

CITY OF UNIVERSITY PARK, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended September 30, 2021

Issued by

Department of Finance

Prepared by:

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CITY OF UNIVERSITY PARK, TEXAS

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i-iv
Map of University Park and Dallas County Area	v
Organization Chart	vi
Principal Officials	vii
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	6-21
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	24
Statement of Activities	25
Fund Financial Statements:	
Balance Sheet - Governmental Funds	26
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Position	27
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	29
Statement of Net Position - Proprietary Funds	30
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	31
Statement of Cash Flows - Proprietary Funds	32
Statement of Fiduciary Net Position	34
Statement of Changes in Fiduciary Net Position	35
Notes to Financial Statements	37-78
REQUIRED SUPPLEMENTARY INFORMATION:	
Texas Municipal Retirement System Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Last 7 years	80
Texas Municipal Retirement System Schedule of Contributions Last 7 years	81
Texas Municipal Retirement System Notes to Schedule of Contributions	82
Texas Municipal Retirement System Schedule of Investment Returns Last 7 years	83
University Park Firemen's Relief and Retirement Fund Schedule of Changes in Net Pension Liability and Related Ratios Last 7 years	84
University Park Firemen's Relief and Retirement Fund Schedule of Contributions Last 7 years	85
University Park Firemen's Relief and Retirement Fund Notes to Schedule of Contributions	86
University Park Firemen's Relief and Retirement Fund Schedule of Investment Returns Last 7 years	87
Retiree Health Care Plan Schedule of Changes in Total OPEB Liability and Related Ratios Last 4 calendar years	88
Budgetary Comparison Schedule - General Fund	90
Notes to Required Supplementary Information	91

OTHER SUPPLEMENTARY INFORMATION:

Combining Statements:

Combining Balance Sheet - Nonmajor Governmental Funds	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	97
Combining Statement of Net Position - Internal Service Funds	100
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Internal Service Funds	101
Combining Statement of Cash Flows - Internal Service Funds	102

STATISTICAL SECTION (UNAUDITED)

Net Position by Component	105
Changes in Net Position	106-107
Fund Balances, Governmental Funds	108
Changes in Fund Balances, Governmental Funds	109
Assessed Value and Actual Value of Taxable Property	110
Direct and Overlapping Property Tax Rates	111
Principal Property Tax Payers	112
Property Tax Levies and Collections	113
Ratio of Outstanding Debt	114
Ratio of Net General Bonded Debt Outstanding	115
Direct and Overlapping Governmental Activities Debt	116
Pledged-Revenue Coverage	117
Legal Debt Margin Information	118
Demographic and Economic Statistics	119
Principal Employers	120
Full-Time Equivalent City Government Employees	121
Operating Indicators by Function/Program	122
Capital Asset Statistics by Function/Program	123



City of University Park
Committed to Excellence

March 31, 2021

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

The Finance Department and City Manager's Office are pleased to submit the Annual Comprehensive Financial Report for the City of University Park, Texas for the fiscal year ended September 30, 2021. 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.

BKD LLP, Certified Public Accountants, have issued an unmodified opinion on the City of University Park's financial statements for the year ended September 30, 2021. 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 25,278. Home to Southern Methodist University, University Park is known for its excellent schools, fine homes and churches, and outstanding local services.

Government Structure

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

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

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

Services Provided

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

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

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

Accounting System and Budgetary Control

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

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

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

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

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

Local Economy

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

In FY2021, the average market value of a residential parcel in the City increased to \$1,699,817, a 1.9% increase from \$1,668,650 in FY2020. The property tax rate increased 2.4% from 25.8548 cents per hundred in FY2020, to 26.4750 cents per hundred in FY2021. This resulted in a budgeted tax revenue increase of \$0.7 million (3.3%) due to the increase in the total certified taxable base, which grew by 0.9% year over year. The increase allowed the City to increase funding for public safety including fully funding pension liabilities, increase the amount of revenue dedicated to capital projects, and enhance cyber security and protection of data networks.

Long-term Financial Planning

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) 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, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Subject to the delay in reporting resulting from both the Covid-19 pandemic and the loss of a key Finance Department staff member, the City did not file the report for the fiscal year ended September 30, 2019. The City filed the report for the fiscal year ended September 30, 2020 in August 2021. The report is currently in review and we see no reason the City would not receive the award for the 2020 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 its eligibility 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 preparation of this report.

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

Respectfully submitted,



Robert L. Corder, III

City Manager



Thomas W. Tvardzik

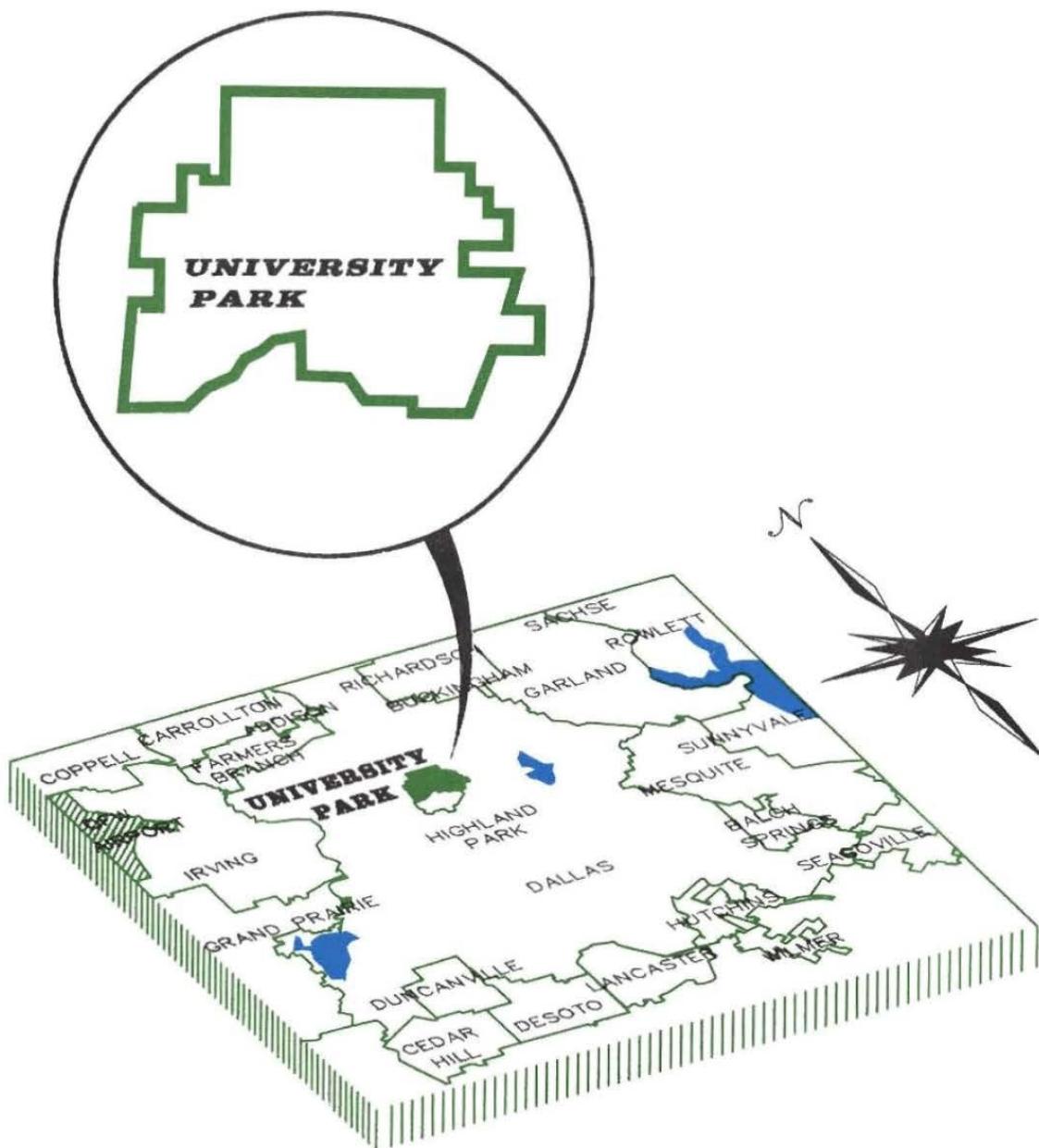
Director of Finance



Brian Hogan, CPA

Controller

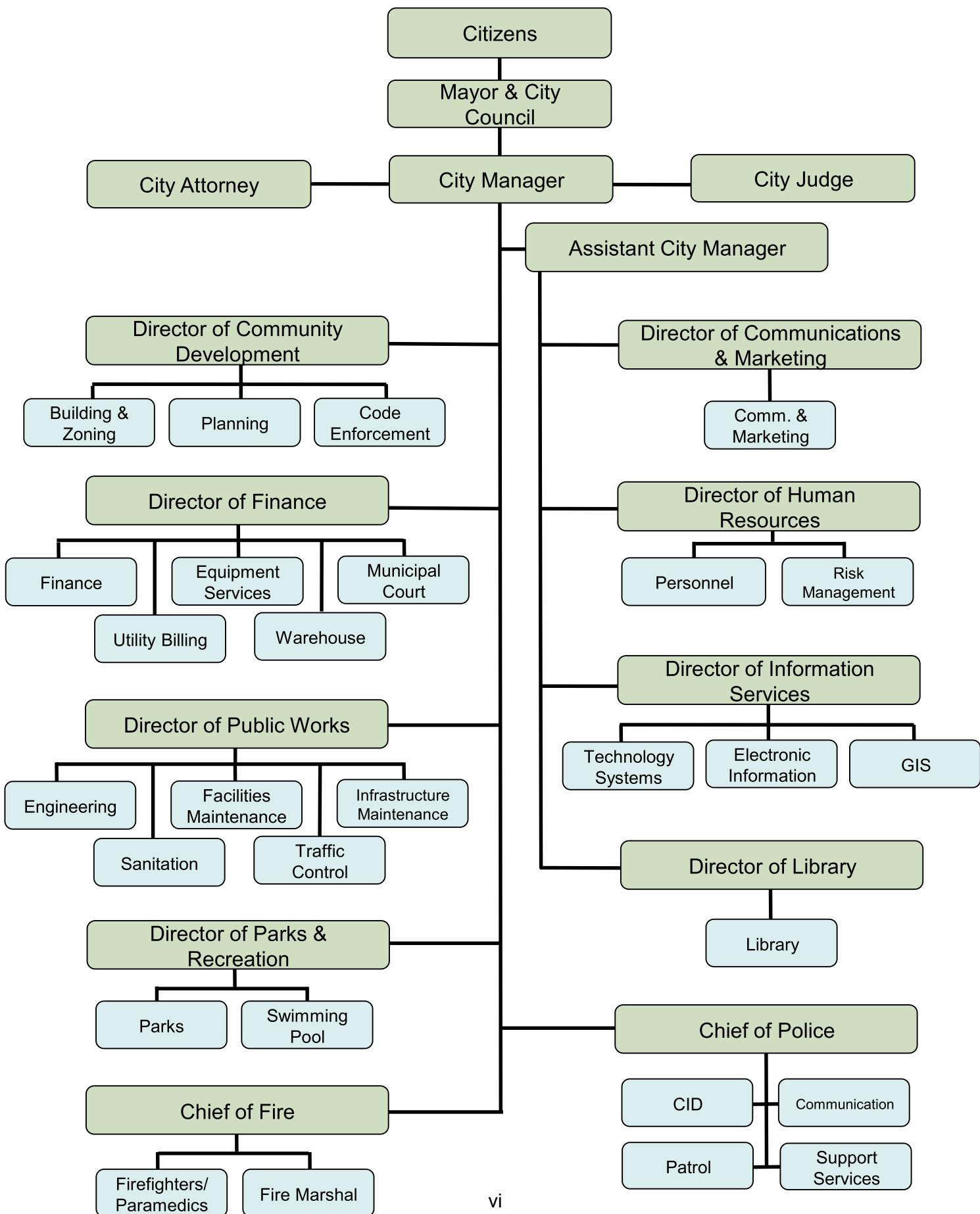
MAP OF UNIVERSITY PARK AND DALLAS COUNTY AREA





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	2022	Commercial Real Estate
Randy Biddle, Mayor Pro Tempore	2016	2022	Lawyer
Gage A. Prichard, Sr., Council Member	2016	2022	Real Estate Developer
Liz Farley, Council Member	2018	2022	Medical
Mark Aldredge, Council Member	2020	2022	Real Estate Developer

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

BKD 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

Report on the Financial Statements

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the University Park Firemen's Relief and Retirement Fund (FRRF), which represents 33 percent, 34 percent, and 24 percent, respectively, of the assets and deferred outflows, net position, and revenues of the aggregate remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for FRRF, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of FRRF, were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, 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.

Emphasis of Matter

As discussed in *Note 1* to the financial statements, in 2021, the City adopted GASB Statement No. 84, *Fiduciary Activities*, and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and pension and other postemployment information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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 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.

Other Information

Our audit for the year ended September 30, 2021, was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining financial statements and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended September 30, 2021, 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 for the year ended September 30, 2021.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Dallas, Texas
March 31, 2022



MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2021

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, 2021. 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 \$190,083,493. This number must be viewed in the context that the majority of the City's net position of \$146,059,796 (76.8%) 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 \$368,185 (0.2%) and may only be spent for the purpose of the particular fund that holds it. The remaining \$43,658,230 (23.0%) 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 \$8,086,491 (4.4%) in fiscal 2021.
- The City's total liabilities increased \$5,537,234 from the prior year primarily due to three items. Accounts Payable increased by \$1.5 million due to a single large stormwater project invoice that was open at year-end. Unearned revenue increased by \$3.1 million due to Coronavirus State and Local Fiscal Recovery Funds received as part of the American Rescue Plan Act (ARPA) that remained unspent at year end. Finally, the net pension liability of the Firefighters Relief and Retirement Fund (the "FRRF") increased by \$1.0 million due to a combination of factors, most notably the difference between interest calculated on the unfunded actuarial liability and net investment earnings generated by the FRRF Plan assets.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$41,577,528, a decrease of \$154,990 from the prior year. Within this total, \$609,298 is non-spendable by nature (i.e. inventory), \$368,185 is restricted by specific legal requirements, and \$16,928,283 has been committed in accordance with the following: Emergency Reserve (\$2,500,000); SMU PILOT (Payment In Lieu Of Taxes) Reserve (\$2,375,000); and SMU Land Sale Reserve (\$12,053,283). The amount of \$13,069,895 has been assigned to specific types of expenditures, while the remaining \$10,601,867 is unassigned fund balance and can be used for any lawful purpose.
- As of September 30, 2021, the City remained debt free.

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, 2021

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. Nonfinancial 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, 2021

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 nonmajor governmental funds (University Park Civic Foundation, Court Security, Court Technology, Police Training and Education, Police Forfeiture, Fire Training and Education, Library, and Parks Projects and Programs) is provided in the form of combining statements.

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

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

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, solid waste, and storm water operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of University Park uses internal service funds to account for its fleet of vehicles and self-insurance program. Because 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, 2021

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

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

Government-wide Overall Financial Analysis

As noted earlier, total net position and especially net position by category may serve over time as a useful indicator of a government's financial health. For the City of University Park, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$190,083,493 as of September 30, 2021, an increase in net position of \$8,086,491 (4.4%) from the prior year.

The largest portion of the City's total net position, \$146,059,796 (76.8%) 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, 2021, the City has no outstanding debt and funded capital asset acquisition and capital projects on a pay-as-you-go basis.

The City has \$368,185 (0.2%) of restricted net position, resulting from the fund balances of the Special Revenue Funds, which are nonmajor governmental funds combined under the heading "Other Governmental Funds". Due to revenue restrictions, fund balance within the Special Revenue Funds may only be spent for the particular purpose for which the fund was created.

The remaining balance of \$43,655,512 (23.0%) 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, 2021

CITY OF UNIVERSITY PARK - Net Position

CITY OF UNIVERSITY PARK'S NET POSITION

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 58,790,367	\$ 50,273,477	\$ 13,149,290	\$ 18,106,959	\$ 71,939,657	\$ 68,380,436
Capital assets	81,021,263	81,126,644	67,060,504	58,672,778	148,081,767	139,799,422
Total Assets	139,811,630	131,400,121	80,209,794	76,779,737	220,021,424	208,179,858
Deferred outflows of resources	4,238,328	3,673,640	471,730	381,464	4,710,058	4,055,104
Current liabilities	6,924,713	3,972,749	4,082,757	2,296,618	11,007,470	6,269,367
Long-term liabilities	17,973,110	16,991,346	714,851	897,484	18,687,961	17,888,830
Total Liabilities	24,897,823	20,964,095	4,797,608	3,194,102	29,695,431	24,158,197
Deferred inflows of resources	4,301,667	5,294,522	650,891	785,241	4,952,558	6,079,763
Net Position:						
Net investment in capital assets	81,021,263	81,126,644	65,038,533	58,672,778	146,059,796	139,799,422
Restricted	368,185	351,551	-	-	368,185	351,551
Unrestricted	33,461,020	27,336,949	10,194,492	14,509,080	43,655,512	41,846,029
Total Net Position	\$ 114,850,468	\$ 108,815,144	\$ 75,233,025	\$ 73,181,858	\$ 190,083,493	\$ 181,997,002

Current and other assets increased in Governmental activities by \$8.5 million and decreased in Business-type activities by \$5.0 million. The increase in Governmental assets is primarily due to a \$7.5 million dollar reduction in internal balances (a line item that is directly offset by a corresponding amount in Business-type activities, classified as an asset) and an increase in year-end receivables, somewhat offset by an overall reduction in cash and investment holdings. The decrease in Business-type activities is largely due to the change in internal balances noted above, offset by a \$2.0 increase in investments as well as \$0.5 million increase in receivables.

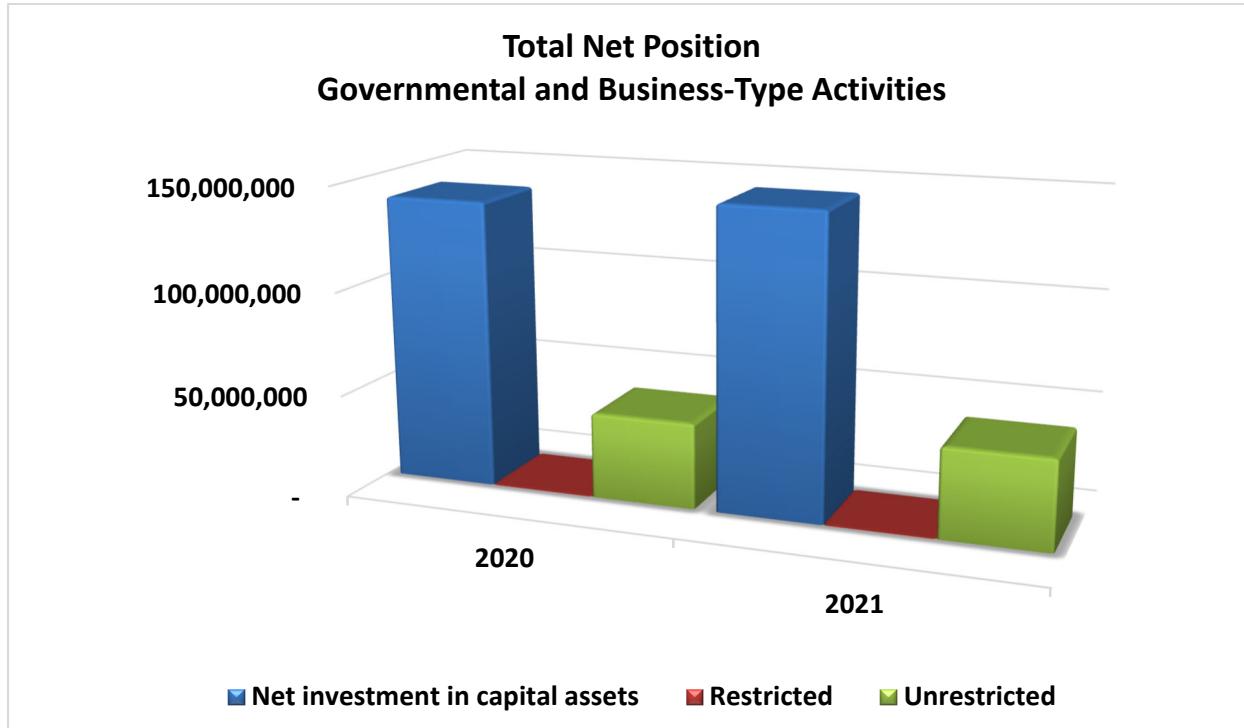
While Governmental Capital asset activity remained little changed from the prior year, Business-type Capital assets increased \$10.5 million (before depreciation expense) in FY2021, due almost entirely to a rapid increase in spending on the Stormwater Improvements project (\$7.1 million) and Snider Plaza Area construction project (\$3.2 million).

Governmental Current liabilities increased due to the aforementioned, unspent ARPA funds, while Business-type Current liabilities increased due to certain outstanding accounts payable items.

The City's long-term liabilities increased by \$0.8 million due to the \$1.0 million change in the FFRF net pension liability, a \$0.5 million increase in net Other Post-Employment Benefits ("OPEB"), offset by a liability reduction with the Texas Municipal Retirement System (TMRS) as the pension position changed from a liability of \$0.3 million in 2020 to an asset of \$0.6 million in 2021, among other items.

As of September 30, 2021, 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.

CITY OF UNIVERSITY PARK, TEXAS
 Management's Discussion and Analysis (MD&A)
 September 30, 2021



CITY OF UNIVERSITY PARK - Changes in Net Position

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 3,844,817	\$ 3,865,240	\$ 20,165,844	\$ 19,887,257	\$ 24,010,661	\$ 23,752,497
Operating Grants and Contributions	4,298,409	1,043,534	7,821	4,779	4,306,230	1,048,313
General revenues:						
Property tax	22,506,548	21,411,142	-	-	22,506,548	21,411,142
Sales tax	5,855,461	4,755,160	-	-	5,855,461	4,755,160
Franchise fees	1,495,762	1,584,008	-	-	1,495,762	1,584,008
Interest	(14,284)	1,294,189	(13,635)	89,698	(27,919)	1,383,887
Other	848,631	581,490	26,496	4,863	875,127	586,353
Donations	98,692	97,875	-	-	98,692	97,875
Gain on sale of Cap Assets	118,679	-	-	-	118,679	-
Total Revenues	39,052,715	34,632,638	20,186,526	19,986,597	59,239,241	54,619,235
Expenses:						
General Government	6,885,096	6,412,090	-	-	6,885,096	6,412,090
Public Safety	15,768,343	15,962,509	-	-	15,768,343	15,962,509
Streets	2,452,310	2,129,771	-	-	2,452,310	2,129,771
Parks	4,223,877	4,211,621	-	-	4,223,877	4,211,621
Public Works	3,215,457	3,501,692	-	-	3,215,457	3,501,692
Utilities	-	-	15,562,781	15,330,875	15,562,781	15,330,875
Sanitation	-	-	2,914,642	3,200,828	2,914,642	3,200,828
Stormwater	-	-	130,244	122,427	130,244	122,427
Total Expenses	32,545,083	32,217,683	18,607,667	18,654,130	51,152,750	50,871,813
Increase in net position before transfers	6,507,632	2,414,955	1,578,859	1,332,467	8,086,491	3,747,422
Transfers	(472,308)	(449,808)	472,308	449,808	-	-
Increase/(decrease) in net position	6,035,324	1,965,147	2,051,167	1,782,275	8,086,491	3,747,422
Net Position - October 1	108,815,144	106,849,997	73,181,858	71,399,583	181,997,002	178,249,580
Net Position - September 30	\$ 114,850,468	\$ 108,815,144	\$ 75,233,025	\$ 73,181,858	\$ 190,083,493	\$ 181,997,002

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2021

Governmental Activities

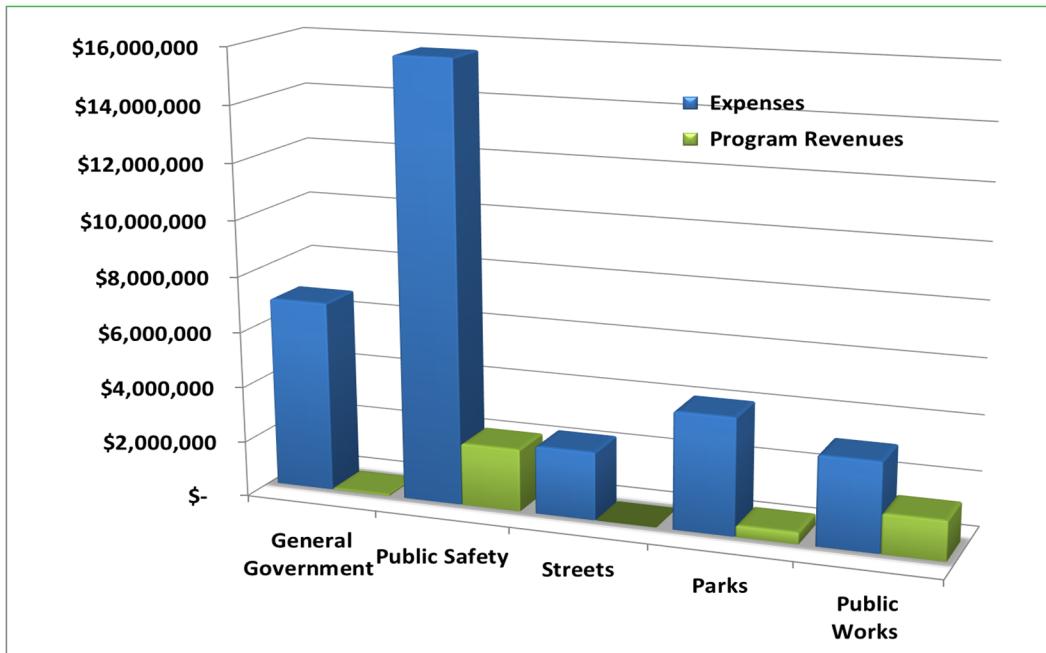
Governmental activities net position increased by \$6,035,324, or 5.5%. Net investment in capital assets decreased by \$105,381, or 0.1%. Restricted net position increased \$13,916 or 4.0%. Unrestricted net position increased by \$6,126,789, or 22.4%.

- Revenues related to governmental activities increased \$4,420,077 (12.8%) from the prior year.
 - Revenue additions in FY2021 included:
 - Property tax revenue increased \$1,095,406 (5.1%) for the year. The total certified taxable property value rose 0.9% year-over-year, while the value of the average single-family home (before applicable exemptions) climbed 1.9% from the prior year. Increasing the tax rate by 2.4% (to 26.4750 cents per \$100 of taxable value from 25.8548 cents) resulted in an average tax levy increase of \$149, or 4.3% for the typical single-family homeowner after the 20% homestead exemption.
 - Sales tax revenue increased \$1,100,301 (23.1%) from FY2020 as consumers showed resilience throughout the pandemic and increased the amount of goods purchased from outside the City. Of the total increase, \$140,500 was due to a substantial recovery of funds misdirected to a neighboring jurisdiction.
 - Operating Grants and Contributions increased \$3,257,917 (310.8%) for the year. The increase is primarily due to a large, pending reimbursement from the Dallas Area Rapid Transit (DART) in accordance with a Transit Related Improvement Program (TRIP) interlocal agreement. The reimbursement is directly tied to the Radio System Comprehensive Replacement capital project, which upgraded operational and communications reliability and efficiency.
 - Revenue decreased in the following category in FY2021:
 - Interest revenue decreased \$1,308,473 (101.1%) from the prior year, due primarily to the pandemic-related drop in interest rates during mid-FY2020 that remained depressed (or fell further) during FY2021. As approximately 50% of City investments are held in cash or local government investment pools at any given time, this decrease effectively slashed cash-basis earnings by 75%. The remainder of the earnings were effectively “wiped out” by the year-end mark-to-market, whereby large unrealized gains from FY2020 were not offset by equivalent gains in FY2021.
- Expenses related to governmental activities increased \$327,400 (1.0%) from the prior year. The most significant cost-driver in FY2021 was the resumption of merit-based increases throughout the City. Such increases were put on hold during FY2020, after the implementation of an extensive job classification and compensation study during FY2019.

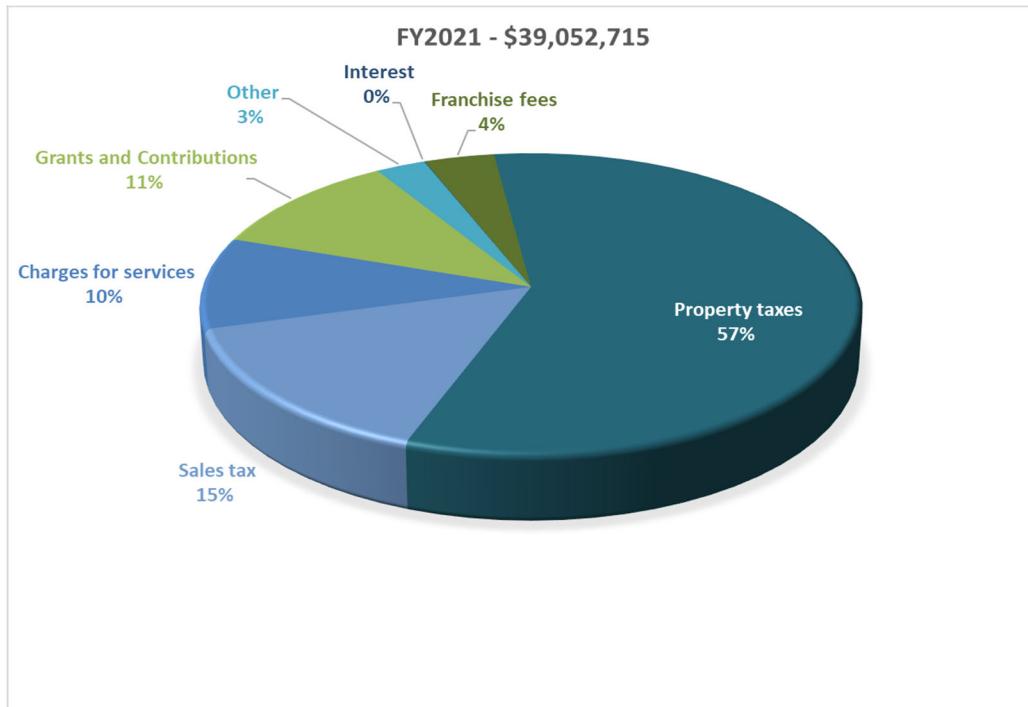
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CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2021

PROGRAM REVENUES AND EXPENSES – GOVERNMENTAL ACTIVITIES



REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES



CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2021

Business-type Activities:

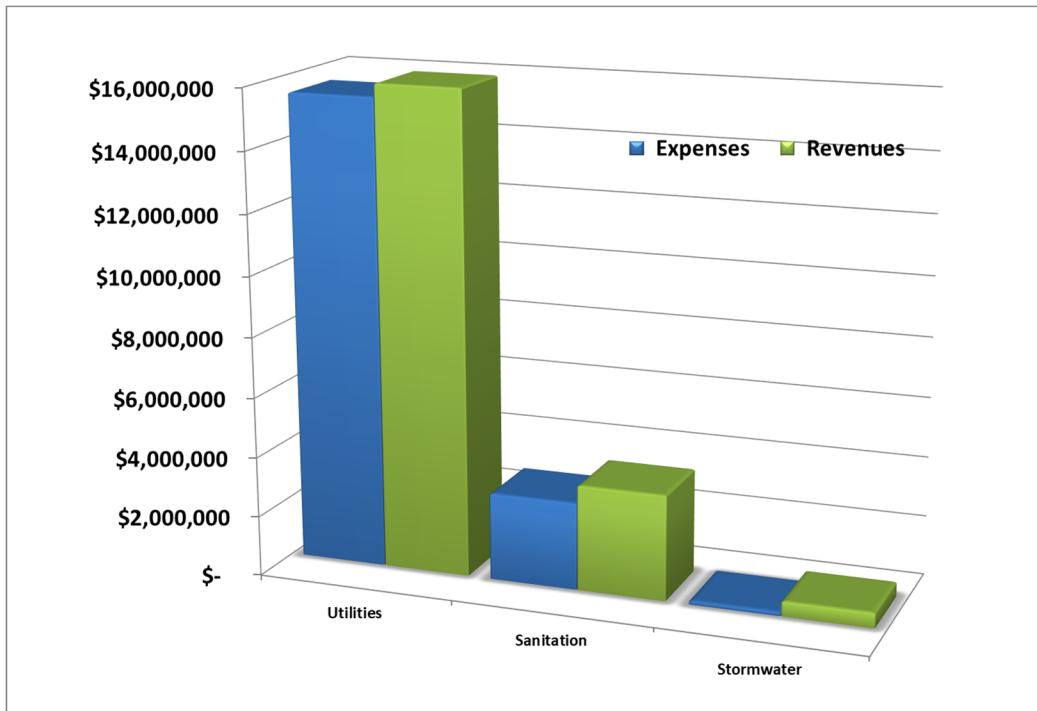
Net position from business-type activities increased by \$2,051,167, or 2.8%. Net investment in capital assets increased \$6,365,755, or 10.8%. Unrestricted net position decreased \$4,314,588, or 29.7%

- Revenues related to business-type activities increased \$199,929 (1.0%) in FY2021, due primarily to the following:
 - An decrease of \$259,000 in water sales, attributable to a lower volume of water sold across all sales categories (residential, commercial, church and schools, and Southern Methodist University. The water rate pricing structure and rate remained unchanged from the FY2020.
 - An increase of \$415,000 in wastewater billing, due to higher water usage posted during the “winter averaging” months.
 - An increase in Sanitation revenues of \$110,000, resulting from a planned rate increase.
 - Stormwater revenues remained consistent with FY2020.
- Expenses for business-type activities decreased by \$46,463 (0.2%) in FY2021, with no particular category of expense accounting for the bulk of the shift.

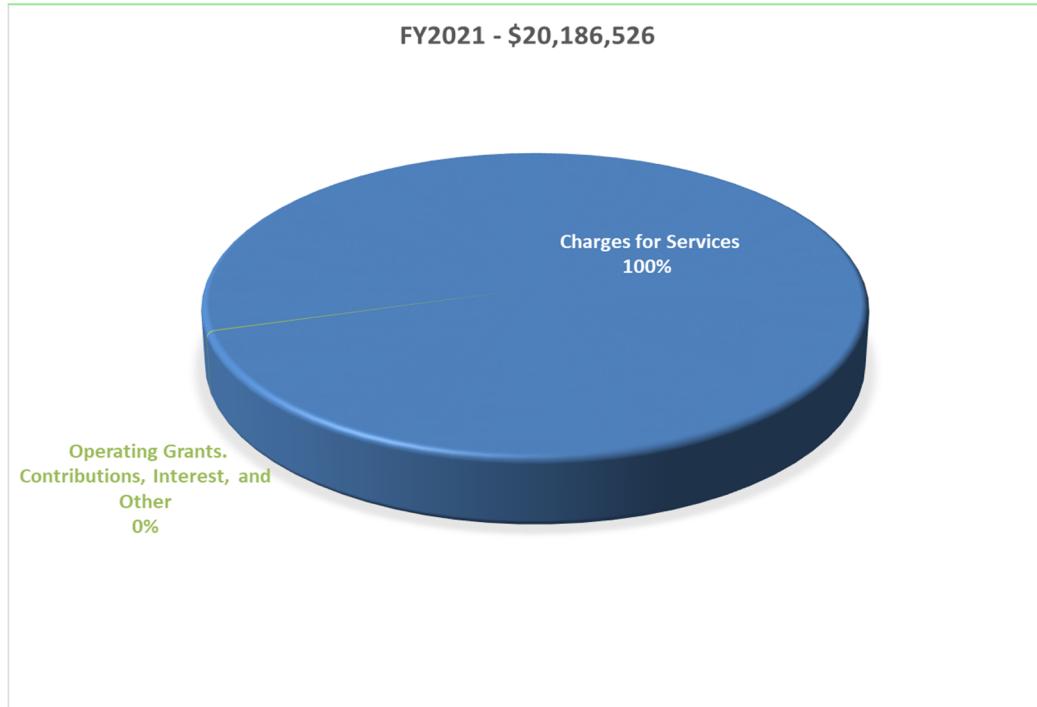
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CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2021

PROGRAM REVENUES AND EXPENSES – BUSINESS-TYPE ACTIVITIES



REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES



CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2021

Financial Analysis of Governmental Funds

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

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

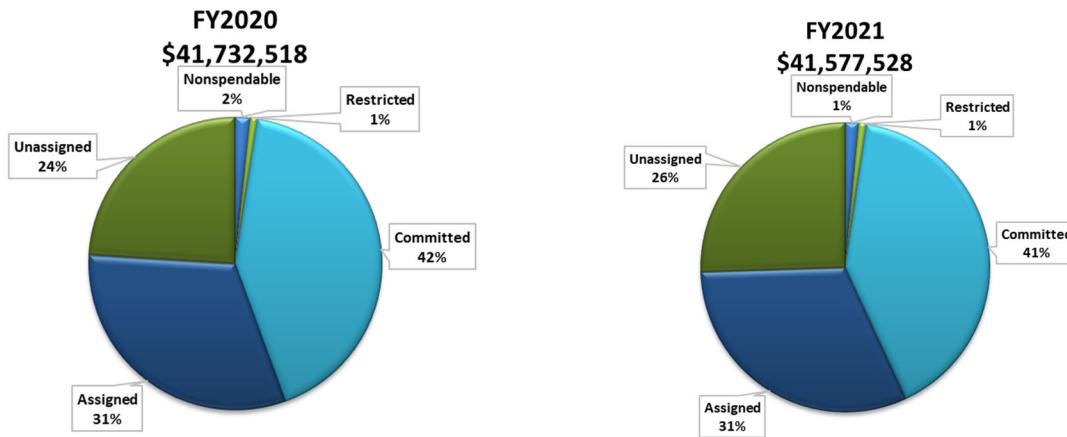
- *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher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

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

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CITY OF UNIVERSITY PARK, TEXAS
 Management's Discussion and Analysis (MD&A)
 September 30, 2021

**Fund Balances by Type
 Governmental Funds**



As of the end of FY2021, the City's governmental funds reported combined ending fund balances of \$41,577,528, a decrease \$154,990 (-0.4%) compared to the prior year. Of the total, \$609,298 is nonspendable, as it represents fuel and supplies inventories and \$368,185 is restricted, as it may only be spent for the specific purposes set forth in the respective Special Revenue Fund.

The \$16,928,283 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 \$13,069,895 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 \$10,601,867 (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 FY2021).

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 \$62,910,040, while the Sanitation and Stormwater Funds totaled \$1,912,594 and \$2,916,604, respectively. Prior to transfer activity, the Water and Sewer, Sanitation and Stormwater funds had income of \$506,641, \$496,436, and \$372,829, 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), only three other budget amendments were passed by City Council during fiscal 2021. The first amendment served to appropriate funds totaling \$135,000 from the General Fund "unassigned" balance to increase "other" expenditures within the Executive Department. The increase was necessary to allow for the transfer of CARES Act funds to HPISD

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2021

for Covid-19 mitigation. The second amendment increased utility costs within the Executive department by \$194,642. This amendment was necessary to allow an unanticipated payment to GEXA Energy for additional electric costs incurred during the snow and ice storm of February, 2021. The final amendment related to a required, additional city contribution payment made to the FRRF that was not calculable until after the final payroll of the fiscal year. The calculated payment assures that City contributions to the FRRF are in accordance with the actuarial recommendations.

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

The City does not generally amend the budget for an increase in revenues. As a matter of longstanding practice, the first amendment of the fiscal year brings forward open encumbrances (purchase orders) from the previous fiscal year. By adding the amount of the encumbered items to the current year adopted budget, purchases may be completed without exceeding the current approved budget. Consequently, purchase orders open at the end of the current year are carried over to the next fiscal year. The total carried forward in the General Fund from fiscal 2020 was \$319,897, while the total that will be deducted and carried forward to fiscal 2022 is \$244,845.

Final budget compared to actual results. Revenues collected exceeded management's original budget estimate of the General Fund's revenues by \$185,059 or 0.6%. The totals in five General Fund revenue categories varied more than \$250,000 from the final budget:

- Sales taxes collected were \$1,065,461 (22.2%) above budget for FY2021, 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 \$1,495,762, or \$384,238 (-20.4%) below budget. This was due primarily to a consumer behavior known as "cord-cutting" whereby entertainment choices are received primarily over the internet, rather than through cable-tv "packages". The loss of revenue due to this change in behavior was exacerbated by the "one-wire, one-fee" legislation previously passed by the Texas Legislature, allowing providers to cut their right-of-way fees in half, if they provide communication and entertainment over the same wire.
- Fines finished the year at \$296,196, a \$306,304 (-50.8%) 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 -\$31,787, 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 FY2020 mark-to-market (which is reversed in FY2021) 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
- Intergovernmental revenue was a new revenue category for the City in fiscal 2020, and an additional \$317,794 in FY2021. As in FY2020, this CARES Act money was used for Covid-related expenditures.

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CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2021

- The following individual departments were over-budget.
 - Executive - \$29,041 (1.7%)
 - Finance - \$57,407 (6.0%)
 - Human Resources - \$32,825 (8.0%)
 - Information Services - \$69,177 (6.8%)
 - Engineering - \$96,431 (12.2%)
 - Facility Maintenance - \$16,456 (3.4%)
 - Fire - \$195,496 (2.8%)
 - Swimming Pool - \$12,338 (2.2%)

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 \$511,846 (1.5%) 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, 2021 of \$708,358 which is -3.99% of the City's annual covered non-FFRF eligible payroll of \$17,732,072. The net pension asset represents a swing of \$1,284,605 from the \$576,247 net pension liability 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.

FRRF - On a reporting basis, the City's financial statements reflect a net pension liability for the FRRF as of September 30, 2021 of \$14,930,022 (an increase of \$1,031,460 from the prior year) which is 450.50% of the City's annual covered firefighter payroll of \$3,314,100. The increase is due primarily to changes in assumptions due to Plan closure and lower investment earnings.

CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2021

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, 2021 is \$1,989,093, and increase of \$509,708 (34.5%) from the previous year. The increase is due primarily to decreases in the discount rate, and differences noted 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

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, amounts to \$148,081,767, 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	
	2021	2020	2021	2020	2021	2020
Land	\$ 11,640,078	\$ 11,640,078	\$ 108,758	\$ 108,758	\$ 11,748,836	\$ 11,748,836
Construction in progress	7,892,823	5,229,033	19,649,666	9,229,583	27,542,489	14,458,616
Buildings	10,650,516	11,077,315	-	-	10,650,516	11,077,315
Improvements	35,050,197	36,569,973	47,165,342	49,185,130	82,215,539	85,755,103
Equipment	8,334,972	9,249,272	136,738	149,307	8,471,710	9,398,579
Infrastructure	7,452,677	7,360,973	-	-	7,452,677	7,360,973
Total Capital Assets	\$ 81,021,263	\$ 81,126,644	\$ 67,060,504	\$ 58,672,778	\$ 148,081,767	\$ 139,799,422

Capital assets (net of depreciation) related to governmental activities decreased by \$105,381 in FY2021. Significant projects completed and placed into service during the year include significant traffic signal replacements, a rebuild of the City Hall chiller #2, and the completion of a Dallas County traffic flow master plan. Depreciation expense on existing capital assets (\$4,460,708) offset the value of the additions. As previously mentioned, stormwater improvement projects and Snider Plaza Area projects are in progress.

Business-type capital assets (also net of depreciation) increased \$8,387,725 during fiscal 2021. The only project capitalized during the year was design and planning related to the reconstruction of a sewer line servicing Southern Methodist University (SMU).

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, 2021, the City of University Park has no debt. However, due to the extraordinary expense associated with upgrading stormwater drainage within the City to prevent flooding, the City is issuing debt for the first time since a debt-service refunding in 1993.

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CITY OF UNIVERSITY PARK, TEXAS
Management's Discussion and Analysis (MD&A)
September 30, 2021

Economic Factors and Next Year's Budgets and Rates

- The total certified value of the City's taxable base increased by 2.65% during calendar 2021, well above the previous year increase of 0.9%. 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 incremental costs, whether caused by actual expense increase or the loss of non-tax revenue. The growth in the taxable base in 2021, coupled with a cautiously optimistic increase in non-tax revenues of just over \$300,000, afforded a slight decrease in the FY2022 tax rate. Ultimately, a tax rate of 26.4388 cents (per hundred dollars of taxable value) was proposed and passed by Council. This was a 0.0361 cent (0.14%) decrease from the prior year. The resultant tax revenues were below the mandated 3.5% cap.
- 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 FY2022, this exemption amounted to an additional \$425,000 exemption per qualifying property.
- Consumers continue to change their buying habits and purchase more items through the internet and home delivery services. Given this change in purchasing behavior, pent-up demand from the prior year "lock-downs", and with local businesses welcoming customers in-person, the outlook for sales and mixed beverage tax revenue is not only returning to pre-pandemic levels, but is expected to increase by almost 5% in FY2022.
- City-wide interest revenue remained depressed throughout FY2021 due to the low interest rate environment ushered in at the outset of the COVID-19 pandemic. Low rates primarily affect investments in local government "pools", such as Texpool, TexasDaily and TexStar, where readily accessible and highly liquid funds are kept. FY2021 interest rates in these pools were very often quoted in the hundredths of a percent. Callable securities (those that can be "called away" if interest rates drop) also fared poorly in FY2021. Given the outlook during the budget process, interest revenues for FY2022 are expected to remain unchanged from FY2021.

The FY2022 budget proposes maintaining actuarially determined level funding for the Fire Fighters Relief and Retirement Fund. This will be accomplished through use of reserves, thereby not affecting the current tax rate. The FY2022 budget also increases funding for capital projects, and anticipates the "spin-off" of the Information Services department into a Technology Services Fund. This new internal services fund will operate similar to the Equipment Services Fund, charging user departments with the appropriate cost to support their technology needs. Recognizing the change, the contribution from the Utility Fund to the General Fund will decrease by \$200,000.

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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
				Southwest Higher Education Authority
ASSETS				
Cash and cash equivalents	\$ 30,961,134	\$ 5,451,991	\$ 36,413,125	\$ -
Investments	21,539,962	1,974,940	23,514,902	-
Receivables (net of allowance)	2,429,671	3,262,367	5,692,038	-
Due from other governments	3,980,368	-	3,980,368	-
Due from primary government	-	-	-	55,000
Prepays	-	251,948	251,948	-
Internal balances	(1,666,424)	1,666,424	-	-
Inventory	609,298	-	609,298	-
Restricted cash	368,185	401,435	769,620	-
Net pension asset - TMRS	568,173	140,185	708,358	-
Capital assets:				
Nondepreciated assets				
Land	11,640,078	108,758	11,748,836	-
Construction in progress	7,892,823	19,649,666	27,542,489	-
Total nondepreciated assets	19,532,901	19,758,424	39,291,325	-
Depreciated assets				
Buildings	17,561,145	54,594	17,615,739	-
Improvements other than buildings	55,937,114	96,020,465	151,957,579	-
Machinery and equipment	20,313,993	338,107	20,652,100	-
Infrastructure	13,321,667	-	13,321,667	-
Accumulated depreciation	(45,645,557)	(49,111,086)	(94,756,643)	-
Total depreciated assets	61,488,362	47,302,080	108,790,442	-
Total assets	139,811,630	80,209,794	220,021,424	55,000
DEFERRED OUTFLOWS OF RESOURCES				
Difference in expected and actual pension/OPEB investment experience	723,484	200,562	924,046	-
Changes in pension/OPEB actuarial assumptions	1,866,823	30,972	1,897,795	-
Pension/OPEB contributions after measurement date	1,648,021	240,196	1,888,217	-
Total deferred outflow of resources	4,238,328	471,730	4,710,058	-
LIABILITIES				
Accounts payable	1,352,395	2,695,050	4,047,445	-
Accrued liabilities	1,088,865	426,549	1,515,414	-
Customer deposits/other	79,459	401,435	480,894	-
Unearned revenue	3,095,466	231,948	3,327,414	-
Due to component unit	55,000	-	55,000	-
Compensated absences:				
Due within one year	1,253,528	327,775	1,581,303	-
Due beyond one year	1,429,553	339,293	1,768,846	-
Net pension liability - FRRF	14,930,022	-	14,930,022	-
Total OPEB liability	1,613,535	375,558	1,989,093	-
Total liabilities	24,897,823	4,797,608	29,695,431	-
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension/OPEB investment experience	1,138,601	125,977	1,264,578	-
Changes in pension/OPEB actuarial assumptions	186,628	33,690	220,318	-
Difference in projected and actual pension/OPEB investment earnings	2,976,438	491,224	3,467,662	-
Total deferred inflow of resources	4,301,667	650,891	4,952,558	-
NET POSITION				
Investment in capital assets	81,021,263	65,038,533	146,059,796	-
Restricted to:				
General Government	41,689	-	41,689	-
Public Safety	244,186	-	244,186	-
Parks	82,310	-	82,310	-
Unrestricted	33,461,020	10,194,492	43,655,512	-
Total net position	<u>\$ 114,850,468</u>	<u>\$ 75,233,025</u>	<u>\$ 190,083,493</u>	<u>\$ 55,000</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, 2021

Functions/Programs	Expenses	Charges for Services	Net (Expenses) Revenues and Changes in Net Position						Component Units Southwest Higher Education Authority	
			Program Revenues			Primary Government				
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total			
Primary government										
Governmental activities:										
General Government	\$ 6,885,096	\$ 60,771	\$ -	\$ 354,097	\$ (6,470,228)	\$ -	\$ (6,470,228)	\$ -		
Public Safety	15,768,343	1,938,734	318,041	2,268,760	(11,242,808)	-	(11,242,808)	-		
Streets	2,452,310	-	-	1,357,511	(1,094,799)	-	(1,094,799)	-		
Parks	4,223,877	417,147	-	-	(3,806,730)	-	(3,806,730)	-		
Public Works	3,215,457	1,428,165	-	-	(1,787,292)	-	(1,787,292)	-		
Total governmental activities	<u>32,545,083</u>	<u>3,844,817</u>	<u>318,041</u>	<u>3,980,368</u>	<u>(24,401,857)</u>	<u>-</u>	<u>(24,401,857)</u>	<u>-</u>		
Business-Type activities:										
Utilities	15,562,781	16,150,249	3,448	-	-	590,916	590,916	-		
Sanitation	2,914,642	3,513,400	4,373	-	-	603,131	603,131	-		
Stormwater	130,244	502,195	-	-	-	371,951	371,951	-		
Total business-type activities	<u>18,607,667</u>	<u>20,165,844</u>	<u>7,821</u>	<u>-</u>	<u>-</u>	<u>1,565,998</u>	<u>1,565,998</u>	<u>-</u>		
Total primary government	<u><u>\$ 51,152,750</u></u>	<u><u>\$ 24,010,661</u></u>	<u><u>\$ 325,862</u></u>	<u><u>\$ 3,980,368</u></u>	<u><u>(24,401,857)</u></u>	<u><u>1,565,998</u></u>	<u><u>(22,835,859)</u></u>	<u><u>-</u></u>		
 General revenues:										
Property tax				22,506,548	-	22,506,548	-			
Sales tax				5,855,461	-	5,855,461	-			
Franchise taxes				1,495,762	-	1,495,762	-			
Interest				(14,284)	(13,635)	(27,919)	-			
Other				848,631	26,496	875,127	-			
Donations not restricted to specific programs				98,692	-	98,692	-			
Gain on sale of capital assets				118,679	-	118,679	-			
Transfers				(472,308)	472,308	-	-			
Total general revenues and transfers				<u>30,437,181</u>	<u>485,169</u>	<u>30,922,350</u>	<u>-</u>			
Changes in net position				6,035,324	2,051,167	8,086,491	-			
Net position - beginning				<u>108,815,144</u>	<u>73,181,858</u>	<u>181,997,002</u>	<u>55,000</u>			
Net position - ending				<u><u>\$114,850,468</u></u>	<u><u>\$75,233,025</u></u>	<u><u>\$ 190,083,493</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

**Balance Sheet
Governmental Funds**

September 30, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 21,128,816	\$ 5,346,406	\$ 130,208	\$ 26,605,430
Investments	19,561,728	-	-	19,561,728
Receivables (net of allowance):				
Property tax	166,799	-	-	166,799
Sales tax	1,352,205	-	-	1,352,205
Franchise fees	349,793	-	-	349,793
Accrued interest	71,086	-	-	71,086
Other, net	484,324	-	-	484,324
Due from other funds	10,644,000	7,707,208	241,265	18,592,473
Due from other governments	-	3,980,368	-	3,980,368
Inventory	609,298	-	-	609,298
Total assets	\$ 54,368,049	\$ 17,033,982	<b">\$ 371,473</b">	\$ 71,773,504
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 940,886	\$ 241,030	\$ 400	\$ 1,182,316
Accrued liabilities	1,039,919	5,136	-	1,045,055
Other/customer deposits	79,459	-	-	79,459
Due to other funds	20,382,577	-	5,606	20,388,183
Due to component unit	55,000	-	-	55,000
Unearned revenues	3,095,466	-	-	3,095,466
Total liabilities	25,593,307	246,166	<b">6,006</b">	<b">25,845,479</b">
Deferred Inflows of Resources:				
Unavailable revenues - property taxes	193,328	-	-	193,328
Unavailable revenues - general services	176,801	-	-	176,801
Unavailable revenues - intergovernmental	-	3,980,368	-	3,980,368
Total deferred inflows of resources	370,129	3,980,368	<b">-</b">	<b">4,350,497</b">
Fund Balances:				
Nonspendable	609,298	-	-	609,298
Spendable				
Restricted to:				
General Government	-	-	41,689	41,689
Public Safety	-	-	244,186	244,186
Parks	-	-	82,310	82,310
Committed to:				
SMU land sale	12,053,283	-	-	12,053,283
Emergency expenditures	2,500,000	-	-	2,500,000
SMU PILOT	2,375,000	-	-	2,375,000
Assigned to:				
General Government	64,976	12,807,448	-	12,872,424
Public Works	21,457	-	-	21,457
Public Safety	34,841	-	-	34,841
Parks	141,173	-	-	141,173
Unassigned	10,604,585	-	(2,718)	10,601,867
Total fund balances	28,404,613	12,807,448	<b">365,467</b">	<b">41,577,528</b">
Total liabilities, deferred inflows of resources and fund balances	\$ 54,368,049	\$ 17,033,982	\$ 371,473	\$ 71,773,504

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, 2021

Total fund balances - governmental funds \$ 41,577,528

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Amount excludes Internal Service Funds' fixed assets.	74,988,960
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.	4,350,497
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.	542,504
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.	(1,547,136)
This amount is the net pension liability (FRRF) recorded at the government-wide level, not recorded in the funds.	(14,930,022)
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.	(40,272)
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.	(2,348,670)
Internal service funds are used by management to charge the costs of various services to individual funds. The governmental portion of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>12,257,079</u>

Total net position - governmental activities \$ 114,850,468

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, 2021

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property tax	\$ 22,495,393	\$ -	\$ -	\$ 22,495,393
Sales tax	5,855,461	-	-	5,855,461
Franchise fees	1,495,762	-	-	1,495,762
Permits and licenses	1,513,555	-	-	1,513,555
Fines	296,196	-	11,832	308,028
Charges for services	1,964,270	-	-	1,964,270
Intergovernmental	317,794	-	-	317,794
Other	257,198	591,397	36	848,631
Investment income (loss)	(31,787)	22,486	63	(9,238)
Donations	12,100	-	86,592	98,692
 Total revenues	 34,175,942	 613,883	 98,523	 34,888,348
EXPENDITURES				
Current:				
General Government	5,571,501	19,630	36,942	5,628,073
Public Safety	16,097,994	-	15,917	16,113,911
Streets	1,971,714	-	-	1,971,714
Parks	3,751,089	-	31,748	3,782,837
Public Works	3,096,698	-	-	3,096,698
Capital Outlays	-	3,977,797	-	3,977,797
 Total expenditures	 30,488,996	 3,997,427	 84,607	 34,571,030
 Excess (deficiency) of revenues over (under) expenditures	 3,686,946	 (3,383,544)	 13,916	 317,318
OTHER FINANCING SOURCES (USES)				
Transfers in	-	3,594,204	-	3,594,204
Transfers out	(4,066,512)	-	-	(4,066,512)
 Total other financing sources (uses)	 (4,066,512)	 3,594,204	 -	 (472,308)
 Net change in fund balances	 (379,566)	 210,660	 13,916	 (154,990)
Fund balances - beginning	28,784,179	12,596,788	351,551	41,732,518
 Fund balances - ending	 \$ 28,404,613	 \$ 12,807,448	 \$ 365,467	 \$ 41,577,528

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, 2021

Net change in fund balances - total governmental funds	\$ (154,990)
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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	4,051,640
Depreciation expense	(3,510,849)
	540,791

Revenues in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds.	70,120
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This amount is the net effect from the sales of capital assets at the government-wide level, not recorded in the funds.	(73,397)
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Revenues in the statement of activities that do not provide current financial resources and are not reported as revenue in the funds.	3,980,368
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This amount is the net TMRS pension expense recorded at the government-wide level, not recorded in the funds.	1,405,854
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This amount is the net other post-employment benefits expense recorded at the government-wide level, not recorded in the funds.	(92,049)
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This amount is the net FRRF pension expense recorded at the government-wide level, not recorded in the funds.	(373,338)
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This amount is the change in the long-term portion of compensated absences, and as such, it is not reported in the funds.	152,037
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Internal service funds are used by management to charge the costs of vehicle service, repair and replacement and various insurance services to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<hr style="width: 100px; margin-left: 0; border: 0; border-top: 1px solid black;"/> 579,928
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Change in net position of governmental activities	<u>\$ 6,035,324</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF UNIVERSITY PARK, TEXAS

Statement of Net Position

Proprietary Funds

September 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Major		Nonmajor			
	Water and Sewer	Sanitation	Stormwater	Total		
ASSETS						
Current assets						
Cash and cash equivalents	\$ 3,974,150	\$ 431,856	\$ 1,045,985	\$ 5,451,991	\$ 4,723,889	
Investments	1,974,940	-	-	1,974,940	1,978,234	
Receivables (net of allowance)	2,651,795	533,098	77,474	3,262,367	5,464	
Due from other funds	2,644,307	2,753,003	1,951,653	7,348,963	7,628,494	
Prepaids	-	45,808	-	45,808	-	
Total current assets	<u>11,245,192</u>	<u>3,763,765</u>	<u>3,075,112</u>	<u>18,084,069</u>	<u>14,336,081</u>	
Non-current assets						
Prepaids	-	206,140	-	206,140	-	
Restricted cash	401,435	-	-	401,435	-	
Net Pension asset - TMRS	81,465	58,720	-	140,185	25,669	
Capital assets:						
Land	108,758	-	-	108,758	-	
Buildings	54,594	-	-	54,594	-	
Improvements other than buildings	96,020,465	-	-	96,020,465	-	
Machinery and equipment	68,470	269,637	-	338,107	13,873,201	
Construction in progress	19,649,666	-	-	19,649,666	-	
Less accumulated depreciation	(48,966,799)	(144,287)	-	(49,111,086)	(7,840,898)	
Total capital assets (net of accumulated depreciation)	<u>66,935,154</u>	<u>125,350</u>	<u>-</u>	<u>67,060,504</u>	<u>6,032,303</u>	
Total non-current assets	<u>67,418,054</u>	<u>390,210</u>	<u>-</u>	<u>67,808,264</u>	<u>6,057,972</u>	
Total assets	<u>78,663,246</u>	<u>4,153,975</u>	<u>3,075,112</u>	<u>85,892,333</u>	<u>20,394,053</u>	
DEFERRED OUTFLOWS OF RESOURCES						
Difference in expected and actual pension/OPEB investment experience	114,426	86,136	-	200,562	35,357	
Changes in pension/OPEB actuarial assumptions	17,814	13,158	-	30,972	9,075	
Pension/OPEB contributions after measurement date	139,290	100,906	-	240,196	43,866	
Total deferred outflows of resources	<u>271,530</u>	<u>200,200</u>	<u>-</u>	<u>471,730</u>	<u>88,298</u>	
LIABILITIES						
Current liabilities						
Accounts payable	2,653,368	33,188	8,494	2,695,050	170,079	
Accrued liabilities	356,965	69,570	14	426,549	293,215	
Unearned revenue	-	45,808	-	45,808	-	
Accrued compensated absences	210,943	116,832	-	327,775	38,547	
Due to other funds	11,620,750	1,405,576	150,000	13,176,326	5,421	
Total current liabilities	<u>14,842,026</u>	<u>1,670,974</u>	<u>158,508</u>	<u>16,671,508</u>	<u>507,262</u>	
Non-current liabilities						
Unearned revenue	-	186,140	-	186,140	-	
Total OPEB liability	211,410	164,148	-	375,558	66,399	
Customer deposits - payable from restricted cash	401,435	-	-	401,435	-	
Accrued compensated absences	196,395	142,898	-	339,293	46,459	
Total non-current liabilities	<u>809,240</u>	<u>493,186</u>	<u>-</u>	<u>1,302,426</u>	<u>112,858</u>	
Total liabilities	<u>15,651,266</u>	<u>2,164,160</u>	<u>158,508</u>	<u>17,973,934</u>	<u>620,120</u>	
DEFERRED INFLOWS OF RESOURCES						
Difference in expected and actual pension/OPEB investment experience	78,087	47,890	-	125,977	21,526	
Changes in pension/OPEB actuarial assumptions	28,372	5,318	-	33,690	-	
Difference in projected and actual pension/OPEB investment earnings	267,011	224,213	-	491,224	89,839	
Total deferred inflows of resources	<u>373,470</u>	<u>277,421</u>	<u>-</u>	<u>650,891</u>	<u>111,365</u>	
NET POSITION						
Net investment in capital assets	64,913,183	125,350	-	65,038,533	6,032,303	
Unrestricted (deficit)	(2,003,143)	1,787,244	2,916,604	2,700,705	13,718,563	
Total net position	<u>\$ 62,910,040</u>	<u>\$ 1,912,594</u>	<u>\$ 2,916,604</u>	<u>67,739,238</u>	<u>\$ 19,750,866</u>	

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. 7,493,787

Net position of business-type activities \$ 75,233,025

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, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Major		Nonmajor			
	Water and Sewer	Sanitation	Fund - Stormwater	Total		
Operating revenues						
Charges for sales and services:						
Water sales	\$ 9,847,365	\$ -	\$ -	\$ 9,847,365	\$ -	
Sewer	6,302,884	-	-	6,302,884	-	
Refuse collection	-	3,154,378	-	3,154,378	-	
Recycling	-	359,022	-	359,022	-	
Stormwater	-	-	502,195	502,195	-	
Charges for service	-	-	-	-	2,269,798	
Premiums	-	-	-	-	4,868,003	
Other revenue	<u>26,496</u>	<u>-</u>	<u>-</u>	<u>26,496</u>	<u>-</u>	
Total operating revenues	<u>16,176,745</u>	<u>3,513,400</u>	<u>502,195</u>	<u>20,192,340</u>	<u>7,137,801</u>	
Operating expenses						
Personnel services	2,759,846	1,888,967	-	4,648,813	819,846	
Contractual and other services	9,548,204	1,008,501	129,644	10,686,349	222,910	
Depreciation	2,094,773	7,626	-	2,102,399	949,859	
Supplies and other	455,993	116,466	600	573,059	110,359	
Administrative and fiscal services	800,000	-	-	800,000	889,343	
Claims paid and change in estimate	-	-	-	-	3,549,880	
Total operating expenses	<u>15,658,816</u>	<u>3,021,560</u>	<u>130,244</u>	<u>18,810,620</u>	<u>6,542,197</u>	
Operating income	<u>517,929</u>	<u>491,840</u>	<u>371,951</u>	<u>1,381,720</u>	<u>595,604</u>	
Nonoperating revenues (expenses)						
Investment income	(14,736)	223	878	(13,635)	(5,046)	
Intergovernmental revenue	3,448	4,373	-	7,821	247	
Gain on sale of capital assets	-	-	-	-	192,076	
Income before transfers	<u>506,641</u>	<u>496,436</u>	<u>372,829</u>	<u>1,375,906</u>	<u>782,881</u>	
Transfers						
Transfers from (to) other funds	<u>552,308</u>	<u>(30,000)</u>	<u>(50,000)</u>	<u>472,308</u>	<u>-</u>	
Total transfers	<u>552,308</u>	<u>(30,000)</u>	<u>(50,000)</u>	<u>472,308</u>	<u>-</u>	
Change in net position	<u>1,058,949</u>	<u>466,436</u>	<u>322,829</u>	<u>1,848,214</u>	<u>782,881</u>	
Total net position - beginning	<u>61,851,091</u>	<u>1,446,158</u>	<u>2,593,775</u>		<u>18,967,985</u>	
Total net position - ending	<u><u>\$ 62,910,040</u></u>	<u><u>\$ 1,912,594</u></u>	<u><u>\$ 2,916,604</u></u>		<u><u>\$ 19,750,866</u></u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						
				<u>202,953</u>		
Change in net position of business-type activities						
				<u><u>\$ 2,051,167</u></u>		

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

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

For the Year ended September 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Major		Nonmajor			
	Water and Sewer	Sanitation	Fund - Stormwater	Total		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 15,766,152	\$ 3,460,927	\$ 499,678	\$ 19,726,757	\$ 7,137,113	
Payments (to) from other funds	8,239,740	(204,271)	(327,691)	7,707,778	(248,281)	
Payments to suppliers	(9,235,864)	(1,131,639)	(121,988)	(10,489,491)	(4,834,065)	
Payments to employees	(2,842,147)	(2,099,390)	-	(4,941,537)	(895,247)	
Net cash provided by (used in) operating activities	<u>11,927,881</u>	<u>25,627</u>	<u>49,999</u>	<u>12,003,507</u>	<u>1,159,520</u>	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from (to) other funds	552,308	(30,000)	(50,000)	472,308	-	
Intergovernmental revenue	3,448	4,373	-	7,821	247	
Net cash provided by (used in) noncapital financing	<u>555,756</u>	<u>(25,627)</u>	<u>(50,000)</u>	<u>480,129</u>	<u>247</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(10,490,125)	-	-	(10,490,125)	(393,954)	
Proceeds from sale of capital assets	-	-	-	-	208,947	
Net cash (used in) capital and related financing activities	<u>(10,490,125)</u>	<u>-</u>	<u>-</u>	<u>(10,490,125)</u>	<u>(185,007)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities	(1,974,940)	-	-	(1,974,940)	(1,978,234)	
Interest on investments	(14,736)	223	878	(13,635)	(5,046)	
Net cash provided by (used in) investing activities	<u>(1,989,676)</u>	<u>223</u>	<u>878</u>	<u>(1,988,575)</u>	<u>(1,983,280)</u>	
Net increase (decrease) in cash and cash equivalents	3,836	223	877	4,936	(1,008,520)	
Cash and cash equivalents (including \$394,115 restricted cash), beginning of year	<u>4,371,749</u>	<u>431,633</u>	<u>1,045,108</u>	<u>5,848,490</u>	<u>5,732,409</u>	
Cash and cash equivalents (including \$401,435 restricted cash), end of year	<u>\$ 4,375,585</u>	<u>\$ 431,856</u>	<u>\$ 1,045,985</u>	<u>\$ 5,853,426</u>	<u>\$ 4,723,889</u>	
Reconciliation of operating income to net cash provided by (used in) operating activities:						
Operating income	\$ 517,929	\$ 491,840	\$ 371,951	\$ 1,381,720	\$ 595,604	
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation expense	2,094,773	7,626	-	2,102,399	949,859	
(Increase) decrease in due from other funds	798,611	(859,387)	(377,691)	(438,467)	(228,540)	
(Increase) in pension/OPEB and deferred inflows/outflows	(308,068)	(192,468)	-	(500,536)	(84,594)	
(Increase) in accounts receivable	(416,525)	(52,473)	(2,517)	(471,515)	-	
Decrease in prepaid expenses	-	45,808	-	45,808	-	
(Increase) in interest receivable	(1,388)	-	-	(1,388)	(688)	
Increase (decrease) in accrued liabilities	1,801,420	(24,627)	8,256	1,785,049	(52,380)	
(Decrease) in unearned gain	-	(45,808)	-	(45,808)	-	
Increase (decrease) in due to other funds	7,441,129	655,116	50,000	8,146,245	(19,741)	
Total adjustments	<u>11,409,952</u>	<u>(466,213)</u>	<u>(321,952)</u>	<u>10,621,787</u>	<u>563,916</u>	
Net cash provided by operating activities	<u>\$ 11,927,881</u>	<u>\$ 25,627</u>	<u>\$ 49,999</u>	<u>\$ 12,003,507</u>	<u>\$ 1,159,520</u>	
NON-CASH INVESTING ACTIVITIES						
Change in the fair value of investments	<u>\$ (25,060)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,060)</u>	<u>\$ (9,678)</u>	

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



CITY OF UNIVERSITY PARK, TEXAS

Firemen's Relief and Retirement Fund
Statement of Fiduciary Net Position

December 31, 2020

	Total
ASSETS	
Cash and cash equivalents	
Westwood Trust	\$ 196,759
Texas State Bank	4,125
Total cash and cash equivalents	<u>200,884</u>
Receivables	
Interest receivable	1,325
Total receivables	<u>1,325</u>
Investments at current value:	
Westwood Trust LargeCap Value Equity	1,170,518
Johcm International Select I	355,592
Baron Emerging Markets Fund Institutional Shares	838,476
Westwood Trust AllCap Growth Equity	2,330,433
Shares Core Msci Emerging Markets	352,387
Westwood Trust SMidCap Value Equity	586,884
Westwood Trust SmallCap Value Equity	702,679
Vanguard FTSE Developed Markets Index Funds	691,910
Westwood Trust Core Investment Grade Bond	1,736,589
Westwood High Income Fund	580,285
Westwood Total Return Fund	818,551
Westwood Alternative Income Fund	809,137
Westwood Trust Income Opportunity	698,557
Total investments at current value	<u>11,671,998</u>
Total assets	<u>11,874,207</u>
LIABILITIES	
Accounts payable	<u>17,400</u>
Total Liabilities	<u>17,400</u>
NET POSITION	
Net position restricted for pensions	<u>\$11,856,807</u>

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

December 31, 2020

ADDITIONS

Investment income:

Net appreciation (depreciation) in fair value of investments	\$ 968,222
Gain (loss) on sale of investments:	
Realized gain on sale of investments	575,985
Realized (loss) on sale of investments	(360,077)
Interest and dividend income	152,286
Other income	936
	<u>1,337,352</u>
Less investment expenses	(99,125)
Net investment income	<u>1,238,227</u>

Contributions:

Employer	951,808
Employees	<u>331,410</u>
	<u>1,283,218</u>
Total contributions	

Total additions 2,521,445

DEDUCTIONS

Benefits paid directly to participants	1,528,225
Administration expenses	<u>30,763</u>
	<u>1,558,988</u>
Total deductions	

Net increase in net position 962,457

NET POSITION RESTRICTED FOR PENSIONS

Beginning of year	<u>10,894,350</u>
End of year	<u>\$11,856,807</u>



CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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 2021. Therefore, this component unit is not presented in the City’s fiscal year 2021 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, 2021

As of September 30, 2021, SWHEA had issued seven series of bonds with an aggregate outstanding principal amount payable of \$436,320,000. 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 2021.

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, 2020.

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

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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. 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, 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 and nonmajor proprietary funds:

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

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

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

The City reports the following additional funds:

Nonmajor governmental special revenue funds:

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

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

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

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

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

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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

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

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

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.

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 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

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is the residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance. In all other governmental funds, an unassigned balance is limited to negative residual fund balance. For further explanation of the various fund balance classifications refer to Note I.D.9.

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.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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 and Comprehensive Self-Insurance – record charges for services as operating revenues. The respective user funds record the related operating expenditures or expenses, as appropriate.

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

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

6. Capital assets

Capital assets, which include land, buildings, improvements, infrastructure (e.g., roads, bridges, sidewalks and similar items) and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as either assets with an individual cost of more than \$5,000 during acquisition or capital projects exceeding \$50,000 in accumulated expenses and with an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Completed capital 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.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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

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

7. Compensated absences

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

8. Long-term obligations

In addition to the portion of compensated absences estimated payable after September 30, 2021, the City also recognizes the actuarially determined net pension liability and other post-employment benefits as long-term obligations of the City.

9. Fund balance

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

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

Spendable Fund Balance

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

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

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

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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.

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.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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

10. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and OPEB liability (asset), deferred outflows and deferred inflows of resources and expense, information about the fiduciary net position of Texas Municipal Retirement System (TMRS), Firemen's Relief and Retirement Fund (FRRF) and total position of Other Postemployment Benefit (OPEB) and additions to/deductions from 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.

11. Deferred outflows/inflows of resources

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

The City has 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 four 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. 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

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

deferred but recognized as pension plan income over a closed five-year period as required by GASB 68 and GASB 75.

The deferred outflows/inflows as of September 30, 2021 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	\$ 338,618	\$ -	\$ 585,428	\$ 924,046
Changes in actuarial assumptions	- 1,681,939	215,856	1,897,795	
Employer's contributions after measurement date	1,138,635	684,920	64,662	1,888,217
Total	\$ 1,477,253	\$ 2,366,859	\$ 865,946	\$ 4,710,058
Deferred Inflows of Resources				
Difference between expected and actual experience	\$ 522,075	\$ 742,503	\$ -	\$ 1,264,578
Changes in actuarial assumptions	220,318	-	-	220,318
Difference in projected and actual investment earnings	2,928,393	539,269	-	3,467,662
Total	\$ 3,670,786	\$ 1,281,772	\$ -	\$ 4,952,558
Proprietary Funds				
Deferred Outflows of Resources				
Difference between expected and actual experience	\$ 69,090	\$ -	\$ 131,472	\$ 200,562
Changes in actuarial assumptions	-	-	30,972	30,972
Employer's contributions after measurement dates	225,337	-	14,859	240,196
Total	\$ 294,427	\$ -	\$ 177,303	\$ 471,730
Deferred Inflows of Resources				
Difference between expected and actual experience	\$ 125,977	\$ -	\$ -	\$ 125,977
Changes in actuarial assumptions	33,690	-	-	33,690
Difference in projected and actual investment earnings	491,224	-	-	491,224
Total	\$ 650,891	\$ -	\$ -	\$ 650,891
Internal Service Funds				
Deferred Outflows of Resources				
Difference between expected and actual experience	\$ 12,403	\$ -	\$ 22,954	\$ 35,357
Changes in actuarial assumptions	3,200	-	5,875	9,075
Employer's contributions after measurement dates	41,260	-	2,606	43,866
Total	\$ 56,863	\$ -	\$ 31,435	\$ 88,298
Deferred Inflows of Resources				
Difference between expected and actual experience	\$ 21,526	\$ -	\$ -	\$ 21,526
Difference in projected and actual investment earnings	89,839	-	-	89,839
Total	\$ 111,365	\$ -	\$ -	\$ 111,365

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

12. Implementation of new accounting principles

Effective October 1, 2020, the City implemented GASB 84 and GASB 97. These statements establish criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Adoption of GASB 84 and 97 resulted in the University Park Firemen's Relief and Retirement Fund (FRRF) meeting the criteria to be reported as a fiduciary component unit and being presented in the City's statement of fiduciary net position and statement of changes in fiduciary net position. The adoption of GASB 84 and 97 resulted in the following adjustments to beginning fiduciary fund net position at October 1, 2020:

Fiduciary Activities

Net position, beginning of year, as previously reported	\$ -
Adjustment related to GASB 84 implementation	<u>10,894,350</u>
Net position, beginning of the year, as restated	<u>\$ 10,894,350</u>

13. Subsequent Event

In November 2021, the City issued 14,100,000 of Combination Tax and Revenue Certificates of Obligation Series 2021.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

E. Implementation of new accounting principles

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

In June 2017, the GASB issued Statement No. 87, Leases. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for fiscal years beginning after June 15, 2021. The City is in the process of evaluating the impact of this statement on its financial statements and will implement in fiscal year 2022.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for or government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

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

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

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

B. Excess of expenditures over appropriations

For the year ended September 30, 2021, expenditures exceeded appropriations in the Executive, Finance, Human Resources, Information Services, Engineering, Facilities Maintenance, Fire, and Swimming Pool departments (the legal level of budgetary control) of the General Fund by \$509,171. 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, 2021

III. DETAILED NOTES ON ALL FUNDS

A. Deposits

1. Cash

At September 30, 2021, the carrying amount of the City's bank deposits was \$13,660,205 and the bank balance was \$13,625,138. 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, 2021, deposits that totaled \$10,109,318 were collateralized in the City's name. Cash on hand equaled \$4,200. Restricted cash totaled \$766,902.

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, 2021, the City held the following balances in pooled funds:

Pool:	Weighted Average		Credit Rating (Standard & Poor's)
		Maturity (in Days)	
TexPool	\$ 5,472,469	34	AAAm
TexSTAR	1,453,022	43	AAAm
TexasDaily	16,592,849	48	AAAm
	<u>\$ 23,518,340</u>		

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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, 2021, the City held the following investments:

Investment Type	As of September 30, 2021		Weighted Average Maturity (in Days)
	Level 2		
U.S. Agencies	\$ 6,929,393		1,453
Municipal Bonds	4,446,388		824
Certificates of Deposit	12,139,121		852
	\$ 11,375,781		1,026

Combined (pooled funds and investments) weighted average maturity 398

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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, 2021 are 22%, 12%, 20%, 39% and 7%, 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, 2021

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:

	Water and				Internal		Total
	General	Sewer	Sanitation	Stormwater	Service		
Receivables:							
Property tax	\$ 183,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,578
Sales tax	1,352,205	-	-	-	-	-	1,352,205
Franchise	349,793	-	-	-	-	-	349,793
Customers	244,732	2,701,999	545,598	77,474	4,776	3,574,579	
Interest	71,086	1,388	-	-	688	73,162	
Other	535,025	1,408	-	-	-	536,433	
Gross Receivables	2,736,419	2,704,795	545,598	77,474	5,464	6,069,750	
Less: Allowance for Uncollectibles	(312,212)	(53,000)	(12,500)	-	-	-	(377,712)
Net Total Receivables	\$ 2,424,207	\$ 2,651,795	\$ 533,098	\$ 77,474	\$ 5,464	\$ 5,692,038	

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, 2020 was \$12,601,019,465. The taxable value (assessed value less exemptions) upon which the fiscal 2021 levy based was \$8,031,972,258.

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, 2021 was \$0.264750 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, 2021 were 100% of the tax levy.

Property taxes levied for fiscal year 2021 have been recorded as receivables, net of estimated uncollectible amounts. The net receivables collected during 2021 and those considered "available" at September 30, 2021 (i.e., property taxes collected within 60 days of year-end) have been recognized as revenues in 2021. 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 sets the tax rate on City property.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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.

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, 2021

E. Capital assets

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance		Retirement / Sale		Transfers	Ending Balance
Governmental activities:						
Capital assets, non-depreciable:						
Land	\$ 11,640,078	\$ -	\$ -	\$ -	\$ -	\$ 11,640,078
Construction in progress	5,229,033	3,977,797	-	(1,314,007)	-	7,892,823
Capital assets, depreciable:						
Buildings	17,561,145	-	-	-	-	17,561,145
Improvements	55,249,054	-	(120,738)	808,798	-	55,937,114
Equipment	21,532,710	467,798	(1,740,647)	54,132	-	20,313,993
Infrastructure	12,870,590	-	-	451,077	-	13,321,667
Total capital assets	<u>124,082,610</u>	<u>4,445,595</u>	<u>(1,861,385)</u>	<u>-</u>	<u>-</u>	<u>126,666,820</u>
Less accumulated depreciation for:						
Buildings	(6,483,830)	(426,799)	-	-	-	(6,910,629)
Improvements	(18,679,081)	(2,259,150)	51,314	-	-	(20,886,917)
Equipment	(12,283,438)	(1,415,386)	1,719,803	-	-	(11,979,021)
Infrastructure	(5,509,617)	(359,373)	-	-	-	(5,868,990)
Total accumulated depreciation	<u>(42,955,966)</u>	<u>(4,460,708)</u>	<u>1,771,117</u>	<u>-</u>	<u>-</u>	<u>(45,645,557)</u>
Governmental activities capital assets, net	<u>\$ 81,126,644</u>	<u>\$ (15,113)</u>	<u>\$ (90,268)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,021,263</u>

	Beginning Balance		Retirement / Sale		Transfers	Ending Balance
Business-Type activities:						
Capital assets, non-depreciable:						
Land	\$ 108,758	\$ -	\$ -	\$ -	\$ -	\$ 108,758
Construction in progress	\$ 9,229,583	\$ 10,490,125	\$ -	\$ (70,042)	\$ -	\$ 19,649,666
Capital assets, depreciable:						
Buildings	\$ 54,594	\$ -	\$ -	\$ -	\$ -	\$ 54,594
Improvements	\$ 95,950,423	\$ -	\$ -	\$ 70,042	\$ -	\$ 96,020,465
Equipment	\$ 338,107	\$ -	\$ -	\$ -	\$ -	\$ 338,107
Total capital assets	<u>\$ 105,681,465</u>	<u>\$ 10,490,125</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,171,590</u>
Less accumulated depreciation for:						
Buildings	\$ (54,594)	\$ -	\$ -	\$ -	\$ -	\$ (54,594)
Improvements	\$ (46,765,293)	\$ (2,089,830)	\$ -	\$ -	\$ -	\$ (48,855,123)
Equipment	\$ (188,800)	\$ (12,569)	\$ -	\$ -	\$ -	\$ (201,369)
Total accumulated depreciation	<u>\$ (47,008,687)</u>	<u>\$ (2,102,399)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,111,086)</u>
Business type activities capital assets, net	<u>\$ 58,672,778</u>	<u>\$ 8,387,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,060,504</u>

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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

Governmental activities:

General Government	\$ 1,997,062
Public Safety	550,720
Public Works	361,877
Parks	748,968
Streets	<u>802,081</u>

Total depreciation expense –
Governmental activities

\$ 4,460,708

Business-Type activities:

Water and Sewer	\$ 2,094,773
Sanitation	<u>7,626</u>

Total depreciation expense – Business
type activities

\$ 2,102,399

The government has active construction projects as of September 30, 2021. The projects include drainage and sewerage improvements, utility improvements, park improvements and renovations as well as on-going "Mile-per-Year" (MPY) projects.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

Construction in progress at September 30, 2021 is as follows:

	Balance at 09/30/2020	Expended in FY2021	Capitalized or expensed	Balance at 09/30/2021
Governmental Projects				
Cartograph Upgrade	\$ 86,874	\$ 23,500	\$ -	\$ 110,374
Server/Network Replacement	344,514	277,236	- -	621,750
City-wide Access Controls	- -	54,133	54,133	- -
McFarlin East - Dublin to Central	2,000	- -	- -	2,000
Tennis Court Resurfacing Program	53,090	- -	- -	53,090
Central Expressway Bridge Landscape	30,916	31,962	- -	62,878
Table and Bench Replacement	26,067	9,475	- -	35,542
Curtis Park - West	1,938	13,674	- -	15,612
Williams Park West	1,938	15,669	- -	17,607
Lovers/Preston Landscaping	52,478	19,847	- -	72,325
Fountain Replacement	- -	2,000	- -	2,000
Radio System Comprehensive Replacement	2,310,998	1,822,367	- -	4,133,365
Building Security Enhancements	- -	159	- -	159
LPR Systems Phase II	- -	175,977	- -	175,977
Dallas County MCIP Master Plan	447,287	3,790	451,077	- -
Traffic Signal Replacement	692,717	61,949	754,666	- -
4419 Service Center Fuel Tank Replacement	- -	74,443	- -	74,443
4419 Service Center Reconstruction - Design/Build	673,000	154,288	- -	827,288
Snider Plaza Area Design	- -	254,779	- -	254,779
Traffic Signal Replacement	67,590	623,968	- -	691,558
Snider Plaza Area Construction	- -	15,313	- -	15,313
Sidewalk Replacement	354,097	- -	- -	354,097
Master Plan Consulting	58,324	204,873	- -	263,197
4236 Lovers Lane Improvements	25,205	- -	- -	25,205
Sidewalk Replacement Program	- -	34,331	- -	34,331
Miracle Mile Street Replacement	- -	49,933	- -	49,933
Rebuild Chiller #2	- -	54,131	54,131	- -
Total	\$ 5,229,033	\$ 3,977,797	\$ 1,314,007	\$ 7,892,823
Business-Type Projects				
Water Meter Replacement	2,604,525	3,203	- -	2,607,728
Reconstruction of Old SMU Sewer	70,042	- -	70,042	- -
Snider Plaza Area Design	481,968	30,135	- -	512,103
Storm Water Projects Phase 1 Design	1,084,386	49,925	- -	1,134,311
Storm Water Improvements AOI-1	4,956,312	250,433	- -	5,206,745
Turtle Creek Sewer Interceptor	32,350	192,132	- -	224,482
Snider Plaza Area Construction	- -	3,152,301	- -	3,152,301
Phase 2 Stormwater Improvements	- -	6,811,996	- -	6,811,996
Total	\$ 9,229,583	\$10,490,125	\$ 70,042	\$ 19,649,666
City Total	\$ 14,458,616	\$14,467,922	\$ 1,384,049	\$ 27,542,489

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

F. Interfund receivables, payables and transfers

Individual interfund receivable and payable balances at September 30, 2021 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	
General	Water and Sewer	\$ 10,638,394
	UP Civic Foundation	2,888
	Parks Projects and Program	2,718
Water and Sewer	General	2,434,291
	Sanitation	60,016
	Stormwater	150,000
Sanitation	General	2,753,003
Stormwater	General	1,951,653
Capital Projects - Gen Govt	General	7,707,208
Self-Insurance	General	3,014,046
	Water and Sewer	43,398
	Sanitation	111,489
	Equipment Services	5,421
Equipment Service	General	2,281,111
	Water and Sewer	938,958
	Sanitation	1,234,071
Court Security	General	128,656
Court Technology	General	49,488
Police Training and Education	General	31,702
Fire Training and Education	General	25,530
Library	General	5,889
	Total	<u>\$ 33,569,930</u>

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

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

Interfund transfers during the year ended September 30, 2021 were as follows:

Transfer Out	Transfer In			Total
	Capital Projects	Water and Sewer		
General Fund	\$ 3,594,204	\$ 472,308	\$	4,066,512
Sanitation	-	30,000		30,000
Stormwater	-	50,000		50,000
	\$ 3,594,204	\$ 552,308	\$	4,146,512

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 2021.

G. Long-term liabilities

The following is a summary of changes in long-term obligations for the year ended September 30, 2021.

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Compensated absences	\$ 2,784,451	\$ 116,260	\$ (217,630)	\$ 2,683,081	\$ 1,253,528
Business type activities					
Compensated absences	\$ 685,547	\$ 55,165	\$ (73,644)	\$ 667,068	\$ 327,775

H. Component Unit

As stated in Note I.A., SWHEA has a December 31 year-end. As of September 30, 2021, the City's General Fund had a \$55,000 Due to balance to SWHEA. The Statement of Net Assets and Statement of Activities for this component unit are presented on the face of the government-wide financial statement.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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 \$110,000 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, 2021

Unpaid claims liability of \$264,813 is included in the accrued liabilities of the Comprehensive Self-Insurance Internal Service Fund.

Changes in the balances of unpaid claims liabilities during 2021 and 2020 were as follows:

	2021	2020
Unpaid claims, beginning of year	\$ 259,071	\$ 305,848
Current year claims (including IBNR) and change in estimate	3,549,879	3,256,736
Claim Payments	<u>(3,544,137)</u>	<u>(3,303,513)</u>
Unpaid claims, end of year	\$ 264,813	\$ 259,071

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 2021 rate for treated water was \$2.4703 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 2021, the cost of water purchased under this contract was \$4,696,509.

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 2021, the cost of sewage disposal under this contract was \$3,651,366 at a rate of \$3.0679 per 1,000 gallons.

2. Commitments

The City has contractual commitments of \$262,447 in the General Fund, \$12,807,448 in the Capital Projects Fund and \$371,473 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 material effect on the City's financial position.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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

On March 11, 2021, Congress passed the American Rescue Plan Act of 2021. The bill provides additional relief to address the continued impact of COVID-19. The Coronavirus Local Fiscal Recovery Funds (CLFRF) program is a component of the American Rescue Plan Act of 2021 and provides funding to local governments to broadly respond to the COVID-19 public health emergency. The City received \$3,095,466 in fiscal year 2021 as a pass-through from the Texas Department of Emergency Management (TDEM). These monies were unspent at September 30, 2021 and are reported as a liability (unearned revenue) in the accompanying financial statements.

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 PEBSICO) 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 \$19,500 of compensation (\$26,000 for those over 50) in 2021. 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 895 plans in the defined benefit pension 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, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.TMRS.com.

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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.

Plan provisions for the City were as follows:

Confirm with City

	Plan Year 2020
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, 2020, the following employees/beneficiaries were covered by the benefit terms:

Membership

Number of:

Retirees or beneficiaries currently receiving benefits	178
Terminated employees entitled to but not yet receiving benefits	44
Active employees	217
Total	439

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 OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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 10.18% and 9.17% in calendar years 2020 and 2021, respectively.

The City's contributions to TMRS for the year ended September 30, 2021 was \$1,614,381, and were in excess of \$34,115 to the required contributions. The City contributed the excess voluntarily and is under no obligation to do so in the future.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2020 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

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core fixed income	10.00%	1.25%
Non-core fixed income	20.00%	4.14%
Real return	10.00%	3.85%
Real estate	10.00%	4.00%
Absolute return	10.00%	3.48%
Private equity	10.00%	7.75%
Total	<u>100.00%</u>	

Discount Rate

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

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

Changes in the Net Pension (Asset) Liability

	Increase (Decrease)			Net Pension (Asset) Liability (a)-(b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)		
Balance at 12/31/2019	\$ 102,914,585	\$ 102,338,338	\$ 576,247	
Changes for the year:				
Service cost	2,260,839	-	2,260,839	
Interest	6,816,210	-	6,816,210	
Change of benefit terms	-	-	-	
Difference between expected and actual experience	391,874	-	391,874	
Changes in assumptions	-	-	-	
Contributions - employer	-	1,805,126	(1,805,126)	
Contributions - employee	-	1,241,245	(1,241,245)	
Net investment income	-	7,759,386	(7,759,386)	
Benefit payments, including refunds of employee contributions	(6,128,217)	(6,128,217)	-	
Administrative expense	-	(50,266)	50,266	
Other changes	-	(1,963)	1,963	
Net changes	<u>3,340,706</u>	<u>4,625,311</u>	<u>(1,284,605)</u>	
Balance at 12/31/2020	<u><u>\$ 106,255,291</u></u>	<u><u>\$ 106,963,649</u></u>	<u><u>\$ (708,358)</u></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-percentage-point higher (7.75%) than the current rate:

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

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 11,456,604	\$ (708,358)	\$ (10,964,731)

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, 2021

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

For the year ended September 30, 2021, the City recognized pension income of \$410,876.

At September 30, 2021, 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	\$ 338,618	\$ 522,075
Changes in actuarial assumptions	-	220,318
Net difference between projected and actual	-	2,928,393
Employer's contributions to the pension plan subsequent to the measurement date	1,138,636	-
Total	\$ 1,477,254	\$ 3,670,786

\$1,138,636 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Sep 30:		
2022	\$ (1,434,295)	
2023	(75,453)	
2024	(1,714,682)	
2025	(107,738)	
Total	\$ (3,332,168)	

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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, 2021

Net Pension Liability

The City's Net Pension Liability was measured as of December 31, 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%.

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-

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

year amortization period. The City contribution continued at 28.72% of pay and the employee contribution rate remained unchanged at 10.00%.

The City's normal contribution to the FRRF for the year ended September 30, 2021, was \$945,724, 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 smoothed market value
Inflation	3.00% per year
Investment rate of return	7.25%, 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, 2021

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	2.00%	0.00%
Total	<u><u>100.00%</u></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, 2021

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2019	\$ 24,792,912	\$ 10,894,350	\$ 13,898,562
Changes for the year:			
Service cost	448,572	-	448,572
Interest	1,835,803	-	1,835,803
Difference between expected and actual experience	565,369	-	565,369
Contributions - employer	-	951,808	(951,808)
Contributions - employee	-	331,410	(331,410)
Net Investment income	-	1,238,227	(1,238,227)
Benefit payments, including refunds of employee contributions	(1,528,225)	(1,528,225)	-
Administrative expense	-	(30,763)	30,763
Assumption changes	672,398	-	672,398
Other changes	-	-	-
Net changes	<u>1,993,917</u>	<u>962,457</u>	<u>1,031,460</u>
Balance at 12/31/2020	<u>\$ 26,786,829</u>	<u>\$ 11,856,807</u>	<u>\$ 14,930,022</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%
\$ 18,178,827	\$ 14,930,022	\$ 12,219,386

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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

For the year ended September 30, 2021, the City recognized pension expense of \$1,319,063.

At September 30, 2021, 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	\$ -	\$ 539,269
Changes in actuarial assumptions	1,681,939	-
Difference between projected and actual investment earnings	-	742,503
Contributions subsequent to the measurement date	<u>684,920</u>	-
Total	<u>\$ 2,366,859</u>	<u>\$ 1,281,772</u>

The contributions of \$684,920 made by the city to the Fund subsequent to the measurement date of the net pension liability, December 31, 2020, through September 30, 2021 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, 2022. 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
2022	\$ 129,536
2023	231,607
2024	(59,547)
2025	138,197
2026	(19,080)
Thereafter	<u>(20,546)</u>
Total	<u>\$ 400,167</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, 2021

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, 2021, 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 2021 range from \$10,521 to \$20,721 per year, depending on coverage levels.

At the December 31, 2020 measurement date, the following employees were covered by the benefit terms:

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

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

Total OPEB Liability

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

Total OPEB liability

Service cost	\$ 79,102
Interest on the total OPEB liability	40,633
Changes of benefit terms	-
Difference between expected and actual experience of the total OPEB liability	580,366
Changes of assumptions	(107,616)
Benefit payments	(82,777)
Net change in total OPEB liability	509,708
Total OPEB liability - beginning	1,479,385
Total OPEB liability - ending	\$ 1,989,093

Covered-employee payroll	21,515,438
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Total OPEB liability as a percentage of covered-employee payroll	9.24%
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The ending Total OPEB Liability was as of December 31, 2020.

Changes of assumptions reflect a change in the discount rate from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020. Additionally, the dependent coverage assumption was decreased from 50% to 35%.

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

- a. Age-adjusted premiums \$ 179,933 (retiree contributions * 1.852)
- b. Retiree contributions (97,156) (data provided by the City)
- c. Total benefit payments \$ 82,777

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, 2021

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:

Valuation date	12/31/2020
Actuarial cost method	Individual Entry age
Discount Rate	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 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020. Additionally, the dependent coverage assumption was decreased from 50% to 35%.

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 (2.00%) and 1-percentage-point-higher (3.00%).

1% Decrease 1.00%	Current Discount Rate Assumption 2.00%	1% Increase 3.00%
\$ 2,158,431	\$ 1,989,093	\$ 1,834,041

CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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
\$ 1,807,696	\$ 1,989,093	\$ 2,199,731

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$801,284.

At September 30, 2021, 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	\$ 585,428	\$ -
Changes in actuarial assumptions	311,657	95,801
Net difference between projected and actual earnings on OPEB plan investments	-	-
Employer's contributions to the OPEB plan subsequent to the measurement date	64,662	-
Total	\$ 961,747	\$ 95,801

\$64,662 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, 2022.

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CITY OF UNIVERSITY PARK, TEXAS

Notes to Financial Statements

September 30, 2021

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

<u>Year ending September 30</u>	<u>Net Deferred Outflows/(Inflows) of Resources</u>	
2022	\$	111,833
2023		111,833
2024		111,833
2025		111,833
2026		111,833
Thereafter		<u>242,119</u>
 Total	 \$	 <u>801,284</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 7 years**

	2014	2015	2016	2017	2018	2019	2020
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
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
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
Changes in assumptions	-	2,198,651	-	-	-	(381,134)	-
Benefit payments, including refunds of employee contributions	(3,500,753)	(4,130,311)	(4,940,533)	(5,055,510)	(4,810,885)	(4,980,680)	(6,128,217)
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
Total pension liability -- beginning	<u>78,010,413</u>	<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>
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>
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
Contributions -- employee	1,037,372	1,054,827	1,089,289	1,065,136	1,117,334	1,173,997	1,241,245
Net investment income	4,696,136	126,138	5,634,758	11,911,941	(2,841,833)	13,986,212	7,759,386
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)
Administrative expense	(49,034)	(76,833)	(63,648)	(61,750)	(54,956)	(79,085)	(50,266)
Other	(4,031)	(3,795)	(3,429)	(3,129)	(2,870)	(2,374)	(1,963)
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	4,625,311
Plan fiduciary net position -- beginning	<u>82,098,824</u>	<u>85,487,667</u>	<u>83,390,424</u>	<u>85,970,573</u>	<u>94,927,393</u>	<u>90,532,942</u>	<u>102,338,338</u>
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>\$ 102,338,338</u>	<u>\$ 106,963,649</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>\$ 576,247</u>	<u>\$ (708,358)</u>
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%
Covered payroll	\$ 14,819,603	\$ 15,068,964	\$ 15,545,794	\$ 15,216,231	\$ 15,961,910	\$ 16,771,388	\$ 17,732,072
Net pension liability as a percentage of covered payroll	(29.71%)	21.25%	24.52%	(14.96%)	55.75%	3.44%	(3.99%)

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 7 years**

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Actuarially Determined Contribution	\$ 1,010,160	\$ 904,082	\$ 1,051,243	\$ 1,175,525	\$ 1,577,524	\$ 1,646,763	\$ 1,580,266
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>
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
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>

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

CITY OF UNIVERSITY PARK, TEXAS

Texas Municipal Retirement System

Notes to Schedule of Contributions

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	20 years
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 7 years**

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

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

CITY OF UNIVERSITY PARK, TEXAS

University Park Firemen's Relief and Retirement Fund

Schedule of Changes in Net Pension Liability and Related Ratios

Last 7 years

	2014	2015	2016	2017	2018	2019	2020
Total pension liability							
Service cost (Pension benefit)	\$ 500,790	\$ 524,967	\$ 586,350	\$ 603,941	\$ 622,059	\$ 435,507	\$ 448,572
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
Changes of benefit terms	-	-	-	-	-	-	-
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	(1,431,822)	(1,181,483)	(1,289,836)	(1,881,221)	(1,585,110)	(1,550,811)	(1,528,225)
Net change in total pension liability	706,077	778,523	1,457,002	428,724	612,264	668,532	1,993,917
Total pension liability -- beginning	20,141,790	20,847,867	21,626,390	23,083,392	23,512,116	24,124,380	24,792,912
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>
Plan fiduciary net position							
Contributions -- employer	\$ 526,289	\$ 588,724	\$ 594,960	\$ 577,935	\$ 1,712,899	\$ 911,456	\$ 951,808
Contributions -- employee	477,809	436,340	440,963	383,092	317,545	317,360	331,410
Net in investment income	479,579	(252,668)	651,872	1,183,554	(657,661)	1,782,571	1,238,227
Benefit payments, including refund of employee contributions	(1,431,822)	(1,181,483)	(1,289,836)	(1,881,221)	(1,585,110)	(1,550,811)	(1,528,225)
Administrative expense	(41,323)	(38,831)	(17,131)	(24,789)	(26,941)	(13,900)	(30,763)
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	10,532	(447,918)	380,828	238,571	(239,268)	1,446,676	962,457
Plan fiduciary net position -- beginning	9,504,929	9,515,461	9,067,543	9,448,371	9,686,942	9,447,674	10,894,350
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>
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>
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%
Covered payroll	\$ 3,281,103	\$ 3,356,465	\$ 3,392,018	\$ 3,159,841	\$ 3,175,450	\$ 3,173,600	\$ 3,314,100
Net pension liability as a percentage of covered payroll	345.38%	374.17%	401.97%	437.53%	462.19%	437.94%	450.50%

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 7 years**

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Actuarially Determined Contribution	\$ 577,601	\$ 615,505	\$ 571,700	\$ 650,290	\$ 906,746	\$ 908,237	\$ 945,724
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>
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
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>

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 smoothed 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 7 years

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

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 4 calendar years

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

Changes of assumptions reflect a change in the discount rate from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020. Additionally, the dependent coverage assumption was decreased from 50% to 35%.

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



CITY OF UNIVERSITY PARK, TEXAS
Budgetary Comparison Schedule
General Fund

For the Year Ended September 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary fund balance, October 1	\$ 28,784,179	\$ 28,784,179	\$ 28,784,179	\$ -
Resources (inflows)				
Property tax	22,290,883	22,290,883	22,495,393	204,510
Sales tax	4,790,000	4,790,000	5,855,461	1,065,461
Franchise fees	1,880,000	1,880,000	1,495,762	(384,238)
Permits and licenses	1,692,000	1,692,000	1,513,555	(178,445)
Fines	602,500	602,500	296,196	(306,304)
Charges for services	2,084,500	2,084,500	1,964,270	(120,230)
Intergovernmental revenue	-	-	317,794	317,794
Other	343,000	343,000	257,198	(85,802)
Investment income (loss)	300,000	300,000	(31,787)	(331,787)
Donations	8,000	8,000	12,100	4,100
Amounts available for appropriation	<u>62,775,062</u>	<u>62,775,062</u>	<u>62,960,121</u>	<u>185,059</u>
Charges to appropriations (outflows)			3,095,466	
Executive	1,356,502	1,709,405	1,738,446	(29,041)
Finance	958,108	950,922	1,008,329	(57,407)
Human Resources	371,965	410,330	443,155	(32,825)
Information Services	1,005,536	1,021,339	1,090,516	(69,177)
Library	842,750	855,248	796,470	58,778
Court	445,726	445,726	409,161	36,565
Community Development	1,290,163	1,293,084	1,230,421	62,663
Engineering	792,205	788,219	884,650	(96,431)
Traffic	1,011,694	1,011,694	981,627	30,067
Facility Maintenance	378,397	478,129	494,585	(16,456)
Fire	6,582,562	7,047,070	7,242,566	(195,496)
Police	8,997,641	9,074,739	8,446,267	628,472
Parks	3,209,747	3,239,374	3,169,534	69,840
Swimming Pool	575,029	569,217	581,555	(12,338)
Streets	2,018,908	2,018,908	1,971,714	47,194
Transfers	4,153,950	4,153,950	4,066,512	87,438
Total charges to appropriations	<u>33,990,883</u>	<u>35,067,354</u>	<u>34,555,508</u>	<u>511,846</u>
Budgetary fund balance, September 30	<u>\$ 28,784,179</u>	<u>\$ 27,707,708</u>	<u>\$ 28,404,613</u>	<u>\$ 696,905</u>

See notes to required supplementary information.

CITY OF UNIVERSITY PARK, TEXAS
Notes to Required Supplementary Information
September 30, 2021

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, 2021

Special Revenue Funds									
	University Park								
	Civic Foundation	Court Security	Court Technology	Police Training and Education	Police Forfeiture	Fire Training and Education	Library	Parks Projects and Programs	Total
ASSETS									
Cash and cash equivalents	\$ 121,398	\$ -	\$ -	\$ -	\$ 8,810	\$ -	\$ -	\$ -	\$ 130,208
Due from other funds	-	128,656	49,488	31,702	-	25,530	5,889	-	241,265
TOTAL ASSETS	\$ 121,398	\$ 128,656	\$ 49,488	\$ 31,702	\$ 8,810	\$ 25,530	\$ 5,889	\$ -	\$ 371,473
LIABILITIES									
Due to other funds	\$ 2,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,718	\$ 5,606
Accounts payable	-	-	-	-	-	-	400	-	400
Total liabilities	2,888	-	-	-	-	-	400	2,718	6,006
FUND BALANCES									
Restricted to:									
General Government	36,200	-	-	-	-	-	5,489	-	41,689
Public Safety	-	128,656	49,488	31,702	8,810	25,530	-	-	244,186
Parks	82,310	-	-	-	-	-	-	-	82,310
Unassigned	-	-	-	-	-	-	-	(2,718)	(2,718)
Total fund balances	118,510	128,656	49,488	31,702	8,810	25,530	5,489	(2,718)	365,467
TOTAL LIABILITIES AND FUND BALANCES	\$ 121,398	\$ 128,656	\$ 49,488	\$ 31,702	\$ 8,810	\$ 25,530	\$ 5,889	\$ -	\$ 371,473

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

For the Year Ended September 30, 2021

Special Revenue Funds										
	University Park									
	Civic	Court	Court	Police	Fire	Parks				
	Foundation	Security	Technology	Training and Education	Police Forfeiture	Training and Education	Library	Projects and Programs		Total
REVENUES										
Investment income	\$ 57	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ 63
Fines	-	6,388	5,444	-	-	-	-	-	-	11,832
Donations	54,982	-	-	3,661	-	14,589	3,360	10,000	-	86,592
Other	-	-	-	-	36	-	-	-	-	36
Total revenues	55,039	6,388	5,444	3,661	42	14,589	3,360	10,000	-	98,523
EXPENDITURES										
Parks	7,133	-	-	-	-	-	-	24,615	-	31,748
Scholarships	29,000	-	-	-	-	-	-	-	-	29,000
General Government	-	-	-	-	-	-	7,942	-	-	7,942
Public Safety	-	-	8,630	7,287	-	-	-	-	-	15,917
Total expenditures	36,133	-	8,630	7,287	-	-	7,942	24,615	-	84,607
Excess (deficiency) of revenues over (under) expenditures	18,906	6,388	(3,186)	(3,626)	42	14,589	(4,582)	(14,615)	-	13,916
Fund balances - beginning	99,604	122,268	52,674	35,328	8,768	10,941	10,071	11,897	-	351,551
Fund balances - ending	\$ 118,510	\$ 128,656	\$ 49,488	\$ 31,702	\$ 8,810	\$ 25,530	\$ 5,489	\$ (2,718)	-	\$ 365,467



COMBINING FINANCIAL STATEMENTS

Internal Service Funds

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

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

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

CITY OF UNIVERSITY PARK, TEXAS

Combining Statement of Net Position

Internal Service Funds

September 30, 2021

	Equipment Services	Comprehensive Self-Insurance	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,587,600	\$ 3,136,289	\$ 4,723,889
Investments	-	1,978,234	1,978,234
Receivables	-	5,464	5,464
Due from other funds	4,454,140	3,174,354	7,628,494
Total current assets	<u>6,041,740</u>	<u>8,294,341</u>	<u>14,336,081</u>
Non-current assets:			
Pension - TMRS	25,669	-	25,669
Capital assets			
Machinery and equipment	13,873,201	-	13,873,201
Accumulated depreciation	(7,840,898)	-	(7,840,898)
Total non-current assets	<u>6,057,972</u>	<u>6,057,972</u>	<u>6,057,972</u>
Total assets	<u>12,099,712</u>	<u>8,294,341</u>	<u>20,394,053</u>
DEFERRED OUTFLOW OF RESOURCES			
Difference in expected and actual pension/OPEB investment experience	35,357	-	35,357
Changes in pension/OPEB actuarial assumptions	9,075	-	9,075
Pension/OPEB contributions after measurement date	43,866	-	43,866
Total deferred outflow of resources	<u>88,298</u>	<u>88,298</u>	<u>88,298</u>
LIABILITIES			
Current liabilities:			
Accounts payable	124	169,955	170,079
Accrued liabilities	26,289	266,926	293,215
Accrued compensated absences	38,547	-	38,547
Due to other funds	5,421	-	5,421
Total current liabilities	<u>70,381</u>	<u>436,881</u>	<u>507,262</u>
Non-current liabilities:			
Total OPEB liability	66,399	-	66,399
Accrued compensated absences	<u>46,459</u>	<u>46,459</u>	<u>46,459</u>
Total non-current liabilities	<u>112,858</u>	<u>436,881</u>	<u>620,120</u>
DEFERRED INFLOW OF RESOURCES			
Difference in expected and actual pension/OPEB investment experience	21,526	-	21,526
Difference in projected and actual pension/OPEB investment earnings	89,839	-	89,839
Total deferred inflow of resources	<u>111,365</u>	<u>111,365</u>	<u>111,365</u>
NET POSITION			
Investment in capital assets	6,032,303	-	6,032,303
Unrestricted	<u>5,861,103</u>	<u>7,857,460</u>	<u>13,718,563</u>
Total net position	<u>\$11,893,406</u>	<u>\$ 7,857,460</u>	<u>\$19,750,866</u>

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

For the Year Ended September 30, 2021

	Equipment Services	Comprehensive Self-Insurance	Total
Operating revenues			
Charges for service	\$ 2,269,798	\$ -	\$ 2,269,798
Premiums	- <hr/>	4,868,003 <hr/>	4,868,003 <hr/>
Total operating revenues	2,269,798 <hr/>	4,868,003 <hr/>	7,137,801 <hr/>
Operating expenses			
Claims paid and change in estimate	- <hr/>	3,549,880 <hr/>	3,549,880 <hr/>
Personnel services	814,405 <hr/>	5,441 <hr/>	819,846 <hr/>
Administrative and fiscal services	- <hr/>	889,343 <hr/>	889,343 <hr/>
Depreciation	949,859 <hr/>	- <hr/>	949,859 <hr/>
Supplies and other	110,359 <hr/>	- <hr/>	110,359 <hr/>
Contractual and other services	69,367 <hr/>	153,543 <hr/>	222,910 <hr/>
Total operating expenses	1,943,990 <hr/>	4,598,207 <hr/>	6,542,197 <hr/>
Operating income	325,808 <hr/>	269,796 <hr/>	595,604 <hr/>
Nonoperating revenues (expenses)			
Investment income (loss)	774 <hr/>	(5,820) <hr/>	(5,046) <hr/>
Intergovernmental	247 <hr/>	- <hr/>	247 <hr/>
Gain on sale of capital assets	192,076 <hr/>	- <hr/>	192,076 <hr/>
Change in net position	518,905 <hr/>	263,976 <hr/>	782,881 <hr/>
Total net position - beginning	11,374,501 <hr/>	7,593,484 <hr/>	18,967,985 <hr/>
Total net position - ending	<u>\$ 11,893,406</u>	<u>\$ 7,857,460</u>	<u>\$ 19,750,866</u>

CITY OF UNIVERSITY PARK, TEXAS

Combining Statement of Cash Flows

Internal Service Funds

For the Year ended September 30, 2021

	Equipment Services	Comprehensive Self-Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,269,798	\$ 4,867,315	\$ 7,137,113
Payments from (to) other funds	(1,014,396)	766,115	(248,281)
Payments to suppliers	(180,836)	(4,653,229)	(4,834,065)
Payments to employees	(889,806)	(5,441)	(895,247)
Net cash provided by operating activities	<u>184,760</u>	<u>974,760</u>	<u>1,159,520</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental revenue	<u>247</u>	<u>-</u>	<u>247</u>
Net cash provided by noncapital financing	<u>247</u>	<u>-</u>	<u>247</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(393,954)	-	(393,954)
Proceeds from sale of capital assets	<u>208,947</u>	<u>-</u>	<u>208,947</u>
Net cash used in capital and related financing activities	<u>(185,007)</u>	<u>-</u>	<u>(185,007)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	-	(1,978,234)	(1,978,234)
Interest on investments	<u>774</u>	<u>(5,820)</u>	<u>(5,046)</u>
Net cash provided by (used in) investing activities	<u>774</u>	<u>(1,984,054)</u>	<u>(1,983,280)</u>
Net increase (decrease) in cash and cash equivalents	<u>774</u>	<u>(1,009,294)</u>	<u>(1,008,520)</u>
Cash and cash equivalents, beginning of year	<u>1,586,826</u>	<u>4,145,583</u>	<u>5,732,409</u>
Cash and cash equivalents, end of year	<u>\$ 1,587,600</u>	<u>\$ 3,136,289</u>	<u>\$ 4,723,889</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 325,808	\$ 269,796	\$ 595,604
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation expense	949,859	-	949,859
(Increase) decrease in due from other funds	(1,019,817)	791,277	(228,540)
(Increase) in pension/OPEB and deferred outflow	(84,594)	-	(84,594)
(Increase) in interest receivable	-	(688)	(688)
Increase (decrease) in accrued liabilities	8,083	(60,463)	(52,380)
Increase (decrease) in due to other funds	<u>5,421</u>	<u>(25,162)</u>	<u>(19,741)</u>
Total adjustments	<u>(141,048)</u>	<u>704,964</u>	<u>563,916</u>
Net cash provided by operating activities	<u>\$ 184,760</u>	<u>\$ 974,760</u>	<u>\$ 1,159,520</u>
NON-CASH INVESTING ACTIVITIES			
Change in the fair value of investments	<u>\$ -</u>	<u>\$ (9,678)</u>	<u>\$ (9,678)</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.

CONTENTS

Tables

Financial Trends

1-4

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

Revenue Capacity

5-8

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

Debt Capacity

9-13

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

Demographic and Economic Information

14-15

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

Operating Information

16-18

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

Sources: *Unless otherwise noted, the information in these schedules is derived from the 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					
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Governmental activities:											
Investment in capital assets	\$ 60,538,038	\$ 62,312,988	\$ 65,190,228	\$ 66,403,103	\$ 66,443,113	\$ 68,817,286	\$ 73,575,392	\$ 75,828,190	\$ 77,768,481	\$ 81,126,644	\$ 81,021,263
Restricted		-			229,197	294,025	310,644	267,200	309,015	351,551	368,185
Unrestricted	44,123,844	44,289,220	41,264,456	38,478,120	38,525,057	34,824,405	30,297,434	30,671,229	28,772,501	27,336,949	33,461,020
Total governmental activities net position	\$ 104,661,882	\$ 106,602,208	\$ 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
Business type activities:											
Investment in capital assets	\$ 47,970,897	\$ 49,683,932	\$ 51,127,842	\$ 53,218,776	\$ 53,846,733	\$ 53,297,369	\$ 52,774,728	\$ 52,301,964	\$ 53,728,864	\$ 58,672,778	\$ 65,038,533
Unrestricted	8,690,783	8,156,715	7,022,922	8,603,253	11,052,770	13,825,219	16,554,259	19,953,697	17,670,719	14,509,080	10,194,492
Total business type activities net position	\$ 56,661,680	\$ 57,840,647	\$ 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
Primary government:											
Investment in capital assets	\$ 108,508,935	\$ 111,996,920	\$ 116,318,070	\$ 119,621,879	\$ 120,289,846	\$ 122,114,655	\$ 126,350,120	\$ 128,130,154	\$ 131,497,345	\$ 139,799,422	\$ 146,059,796
Restricted	-	-	-	-	229,197	294,025	310,644	267,200	309,015	351,551	368,185
Unrestricted	52,814,627	52,445,935	48,287,378	47,081,373	49,577,827	48,649,624	46,851,693	50,624,926	46,443,220	41,846,029	43,655,512
Total primary government net position	\$ 161,323,562	\$ 164,442,855	\$ 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

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 Ten Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

Table 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General Government	\$ 4,643,566	\$ 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
Public Safety	12,198,719	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
Streets	1,829,907	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
Parks	3,418,159	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
Public Works	2,658,904	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
Total governmental activities expenses	<u>24,749,255</u>	<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>
Business type activities:										
Utilities	13,146,550	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
Sanitation	2,590,435	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
Stormwater	-	-	109,032	92,646	68,884	176,504	234,719	236,658	122,427	130,244
Total business type activities expenses	<u>15,736,985</u>	<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>
Total primary government expense	<u>\$ 40,486,240</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General Government	\$ 29,132	\$ 48,342	\$ 58,247	\$ 64,946	\$ 65,914	\$ 69,685	\$ 63,377	\$ 67,529	\$ 53,450	\$ 60,771
Public Safety	2,284,805	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
Parks	348,478	353,380	321,664	312,541	319,968	298,901	388,202	419,427	86,430	417,147
Public Works	3,113,402	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
Operating grants and contributions:	-	-	-	-	-	-	-	-	1,043,534	4,298,409
Total governmental activities program revenues	<u>5,775,817</u>	<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>
Business type activities:										
Charges for services:										
Utilities	13,655,917	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
Sanitation	2,828,621	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
Stormwater	-	-	465,816	435,563	433,302	437,057	476,192	477,267	500,729	502,195
Operating grants and contributions:	-	-	-	-	-	-	-	-	4,779	7,821
Total business type activities program revenues	<u>16,484,538</u>	<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>
Total primary government program revenues	<u>\$ 22,260,355</u>	<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>
Net (Expense) Revenue										
Governmental activities										
Business type activities	\$ (18,973,438)	\$ (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)
Total primary government net expense	<u>\$ 747,553</u>	<u>(119,959)</u>	<u>1,537,960</u>	<u>1,454,258</u>	<u>1,091,604</u>	<u>1,187,909</u>	<u>1,641,405</u>	<u>(1,715,271)</u>	<u>1,237,906</u>	<u>1,565,998</u>
	<u><u>\$ (18,225,885)</u></u>	<u><u>\$ (22,511,708)</u></u>	<u><u>\$ (20,445,036)</u></u>	<u><u>\$ (22,818,158)</u></u>	<u><u>\$ (24,685,935)</u></u>	<u><u>\$ (24,523,505)</u></u>	<u><u>\$ (22,760,884)</u></u>	<u><u>\$ (32,270,489)</u></u>	<u><u>\$ (26,071,003)</u></u>	<u><u>\$ (22,835,859)</u></u>

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes:													
Property	\$ 15,484,579	\$ 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			
Sales tax	3,395,645	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			
Franchise Fees	2,094,494	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			
Investment earnings (loss)	188,888	98,286	172,591	287,428	347,503	394,574	697,960	1,324,920	1,324,920	(14,284)			
Other	90,026	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			
Contribution	32	-	-	-	-	-	-	-	-	-			
Donations	12,276	137,043	83,759	84,614	133,524	98,836	67,313	110,633	110,633	98,692			
Gain (loss) on sale of capital assets	-	-	-	-	(124,075)	-	-	-	-	118,679			
Transfers	(352,176)	(352,176)	(952,176)	(1,556,545)	(1,073,620)	(388,560)	(407,988)	(645,535)	(645,535)	(472,308)			
Total governmental activities	<u>20,913,764</u>	<u>22,244,225</u>	<u>25,973,827</u>	<u>24,588,560</u>	<u>24,515,888</u>	<u>26,328,954</u>	<u>26,985,438</u>	<u>30,638,596</u>	<u>30,638,596</u>	<u>30,437,181</u>			

Business type activities:

Investment earnings	3,241	1,974	448	2,230	25,671	38,991	115,711	189,277	189,277	(13,635)		
Other	75,997	75,926	80,837	64,441	32,190	737,609	761,570	24,381	24,381	26,496		
Transfers	352,176	352,176	952,176	1,556,545	1,073,620	388,560	407,988	645,535	645,535	472,308		
Total business type activities	<u>431,414</u>	<u>430,076</u>	<u>1,033,461</u>	<u>1,623,216</u>	<u>1,131,481</u>	<u>1,165,160</u>	<u>1,285,269</u>	<u>859,193</u>	<u>859,193</u>	<u>485,169</u>		

Total primary government

	<u>\$ 21,345,178</u>	<u>\$ 22,674,301</u>	<u>\$ 27,007,288</u>	<u>\$ 26,211,776</u>	<u>\$ 25,647,369</u>	<u>\$ 27,494,114</u>	<u>\$ 28,270,707</u>	<u>\$ 31,497,789</u>	<u>\$ 31,497,789</u>	<u>\$ 30,922,350</u>		
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Change in Net Position

Governmental activities	\$ 1,940,326	\$ (147,524)	\$ 3,990,831	\$ 316,144	\$ (1,261,651)	\$ 617,540	\$ 2,583,149	\$ 83,378	\$ 3,329,687	\$ 6,035,324		
Business type activities	1,178,967	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		
Total primary government	<u>\$ 3,119,293</u>	<u>\$ 162,593</u>	<u>\$ 6,562,252</u>	<u>\$ 3,393,618</u>	<u>\$ 961,434</u>	<u>\$ 2,970,609</u>	<u>\$ 5,509,823</u>	<u>\$ (772,700)</u>	<u>\$ 5,426,786</u>	<u>\$ 8,086,491</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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 502,835	\$ 518,976	\$ 557,109	\$ 576,174	\$ 622,861	\$ 591,377	\$ 589,430	\$ 625,563	\$ 672,762	\$ 609,298
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	20,750,202	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
Assigned	644,732	503,441	455,547	306,923	290,639	309,933	248,846	305,553	564,742	262,447
Unassigned	6,194,370	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
Total General Fund	\$ 28,092,139	\$ 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
All Other Governmental Funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	229,197	294,025	310,644	267,200	309,015	351,551	368,185
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	10,824,871	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
Unassigned	-	-	-	-	-	-	-	-	-	(2,718)
Total all other governmental funds	\$ 10,824,871	\$ 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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes:										
Property	\$ 15,502,274	\$ 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
Sales	3,395,645	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
Franchise fees	2,094,494	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
Permits and licenses	3,192,446	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
Fines	769,308	758,962	839,055	633,083	820,356	920,316	818,107	770,218	462,838	308,028
Charges for services	1,434,766	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
Intergovernmental	-	-	-	-	-	-	-	-	1,042,808	317,794
Other	451,824	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
Investment income (loss)	188,888	98,286	172,591	287,428	347,503	394,574	697,960	1,070,577	1,175,765	(9,238)
Donations	12,276	137,043	83,759	84,614	133,524	98,836	75,167	110,633	97,875	98,692
Total revenues	27,041,921	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
Expenditures										
General Government										
Public Safety	3,710,920	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
Streets	11,769,965	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
Parks	1,780,280	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
Public Works	3,080,028	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
Capital Outlay	2,528,517	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
Total expenditures	30,454,468	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
Total expenditures	25,915,178	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
Excess (deficiency) of revenues over (under) expenditures	1,126,743	(1,909,796)	4,076,576	2,433,847	(529,325)	(203,165)	1,224,431	2,409,878	(338,174)	317,318
Other Financing Sources (Uses)										
Transfers in	4,108,561	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
Transfers out	(4,460,736)	(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)
Total other financing sources (uses)	(352,175)	(352,176)	(952,176)	(1,556,545)	(1,073,620)	(396,225)	(875,849)	1,307,635	(449,808)	(472,308)
Net change in fund balances	\$ 774,568	\$ (2,261,972)	\$ 3,124,400	\$ 877,302	\$ (1,602,945)	\$ (599,390)	\$ 348,582	\$ 3,717,513	\$ (787,982)	\$ (154,990)

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				
2012	6,654,905,050	1,424,711,540	69,909,780	2,581,437,846	5,568,088,524	0.2785
2013	6,644,042,790	1,525,744,050	71,281,470	2,653,643,498	5,587,424,812	0.2785
2014	6,996,977,160	1,666,485,480	75,369,540	2,839,055,026	5,899,777,154	0.2743
2015	7,573,817,110	1,806,314,070	81,981,600	3,113,142,452	6,348,970,328	0.2698
2016	8,184,648,580	1,835,964,380	86,214,430	3,275,569,950	6,831,257,440	0.2589
2017	9,010,915,120	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

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 of assessed value)
Last Ten Fiscal Years
(Unaudited)

Table 6

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

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

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

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

Table 7

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Caruth Preston Road Associate	\$ 78,271,240	1	0.97%	\$ 45,194,400	1	0.81%
Diamond Hillcrest LLC	42,500,000	2	0.53%			
SMU Corp.	26,045,740	3	0.32%	23,555,676	3	0.42%
Gerald J. Ford	25,175,000	4	0.31%	23,725,000	2	0.43%
Peruna Holdings Corp.	25,000,000	5	0.31%	19,425,830	4	0.35%
Trevor D. and Janice M. Rees-Jones	23,495,000	6	0.29%			
Jean C. Thompson	21,032,070	7	0.26%			
Mary C. Finney Life Estate	19,227,344	8	0.24%	12,274,280	10	0.22%
John C. & Debbie Tolleson	16,375,000	9	0.20%	12,385,200	9	0.22%
Clint D. and Nancy P. Carlson	16,154,558	10	0.20%	14,664,310	8	0.26%
Intercity Investments Inc				16,137,200	6	0.29%
Birmingham Wallace LP				15,470,000	7	0.28%
Richard H. and Tracy B. Cheatham				17,636,290	5	0.32%
	<u>\$ 293,275,952</u>		<u>3.63%</u>	<u>\$ 200,468,186</u>		<u>3.60%</u>

Source: Dallas County Tax Office

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

Table 8

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Original Levy
2012	15,507,883	15,384,088	99.20%	8,978	15,393,066	99.26%
2013	15,561,032	15,377,061	98.82%	21,168	15,398,229	98.95%
2014	16,187,443	15,956,992	98.58%	5,642	15,962,634	98.61%
2015	17,133,359	16,961,640	99.00%	(40,889)	16,920,751	98.76%
2016	17,692,489	17,525,897	99.06%	9,096	17,534,992	99.11%
2017	18,453,201	18,270,892	99.01%	17,630	18,288,522	99.11%
2018	18,936,419	18,870,690	99.65%	-	18,870,690	99.65%
2019	19,843,221	19,679,809	99.18%	252	19,680,061	99.18%
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%

* 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	General Obligation Refunding Bonds	Percentage of Personal Income	Per Capita
2012	-	-	-
2013	-	-	-
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	-	-	-

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

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

Table 10

Fiscal Year	General Obligation Refunding Bonds	Less: Amount Available for Debt Service	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Per Capita
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-

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

CITY OF UNIVERSITY PARK, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of September 30, 2021
(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	\$ 349,910,000	52.96%	\$ 185,312,336
Dallas County	116,665,000	3.24%	3,779,946
Dallas County Community College District	115,750,000	3.24%	3,750,300
Dallas County Hospital District	575,530,000	3.24%	18,647,172
Dallas Independent School District	3,259,600,000	0.01%	325,960
Subtotal, overlapping debt			211,815,714
City of University Park direct debt			-
Total direct and overlapping debt			\$ 211,815,714

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.

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

Table 12

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

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

Table 13

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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	0.2785	0.2743	0.2698	0.2589	0.2488	0.2488	0.2454	0.2585	0.2648
Available Tax Rate	<u>\$ 2.2215</u>	<u>\$ 2.2215</u>	<u>\$ 2.2257</u>	<u>\$ 2.2302</u>	<u>\$ 2.2411</u>	<u>\$ 2.2512</u>	<u>\$ 2.2512</u>	<u>\$ 2.2546</u>	<u>\$ 2.2415</u>	<u>\$ 2.2352</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
2012	23,241	1,473,805	63,414	29.7	6,834	5.6%
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	2,518,927	99,649 *	35.4 *	6,648	3.8%

Source: Estimated population obtained from United States Census Bureau.

Current and updated median age, per capita via City-Data.com

*Due to the continuing impacts of COVID-19, this information has not been updated/released as of the report date.

Current and updated school enrollment via the HPISD Annual Comprehensive Financial Report

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

Table 15

UNIVERSITY PARK			
Employer	Rank	Employees	Percentage of Total City Employment
Southern Methodist University	1	1,429	6%
Highland Park ISD	2	856	4%
Fidelity Investments	3	300	1%
City of University Park	4	249	1%

DALLAS COUNTY			COLLIN COUNTY		
Employer	Rank	Employees	Employer	Rank	Employees
Texas Health Resources	1	26,000	State Farm Insurance Corporate Office	1	9,985
Lockheed Martin	2	22,950	Plano Independent School District	2	6,854
UT Southwestern Medical Center	3	20,167	Capital One Finance	3	5,979
Baylor Scott & White Health	4	18,195	AT&T	4	4,300
Medical City Healthcare	5	17,000	DXC Technology	5	4,000
University of North Texas Systems	6	14,730	Toyota North America HQ	6	3,937
Bank of America	7	13,650	Bank of America Home Loans	7	3,729
Parkland Health & Hospital Systems	8	13,095	Blue Cross Blue Shield of Texas	8	3,100
JP Morgan Chase	9	13,050	Ericsson	9	2,713
City of Dallas	10	12,695	Liberty Mutual Insurance	10	2,700

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Administrative	5	5	5	5	6	6	6	6	6	6
Finance	6	5	6	6	6	6	6	6	5	6
Human Resources	2	2	2	2	2	2	2	2	1	2
Information Services	5	5	5	5	5	5	6	6	6	6
Library *	0	4	4	4	4	4	3	5	4	4
Facility Maintenance	2	2	2	2	2	2	2	2	2	2
Public Safety										
Police										
Officers	39	35	39	39	43	41	41	38	39	39
Civilians	10	13	14	11	10	12	12	15	18	17
Fire										
Firefighters and officers	34	34	35	35	33	31	34	35	34	32
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	22	23	23	22	22	23
Public Works										
Community Development	10	11	11	9	10	9	9	10	10	10
Engineering	6	5	5	5	4	3	3	4	6	6
Traffic	7	7	7	7	6	7	7	7	7	8
Streets	16	16	17	16	16	16	16	15	13	16
Utilities	28	32	31	31	31	31	31	36	31	32
Sanitation	26	27	27	27	28	27	26	27	27	25
Equipment Services	10	10	10	10	9	9	9	9	10	10
Self Insurance	0	0	0	0	0	0	0	0	0	1
Capital Projects	1	0	0	0	0	0	0	0	0	1
Total	232	238	245	239	240	237	239	248	244	249

Source: City Human Resource Department

* Function added in 2013

Table 17

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Parking tickets	8,426	7,333	6,886	2,873	6,386	5,793	6,499	7,747	4,744	1,963
Traffic violations	5,169	4,050	5,838	5,774	3,386	3,970	7,288	6,657	3,976	2,731
Accident calls	210	198	188	535	572	532	623	533	522	392
Total calls for service	25,756	24,162	24,636	27,767	30,199	31,051	30,862	30,347	18,973	17,499
Fire										
Number of fire runs	1,227	1,437	1,485	1,547	1,455	1,532	1,587	1,857	1,623	2,529
Number of EMS runs	1,012	1,100	1,073	1,033	1,038	1,077	876	853	769	793
Inspections	791	819	1,040	874	856	1,142	952	1,352	445	545
Parks										
Pool passes issued	3,186	3,161	3,036	2,821	2,645	2,465	2,587	2,299	1,122	2,852
Tennis Passes*	-	-	-	-	-	-	-	-	-	1,363
Instructor Passes*	-	-	-	-	-	-	-	-	-	33
Public Works										
Building permits issued	2,792	3,036	3,257	3,040	2,880	2,511	2,482	2,937	2,242	2,416
Work orders completed	8,203	7,436	6,970	7,538	6,824	7,216	7,408	8,623	7,512	7,373
Sanitation										
Waste hauled (tons)	15,295	15,052	14,487	15,139	12,806	12,751	12,907	13,033	13,118	12,750
Recycled materials (tons)	2,961	2,886	3,116	3,298	3,614	3,222	3,013	3,028	2,998	2,974
Green Waste	2,936	2,647	2,212	2,428	1,652	1,489	1,313	1,862	1,250	1,172
Utilities										
Number of consumers	8,747	8,813	8,848	8,797	8,830	8,815	8,805	8,832	8,820	8,760
Average daily consumption (ten thousands of gallons)	6,036	5,947	5,311	5,283	5,134	5,124	5,732	5,002	5,113	5,156

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	12	12	12	13	13	12	12	12	15	15
Motorcycle units	0	0	0	0	0	2	2	2	2	2
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Trucks	4	4	3	3	2	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	60
Parks (number of)	10	10	11	11	11	11	11	11	11	11
Playgrounds	8	8	9	9	9	9	9	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	12	16
Water										
Water mains (miles)	89	89	89	89	89	89	89	89	89	89
Fire hydrants	469	470	473	473	473	473	473	473	473	473
Streets										
Streets (miles)	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6	74.6
Sewer										
Sanitary sewer lines (miles)	63.8	63.8	63.8	63.8	63.8	63.8	63.8	63.8	63.8	63.8
Storm sewer lines (miles)	25.9	25.9	25.9	25.9	25.9	25.9	25.9	25.9	25.9	25.9

Source: Various City Departments