life Estate	22,031,139	7	0.26%	12,274,280	10	0.22%
Pack Family Trust	21,806,260	8	0.25%			
Heppner Family Home Trust	18,111,750	9	0.21%			
John C. & Debbie Tolleson	18,045,000	10	0.21%	12,385,200	9	0.22%
Southern Methodist				23,323,780	3	0.42%
Intercity Investment				15,556,780	5	0.28%
Birmingham Wallace LP				15,175,120	6	0.27%
Clint D. and Nancy P. Carlson				14,184,310	7	0.25%
HG Residence Trust				12,745,832	8	0.23%
	\$ 330,728,421		3.87%	\$ 219,223,162		3.92%

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
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	17,534,993	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%
2020	21,425,487	21,255,053	99.20%	22,998	21,278,051	99.31%
2021	21,268,846	22,354,508	105.10% *	(26,529)	22,327,979	104.98%
2022	22,615,173	22,511,386	99.54%	1,674	22,513,060	99.55%

* The City's collections were in excess of 100% due to the final adjusted tax levy being greater than the certified tax roll.

Due to significant delays resulting from the COVID-19 pandemic, properties with a market value of \$589,278,250 were under protest and review at the time of certification.

Source: Dallas County Tax Office

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

Table 9

Fiscal Year	Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Obligation	Premium			
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	13,520,000	917,368	14,437,368	0.5362%	569.30

Note: The City issued \$14,100,000 of Combination Tax & Revenue Certificates of Obligation, Series 2021 in November 2021.
 See table 14 for personal income and population data.

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

Table 10

Fiscal Year	General Obligation Refunding Bonds	Less: Amount Available for Debt Service	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	-	-	-	-

Note: All tax supported debt of the City was extinguished in fiscal year 2002.

CITY OF UNIVERSITY PARK, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2022
(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	\$ 336,135,000	52.96%	\$ 178,017,096
Dallas County	236,605,000	3.24%	7,666,002
Dallas County Community College District	110,835,000	3.24%	3,591,054
Dallas County Hospital District	559,905,000	3.24%	18,140,922
Dallas Independent School District	3,467,730,000	0.01%	346,773
Subtotal, overlapping debt			207,761,847
City of University Park direct debt*			14,437,368
Total direct and overlapping debt			\$ 222,199,215

Source: Municipal Advisory Council of Texas

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.

* The City intends to fund payment of the Certificates of Obligation through a series of five annual stormwater rate increases that began in FY 2022. Ad valorem taxes are pledged to fund any shortfall of stormwater resources and required obligations.

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

Table 12

Stormwater Certificates of Obligation										
Fiscal Year	Operating Revenue	Investment Revenue	Less: Fair Market Value Adjustment		Less: Operating Expenses		Add: Contribution to Investment Before Depreciation		Certificates of Obligation	
			to Investment	Before Depreciation	Paid to the General Fund	Net Revenue	Available Revenue	Principal	Interest	Times Coverage
	Year	Revenue	Revenue	Revenue	Fund	Revenue	Revenue	Principal	Interest	3
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-
2022	711,975	58,134	-	(77,969)	50,000	742,140	580,000	320,800	82%	

1 For the coverage calculation, the fair market value adjustment to the value of investments is excluded.

2 For the coverage calculation, the stormwater contribution to the general fund is excluded

3 The City intends to fund payment of the Certificates of Obligation through a series of five annual stormwater rate increases that began in FY 2022.

Ad valorem taxes are pledged to fund any shortfall of stormwater resources and required obligations.

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

Table 13

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	0.2785	0.2743	0.2698	0.2589	0.2488	0.2488	0.2454	0.2585	0.2648	0.2644
Available Tax Rate	<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>	<u>\$ 2.2415</u>	<u>\$ 2.2352</u>	<u>\$ 2.2356</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
2013	23,460	1,644,874	70,114	29.7	6,848	5.3%
2014	23,761	1,665,979	70,114	29.7	7,037	4.3%
2015	24,101	1,883,204	78,138	29.8	7,091	3.6%
2016	24,346	1,903,930	78,203	29.8	7,081	3.7%
2017	24,692	2,281,541	92,400	32.9	7,044	3.2%
2018	24,954	2,305,750	92,400	32.9	6,991	3.3%
2019	25,036	2,154,823	86,069	33.1	6,801	3.0%
2020	25,157	2,506,870	99,649	35.4	6,864	4.3%
2021	25,278	2,601,511	102,916	35.4	6,648	3.8%
2022	25,360	2,692,776	106,182	35.3	6,724	3.2%

Source: Estimated population obtained from North Central Texas Council of Governments (NCTCOG).
 Current per capita personal income and median age via NameCensus.com.
 Current and updated school enrollment via the HPISD Annual Comprehensive Financial Report.
 Current and updated unemployment rate via the Texas Workforce Commission.

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	2,445	10%
Highland Park ISD	2	856	3%
Fidelity Investments	3	300	1%
City of University Park	4	248	1%

DALLAS COUNTY			COLLIN COUNTY		
Employer	Rank	Employees	Employer	Rank	Employees
Texas Health Resources	1	26,000	State Farm Insurance Corporate Office	1	9,000
Lockheed Martin	2	22,950	Frisco Independent School District	2	7,048
UT Southwestern Medical Center	3	20,167	Capital One Finance	3	5,023
Baylor Scott & White Health	4	18,195	JPMorgan Chase	4	4,988
Medical City Healthcare	5	17,000	University of Texas at Dallas	5	3,911
University of North Texas Systems	6	14,730	Toyota North America HQ	6	3,815
Bank of America	7	13,650	Raytheon Intelligence and Space	7	3,658
Parkland Health & Hospital Systems	8	13,095	Blue Cross Blue Shield of Texas	8	3,100
JP Morgan Chase	9	13,050	McKinney Independent School District	9	2,814
City of Dallas	10	12,695	Liberty Mutual Insurance	10	2,652

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 FY21 Dallas County ACFR and North Central Texas Council of Governments sites/reports, and therefore is not intended as an accurate portrayal of actual City employment.

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

Table 16

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Administrative	5	5	5	6	6	6	6	6	6	6
Finance	5	6	6	6	6	6	6	5	6	6
Human Resources	2	2	2	2	2	2	2	1	2	3
Library *	4	4	4	4	4	3	5	4	4	6
Facility Maintenance	2	2	2	2	2	2	2	2	2	2
Public Safety										
Police										
Officers	35	39	39	43	41	41	38	39	39	40
Civilians	13	14	11	10	12	12	15	18	17	17
Fire										
Firefighters and officers	34	35	35	33	31	34	35	34	32	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	22	22	22	22	23	23	22	22	23	23
Public Works										
Community Development	11	11	9	10	9	9	10	10	10	10
Engineering	5	5	5	4	3	3	4	6	6	7
Traffic	7	7	7	6	7	7	7	7	8	8
Streets	16	17	16	16	16	16	15	13	16	12
Utilities	32	31	31	31	31	31	36	31	32	26
Sanitation	27	27	27	28	27	26	27	27	25	25
Equipment Services	10	10	10	9	9	9	9	10	10	10
Technology Services **	5	5	5	5	5	6	6	6	6	7
Self Insurance	0	0	0	0	0	0	0	0	1	1
Capital Projects	0	0	0	0	0	0	0	0	1	1
Total	238	245	239	240	237	239	248	244	249	248

Source: City Human Resource Department

* Function added in 2013

** Stand-alone fund beginning in FY2022

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

Table 17

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police										
Parking tickets	7,333	6,886	2,873	6,386	5,793	6,499	7,747	4,744	1,963	3,373
Traffic violations	4,050	5,838	5,774	3,386	3,970	7,288	6,657	3,976	2,731	2,836
Accident calls	198	188	535	572	532	623	533	522	392	703
Total calls for service	24,162	24,636	27,767	30,199	31,051	30,862	30,347	18,973	17,499	26,638
Fire										
Number of fire runs	1,437	1,485	1,547	1,455	1,532	1,587	1,857	1,623	2,529	1,758
Number of EMS runs	1,100	1,073	1,033	1,038	1,077	876	853	769	793	834
Inspections	819	1,040	874	856	1,142	952	1,352	445	545	876
Parks										
Pool passes issued	3,161	3,036	2,821	2,645	2,465	2,587	2,299	1,122	2,852	2,901
Tennis passes*	-	-	-	-	-	-	-	-	1,363	1,324
Instructor passes*	-	-	-	-	-	-	-	-	33	23
Public Works										
Building permits issued	3,036	3,257	3,040	2,880	2,511	2,482	2,937	2,242	2,416	2,057
Work orders completed	7,436	6,970	7,538	6,824	7,216	7,408	8,623	7,512	7,373	5,816
Sanitation										
Waste hauled (tons)	15,052	14,487	15,139	12,806	12,751	12,907	13,033	13,118	12,750	13,220
Recycled materials (tons)	2,886	3,116	3,298	3,614	3,222	3,013	3,028	2,998	2,974	2,835
Green Waste	2,647	2,212	2,428	1,652	1,489	1,313	1,862	1,250	1,172	1,050
Utilities										
Number of consumers	8,813	8,848	8,797	8,830	8,815	8,805	8,832	8,820	8,760	8,769
Average daily consumption (ten thousands of gallons)	5,947	5,311	5,283	5,134	5,124	5,732	5,002	5,113	5,156	5,897

Sources: Various City Departments

* FY2021 is the first year the City began tracking this information.

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

Table 18

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	12	12	13	13	12	12	12	15	15	15
Motorcycle units	0	0	0	0	2	2	2	2	2	2
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Trucks	4	3	3	2	3	3	3	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	65
Parks (number of)	10	11	11	11	11	11	11	11	11	13
Playgrounds	8	9	9	9	9	9	8	8	8	8
Swimming Pools	2	2	2	2	2	2	2	2	2	2
Tennis Courts	12	12	12	12	12	12	12	12	16	16
Water										
Water mains (miles)	89	89	89	89	89	89	89	89	89	88
Fire hydrants	470	473	473	473	473	473	473	473	473	503
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