

DC-23-01161
No. _____

TEXAS PUBLIC POLICY	§	IN THE DISTRICT COURT OF
FOUNDATION,	§	
<i>Plaintiff,</i>	§	
	§	
v.	§	
	§	DALLAS COUNTY, TEXAS
HIGHLAND PARK INDEPENDENT	§	
SCHOOL DISTRICT,	§	14th
<i>Defendant.</i>	§	____ JUDICIAL DISTRICT

PLAINTIFF’S ORIGINAL PETITION FOR WRIT OF MANDAMUS

TO THE HONORABLE JUDGE OF SAID COURT:

Plaintiff Texas Public Policy Foundation files its Original Petition for Writ of Mandamus against Highland Park Independent School District and would respectfully show the Court the following.

I.
STATEMENT OF MONETARY RELIEF

1. Pursuant to Texas Rule of Civil Procedure 47(c)(5), Plaintiff notes that it intends to seek only non-monetary relief, excluding statutory attorney fees and costs.

II.
DISCOVERY CONTROL PLAN

2. Plaintiff hereby requests that this case proceed under Level 2 of Texas Rule of Civil Procedure 190.3.

III.
PARTIES

3. Plaintiff Texas Public Policy Foundation (“TPPF”) is a 501(c)(3) non-profit, non-partisan research institute with its principal place of business in Travis County, Texas. Its mission is to promote and defend liberty, personal responsibility, and free enterprise. This

mission includes a commitment to governmental transparency so that voters can make informed decisions.

4. Defendant Highland Park Independent School District (“HPISD”) is a public school district organized under the laws of the State of Texas. It is a governmental body under the Texas Public Information Act (“TPIA”). TEX. GOV’T CODE § 552.003(1)(A)(v). Its main offices are located in Dallas County, Texas.

IV. JURISDICTION AND VENUE

5. Jurisdiction is proper in this Court pursuant to TPIA § 552.321(b).

6. Venue is proper in Dallas County pursuant to TPIA § 552.321(b).

V. FACTS AND ARGUMENT

Introduction

7. TPPF seeks a writ of mandamus requiring disclosure of the investigative report prepared by the public accounting firm Whitley Penn on behalf of and with the taxpayer funds belonging to HPISD documenting fraud and misuse of taxpayer funds at the HPISD Seay Tennis Center.

8. HPISD built the Seay Center with taxpayer money. It is HPISD property. But because of lack of administrative oversight, certain individuals were allowed to operate the Seay Center to enrich themselves to the detriment of the District, its students, and the taxpayers.

9. HPISD paid Whitley Penn to figure out how money was directed away from HPISD and into the pockets of a few. Whitley Penn interviewed individuals and reviewed financial records. Whitley Penn wrote a report that details the facts it learned, including an estimate of how much money is missing or unaccounted for. HPISD then covered-up these illicit

activities, promoted employees involved in the scheme, and has made no attempt to secure any restitution.

10. On August 22, 2022, TPPF sent a request to HPISD for the Whitley Penn Report (the “Report”) according to the requirements of the TPIA. It is undisputed that the Whitley Penn Report is core public information subject to disclosure under the TPIA because it is “a completed report, audit, evaluation, or investigation made of, for, or by a governmental body.” TEX. GOV'T CODE § 552.022(a)(1) (the exception of § 552.108 does not apply). The Report is definitionally “public information” because it was produced for a governmental body and the governmental body owns the information, has a right of access to the information, and paid for Whitley Penn to compile the Report. TEX. GOV'T CODE § 552.002(a)(2); *see also 2022 Public Information Handbook* at 10 (Office of Attorney General, 2022) (information in a private consultant's possession is subject to the Public Information Act even if the governmental body not in physical custody).

11. HPISD refused to disclose any portion of the Report on the grounds of attorney-client privilege, claiming Whitley Penn had been retained by the law firm Holland & Knight to assist Holland & Knight in providing legal advice to HPISD on matters concerning the Seay Tennis Center.

12. On September 21, 2022, HPISD sought a ruling from the Open Records Division of the Attorney General as to whether the Report was excepted from disclosure by the attorney-client privilege. On November 30, 2022, the Open Records Division of the Attorney General issued its ruling declining to compel production of the Report. Tex. Att’y Gen. Op. OR2022-36895.

13. Because HPISD has still not disclosed the Report, TPPF has been forced to request this writ of mandamus from this Court. TEX. GOV'T CODE § 552.321(a) (providing that a requestor “may file suit for a writ of mandamus compelling a governmental body to make information available for public inspection if the governmental body...refuses to supply public information...”). “A requestor may bring a mandamus action...despite the issuance of an adverse attorney general’s opinion that favors withholding of the information. In addition, opinions of the attorney general are not binding on the courts.” *Thomas v. Cornyn*, 71 S.W.3d 473, 483 (Tex. App.—Austin Feb. 14, 2002, no pet.). The common law elements of mandamus do not apply in a §552.321 action, rather, “a requesting party need only show that the governmental body has not complied with the act.” *Id.* at 484.

14. Importantly, this Petition seeks disclosure of a single document: the Whitley Penn Report about the Seay Center. All that is being sought is a factual, investigative report, one conducted by non-lawyers, into how a few people used HPISD property to enrich themselves. Actual communications between Whitley Penn and Holland & Knight about the contents of the Report have not been requested. Actual communications between HPISD and/or Holland & Knight about what to do based on the findings in the Report have not been requested. All that has been sought is the Report resulting from a factual investigation by non-lawyers.

15. If the administration can simply use its lawyers as a conduit to confer privilege on the Report, then the citizens have no way of evaluating the administration and holding it politically accountable. The Report—which is believed to document factual information about how the scheme worked, who benefitted, how much money was lost, etc.—is not privileged. The HPISD taxpayers paid for the Report. The HPISD taxpayers deserve to know how their Seay Center (which they also paid for) has been used to line the pockets of certain individuals in

the administration-all off the books. The HPISD taxpayers did "not give their public servants the right to decide what is good for the people to know and what is not good for them to know." *See* TEX. GOV'T CODE § 552.001(a). Rather, they "insist on remaining informed so that they may retain control over the instruments they have created." *See id.* The TPIA "shall be liberally construed in favor of granting a request for information." TEX. GOV'T CODE § 552.001(b). HPISD's purported claims of attorney-client privilege fail, and Plaintiff respectfully requests that this Court order the disclosure of this factual Report.

The Holden/Jimenez Scheme Operated for Years At The Seay Tennis Center

16. The Seay Tennis Center is a state-of-the-art tennis center owned by Highland Park ISD that serves the schools and surrounding community. It was built at its current location and funded by millions of dollars allocated from an historic HPISD bond package passed by the voters. The revenues from this facility are important to HPISD, as HPISD keeps 100% of the profits earned at the Seay Center since they are not subject to the same "Robin Hood" provisions that redirect money from local property taxes away from HPISD.

17. But until recently, the bulk of the Seay Center's financial activities were cash transactions. This was not out of need. The Seay Center had the ability to take credit card payments through a point-of-sale device that it used for selling merchandise. The cash-only rule was a matter of policy set by Dan Holden, who was the former Director of the Seay Center. Under the policy, tennis professionals were required to only accept payments for lessons and services in cash. Tylir Jimenez, who worked at the Seay Center and was Highland Park High School's JV tennis coach, conducted the daily bookkeeping work of calculating how much of the cash to report to HPISD. By mandating cash payments and controlling the physical cash money, Holden and Jimenez controlled and operated the Seay Center to enrich themselves to the

detriment of HPISD and its students. This scheme went on for years, until a former tennis pro at the Seay Center documented how he was fired by Holden and Jimenez for not giving back some of his cash (\$40,000 of cash) to one of their “investments.” See Ex. A (Holland Letter to administration). This fact pattern describes a thinly-veiled kickback scheme.

18. Consider this: the Seay Center’s financials—more accurately, what has been reported—are publicly available. After the Report was completed, most of the tennis pros began taking payments for services via credit card. Following the implementation of using the credit card machine in 2021, revenues at the Seay Center—which were suddenly being reported rather than pocketed—jumped by an order of magnitude from \$760,832 in 2020 to \$1,902,224 in 2021. Ex. B at 18 (2020 HPISD Comprehensive Annual Financial Report); Ex. C at 18 (2021 HPISD Comprehensive Annual Financial Report). The administration chalked this up to “a significant increase in Tennis Center activity in fiscal year 2021.” See Ex. B at 11. But it more accurately reflects an increase in **reported** activity. HPISD taxpayers deserve to know how this roughly \$1.2 million per year was managed—or mismanaged—in years past, when it was all cash.

HPISD Is Trying To Cover Up The Holden/Jimenez Scheme

19. Parents have been concerned for years, and in 2015 a group sent a letter outlining their concerns at the time to Tim Turner, HPISD’s Assistant Superintendent of Business Services. Ex. D (Letter to Tim Turner). Mr. Turner was the direct supervisor of Dan Holden. See Ex. E (Job Description for Director of Seay Center). Mr. Turner was disturbed by the activities at the Seay Center, allowing the parents to see certain Seay Center financial information pursuant to proper and justified Open Records requests made at the time.

20. The administration—at least Johnny Ringo, former HPISD Athletic Director, and Dr. Tom Trigg, HPISD Superintendent—put an end to those parents’ efforts. In 2016, Mr. Ringo

sent a letter to concerned parents detailing an internal investigation that resulted in “no findings or evidence of any impropriety, financial, or administrative misconduct.” Ex. F (Ringo Letter). Mr. Turner subsequently resigned—albeit publicly for “personal reasons.” Ex. G (Turner Resignation).

21. To cover up its failure to exercise a modicum of oversight of the Seay Center, the administrators at HPISD did all they could to make sure the facts in the Whitley Penn Report never were discovered by the public. The Report was never physically given to the HPISD administration in an attempt to maintain plausible deniability. Instead, the findings were verbally presented by HPISD’s Richardson-based lawyers to the Board of Trustees in closed session. This was an improper attempt to cloak material facts with privilege merely by having an attorney communicate them. Further, any privilege that may have attached to the Report has been waived, as Mike White, Tim Turner’s replacement as Assistant Superintendent of Business Services and Holden’s boss, has used the Report as a sword and a shield to communicate with concerned citizens that an investigation was done but—trust us—nothing is wrong. Ex. H (White Email).

No One Has Been Held Accountable, And Tyler Jimenez Was Rewarded For His Involvement

22. No one has been held accountable following the Report. Dan Holden merely retired, two years after the Report. Ex. I (Holden retirement announcement). Johnny Ringo merely retired, also two years after the Report. Ex. J (Ringo retirement announcement). The only financial control the administration implemented at the Seay Center was to have the tennis pros make use of the credit card terminal, the one that had always been available, to pay for lessons and services.

23. Even worse, the administration still employs some of the individuals involved in the scheme. Tyllir Jimenez was actually ***promoted*** following the Report and is now HP High School's Varsity tennis coach. Ex. I. Dr. Trigg has not been held accountable for his role in the cover-up and remains Superintendent.

24. Continuing the cover-up, the 2021 Financial Report claims that the Seay Center's incredible jump in revenue in 2021 is "primarily due to a significant increase in Tennis Center activity in fiscal year 2021." This appears to imply that Covid-19 produced a down year in 2020. This is untrue. Seay Center revenues leading up to 2020 were consistent and flat. No year came close to revenues in 2021, and the year-to-year changes were never that dramatic. See Exs. K and L at 18 (2018 and 2019 HPISD Financial Reports).

25. HPISD's claim that this was all related to the provision of legal services are implausible at best. Accountants are not needed to provide legal services for this simple solution: fire the grifters, recoup the money, and refer to a prosecutor. Nor was there complex legal advice needed for the financial control of "stop forcing people to pay in cash." Instead, accountants are needed to figure out the facts, as best possible, about who took the money and how much. At best, HPISD undertook this investigation to make business decisions about personnel. This is not rocket science, and the fact that people involved were promoted, and that any missing money has not been recovered shows that the administration is acting in bad faith in trying to cover up the problem rather than solving it.

26. HPISD's should no longer be allowed to hide the facts in the Whitley Penn Report.

HPISD Is Not Entitled To A Vast Expansion Of The Attorney-Client Privilege

27. The Report is not excepted from disclosure under Texas Rule of Evidence 503(b)(1). First, the Report does not meet the first requirement of applying the attorney-client privilege—that the document is a communication. Because HPISD “failed to specify a recipient” for the Report, HPISD “has failed to prove that [the Report is a] communication[],” and thus the Report is “not protected by any privilege.” *Pasadena Ref. Sys. Inc. v. U.S.*, No. 3:10-cv-0785, 2011 WL 1938133, at *3 (N.D. Tex. Apr. 26, 2011), *report and recommendation adopted*, 2011 WL 1960555 (N.D. Tex. May 19, 2011). Furthermore, the Report is not a communication because it was allegedly never disclosed to HPISD, as HPISD confirmed in its request for open records decision. It is entirely likely that actual communication took place surrounding the creation of the report and following the same. But the Report itself is just that, the factual result of an investigation conducted by non-lawyers. The communication is the email or letter *transmitting* the Report to Holland & Knight. Accordingly, because the Report is not a communication, the attorney-client privilege does not apply and it must be disclosed.

28. Second, to the extent that actual privileged communications are recounted in the Report, HPISD is wrong to rely on *Harlandale Indep. Sch. Dist. v. Cornyn*, 25 S.W.3d 328, 330-31 (Tex. App.—Austin July 27, 2000, pet. denied), and cases in the same line, for the proposition that the entirety of the Report must be withheld, including the factual statements that were the result of the financial investigation by non-lawyers. Applying *Harlandale* to the facts of this case would result in a vast expansion of attorney-client privilege and give future governmental bodies a blueprint for avoiding scrutiny. Any local, political subdivision could be captured and entrenched by an administration that only learns embarrassing facts under the guise of attorney-client privilege. The public record of the administration and its oversight is unblemished, and

the citizens don't even realize anything is being hidden from them. This is a systemic threat to government by the people. Because in addition to allowing an administration to hide its flaws by specious claims of privilege, it would also allow the administration to waive the "privilege" if doing so would hurt its political adversaries.

29. Further, "[a]n attorney's investigation may constitute legal services such that it falls within the attorney-client privilege." *Franklin Ctr. for Gov't v. Univ. of Tex. Sys.*, No. 03-19-00362-cv, 2020 WL 7640146, at *4 (Tex. App.—Austin Dec. 22, 2020, pet. filed) (emphasis added). In *Harlandale*, the court found that the entire report created by the attorney doing the investigation was privileged, including the factual portions of that report, because "the investigative fact-finding was not the ultimate purpose for which she was hired." *Harlandale Indep. Sch. Dist. v. Cornyn*, 25 S.W.3d 328, 334 (Tex. App.—Austin July 27, 2000, pet. denied). The attorney in that case "was not hired by Harlandale strictly as an investigator; rather, she was employed to investigate Villareal's allegations *and* to use her legal training to provide Harlandale with a recommended course of action." *Id.* at 335, n.13; *see also Franklin Ctr.*, 2020 WL 7640146, at *6 (characterizing *Harlandale* as "excepting from disclosure independent investigation by attorney *who was functioning as attorney throughout* employment" (emphasis added)). The same was true in *In re Allen*, the 4th Circuit case on which *Harlandale* relied. It excepted from disclosure an investigation report done by an attorney who was using her legal expertise throughout the investigation. *Harlandale*, 25 S.W.3d at 334 (discussing facts of *In re Allen*). The reason that the attorney-client privilege covers entire reports when authored by lawyers is that "while in house accountants or lay investigators could have been employed to investigate the events in question, neither would have brought to bear the same training, skills and background possessed by attorneys and necessary to make the professional independent

analysis and legal recommendations sought.” *In re LTV Sec. Litig.*, 89 F.R.D. 595, 601 (N.D. Tex. 1981).

30. Even if the people at Whitley Penn had been lawyers and not accountants, the attorney-client privilege would still look to whether they prepared the report in a legal or a non-legal capacity. “Attorney-client privilege therefore does not apply to communications between a client and an attorney where the attorney is employed in a non-legal capacity, for instance as an accountant, escrow agency, or notary public.” *Harlandale*, 25 S.W.3d at 332; *In re Allen*, 106 F.3d 582, 602 (4th Cir. 1997) (“no privilege attaches when an attorney performs investigative work in the capacity of an insurance claims adjuster, rather than as a lawyer”); *In re Tex. Farmers Ins. Exch.*, 990 S.W.2d 337, 340 (Tex. App.—Texarkana Feb. 18, 1999, *rehearing overruled*) (“However, the privilege does not apply if the attorney is acting in a capacity other than that of an attorney.”); *Navigant Consulting, Inc. v. Wilkinson*, 220 F.R.D. 467, 474-75 (N.D. Tex. 2004) (“Where an attorney is functioning in some other capacity—such as an accountant, investigator, or business advisor—there is no privilege.”); *Adelman v. Peter*, No. CIVA L-08-6, 2009 WL 4456298, at *4 (S.D. Tex. Nov. 30, 2009) (“Even in the shadow of impending litigation, purely factual investigations or judgments on business matters are not privileged, even in cases where lawyers are hired to make them.”). For example, in *In re Texas Farmers Ins. Exch.*, the court found that the documents gathered, including investigation reports, were not privileged because they were created by an attorney who was acting as an insurance investigator rather than as an attorney. *In re Tex. Farmers Ins. Exch.*, 990 S.W.2d at 339, 341. The court explained that if such bare facts as investigative reports were covered by the attorney-client privilege, “insurance companies could simply hire attorneys as investigators at the beginning of

the claim investigation and claim privilege as to all the information gathered. This is not the intent of the privilege.” *Id.* at 341.

31. If the attorney-client privilege does not attach to investigative reports created by *lawyers* acting in a non-legal capacity, it certainly cannot apply if the investigation is conducted by the forensic accountants at Whitley Penn. HPISD has no authority for its request to vastly expand the scope of attorney-client privilege as it relates to the core public information of investigative reports. TEX. GOV’T CODE § 552.022(a)(1). Rather than *Harlandale*, the facts here are much more similar to *Seibu Corp. v. KPMG LLP*, No. 3-00-CV-1639-X, 2002 WL 87461 (N.D. Tex. Jan. 18, 2002). In that case, KPMG misrepresented the true financial condition of a company based on faulty audits, and the plaintiff relied on those misrepresentations in making what turned out to be bad investments. *Id.* at *1. Following the bad audit, in-house counsel at KPMG ordered in-house accountants to conduct a financial investigation about what went wrong, and to make personnel decisions about the partners involved in the audit. *Id.* at *2-*4. The court found that “the critical inquiry is not whether the investigation was conducted at the behest of a lawyer, but whether any particular communication in connection with that investigation facilitated the rendition of legal advice to the client.” *Id.* at *3. Despite the fact that one of the documents at issue was an investigative report directed to in-house counsel and labeled “Confidential, For the Briefing of Legal Counsel,” the court found that this document was not subject to the attorney-client privilege or the work product doctrine because it was not “made for the purpose of facilitating the rendition of the legal services,” but rather “the primary purpose of the internal investigation was to make personnel decisions regarding the termination of partners responsible for the Q-ZAR audit.” *Id.* at *3-*4. Similarly, here, lawyers ordered non-lawyers to conduct a factual investigation into the financial aspects of what was going

wrong at the Seay Center. Based on that investigation, HPISD used those facts gathered to make certain (insufficient) personnel decisions. Just as in *Seibu*, the legal advice HPISD was seeking was merely related to personnel decisions—which is plain from the fact that the Holland & Knight partner they hired, Bryan Neal, advertises as a Labor and Employment lawyer. Ex. M (Neal website); Ex. H (White email to concerned citizens, copying Neal and identifying him as responsible for HPISD’s investigation).

32. A finding that the Report is privileged would provide a blueprint for any future governmental body to conceal material facts of wrongdoing from voters. The entirety of the Texas Public Information Act would be felled by the simpleton notion of “get the lawyers involved” to shield bad facts from ever being disclosed to the public. How can the taxpayers/voters of HPISD fairly evaluate the administration if the administration is shielding bad facts by learning bad facts through its lawyers? “The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know.” *2022 Public Information Handbook* at 2 (citations omitted).

33. Accordingly, the investigation Report created by non-lawyers was not to facilitate the rendition of professional legal services and is not covered by the attorney-client privilege.

To The Extent The Attorney-Client Privilege Applies, It Is Waived

34. To the extent attorney-client privilege covers any portion of the Report, it has been waived due to communications from the relevant administration to concerned citizens. Ex. H (White Email). Mr. White revealed in public communications that an investigation was conducted “with expert assistance,” and that “there is no mismanagement occurring, there is no malfeasance occurring, and there are no funds being misdirected or mismanaged.” Ex. H. These statements were made to give the misleading impression that the Report uncovered no

wrongdoing. At the very least the mismanaged money has not been recovered, and the “no funds being misdirected or mismanaged” is plainly false. HPISD is improperly using privilege as a sword and a shield and the privilege is waived. Further, Mr. White acted on behalf of the administration in making these statements (as evidenced by copying Dr. Trigg on the email) and as such was a holder of the privilege voluntarily disclosing a significant part of the privileged matter (albeit falsely). TEX. R. EVID. 511. Accordingly, the privilege, if any, is waived, and the Report should be disclosed.

To The Extent The Attorney-Client Privilege Applies, And Is Not Waived, At Least The Factual Portion Of The Report Must Be Disclosed

35. However, assuming that the attorney-client privilege does apply to some portion of the Report and the privilege has not been waived, HPISD is wrong to contend that the entire Report must be withheld. First, the text of the Texas Public Information Act contemplates that applicability of the attorney-client privilege to some portion of the document does not justify withholding of the entire document when the information rises to the level of core public information. TEX. GOV'T CODE § 552.022(a)(16) (defining information in an attorney's fees bill as core public information even if the bill also contains non-discoverable information covered by the attorney-client privilege). A finding that the presence of any information in a document covered by the attorney-client privilege is sufficient to exempt the entire document from disclosure would improperly render “and that is not privileged under the attorney-client privilege” from § 552.022(a)(16) mere surplusage. *Id.*; *Chevron Corp. v. Redmon*, 745 S.W.2d 314, 316 (Tex. 1987) (“We will give effect to all the words of a statute and not treat any statutory language as surplusage if possible.”). Accordingly, the ordinary rule that the privilege's applicability to a communication attaches to the complete communication does not apply to core public information under TPIA § 552.022(a). *See 2022 Public Information Handbook* at 65 (“If

the governmental body demonstrates that rule 503 applies to part of a communication, *generally* the entire communication will be protected.”) (emphasis added, citing cases that set forth the ordinary rule, not as applied to core public information under the Texas Public Information Act).

36. Finally, assuming that the attorney-client privilege does apply to some portion of the Report and the privilege has not been waived, the entire Report cannot be withheld for the additional reason that at least portions of the Report are subject to other provisions of the Texas Public Information Act that require disclosure. At least some, if not all, of the tennis pros at the Seay Center are independent contractors rather than employees. TEX. GOV'T CODE § 552.0222 has separate requirements for disclosure of contracting information, which includes “communications and other information sent between a governmental body [HPISD] and a vendor or contractor [Whitley Penn] related to the performance of a final contract with the governmental body or work performed on behalf of the governmental body.” TEX. GOV'T CODE § 552.003(1-a)(E). Section 552.0222(b)(4) also makes clear that information related to the performance of the tennis pros duties under a contract, as independent contractors, is also subject to disclosure including information related to breach of contract, remedial actions, and assessed damages. Importantly, Section 552.0222 is subject to the attorney-client privilege only to the extent that 552.107(1) applies under Subchapter C—552.0222 does not contain the “and not excepted from required disclosure unless made confidential under...other law” provision of 552.022(a) that allows the general application of the attorney-client privilege. Accordingly, as HPISD waived the attorney-client privilege under 552.107(1) by failing to timely seek decision by the Attorney General, at least all information related to the tennis pros in the Report must be disclosed because they are independent contractors pursuant to Section 552.0222. TEX. GOV'T CODE § 552.301(a)-(b) (setting mandatory timeline for seeking application of exceptions under

Subchapter C); Tex. Att’y Gen. Op. OR2019-28665, 2019 WL 5488971 at *2 (Oct. 11, 2019). At the very least, HPISD did not attempt to make a showing that they meet the “compelling reason” standard of Section 552.302 as it relates to the facts of this critical public contracting information contained within the Report.

VI. CAUSES OF ACTION

First Cause of Action—Writ of Mandamus

37. TPPF repeats and reallege each of the foregoing paragraphs as if set forth fully herein.

38. HPISD has withheld the Whitley Penn Report responsive to TPPF’s request in violation of the TPIA.

39. The Whitley Penn Report is core public information pursuant to TEX. GOV’T CODE § 552.022(a)(1). The Report is in the actual or constructive possession of HPISD. All exceptions to disclosure other than those asserted by HPISD in its request to the Attorney General for ruling on this Report have been waived. TPIA § 552.302.

40. The remedy of mandamus is specifically available to TPPF as requestor of the information under the TPIA. TPIA § 552.321.

41. The failure of HPISD to release this public information causes irreparable harm to TPPF, for which there is no adequate remedy at law.

42. Accordingly, pursuant to TPIA § 552.321, TPPF is entitled to a writ of mandamus compelling disclosure by Defendant HPISD of the Whitley Penn Report.

Second Cause of Action—Attorneys’ Fees

43. TPPF seeks recovery of all costs incurred herein and its reasonable attorney’s fees, pursuant to the express authority granted in TPIA § 552.323.

WHEREFORE, PREMISES CONSIDERED, TPPF respectfully requests that the Court set the foregoing matters for full and final hearing on an accelerated basis at the earliest possible date, and that upon final hearing, Plaintiff be granted the following relief:

- (1) That a writ of mandamus issue compelling HPISD to produce the Whitley Penn Report;
- (2) That final judgment be entered declaring that the information sought by TPPF is public information and not excepted from disclosure under the TPIA;
- (3) That TPPF recover judgment from HPISD for its reasonable attorneys' fees and costs of litigation; and
- (4) That TPPF have such other and further relief to which it may be justly entitled.

Respectfully submitted,

/s/Robert Henneke
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Exhibit A

Dear Dr. Trigg, Mr. White, Mr. Ringo, Mrs. West, Mr. Hitzelberger, Mrs. Walker, Mrs. Michaels, Mr. Ellis, Mr. Herring, Mrs. Kelly, and Mr. Sharpe,

My name is Jason Holland and I've been the Director of the Elite program for the Seay Center for the last 5.5 years. I resigned from my job on Thursday June 4, 2020 solely due to the toxic job environment in which I found myself. I have truly loved my time here as a mentor for the kids, friend to fellow coworkers, and employee for the school. I have poured everything I have into my job and realize that I can no longer fulfill that obligation.

Dan Holden hired me to come here to change the HP Academy culture and to instill leadership and structure into a program that needed some renewal. He wanted me to create a blue collar, team -first mindset, as well as a strong work ethic into the Highland Park Tennis Academy. He recruited me with fervor due to my history of creating such environments in my six prior years as Associate Head Coach of Texas A&M Corpus Christi. It was a difficult beginning, but we eventually won the trust of both players and parents. Beyond any doubt, we absolutely have the most supportive, encouraging and inclusive environment for these kids to train anywhere in the state of Texas. We are graduating 13 seniors (from various schools) and sending 6 of them to play collegiate level tennis. This is a significant and measurable improvement over the years prior and clearly demonstrates the success of changes I made as the Seay Tennis Academy's Director. Ask the students and their parents, I am driven, honest, and fair, and that shows in the current success and commitment of our players.

I have fallen into disfavor. Perhaps it is because I am steadfast in my morality and cannot stand by to witness the clear manipulations and machinations of the Tennis Department that operates NOT for the good of the whole, but for the benefit of a very few in power. While I realize culture can't directly be measured, it can be felt, and the darker version of the behind-the-scenes culture is the reason that I am choosing to part ways with the Highland Park School District and the Seay Tennis Academy.

As educators, we are called to help grow students up, to provide an example of leadership, and to help provide a moral code of ethics for them to adopt as their own. THEY are our future leaders. Indeed, right now, in our country, people of power are being held accountable for their role, their leadership (lack thereof). There's an entire movement, *right now*, dedicated to the fact that people of power are abusing that power. The "little" people have finally had enough. Leaders are listening and finally making changes; *although HP seems to be the exception*. I have always heard such amazing things about Highland Park and what it has stood for, yet what I've seen over the last few years is simply *win at all costs*. There is no accountability, no moral standard, no code of ethics and no leadership within the tennis department. While I was hired to lead, it is clear that I really am only supposed to be a puppet for a corrupt branch of the Athletic Department, led by Dan Holden. If there are clear standards, I sure don't see them being enforced.

You've had coaches, former players, as well as parents, all give testimony and statements as to the affairs that go on unchecked and unpunished. Parents of both former and current players have confessed that they've always been afraid to speak up due to the fear of punishment being handed down to their child that was on the team or one that wished to be on the team. I do not want to have to

provide a shopping list of the things I have observed. You have an open investigation that should be doing this, as we speak. However, I am concerned that if I do not list them, the wrongs will simply disappear, as they have before. I would also highly encourage you to ask for the HR emails between the employees and Brenda West to see what concrete information has been passed on through the correct chain. Nearly every employee has reported bad management and oversight to Human Resources, just as an indication, I have observed personally the following and have evidence to back it up: Dan not turning in court fees for indoor lessons taught; he claimed he was "exempt", shady financials that are completed in pencil, instructing desk personnel to keep people out while napping in locker room, enticing me while on school grounds into a \$40K financial investment as my supervisor (which regrettably I agreed to), giving financial discounts to certain players when we clearly state that we do not do that, a nearly 2 hour long *recorded* conversation where my job, salary and benefits were clearly threatened, forgery of time sheets with documentation to back it up, countless emails, phone calls and meetings by parents voicing concerns, an open confession to not running intense practices due to other academies training their players, allegations of workplace harassment that went unreported by Dan, ignored allegations of sexual harassment amongst employees and multiple allegations of bullying on his team ignored by Dan and not reported. I have gone by the book to report all. *There is no incentive for me to write about any of this.* Yet I am (and others are) still seeing a blind eye turned to the dozens of complaints that have been brought forth. *How can the voices of so many be ignored?* You've allowed a dictator to rule over the tennis program for 20 years now. Where is his oversight?

We have been told most recently that some of this is because Dan wasn't given clear duties or training. Really? For 20 years he has been here and still he has not been given any delineation of duties or training on bullying or harassment? If an employee has to be told to be fair, honest and to treat people with respect, then it is obvious to me that you have made a critical error in keeping such an employee.

I'm not going to sit here and beat my own drum, but you are losing an employee who has cared and uplifted these kids to the standards I assumed and had heard that HP bragged of and maintained. I have loved teaching and mentoring with all my heart but, due to what I've seen and how we've all been treated, I'm walking away from tennis. I believe it would take nothing less than a tennis riot to get leaders to listen to what we've been saying all along. I have also attached a letter that was sent to Human Resources last year that also relays that the same patterns were observed by a former Director of Tennis. Again, I remind you, we both have no incentive to write or to tell any of this.

This. Isn't. Right.

Something is either very corrupt, or this place is simply afraid to admit when it has a problem. That's not where America is right now, and it's certainly not the culture that I want to be a part of anymore. The kids deserve better, the employees deserve better and the school deserves better.

I thank you for the opportunity and privilege to have worked with these kids and to have been in a leadership position for them. I can only hope that Highland Park doesn't continue to let people who truly care about these kids get pushed out while enabling those who are in it for themselves.

I truly hope you will think carefully about what I have taken time to write. I hope and trust, as leaders of such an esteemed school district, you will do so; you are, actually, entrusted and responsible for doing so.



Jason Holland

361-510-1953

Exhibit B

Highland Park Independent School District Dallas, TX



**Comprehensive Annual Financial Report
for the fiscal year ended Aug. 31, 2020**

Mary Elise Krazovec
Grade12
Highland Park High School
Fireflies

**Highland Park
Independent School District
Dallas, Texas**

Comprehensive Annual Financial Report
For the Fiscal Year Ended August 31, 2020



Prepared by:

Business Services Department & Finance

Chase Park
Director of Finance

Mr. Mike White, RTSBA
Assistant Superintendent
For Business Services

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Highland Park Independent School District
Comprehensive Annual Financial Report
Fiscal Year Ended August 31, 2020
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Highland Park Independent School District
Comprehensive Annual Financial Report
Fiscal Year Ended August 31, 2020
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Highland Park Independent School District
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Introductory Section

Certificate of Board

Highland Park Independent School District

Dallas

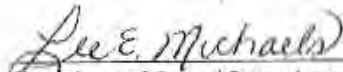
057-911

Name of School District

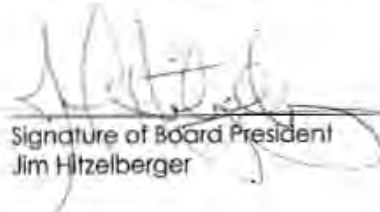
County

Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved _____ disapproved for the year ended August 31, 2020 at the meeting of the Board of Trustees of such school district on the 19th day of January, 2021.



Signature of Board Secretary
Lee E. Michaels


Signature of Board President
Jim Hitzelberger

HIGHLAND PARK INDEPENDENT SCHOOL DISTRICT



7015 Westchester Drive, Dallas Texas 75205
(214) 780-3000 Fax (214) 780-4019
www.hpisd.org

January 10, 2021

Board of Trustees and the Taxpayers of the Highland Park Independent School District:

The Texas Education Code (TEC) requires all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with general accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Highland Park Independent School District (District) for the fiscal year ended August 31, 2020.

This report consists of management's representations concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the information presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Weaver and Tidwell, L.L.P., Dallas, Texas, a firm of licensed certified public accountants, have audited the financial statements of the District. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2020 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended August 31, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the District

The District opened its first campus, John S. Armstrong School in 1914 with ninety-five students, three teachers and a principal. The residents of the District elect a seven-member Board of Trustees (the Board). The seven members of the Board serve, without compensation, a three-year term of office. On a rotating basis, two or three places are filled during annual elections held in May. Vacancies may be filled by appointment until the next election. Candidates must be qualified voters of the District.

Regular meetings are scheduled the second Tuesday of every month with the exception of the month of July when there is no Board meeting. Special meetings and study sessions are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, by the courts, and by the will of the people as expressed in school board elections. Board decisions are based on a majority vote of those present.

In general, the Board adopts policies, sets direction for curriculum, and employs the Superintendent, who oversees the operations of the District and its schools. Along with general Board business, Trustees are charged with numerous statutory regulations that include calling trustee and other school elections, canvassing the results, organizing the Board, and electing its officers. The Board is also responsible for setting the tax rate, setting salary schedules, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending annual budgets for the General Fund and the Debt Service Fund.

The District serves parts of three communities within a six square mile area located in north central Dallas County and is surrounded by the Dallas Independent School District. The Town of Highland Park, City of University Park and City of Dallas are the three different municipalities served by the District. The small community is known as the “Park Cities.” There is no raw land for residential, commercial, or industrial development. Southern Methodist University is located in the District.

The District provides a quality public education program for children from pre-kindergarten through grade 12. In addition to the basic instructional programs, the District offers special education, gifted and talented, bilingual/ESL, remedial, college preparatory, and career and technical programs. The District is fully accredited by the Texas Education Agency.

Since the opening of the first campus in 1914, it has become apparent that the preservation of a quality education is a priority in the community. The District has attained a national standing for excellence due to the hard work of the parents' generous support of the community and the deep commitment of faculty and staff. This affiliation, paralleled with an atmosphere set upon high expectations, results in a phenomenal educational environment.

The District currently has four elementary schools (grades K-4), an intermediate school (grades 5-6), a middle school (grades 7-8), and one high school (grades 9-12). Enrollment for the 2019-20 year was 6,864, an increase of 35 students from the previous year. Highland Park High School graduated 525 seniors in 2020.

The District's mission statement is as follows: “The Highland Park Independent School District, with an unyielding commitment to excellence, will provide an exceptional academic program that recognizes the unique potential of each student and integrates the intellectual, social, cultural and physical aspects of learning. This program will empower each student to become an eager lifelong learner committed to academic excellence, integrity, responsible citizenship and service to others.”

To accomplish its mission, the District attracts highly qualified personnel to teach an individualized educational program in all grade levels. A student-centered approach to learning through the use of a widely diversified curriculum is the educational philosophy of the District. A high degree of professionalism exists among District employees, and an on-going recognition of student and staff excellence contributes to this environment. The HPISD schools have long been committed to excellence in education. The District's students continue to win academic and co-curricular honors in district, state and national competitions. District staff, likewise, is recognized as outstanding educators and professionals by their peers in Texas and throughout the nation.

Long Range Planning

Much of the District's instructional program planning is done using the District and Campus Improvement Plans. The plans demonstrate the commitment to increase student achievement for all students. Campus Improvement Plans address specific needs of students at individual campuses. The District and Campus Improvement Plans include annual goals for improving student achievement and objective evaluation criteria for measuring success.

The annual budget serves as the foundation for the District's financial planning and control. This process begins in January. The District's Finance Committee sets budget targets and provides oversight for the budget development process. In addition, multi-year budget targets are established so that future finance challenges can be addressed and met. The Finance Committee is comprised of district administrators, all members of the Board, and community members.

Based on the parameters set forth, all district managers are required to submit to the District's Business Services Department their requests for appropriations for the next school year. The requests are compiled, summarized, and provided to the Finance Committee for review and discussion. Upon approval of the Finance Committee, a preliminary budget is then presented and discussed with the Board at one or more public budget workshops. The proposed budget is prepared by August 20th for the September 1 fiscal year start date. The Board president calls a board meeting for the purpose of discussing and adopting the budget and the tax rate. A notice of this meeting is required to be published at least 10 days, but not more than 30 days before the public meeting. The budget is adopted prior to August 31st for a September 1 fiscal year start date.

Internal Controls

Management of the District is responsible for establishing and maintaining an internal control structure. In addition, management is to ensure that the District's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefits likely to be derived.
- The valuation of costs and benefits requires estimates and judgments by Management.

As a recipient of state and federal financial assistance, the District's internal control structure is designed to ensure District compliance with applicable laws and regulations related to this assistance. This internal control structure is subject to periodic evaluation by Management and independent auditors.

The District's internal control structure includes budgetary, as well as accounting controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official budget for the *general fund* and the *debt service fund*. In accordance with procedures prescribed by the State Board of Education, the Board must approve budget amendments that affect the total amount in a fund or functional spending category prior to the expenditure of the funds. The functional level is specified by the Board policy as the legal level of budgetary control. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are a reserve of fund balance and are treated as expenditures in the subsequent year upon receipt of the goods or services.

Factors Affecting Financial Condition

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

Introduction. The District is located in the Park Cities community, north central Dallas County, approximately three miles north of downtown Dallas. The Park Cities community is considered one of the finest communities in which to live in Dallas County because of the outstanding public schools, distinguished homes and excellent public service departments. In addition, the Park Cities community is one of the wealthiest communities in Texas.

Population. The North Central Texas Council of Governments estimates the population in Dallas County at 2,591,820 for 2020. The estimated population for the Park Cities is 31,450.

Local economy. Dallas has established a national reputation as an economic force. The economic stability of the Park Cities provides a solid tax base for the District. The largest employers in the Park Cities are Southern Methodist University, the District, and the municipalities. In the Dallas Area, major employers include Dallas Independent School District, Baylor Scott & White Health, Lockheed Martin Aeronautics, UT Southwestern Medical Center, AT&T Inc., JP Morgan Chase, and Southwest Airlines.

There are many other major employers in Dallas County providing products or services in the industries of telecommunications, retail, health services, financial services, military aircraft design, restaurants, and many other areas. The diverse economy and highly skilled work force contributes to the strengths of the Dallas Area.

The District's tax base has decreased two percent over the previous year. For tax year 2020, the Dallas County Appraisal District certified that, as of Aug 2020, the total market value of all real and business personal property, before qualified exemptions, was \$22,202,443,855. The taxable value for the same property was \$16,303,387,948. Residential property makes up 80 percent of the taxable value on the tax roll. The District is required to provide a \$25,000 homestead exemption for qualified homeowners. In addition to State required exemptions, the District offers the maximum local homestead exemption of twenty percent, thereby reducing the taxable value of the average home to approximately \$1,377,138.

Major Accomplishments and Initiatives

As reflected in the District's mission statement, activities of the District focus on learning opportunities for students. The following information reflects the degree of success that both the District and its students have accomplished in both academics, extra and co-curricular activities:

- Highland Park High School (HPHS) has received an astounding 112 state team titles in 98 years, including 11 UIL Lone Star Cups, most in UIL history.
- 11 HPHS seniors were named National Merit Semifinalists by the National Merit Scholarship Corporation.
- 35 students were named National Merit Commended Students and three were named National Hispanic Scholars.
- 576 HPHS students earned 529 Advanced Placement Scholar Awards, and 47 students were recognized as National AP Scholars.
- In 2020, HPHS students earned a composite score of 27.3 on the ACT exam, 7 points above the state average.
- HPHS students earned an average composite score of 1296 on the SAT exam, exceeding the state and national averages of 1022 and 1059, respectively.
- HPHS Academic Decathlon won its fourth state title in five years, and for the first time in school history, all members of the team placed in the top five of each of the respective divisions.
- 14 HPHS Orchestra students placed in state solo and ensemble, and five students were invited to record for the Texas Music Educators Association (TMEA) All-State Orchestra.
- The Highlander Band had three members selected to the TMEA All-State Band competition, and HPHS Choir had two students receive TMEA All-State Choir honors.
- During the 2019-20 school year, HPHS won 7 UIL State Championships in football, girls' basketball, boys and girls' cross country, soccer, team tennis, and gymnastics. HPHS athletes also won state medals in wrestling, team tennis, gymnastics, and girls' cross country. There were seven state medalists in boys' swimming and five all-state athletes in football and soccer.
- The HPHS musical production of 'Phantom of the Opera' won Best Costume and Best Supporting Actor from the Schmidt and Jones Lyric State Awards and received nominations for Dallas Summer Musicals High School Musical Awards.
- The graduating class of 2020 completed more than 60,000 hours of community service in four years.

District Facilities. Highland Park ISD voters approved a \$361.4 million bond issue in November 2015. Through the bond, the District will be able to build its first new elementary school since the 1940s, rebuild Bradfield, Hyer and University Park Elementary Schools and renovate Armstrong Elementary, McCulloch Intermediate/Highland Park Middle School and Highland Park High School. In addition, the District relocated and rebuilt the Seay Tennis Center and built a new Multi-Sport Facility with room for professional development training space.

Construction on the new elementary school began in June 2016 and the school opened in August 2017. University Park Elementary School students and staff transitioned to the new campus during the rebuild of University Park Elementary School during the 2017-18 school year, and transitioned back to their newly rebuilt campus for the 2018-19 school year. Bradfield Elementary school students and staff transitioned to the new campus during the rebuild of Bradfield Elementary School during the 2018-19 school year, and transitioned back to their newly rebuilt campus for the 2019-20 school year. Hyer Elementary transitioned to the new elementary school for the 2019-20 school year and have returned to their newly rebuilt campus for the 2020-21 school year. The new elementary school has been named Michael M. Boone Elementary School and officially opened in August 2020 for the 2020-21 school year.

Component Unit. The Government-wide financial statements for the District include one component unit, the Highland Park Education Foundation. The entity is a separate 501(c)(3) entity that has the sole purpose of raising funds for the District. The component unit has its own Board of Trustees that is separate from the District's Board of Trustees. The financial information provided has been audited by a separate audit firm than the Districts' but has provided their financial data to Weaver and Tidwell, L.L.P. for review and inclusion into the District's financial statements.

Awards and Acknowledgments

GFOA Certificate of Achievement. The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Highland Park Independent School District for its comprehensive annual financial report for the fiscal year ended August 31, 2019. This was the 21st consecutive year that the District has achieved this prestigious award. 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 satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence. The Association of School Business Officials (ASBO) awarded the Certificate of Excellence in Financial Reporting to the District for the fiscal year ended August 31, 2019. This was the 21st consecutive year that the District has achieved this award. This award is for school districts whose comprehensive annual financial reports substantially conform to the recommended principles and standards of financial reporting adopted by that organization. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the CAFR for the fiscal year ended August 31, 2020, which will be submitted to ASBO for review, also conforms to their principles and standards.

FIRST (Financial Integrity Rating System of Texas). Highland Park Independent School District received a rating of "Superior" under Texas' Schools FIRST financial accountability rating system. The Superior rating is the state's highest, demonstrating the quality of the Highland Park ISD's financial management and reporting system.

Schools FIRST (Financial Integrity Rating System of Texas) is a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system. The accountability system was established in 2003.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Business Services Department. We want to express our appreciation to all members who assisted and contributed to the preparation of this report. We would also like to thank the members of the Board of Trustees for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

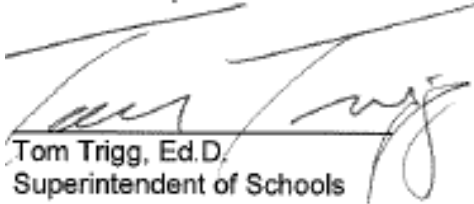
Respectfully submitted,



Chase Park, CPA
Director of Finance



Mike White, RTSBA
Assistant Superintendent for Business Services



Tom Trigg, Ed.D.
Superintendent of Schools

Highland Park Independent School District

School Administration

Elected Officials

Board of Trustees

Jim Hitzelberger	President
Kelly Walker	Vice-President
Lee E. Michaels	Secretary
Jae Ellis	TASB Delegate
Edward Herring	Finance Officer
Stacy Kelly	Member
Tom Sharpe	Member

Appointed Officials

Superintendent of Schools

Dr. Tom Trigg

Assistant Superintendent for Business Services

Mike White

Assistant Superintendent for Education Services

Lisa Wilson

Highland Park Independent School District

Consultants and Advisors

Architects

Stantec Architecture Inc.
5717 Legacy Drive
Suite 250
Plano, Texas 75024

Auditors

Weaver and Tidwell, L.L.P.
2300 N. Field St.
Suite 1000
Dallas, Texas 75251

Bond Counsel

Bracewell & Giuliani
1445 Ross Avenue
Suite 3800
Dallas, Texas 75202-2724

Depository Bank

PlainsCapital Bank
8200 Douglas Avenue
Suite 200
Dallas, Texas 75225

Financial Advisors

RBC Capital Markets
200 Crescent Court
Suite 1500
Dallas, Texas 75201

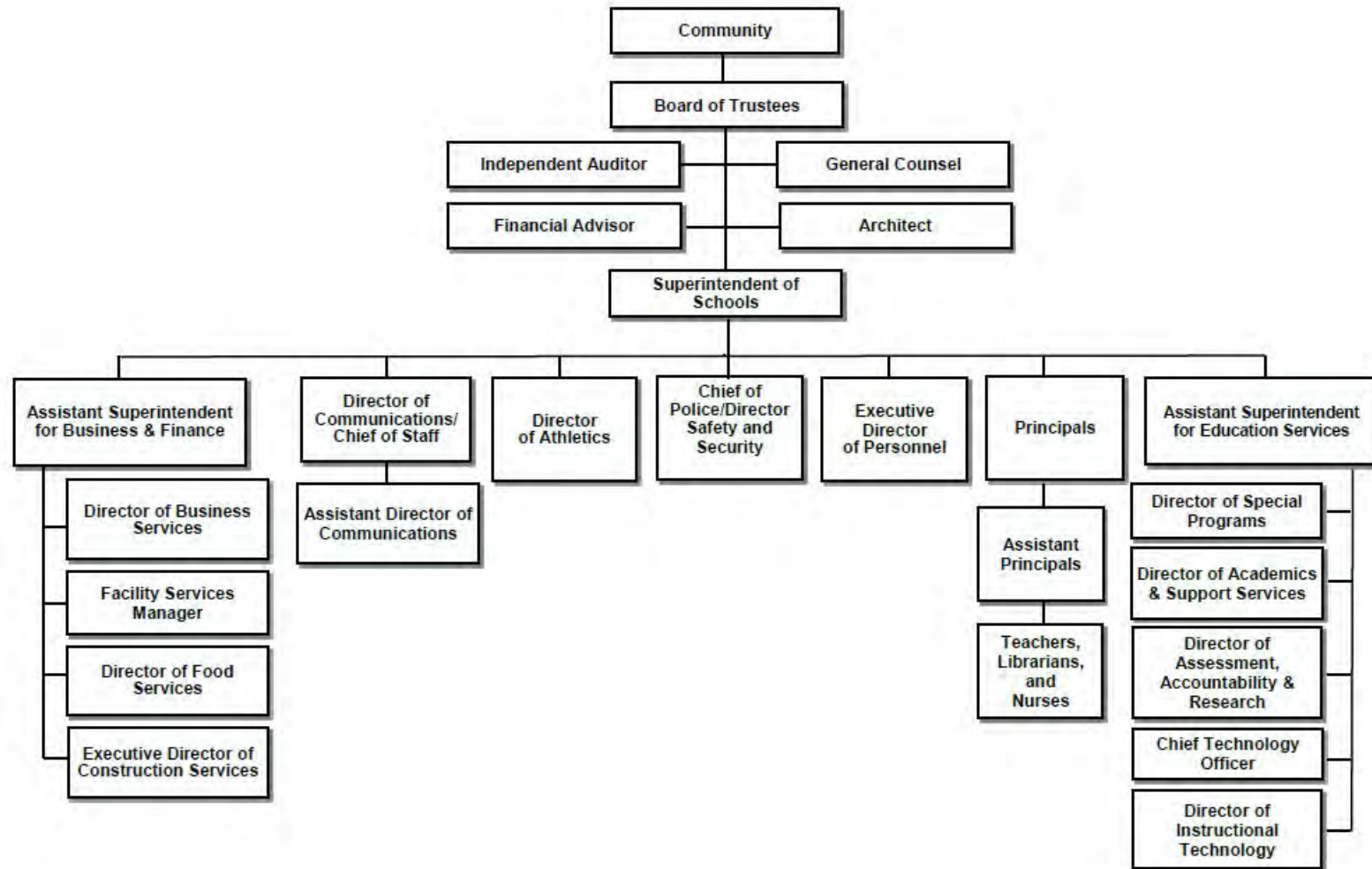
General Counsel

Thompson & Knight, L.L.P.
One Arts Plaza
1722 Routh Street
Suite 1500
Dallas, Texas 75201-2533

Fiscal Agent

The Bank of New York Mellon Trust Company, N.A.
600 North Pearl Street
Suite 420
Dallas, Texas 75201

Highland Park Independent School District Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Highland Park Independent School District
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

August 31, 2019

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Highland Park Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended August 31, 2019.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



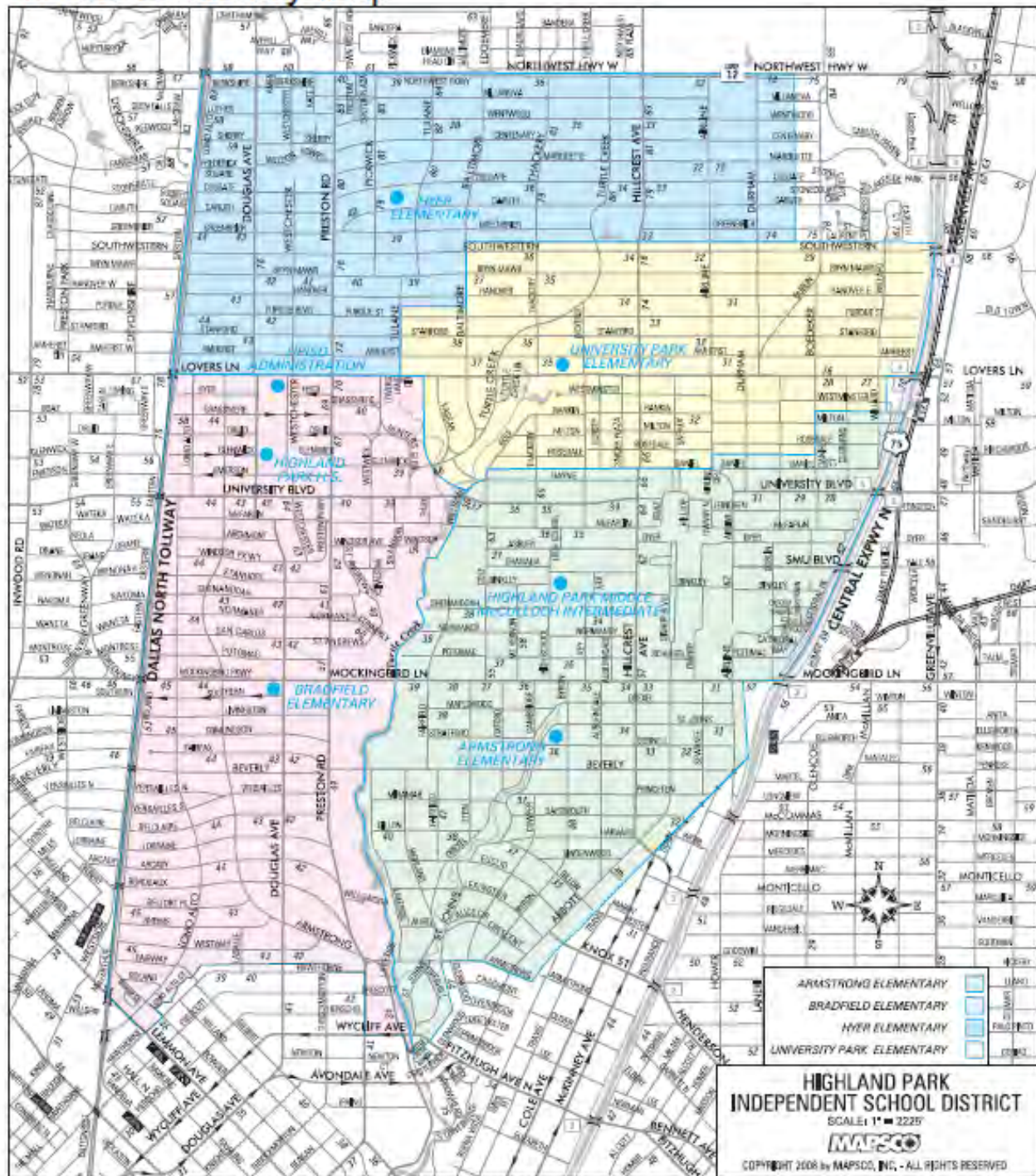
A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

HPISD Boundary Map



Administration Building
7015 Westchester
Dallas, Texas 75205
(214) 780-3030

Highland Park High School
4220 Emerson
Dallas, Texas 75205
(214) 780-3700

Highland Park Middle School
3555 Granada
Dallas, Texas 75205
(214) 780-3600

Arch H. McCulloch Intermediate School
3555 Granada
Dallas, Texas 75205
(214) 780-3500

John S. Armstrong Elementary School
3800 Canale
Dallas, Texas 75205
(214) 780-3100

John S. Bradfield Elementary School
4300 Southern
Dallas, Texas 75205
(214) 780-3200

Robert S. Hyer Elementary School
3820 Canale
Dallas, Texas 75205
(214) 780-3300

University Park Elementary School
3505 Amherst
Dallas, Texas 75225
(214) 780-3400

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Financial Section

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Independent Auditor's Report

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

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 Highland Park Independent School District (the District), as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District'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 Highland Park I.S.D. Education Foundation, the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Highland Park I.S.D. Education Foundation, are 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 the Highland Park I.S.D. Education Foundation 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 District, as of August 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 7-14) and budgetary comparison information, schedules of the District's proportionate share of the net pension liability and the net OPEB liability, and schedules of District pension and OPEB contributions (pages 60-65), 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund statements and schedules, required Texas Education Agency schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Board of Trustees
Highland Park Independent School District

The introductory and statistical sections 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 December 18, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
December 18, 2020

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Management's Discussion and Analysis

The business management team of Highland Park Independent School District has prepared this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2020. Readers are encouraged to review the information furnished in the letter of transmittal, found at the front of this report, as well as the District's financial statements, which follow this section.

Financial Highlights

- The net position of the District at the close of the fiscal year was \$83,397,491. The District's net position includes a deficit in unrestricted net position of \$16,445,280 which is primarily due to net pension and other post-employment benefits liabilities.
- As of the close of the fiscal year, the District's governmental funds reported combined ending fund balances of \$78,507,623. Of this amount, \$23,363,260 (approximately 29.8 percent) is unassigned; and therefore, is available for spending at the government's discretion.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$23,363,260, which approximated 14.0 percent of the total general fund expenditures.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the District's assets, liabilities and deferred inflows/outflows of resources, with the net of these amounts 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 District is improving or deteriorating.

The statement of activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The business-type activities of the District include a community education program and a community tennis center. The government-wide financial statements can be found at Exhibits A-1 and B-1.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds not the District as a whole.

Some funds are required by State law and/or bond covenants. Other funds may be established by the District to control and manage money for particular purposes or to evidence appropriate use of certain taxes, grants and other special revenues.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus on governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's short-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. These reconciliations facilitate the comparison between governmental funds and governmental activities.

The District maintained 21 governmental funds in fiscal year 2019-2020. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, capital projects fund and debt service fund, which are considered to be the District's major funds. Financial data from the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements found elsewhere in this report. The District adopts an annual appropriated budget for its general fund and debt service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found at Exhibit C-1 and C-3.

Proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As mentioned above in the government-wide definition, the District has two business-type activities or enterprise funds. The second type of proprietary fund is the internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses the internal service fund to report activities for its self-funded insurance program. The basic proprietary fund financial statements are at Exhibits D-1, D-2 and D-3 in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets are at Exhibits E-1 and E-2 in this report.

Notes to the financial statements. The notes provide additional information that is essential to having a complete understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found at Exhibits F-1 through F-5 in this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual statements and schedules start at Exhibit G-1 in this report and continue through Exhibit G-9. A required TEA schedule is located at Exhibit H-1.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Exhibited below in Table I, is the District's net position summarized for both the governmental activities and the business-type activities. Exhibited in Table II, is the change in the District's net position.

Table I
District's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 104,081,064	\$ 184,050,698	\$2,083,673	\$2,166,967	\$ 106,164,737	\$186,217,665
Capital assets	446,221,843	371,064,312	116,370	140,257	446,338,213	371,204,569
Total assets	550,302,907	555,115,010	2,200,043	2,307,224	552,502,950	557,422,234
Deferred outflows of resources	15,376,774	17,238,063	-	-	15,376,774	17,238,063
Current liabilities	23,581,891	27,746,410	50,936	18,353	23,632,827	27,764,763
Noncurrent liabilities	445,707,274	464,857,340	-	-	445,707,274	464,857,340
Total liabilities	469,289,165	492,603,750	50,936	18,353	469,340,101	492,622,103
Deferred inflows of resources	15,142,132	9,650,975	-	-	15,142,132	9,650,975
Net position						
Net investment in capital assets	88,357,589	77,337,201	116,370	140,257	88,473,959	77,477,458
Restricted	11,368,812	9,325,420	-	-	11,368,812	9,325,420
Unrestricted	(18,478,017)	(16,564,273)	2,032,737	2,148,614	(16,445,280)	(14,415,659)
Total net position	\$ 81,248,384	\$ 70,098,348	\$2,149,107	\$2,288,871	\$ 83,397,491	\$ 72,387,219

Government-Wide Activities. As of August 31, 2020, the sum of the District's assets and deferred outflows of resources exceeded its liabilities by \$83,397,491, an increase of \$11,010,272 from the previous year-end. The total cost of all government-wide activities for the fiscal year was \$201,323,315. Funding for these government-wide activities is from specific program revenues, property taxes, grants and contributions, and other general revenues. The following is a summary of the government-wide activities:

- The total cost of government-wide activities for fiscal year 2019-20 was \$201,323,315.
- Specific program revenues received in the amount of \$21,333,750 were used to offset the cost of activities.
- The remaining cost of government-wide activities not directly funded by program revenues was \$179,989,565.

Total District's investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment) less any outstanding debt used to acquire those assets is \$88,473,959. The District uses the capital assets within the governmental activities to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A small portion of the District's net position, \$11,368,812 (13.6 percent), represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$16,445,280 is not an indication that the District does not have significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are more than currently available resources.

Table II - Change in the District's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 4,173,069	\$ 4,708,846	\$1,352,248	\$1,745,395	\$ 5,525,317	\$ 6,454,241
Operating grants and contributions	15,595,912	17,690,849	-	-	15,595,912	17,690,849
Capital grants and contributions	212,521	-	-	-	212,521	-
General revenues:						
Property taxes	182,503,007	185,658,736	-	-	182,503,007	185,658,736
State aid - formula grants	5,423,045	4,233,372	-	-	5,423,045	4,233,372
Investment earnings	2,866,878	6,549,148	712	2,306	2,867,590	6,551,454
Misc. local and intermediate revenue	206,195	-	-	-	206,195	-
Total revenues	210,980,627	218,840,951	1,352,960	1,747,701	212,333,587	220,588,652
Expenses						
Instruction & instructional-related services	\$ 53,689,536	\$52,781,502	\$ -	\$ -	\$ 53,689,536	\$52,781,502
Instructional and School Leadership	6,580,052	6,040,985	-	-	6,580,052	6,040,985
Support services – student	10,537,496	10,775,744	-	-	10,537,496	10,775,744
Administrative support services	3,687,332	4,076,896	-	-	3,687,332	4,076,896
Support Services – nonstudent based	10,583,811	8,957,598	-	-	10,583,811	8,957,598
Debt service	13,960,179	14,562,143	-	-	13,960,179	14,562,143
Facilities acquisition and construction	42,865	30,559	-	-	42,865	30,559
Intergovernmental charges	101,149,320	106,697,760	-	-	101,149,320	106,697,760
Seay Tennis Center	-	-	657,600	585,928	657,600	585,928
Academy for Lifelong Learning	-	-	435,124	555,924	435,124	555,924
Total expenses	200,230,591	203,923,187	1,092,724	1,141,852	201,323,315	205,065,039
Change in net position before transfers	10,750,036	14,917,764	260,236	605,849	11,010,272	15,523,613
Transfers	400,000	400,000	(400,000)	(400,000)	-	-
Change in net position	11,150,036	15,317,764	(139,764)	205,849	11,010,272	15,523,613
Net position - beginning	70,098,348	54,780,584	2,288,871	2,083,022	72,387,219	56,863,606
Net position - ending	\$ 81,248,384	\$70,098,348	\$2,149,107	\$2,288,871	\$ 83,397,491	\$72,387,219

Governmental Activities. For the 2019-20 fiscal year, net position from governmental activities, increased by \$11,150,036. The cost of governmental activities for the year was \$200,230,591. The amount paid by taxpayers for these activities through property taxes was \$182,503,007. However, of the total amount of property taxes collected, the District was required to send \$100,511,018 to the State as required under the recapture provisions of Chapter 41 in the Texas Education Code. This amount represents approximately 55.1 percent of all property tax revenue collected for operations and debt service combined. The District's Chapter 41 recapture payments to the State are shown on Exhibit B-1 of the financial statements under the expense line item "Contracted Instructional Services between Schools." When excluding Chapter 41 recaptured payments to the State, the cost of governmental activities for the District was \$99,719,573, an increase of 2.5 percent from the previous year due to an increase in OPEB expenses paid by the State.

Business-Type Activities. Net position for business-type activities as of August 31, 2020 was \$2,149,107, a decrease from prior year of \$(139,764). Charges for services were \$1,352,248 for the year, a decrease of \$(393,147). Total cost of operations for business-type activities were \$1,092,724, which was consistent with the previous year. Both enterprises were profitable for the year before transfers to the General Fund. As previously mentioned *business-type activities* consist of two for-profit operations, the Seay Tennis Center and the Academy for Life-long Learning.

Financial Analysis of the District's Funds

As stated earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

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

As of August 31, 2020, the District's governmental funds reported combined ending fund balances of \$78,507,623, a decrease of \$76,072,977 from the previous year. Of the combined ending fund balances approximately 29.8 percent, or \$23,363,260 of this total amount constitutes unassigned fund balance. Table III illustrates the fund balances of the governmental funds.

Table III
Governmental Funds - Fund Balance as of August 31, 2020

	General Fund	Debt Service	Capital Projects	Non major Governmental Funds	Total Governmental Funds
Fund balances					
Nonspendable:					
Prepays	\$ 115,186	\$ -	\$ -	\$ -	\$ 115,186
Long-term receivables	1,025,000	-	-	-	1,025,000
Restricted for:					
Advanced placement initiatives	-	-	-	62,992	62,992
Grant awards	-	-	-	18,062	18,062
State funded special revenue	-	-	-	118,031	118,031
Debt service	-	7,963,342	-	-	7,963,342
Local special revenue	-	-	-	3,602,060	3,602,060
Capital expenditures	-	-	40,188,904	-	40,188,904
Committed for:					
Capital expenditures	-	-	25,825	-	25,825
Campus activities	-	-	-	2,024,961	2,024,961
Unassigned:	23,363,260	-	-	-	23,363,260
Total fund balance	\$ 24,503,446	\$ 7,963,342	\$ 40,214,729	\$ 5,826,106	\$ 78,507,623

At the end of the current fiscal year, the ending fund balance for the General Fund totaled \$24,503,446, of which \$23,363,260 was unassigned. The total fund balance represents 14.6 percent of total general fund expenditures. The fund balance increased by \$995,472 during the current fiscal year. The increase is due to revenues exceeding expenditures by \$595,472 and transfers in of \$400,000.

Property taxes are the primary source of revenue for the General Fund, representing 89.87 percent of the total revenue for the fund. Property tax collections totaled \$150,982,005 for the current fiscal year, a decrease of \$(4,417,130) from the previous year which is primarily due to a decrease in the tax rate. Total revenues for the General Fund equaled \$168,001,128.

Total General Fund expenditures for the year ended August 31, 2020 were \$167,405,656, a decrease of \$(1,806,157) from 2019. The decrease is primarily related to decreased recapture costs of \$5.5 million.

For the 2019-20 fiscal year, the Capital Projects Fund and Debt Service Fund are reported as major funds. This is reflected on Exhibits C-1 and C-3. Fund balance as of August 31, 2020, is \$40,214,729 for the Capital Projects Fund and \$7,963,342 for the Debt Service Fund. The Capital Projects Fund decreased by \$79,020,551 primarily due to current year spending of bond proceeds issued in prior years. The Debt Service Fund had revenues of \$30,771,328 for the 2019-20 year. Debt service expenditures were \$28,653,150 resulting in net revenues over expenditures in the amount of \$2,118,178.

The non-major governmental funds column is comprised 17 Special Revenue Funds and one capital projects fund. The significant funds are discussed below.

The District maintained 17 special revenue funds in the current fiscal year. The total ending fund balance for all special revenue funds combined was \$5,808,044, a decrease of \$184,138 from the previous year. The campus activity fund and PTA gift fund are the two largest special revenue funds. Together the two funds represent \$5,185,480 (89.3 percent) of the total ending fund balance of all special revenue funds.

Proprietary funds. As mentioned earlier, the District's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position for the enterprise funds as of August 31, 2020, totaled \$2,149,107, a decrease of \$(139,764) from the previous year. Total income for the year was \$1,352,960, a decrease of \$(394,741) from last year. Expenditures for the year were \$1,092,724 which was consistent with prior year. Detail schedules can be reviewed for each fund at Exhibits G-4, G-5 and G-6.

Total net position for the internal service fund as of August 31, 2020, totaled \$596,732, a decrease of \$20,805 from the prior year. Workers' compensation costs exceeded revenues by this amount.

General Fund Budgetary Highlights

On February 1, 2017, the Texas Education Agency addressed a change in practice which impacted the calculation of recapture amounts owed under Chapter 41, Texas Education Code (TEC). Previously TEA only recognized 50 percent of the value loss due to the Local Optional Homestead Exemption (LOHE) for purposes of calculating recapture under Chapter 41 when there was an appropriation or surplus in the FSP. Starting with the 2016-17 school year (and state FY2017), TEA recognizes 50 percent of the value loss due to the LOHE for purposes of calculating recapture under Chapter 41, regardless of the existence of an appropriation or surplus in the FSP.

TEA recalculated recapture amounts owed for the 2016-17 school year (and state FY2017), which saved HPISD approximately \$3.1 million in recapture. This change was effective for only the 2016-17 school year (and state FY2017) and forward, but will not be applied retroactively for prior fiscal years.

In August 2020, the District amended its appropriations budget to \$169,224,726, an increase of \$3,662,700 over the original adopted budget. The most significant appropriation budget amendment was an increase in Recapture in the amount of \$1,500,000.

Capital Asset and Debt Administration

Capital assets. At August 31, 2020, the District had invested \$446,338,213 in a broad range of capital assets, including land, buildings and improvements, furniture and equipment and construction in progress. (See Table IV below).

Table IV
District's Capital Assets (in thousands)
(net of depreciation)

	Governmental Activities		Business-type Activities		Total Activities		Increase (Decrease) Percentage %
	2020	2019	2020	2019	2020	2019	
Land	\$ 70,493	\$ 67,576	\$ -	\$ -	\$ 70,493	\$ 67,576	4.3
Buildings and improvements	181,838	183,284	77	82	181,915	183,366	(0.8)
Furniture and equipment	2,002	1,434	39	58	2,041	1,492	36.8
Construction in progress	191,889	118,771	-	-	191,889	118,771	62.0
Totals at historical cost	\$ 446,222	\$ 371,065	\$ 116	\$ 140	\$ 446,338	\$ 371,205	20.2

During fiscal year, the District's capital assets balance increased by \$75,133,644 (net of depreciation). Additional information about the District's capital assets is presented in Note 5 of the financial statements.

Long-term Liabilities. As of August 31, 2020, the District had total bonded debt outstanding of \$401,036,376, a decrease of \$15,065,375 from the prior year. More detailed information about the District's long-term liabilities is presented in Note 8 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

The District experienced a 2 percent decrease in certified taxable values for tax year 2020. The total appraised local taxable value for the 2020-21 budget year was certified by the Dallas Central Appraisal District at \$16,303,387,948, a decrease of \$468,970,330 from the previous year. The District's weighted average daily attendance (WADA) used for the 2020-21 fiscal budget is 7,298.

The total tax rate for fiscal year 2020-21 is \$1.1519 per \$100 of value, \$.9564 for maintenance and operations (General Fund) and \$0.1955 for interest and sinking (Debt Service Fund). This is a decrease in the rate of 1.2% when combining the Debt Service and General Fund tax rates. The Dallas County Tax Office certified adjusted tax collection for both the General Fund and the Debt Service Fund at \$175,841,016, a decrease of 3.9 percent over the previous year.

For the 2020-21 fiscal year, the District budgeted total revenues for the General Fund at \$168,637,532 of which \$153,944,403 will come from property tax collections. \$8,530,771 will come from State aid, and the remaining \$6,162,358 will come from other local resources. Parent Teacher Organizations, Highland Park Education Foundation and the Highland Park Sports Club have committed \$2,968,000 to the District's General Fund budget.

The General Fund appropriations budget for 2020-21 is \$169,572,217, which is an increase from the prior year adopted budget of \$4,010,191, or a 2.4 percent increase. Recapture is \$103,522,077, an increase of 2.5 percent from the previous year revised budget amount. When eliminating that payment to the State, the District's expenditure budget for the 2020-21 year is \$66,050,140, a 2.2% increase from the prior year.

The 2019-20 General Fund ending fund balance is \$24,503,446 which is adequate to fund 4.2 months of General Fund operating expenditures when Chapter 41 is eliminated from the equation.

Debt Service Fund revenues are budgeted at \$28,800,000 for the 2020-21 fiscal year. Appropriations are budgeted at \$28,800,000, to include principal, interest and fees payments towards the District's outstanding bonded debt. The Debt Service ending fund balance is estimated at \$7,963,342.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances. In addition, it provides evidence of accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Administration Office, Business Services Department, Highland Park I.S.D., 7015 Westchester Drive, Dallas, Texas 75205.

Basic Financial Statements

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Highland Park Independent School District

Exhibit A-1

Statement of Net Position

August 31, 2020

Data Control Codes		1	2	3	Component Unit
		Primary Government			
		Governmental Activities	Business-type Activities	Total	
HPISD Education Foundation					
ASSETS					
1110	Cash and cash equivalents	\$ 101,391,647	\$ 100,391	\$ 101,492,038	\$ 3,040,418
1120	Current investments	-	-	-	2,697,791
1220	Delinquent property taxes receivables	2,450,605	-	2,450,605	-
1230	Allowance for uncollectible taxes (credit)	(367,590)	-	(367,590)	-
1240	Due from other governments	939,338	-	939,338	-
1260	Internal balances	(1,983,282)	1,983,282	-	-
1290	Other receivables (net)	1,535,160	-	1,535,160	372,484
1410	Prepaid expenses	115,186	-	115,186	-
1490	Other current assets	-	-	-	7,851
	Capital assets:				
1510	Land	70,492,714	-	70,492,714	-
1520	Buildings and building improvements	273,396,239	428,692	273,824,931	-
1530	Furniture and equipment	19,024,330	201,456	19,225,786	-
1570	Accumulated depreciation	(108,580,560)	(513,778)	(109,094,338)	-
1580	Construction in progress	191,889,120	-	191,889,120	-
1810	Restricted cash and investments	-	-	-	32,756,368
1000	Total assets	550,302,907	2,200,043	552,502,950	38,874,912
DEFERRED OUTFLOWS OF RESOURCES					
1701	Deferred refunding amount	2,983,218	-	2,983,218	-
1705	Deferred outflows of resources-pension	9,354,858	-	9,354,858	-
1706	Deferred outflows of resources - OPEB	3,038,698	-	3,038,698	-
1700	Total deferred outflows of resources	15,376,774	-	15,376,774	-
LIABILITIES					
2110	Accounts payable	17,201,020	50,861	17,251,881	577,066
2140	Interest payable	688,197	-	688,197	-
2160	Accrued wages payable	2,465,819	-	2,465,819	-
2180	Due to other governments	1,861,879	-	1,861,879	-
2300	Unearned revenue	1,364,976	75	1,365,051	51,435
	Noncurrent liabilities:				
2501	Due within one year	13,125,000	-	13,125,000	-
2502	Due in more than one year	387,911,376	-	387,911,376	-
2540	Net pension liability	20,536,237	-	20,536,237	-
2545	Net OPEB liability	24,134,661	-	24,134,661	-
2000	Total liabilities	469,289,165	50,936	469,340,101	628,501
DEFERRED INFLOWS OF RESOURCES					
2605	Deferred inflows of resources- pension	3,969,287	-	3,969,287	-
2606	Deferred inflows of resources - OPEB	11,172,845	-	11,172,845	-
2600	Total deferred inflows of resources	15,142,132	-	15,142,132	-
NET POSITION					
3200	Net investment in capital assets	88,357,589	116,370	88,473,959	-
	Restricted for:				
3820	State programs	199,085	-	199,085	-
3850	Debt service	7,567,667	-	7,567,667	-
3890	Donor stipulations	3,602,060	-	3,602,060	36,025,465
3900	Unrestricted net position	(18,478,017)	2,032,737	(16,445,280)	2,220,946
3000	Total net position	\$ 81,248,384	\$ 2,149,107	\$ 83,397,491	\$ 38,246,411

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Activities
For the Fiscal Year Ended August 31, 2020

Data Control Codes		1	Program Revenues	
			3	4
		Expenses	Charges for Services	Operating Grants and Contributions
	GOVERNMENTAL ACTIVITIES			
11	Instruction	\$ 51,410,329	\$ 2,207,551	\$ 10,669,034
12	Instructional resources and media services	1,400,664	93,234	197,951
13	Curriculum and staff development	878,543	11,536	430,137
21	Instructional leadership	1,849,560	18,784	496,449
23	School leadership	4,730,492	69,893	431,460
31	Guidance, counseling, and evaluation services	4,115,605	67,001	337,229
33	Health services	703,537	9,935	60,664
34	Student transportation	536,934	-	-
35	Food service	2,035,917	29,658	1,624,677
36	Extracurricular activities	3,145,503	847,310	391,640
41	General administration	3,687,332	38,556	231,321
51	Plant maintenance and operations	7,261,478	521,831	514,474
52	Security and monitoring services	1,273,061	3,955	29,238
53	Data processing services	1,918,388	15,818	148,704
61	Community services	130,884	-	24,878
72	Interest on long-term debt	13,957,179	-	-
73	Debt Service - bond issuance costs and fees	3,000	-	-
81	Other facility costs	42,865	238,007	8,056
91	Contracted instructional services between schools	100,511,018	-	-
95	Juvenile and justice education programs	3,000	-	-
99	Other intergovernmental charge	635,302	-	-
[TG]	TOTAL GOVERNMENTAL ACTIVITIES	200,230,591	4,173,069	15,595,912
	BUSINESS-TYPE ACTIVITIES			
01	Seay Tennis Center	657,600	761,832	-
02	Academy for Lifelong Learning	435,124	590,416	-
[TB]	TOTAL BUSINESS-TYPE ACTIVITIES	1,092,724	1,352,248	-
[TP]	TOTAL PRIMARY GOVERNMENT	\$ 201,323,315	\$ 5,525,317	\$ 15,595,912
	COMPONENT UNIT			
03	Highland Park I.S.D. Education Foundation	\$ 4,268,237	\$ -	\$ 3,549,785

Data Control Codes	
	General revenues and transfers
	Taxes
MT	Property taxes, levied for general purposes
DT	Property taxes, levied for debt service
GC	Grants & contributions not restricted
IE	Investment earnings
MI	Miscellaneous local and intermediate revenue
FR	Transfers
TR	Total general revenues and transfers
CN	Change in net position
NB	Net position - beginning
NE	Net position-ending

The Notes to the Basic Financial Statements are an integral part of this statement.

Exhibit B-1

Program Revenues	Net (Expense) Revenue and Changes in Net Position			Component Unit
5	6	7	8	
Capital Grants and Contributions	Primary Government			HPISD Education Foundation
	Governmental Activities	Business-type Activities	Total	
\$ 27,521	\$ (38,506,223)	\$ -	\$ (38,506,223)	\$ -
-	(1,109,479)	-	(1,109,479)	-
-	(436,870)	-	(436,870)	-
-	(1,334,327)	-	(1,334,327)	-
-	(4,229,139)	-	(4,229,139)	-
-	(3,711,375)	-	(3,711,375)	-
-	(632,938)	-	(632,938)	-
-	(536,934)	-	(536,934)	-
-	(381,582)	-	(381,582)	-
-	(1,906,553)	-	(1,906,553)	-
-	(3,417,455)	-	(3,417,455)	-
-	(6,225,173)	-	(6,225,173)	-
-	(1,239,868)	-	(1,239,868)	-
-	(1,753,866)	-	(1,753,866)	-
-	(106,006)	-	(106,006)	-
-	(13,957,179)	-	(13,957,179)	-
-	(3,000)	-	(3,000)	-
185,000	388,198	-	388,198	-
-	(100,511,018)	-	(100,511,018)	-
-	(3,000)	-	(3,000)	-
-	(635,302)	-	(635,302)	-
212,521	(180,249,089)	-	(180,249,089)	-
-	-	104,232	104,232	-
-	-	155,292	155,292	-
-	-	259,524	259,524	-
\$ 212,521	(180,249,089)	259,524	(179,989,565)	-
\$ -	-	-	-	(718,452)
151,893,801	-	-	151,893,801	-
30,609,206	-	-	30,609,206	-
5,423,045	-	-	5,423,045	-
2,866,878	712	-	2,867,590	5,268,216
206,195	-	-	206,195	-
400,000	(400,000)	-	-	-
191,399,125	(399,288)	-	190,999,837	5,268,216
11,150,036	(139,764)	-	11,010,272	4,549,764
70,098,348	2,288,871	-	72,387,219	33,696,647
\$ 81,248,384	\$ 2,149,107	\$ -	\$ 83,397,491	\$ 38,246,411

Highland Park Independent School District

Exhibit C-1

Balance Sheet Governmental Funds August 31, 2020

Data Control Codes	10 General Fund	50 Debt Service	60 Capital Projects	Non-major Governmental Funds	Total Governmental Funds
ASSETS					
1110 Cash and cash equivalents	\$ 16,468,728	\$ 7,711,757	\$ 75,788,855	\$ 841,873	\$ 100,811,213
1220 Property taxes-delinquent	2,106,462	344,143	-	-	2,450,605
1230 Allowance for uncollectible taxes (credit)	(315,969)	(51,621)	-	-	(367,590)
1240 Due from other governments	465,703	-	-	473,635	939,338
1260 Due from other funds	27,874,459	254,950	-	7,990,415	36,119,824
1290 Other receivables	1,432,638	210	-	42,834	1,475,682
1410 Prepaid expenditures	115,186	-	-	-	115,186
1000 Total assets	<u>\$ 48,147,207</u>	<u>\$ 8,259,439</u>	<u>\$ 75,788,855</u>	<u>\$ 9,348,757</u>	<u>\$ 141,544,258</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
2110 Accounts payable	\$ 1,080,030	\$ -	\$ 11,168,058	\$ 495,395	\$ 12,743,483
2160 Accrued wages payable	2,404,068	-	-	61,751	2,465,819
2170 Due to other funds	15,843,891	3,575	24,406,068	2,263,929	42,517,463
2180 Due to other governments	1,861,879	-	-	-	1,861,879
2300 Unearned revenue	663,400	-	-	701,576	1,364,976
2000 Total liabilities	<u>21,853,268</u>	<u>3,575</u>	<u>35,574,126</u>	<u>3,522,651</u>	<u>60,953,620</u>
DEFERRED INFLOWS OF RESOURCES					
2601 Unavailable revenue	<u>1,790,493</u>	<u>292,522</u>	<u>-</u>	<u>-</u>	<u>2,083,015</u>
2600 Total deferred inflows of resources	<u>1,790,493</u>	<u>292,522</u>	<u>-</u>	<u>-</u>	<u>2,083,015</u>
FUND BALANCES					
Nonspendable:					
3430 Prepaid expenditures	115,186	-	-	-	115,186
3445 Long-term receivables	1,025,000	-	-	-	1,025,000
Restricted for:					
3450 Advanced Placement Initiatives	-	-	-	62,992	62,992
3450 Grant awards	-	-	-	18,062	18,062
3450 State funded special revenue	-	-	-	118,031	118,031
3480 Debt service	-	7,963,342	-	-	7,963,342
3490 Donor stipulations	-	-	-	3,602,060	3,602,060
3510 Capital expenditure	-	-	40,188,904	-	40,188,904
Committed for:					
3510 Capital expenditure	-	-	25,825	-	25,825
3545 Campus activities	-	-	-	2,024,961	2,024,961
3600 Unassigned	<u>23,363,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,363,260</u>
3000 Total fund balances	<u>24,503,446</u>	<u>7,963,342</u>	<u>40,214,729</u>	<u>5,826,106</u>	<u>78,507,623</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 48,147,207</u>	<u>\$ 8,259,439</u>	<u>\$ 75,788,855</u>	<u>\$ 9,348,757</u>	<u>\$ 141,544,258</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
August 31, 2020

Exhibit C-2

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 78,507,623
1 The District uses internal services funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	596,732
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental fund financial statements.	554,802,403
3 Accumulated depreciation is not reported in the governmental fund financial statements.	(108,580,560)
4 Long-term debt is not reported in the governmental fund financial statements.	(401,036,376)
5 Property taxes and donations reported as deferred inflows in the governmental fund financial statements are recognized as revenue in the government-wide financial statements.	2,083,015
6 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.	(688,197)
7 The following pension-related items are not reported in the governmental funds financial statements: the District's proportionate share of the TRS net pension liability of (\$20,536,237), a deferred resource inflow of (\$3,969,287) and a deferred resource outflow of \$9,354,858. The net effect is a decrease of net position.	(15,150,666)
8 Deferred loss on refunding amount is reflected in the statement of net position of the government-wide financial statements, net of amortization; but, it is not reported in the governmental funds financial statements.	2,983,218
9 The following OPEB-related items are not reported in the governmental funds financial statements: the District's proportionate share of the TRS net OPEB liability of (24,134,661), a deferred resource inflow of (\$11,172,845) and a deferred resource outflow of \$3,038,698. The net effect is a decrease of net position.	(32,268,808)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 81,248,384

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Revenues, Expenditures, and Changes in
Fund Balance
Governmental Funds
For the Fiscal Year Ended August 31, 2020

Exhibit C-3

Data Control Codes		10 General Fund	50 Debt Service	60 Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
5700	Total local and intermediate sources	\$ 158,942,829	\$ 30,734,516	\$ 1,773,187	\$ 6,168,430	\$ 197,618,962
5800	State program revenues	8,873,299	36,812	-	598,271	9,508,382
5900	Federal program revenues	185,000	-	-	1,014,026	1,199,026
5020	Total revenues	168,001,128	30,771,328	1,773,187	7,780,727	208,326,370
EXPENDITURES						
Current						
0011	Instruction	38,034,762	-	-	5,532,578	43,567,340
0012	Instructional resources & media services	1,062,073	-	-	149,794	1,211,867
0013	Curriculum & instructional staff development	424,232	-	-	394,260	818,492
0021	Instructional leadership	1,195,909	-	-	363,295	1,559,204
0023	School leadership	3,828,118	-	-	67,471	3,895,589
0031	Guidance, counseling, and evaluation services	3,362,535	-	-	14,950	3,377,485
0033	Health services	578,271	-	-	4,294	582,565
0034	Student (pupil) transportation	-	-	-	536,934	536,934
0035	Food service	1,669,980	-	-	36,454	1,706,434
0036	Cocurricular/extracurricular activities	2,950,927	-	-	217,964	3,168,891
0041	General administration	3,218,252	-	-	3,478	3,221,730
0051	Plant maintenance and operations	6,940,298	-	-	374,051	7,314,349
0052	Security and monitoring services	1,184,288	-	-	-	1,184,288
0053	Data processing services	1,714,885	-	1,446,886	16,850	3,178,621
0061	Community services	69,404	-	-	-	69,404
DEBT SERVICE						
0071	Debt service - Principal on long-term debt	-	12,530,000	-	-	12,530,000
0072	Debt service - Interest on long-term debt	-	16,120,150	-	-	16,120,150
0073	Debt service - Bond issuance costs and fees	-	3,000	-	-	3,000
CAPITAL OUTLAY						
0081	Facilities acquisition and construction	22,402	-	79,346,852	234,430	79,603,684
INTERGOVERNMENTAL						
0091	Contracted instructional services between schools	100,511,018	-	-	-	100,511,018
0095	Juvenile and Justice Education Programs	3,000	-	-	-	3,000
0099	Other intergovernmental charges	635,302	-	-	-	635,302
6030	Total expenditures	167,405,656	28,653,150	80,793,738	7,946,803	284,799,347
1100	Excess (deficiency) of revenues over (under) expenditures	595,472	2,118,178	(79,020,551)	(166,076)	(76,472,977)
OTHER FINANCING SOURCES (USES)						
7915	Transfers in	400,000	-	-	-	400,000
7080	Total other financing sources and (uses)	400,000	-	-	-	400,000
1200	Net change in fund balances	995,472	2,118,178	(79,020,551)	(166,076)	(76,072,977)
0100	Fund balances - beginning	23,507,974	5,845,164	119,235,280	5,992,182	154,580,600
3000	FUND BALANCES - ending	\$ 24,503,446	\$ 7,963,342	\$ 40,214,729	\$ 5,826,106	\$ 78,507,623

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District

Exhibit C-4

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities For the Fiscal Year Ended August 31, 2020

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		\$ (76,072,977)
1	The District uses internal service funds to charge the costs of certain activities such as self-insurance to appropriate functions in other funds. The net loss of internal service funds is reported with government activities. The net effect of this consolidation is to decrease net position.	(20,805)
2	Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.	82,659,220
3	Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.	(7,501,689)
4	The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of discounts, premiums, and deferred losses on refunding when debt is first issued; however the amounts are deferred and amortized in the government-wide financial statements. This amount represents the net effect of the following items:	
	Repayments	\$ 12,530,000
	Amortization of premium on bonds	2,535,375
	Amortization of deferred refunding amount	(397,762)
		14,667,613
5	Current year changes in accrued interest payable do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.	25,358
6	Changes in pension liability, and related deferred inflows and outflows not recognized on the fund financial statements under the modified accrual bases are recognized on the accrual basis in the government-wide financial statements. The net effect of pension liability, deferred inflows, and outflows are as follows:	
	Changes in pension liability	2,077,491
	Changes in pension deferred inflows	(2,584,998)
	Changes in pension deferred outflows	(2,037,541)
		(2,545,048)
7	The net change in net OPEB liability, deferred outflows and deferred inflows is reported in the statement of activities, but does not require the use of current financial resources and, therefore, is not reported as revenue or expenditures in the governmental funds. The net change consists of the following:	
	Changes in net OPEB liability	2,007,200
	Changes in OPEB deferred inflows	(2,906,159)
	Changes in OPEB deferred outflows	574,014
		(324,945)
8	Revenue from property taxes and donations is deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide statements.	263,309
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 11,150,036</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District**Exhibit D-1**

Statement of Net Position

Proprietary Funds

August 31, 2020

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS		
Current assets		
Cash and cash equivalents	\$ 100,391	\$ 580,434
Due from other funds	2,589,041	735,772
Total current assets	2,689,432	1,316,206
NON CURRENT ASSETS		
Capital assets		
Buildings and improvements	428,692	-
Accumulated depreciation on buildings and improvements	(351,303)	-
Furniture and equipment	201,456	-
Accumulated depreciation on furniture and equipment	(162,475)	-
Total noncurrent assets	116,370	-
Total assets	2,805,802	1,316,206
LIABILITIES		
Current liabilities		
Accounts payable	50,861	126,362
Due to other funds	605,759	593,112
Unearned revenue	75	-
Total liabilities	656,695	719,474
NET POSITION		
Net investment in capital assets	116,370	-
Unrestricted	2,032,737	596,732
TOTAL NET POSITION	\$ 2,149,107	\$ 596,732

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Revenues, Expenses, and Changes in
Fund Net Position
Proprietary Funds
For the Fiscal Year Ended August 31, 2020

Exhibit D-2

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Local and intermediate sources	\$ 1,352,248	\$ 49,479
Total operating revenues	1,352,248	49,479
OPERATING EXPENSES		
Payroll costs	827,310	-
Professional and contractual services	108,665	12,224
Supplies and materials	57,714	-
Depreciation expense	45,578	-
Other operating costs	53,457	65,754
Total operating expenses	1,092,724	77,978
Operating income (loss)	259,524	(28,499)
NONOPERATING REVENUES		
Earnings from temporary deposits and investments	712	7,694
Total nonoperating revenues	712	7,694
Income (loss) before transfers	260,236	(20,805)
TRANSFERS		
Transfers out	(400,000)	-
Total transfers	(400,000)	-
Change in net position	(139,764)	(20,805)
Total net position - beginning	2,288,871	617,537
TOTAL NET POSITION - ending	\$ 2,149,107	\$ 596,732

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended August 31, 2020

Exhibit D-3

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 1,481,991	\$ 49,479
Payments to employees for services	(791,837)	(565,931)
Payments to suppliers	(221,796)	516,452
Net cash provided by operating activities	468,358	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	712	7,694
Net cash provided by investing activities	712	7,694
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers out	(400,000)	-
Net cash used in non-capital financing activities	(400,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition or construction of capital assets	(21,691)	-
Net cash used in capital and related financing activities	(21,691)	-
Net increase in cash and cash equivalents	47,379	7,694
Cash and cash equivalents at the beginning of year	53,012	572,740
Cash and cash equivalents at the end of year	\$ 100,391	\$ 580,434
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 259,524	\$ (28,499)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	45,578	-
Effect of increases and decreases in current assets and liabilities:		
(Increase) decrease in receivables	(153,350)	
(Increase) in interfund balances	284,023	(565,931)
Increase (decrease) in accounts payable	45,174	594,430
Increase (decrease) in accrued wages payable	(11,661)	-
Increase (decrease) in unearned revenue	(930)	-
NET CASH USED IN OPERATING ACTIVITIES	\$ 468,358	\$ -

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District**Exhibit E-1**

Statement of Fiduciary Net Position

Fiduciary Funds

August 31, 2020

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 29,934	\$ 77,981
Other receivables	-	10,118
Due from other funds	5,823	4,326,202
Restricted assets	66,460	-
Total assets	102,217	4,414,301
LIABILITIES		
Accounts payable	-	88,520
Due to other funds	-	60,328
Due to other organizations	-	3,924,949
Due to student groups	-	340,504
Total liabilities	-	\$ 4,414,301
NET POSITION		
Held in trust for other purposes	102,217	
TOTAL NET POSITION	\$ 102,217	

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended August 31, 2020

Exhibit E-2

	Private Purpose Trust Funds
ADDITIONS	
Local and intermediate sources	\$ 6,105
Total additions	6,105
DEDUCTIONS	
Other operating costs	43,231
Total deductions	43,231
Change in net position	(37,126)
Total net position - beginning	139,343
TOTAL NET POSITION - ENDING	\$ 102,217

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 1. Significant Accounting Policies

Highland Park Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the Board) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in Statement on Auditing Standards No. 69 of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the Resource Guide) and the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity

In defining the scope of the District for financial reporting purposes, the District conforms with the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB No. 61, *The Financial Reporting Entity: Omnibus*. This report includes the financial statements of the District's primary government, which covers all funds or organizations that are part of the District's legal entity.

Additionally, the District's reporting entity also includes the accounts of the Highland Park I.S.D. Education Foundation, (the Foundation) as a discretely presented component unit, a legally separate, tax exempt entity. The Foundation was organized to receive and distribute funds, property and gift of any kind exclusively for the benefit of Highland Park Independent School District, its students, and personnel in furtherance of the education objectives of the Foundation. Separate financial statements are issued by the Foundation and can be obtained from: Highland Park I.S.D. Education Foundation, 4201 Grassmere, Dallas, Texas 75205. Contributions from the Foundation to the District were approximately \$3,057,913 for the year ending August 31, 2020.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The governmental activities are supported by tax revenues and intergovernmental revenues. Business-type activities include operations that rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to/due from on the governmental fund balance sheet and proprietary fund statement of net position and as other financing sources and uses on the governmental fund statement of revenues, expenditures and changes in fund balance and on the proprietary fund statement of revenues, expenses, and changes in net position. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide statement of net position as internal balances and on the statement of activities as interfund transfers. Interfund services provided and used are not eliminated in the process of consolidation.

Highland Park Independent School District

Notes to the Basic Financial Statements

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is the accounting convention, which determines which assets and liabilities are included on the balance sheet of a fund type and whether a fund type's operating statement presents "financial flow" or capital maintenance information.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements (with the exception of Agency funds which are custodial in nature and, thus, do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

Highland Park Independent School District

Notes to the Basic Financial Statements

The Proprietary Fund types and Fiduciary Fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

Fund Accounting

The District's accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is utilized to account for all revenues and expenditures except those required to be accounted for in another fund. Major sources include local property taxes, state funding under the minimum Foundation Program and interest earnings. Expenditures include all costs associated with the daily operations of the schools.

Debt Service Fund is utilized to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs arising from general obligation bonds.

Capital Projects Fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived from proceeds of general obligation bonds and interest earned on such monies and local sources committed for such purposes.

Additionally, the District reports the following fund types:

Nonmajor Governmental Funds

Special Revenue Funds are utilized to account for the proceeds of specific revenue sources that are legally restricted or committed for specified purposes.

Capital Projects Fund is utilized to account for the Moody Innovation STEAM Grant, a grant from the Moody Foundation to the District, which in 2020 consisted primarily of funding for construction of the Moody Advanced Professional Studies (MAPS) Center.

Proprietary Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed through user charges.

Seay Tennis Center is used to account for the operations of the tennis center that provides services to the residents of the District and to the District's athletic teams.

Academy for Lifelong Learning is used to account for the operations of the continuing education school that provides services to the residents of the District.

Internal Service Funds are used to account for the financing of goods or services by one department to another on a cost reimbursement basis.

Highland Park Independent School District

Notes to the Basic Financial Statements

Insurance Fund is used to account for the District's partially self-insured workers' compensation plan.

Fiduciary Funds

Private Purpose Trust Funds consist of various scholarship funds held in a trustee capacity.

Agency Funds are used to account for assets held by the District in a trustee or agency capacity for student and employee activities, as well as other organizations.

Budgets and Budgetary Accounting

The District facilitates budgeting and budgetary control by preparing annual budgets for the General Fund and Debt Service Fund and appropriately amending the budgets as circumstances dictate; the annual budgets as amended are an integral part of the accounting system, providing appropriate budgetary control over revenues, expenditures and transfers through comparison of actual data and encumbrances to budgetary data.

The Superintendent of Schools is designated as the budget officer of the District and is responsible for preparing, or causing to be prepared, a budget for the next succeeding fiscal year.

The budget is required to be prepared no later than August 20 at a meeting of the Board of Trustees called for the purpose of adopting such budget after ten days public notice of the meeting has been given.

The administration performs semi-annual budget reviews by which budget requirements are re-evaluated and revisions recommended to the Board of Trustees. The Board of Trustees may approve amendments to the budget, which are required when a change is made to any one of the functional expenditure categories or revenue object accounts defined by the Texas Education Agency. Such amendments must be reflected in the official minutes of the Board, and may not, by law, occur after August 31. Therefore, the legal level of budgetary control is at the function level within each budgeted fund. Management may transfer appropriations between objects, sub-objects, organizations, programs, and projects without approval from the Board of Trustees, as long as appropriations are not increased at the function level.

The Texas Education Agency (TEA) requires the budgets to be filed with the Texas Education Agency through regular submissions to the Public Education Information Management System (PEIMS). The budget should not be exceeded in any functional expenditure category under TEA requirements. The final amended versions of these budgets are used in this report.

Unused appropriations lapse at the end of each fiscal year; however, the District increases the subsequent year appropriations by an amount equal to outstanding encumbrances. Supplemental appropriations were not significant to the original adopted budget for the fiscal year ended August 31, 2020.

Budgets for the General and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Investments

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Highland Park Independent School District

Notes to the Basic Financial Statements

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid expenditures are accounted for under the consumption method.

Local Tax Revenues and Receivables

Ad valorem taxes are levied from valuations assessed as of January 1 and are recognized as revenue beginning on the date of levy, October 1, when they become available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within sixty days of the fiscal year end are recorded as deferred revenues and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as deferred revenues and recognized as revenue of the period to which they apply.

Current taxes are due on October 1 and become delinquent if unpaid on February 1. Pursuant to Subtitle E of the Texas Property Tax Code, penalties and interest on unpaid taxes are calculated at the rate of 1% per month of delinquency. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed.

Allowance for Uncollectible Taxes

An allowance for uncollectible taxes is provided based upon an analysis of historical trends.

Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing-off real property taxes without specific authority from the Texas legislature.

The District expects to receive all significant receivables within one year of August 31, 2020.

Capital Assets

Capital assets which include land, buildings, furniture 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 District as assets with an initial, individual cost of more than \$5,000 and an estimated life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed.

Buildings, furniture, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

	Years
Buildings	10 - 40
Building improvements	10 - 20
Vehicles	5 - 11
Office equipment	5 - 7
Computer equipment	5 - 7

Compensated Absences

This District does not compensate its employees for unused leave; therefore no accrual for compensated absences is required.

Highland Park Independent School District

Notes to the Basic Financial Statements

Long-Term Debt

In the government-wide financial statements bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, in the period the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the government-wide statement of net position and governmental fund balance sheet report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to deferred losses on debt refunding transactions, which are reported as deferred outflows of resources, the District reports certain deferred inflows and outflows related to pensions and OPEB on the government-wide statement of net position. At the governmental fund level, earned but unavailable tax revenue and donations are reported as a deferred inflows of resources.

Governmental Fund Financial Statements

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The 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 funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

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

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

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

Highland Park Independent School District

Notes to the Basic Financial Statements

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees. This classification includes campus activity funds, and various other construction funds.

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. According to District policy, fund balance can be assigned by the Superintendent or the Superintendent's designee.

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

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Pension

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Debt Service

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. The full amount estimated to be required for general obligation bond retirement is provided by the debt service tax together with interest earned within the Debt Service Fund.

Accounting Estimates

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

Highland Park Independent School District

Notes to the Basic Financial Statements

The amount of state foundation revenue a school district earns for a year may vary until the time when final values for all factors in the state and formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate for the year ended August 31, 2020 will change.

Cash Flow Presentation

For the purpose of presenting the statement of cash flows, the District considers all highly liquid investments with an original maturity or initial maturity of less than three months to be cash equivalents.

Interfund Transactions

During the course of normal operations, it is necessary for the District to enter into transactions among its various funds. These transactions consist of one or more of the following types:

- Reimbursements to a fund, which are generally reflected through the allocation of pooled cash accounts, for expenditures or expenses initially made from it that are properly applicable to another fund. All interfund receivable / payable balances at August 31, 2019 were the result of these types of reimbursements and are expected to be repaid within one year.
- Transfers in and out, as appropriate, which are shown as other financing sources or uses in the fund financial statements.
- All other outstanding balances between funds are reported as “due to/from other funds” in the fund financial statements.

Account Code Reporting

The Data Control Codes refer to the account code structure prescribed by TEA in the Financial Accountability Resource Guide. The Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide data base for policy development and funding plans.

Note 2. Cash and Investments

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At August 31, 2020, the carrying amount of the District's deposits (cash and interest-bearing savings accounts included in temporary investments) was \$0 and bank balance was \$1,897,157. The District's cash deposits at August 31, 2020 and during the year then ended were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

Highland Park Independent School District

Notes to the Basic Financial Statements

The following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Depository: Plains Capital Bank
2. The market value of securities pledged as of the date of the highest combined balance on deposit was \$10,653,454.
3. The highest combined balances of cash, savings, and time deposit accounts amounted to \$9,431,539 on August 19, 2020.

Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes and the District's investment policy authorized the District to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	1 year	None	None
U.S. Agency Securities	1 year	None	None
State of Texas securities	1 year	None	None
Certificates of deposit	1 year	None	None
Money market	-	None	None
Fully collateralized repurchase agreements	-	None	None
Repurchase agreements	90 days	15%	None
Mutual funds	-	15%	None
Investment pools	-	None	None
Guaranteed investment contracts	1 year	None	None
Commercial paper	270 days	None	None

The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Highland Park Independent School District

Notes to the Basic Financial Statements

Cash and investments as of August 31, 2020 are classified in the accompanying financial statements as follows:

Statement of Net Position

Primary government

Cash and cash equivalents	\$ 101,492,038

Fiduciary funds

Cash and cash equivalents	107,915

Restricted assets	66,460

Total cash and investments	\$ 101,666,413

Cash and investments as of August 31, 2020 consist of the following:

Cash on hand	\$ 29,175

Investments	101,637,238

Total cash and investments	\$ 101,666,413

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. By policy the District shall use final and weighted-average maturity limits and diversification to reduce exposure to changes in interest rates. One of the ways that the District manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days thus reducing the interest rate risk. The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

As of August 31, 2020, the District had the following investments:

Investment Type	Amount	Average Maturity	Legal Rating	of Year End
Lone Star Investment Pool	\$ 101,570,778	24 days	N/A	AAA
Common stock - Exxon	66,460	N/A	N/A	AA+
Total investments	\$ 101,637,238			

As of August 31, 2020 the District did not invest in any securities which are highly sensitive to interest rate fluctuations.

Highland Park Independent School District

Notes to the Basic Financial Statements

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The table in the previous section lists the minimum rating required by (where applicable) the Public Funds Investment Act, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of August 31, 2020, other than external investment pools and the flexible repurchase agreement, the District did not have 5% or more of its investments with one issuer.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

As of August 31, 2020 the District deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Highland Park Independent School District

Notes to the Basic Financial Statements

The District has recurring fair value measurements as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

	Fair Value at August 31, 2020	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Days)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Investments not subject to fair value						
Investment Pools						
Lone Star	\$ 101,570,778	\$ -	\$ -	\$ -	99.93%	24
Investments by fair value level						
Marketable equity securities						
Common stock	66,460	66,460	-	-	0.07%	N/A
Total value	\$ 101,637,238	\$ 66,460	\$ -	\$ -		

The Lone Star Investment Pool (the Pool) is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is governed by an 11 member Board of Trustees, consisting of individuals representing entities participating in the Pool. The fair value of the District's position in the Pool is the same as the value of the Pool shares.

Fair value of marketable equity securities reported as level 1 is determined by reference to quoted market prices for investments listed on an exchange or over-the-counter market. These securities were donated to the District and are held in a trustee capacity as part of the Gage Trust Fund.

Highland Park I.S.D. Education Foundation

The Foundation records financial instruments at estimated fair value. Fair value accounting defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities as of the reporting date;

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices in active markets for similar assets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets;

Level 3 – Unobservable inputs that are supported by little or no market activity and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Highland Park Independent School District

Notes to the Basic Financial Statements

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate Bonds: The investment grade bonds held by the Foundation generally do not trade in active market on the measurement date. Therefore, bonds are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market quotations (where observable), bond spreads, and fundamental data relating to the issuer.

The following table sets forth the Foundation's investments at fair value at August 31, 2020:

	Level 1	Level 2	Level 3	Total
Investments at fair value				
Common stock	\$ 26,155,732	\$ -	\$ -	\$ 26,155,732
Corporate bonds	-	9,298,427	-	9,298,427
	<u>\$ 26,155,732</u>	<u>\$ 9,298,427</u>	<u>\$ -</u>	<u>\$ 35,454,159</u>

For the year ended August 31, 2020, net investment earnings, including earnings from cash equivalents, were as follows:

Interest and dividends	\$ 539,771
Unrealized gain	4,960,468
Realized gain	(76,239)
Investment expenses	(155,784)
	<u>\$ 5,268,216</u>

Note 3. Receivables

Due from Other Governments: The District participates in a variety of state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from state governments as of August 31, 2020 are as follows:

Fund	Due from State
General	\$ 465,703
Non-major governmental	
IDEA-B Formula	461,765
IDEA-B Preschool	11,870
Total Non-major	<u>473,635</u>
Total	<u>\$ 939,338</u>

Highland Park Independent School District

Notes to the Basic Financial Statements

Other Receivables: As of August 31, 2020 other receivables consisted of the following:

	General Fund	Debt Service	Non-Major Funds	Total
Long-term loan	\$ 1,025,000	\$ -	\$ -	\$ 1,025,000
Miscellaneous	407,638	210	42,834	450,682
	<u>\$ 1,432,638</u>	<u>\$ 210</u>	<u>\$ 42,834</u>	<u>\$ 1,475,682</u>

The long-term loan consists of a zero-interest loan to the District Superintendent. Under terms of the agreement, the loan balance is not expected to be collected within the next year and, therefore, an equal amount of fund balance has been reported as nonspendable.

Note 4. Interfund Receivables/Payables

Schedule of Interfund receivables and payables at August 31, 2020, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Capital Projects Fund	\$ 24,405,411	Operational
General Fund	Non-Major Funds	2,228,113	Operational
General Fund	Enterprise	603,047	Operational
General Fund	Internal Service Fund	593,112	Operational
General Fund	Agency Funds	41,201 ⁽²⁾	Operational
General Fund	Debt Service Fund	3,575	Operational
Non-Major Funds	Non-Major Funds	19,752	Operational
Non-Major Funds	Agency Funds	18,277 ⁽²⁾	Operational
Non-Major Funds	General Fund	7,952,386	Operational
Enterprise	General Fund	2,589,041	Operational
Internal Service Fund	General Fund	727,469	Operational
Internal Service Fund	Non-Major Funds	4,934	Operational
Internal Service Fund	Capital Projects Fund	657	Operational
Internal Service Fund	Enterprise	2,712	Operational
Agency Funds	General Fund	4,314,222 ⁽¹⁾	Operational
Agency Funds	Non-Major Funds	11,130 ⁽¹⁾	Operational
Debt Service Fund	General Fund	254,950	Operational
Private Purpose Trust Fund	General Fund	5,823 ⁽¹⁾	Operational
Agency Funds	Agency Funds	850	Operational
		<u>\$ 43,776,662</u>	

⁽¹⁾ Reclassified to accounts payable in the Government-wide Statement of Net Position

⁽²⁾ Reclassified to other receivables in the Government-wide Statement of Net Position

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 5. Capital Asset Activity

Capital asset activity for the District for the year ended August 31, 2020, was as follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental activities				
Capital assets, not depreciated				
Land	\$ 67,575,979	\$ 2,916,735	\$ -	\$ 70,492,714
Construction in progress	118,770,929	73,118,191	-	191,889,120
Total capital assets not depreciated	186,346,908	76,034,926	-	262,381,834
Capital assets being depreciated				
Buildings and improvements	268,205,088	5,191,151	-	273,396,239
Furniture, equipment and other	17,591,187	1,433,143	-	19,024,330
Total capital assets being depreciated	285,796,275	6,624,294	-	292,420,569
Less accumulated depreciation for				
Buildings and improvements	(84,921,324)	(6,637,210)	-	(91,558,534)
Furniture, equipment and other	(16,157,547)	(864,479)	-	(17,022,026)
Total accumulated depreciation	(101,078,871)	(7,501,689)	-	(108,580,560)
Total capital assets, being depreciated, net	184,717,404	(877,395)	-	183,840,009
Governmental activities capital assets, net	\$ 371,064,312	\$ 75,157,531	\$ -	\$ 446,221,843
Business-Type activities				
Capital assets, being depreciated				
Buildings and improvements	\$ 407,001	\$ 21,691	\$ -	\$ 428,692
Furniture and equipment	201,456	-	-	201,456
Total capital assets being depreciated	608,457	21,691	-	630,148
Less accumulated depreciation for				
Buildings and improvements	(325,216)	(26,087)	-	(351,303)
Furniture and equipment	(142,984)	(19,491)	-	(162,475)
Total accumulated depreciation	(468,200)	(45,578)	-	(513,778)
Total capital assets, being depreciated, net	140,257	(23,887)	-	116,370
Business-Type activities capital assets, net	\$ 140,257	\$ (23,887)	\$ -	\$ 116,370

Highland Park Independent School District

Notes to the Basic Financial Statements

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 4,912,883
Instructional resources and media services	115,363
Curriculum and instructional staff development	33,954
Instructional leadership	145,215
School leadership	499,285
Guidance, counseling and evaluation services	417,035
Health services	71,607
Food services	218,820
Cocurricular/ Extracurricular activities	212,407
General administration	291,640
Plant maintenance and operations	394,822
Security and monitoring services	56,047
Data processing services	120,512
Community services	9,146
Facilities and acquisition	2,953
Total depreciation expense	<u>\$ 7,501,689</u>

The District has outstanding active construction commitments of \$23,220,286 as of August 31, 2020.

Note 6. Unearned Revenue / Deferred Inflows of Resources

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (*unearned revenue*). At the end of the current fiscal year, the various components of *unearned revenue* and *deferred inflows of resources* were as follows:

	General Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Deferred inflows of resources				
Net tax revenue	\$ 1,790,493	\$ 292,522	\$ -	\$ 2,083,015
Total	<u>\$ 1,790,493</u>	<u>\$ 292,522</u>	<u>\$ -</u>	<u>\$ 2,083,015</u>
Unearned revenue				
Student fees	\$ 453,258	\$ -	\$ 623,585	\$ 1,076,843
Athletic receipts	179,550	-	-	179,550
Miscellaneous	30,592	-	77,991	108,583
Total	<u>\$ 663,400</u>	<u>\$ -</u>	<u>\$ 701,576</u>	<u>\$ 1,364,976</u>

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 7. Risk Management

The District is exposed to various risk of loss related to torts, theft or damage to and destruction of assets; errors and omissions and national disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

As of August 31, 2011, the District discontinued all of the self-funded medical plans. At that time, employees became eligible to purchase health insurance through TRS-Active Care which is the statewide health plan for public education employees established by the 77th Texas Legislature and is a fully insured plan administered by Aetna. Additionally, the District maintains a self-insured worker's compensation plan administered by the Texas Association of School Boards (TASB), under TASB Risk Management Fund Workers' Compensation Aggregate Deductible Program.

Self-insurance fund revenues and expenses are recognized on the accrual basis. Unpaid claims filed prior to August 31 and subsequently approved by the administrator of the plan are recorded as a liability.

	2020	2019
Workers' Compensation		
Claims payable, beginning of year	\$ 125,044	\$ 126,362
Claims incurred for and changes in estimates	10,906	48,526
Claim payments	(9,588)	(49,844)
Claims payable, end of year	\$ 126,362	\$ 125,044

End-of-year claims payable for Workers' Compensation includes an estimate of incurred but unreported claims reserve loss. This liability is based on requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability has been incurred as of the date of the financial statements and the amount of loss can be reasonably estimated.

Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. The liability booked was the discounted actuarial estimate at the mean funding level. The District does not provide any post-retirement health benefits to its employees.

Note 8. Changes in Long-Term Liabilities

A summary of changes in general long-term debt follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 375,565,000	\$ -	\$(12,530,000)	\$ 363,035,000	\$ 13,125,000
Premium on bonds	40,536,751	-	(2,535,375)	38,001,376	-
Total bonded debt	416,101,751	-	(15,065,375)	401,036,376	13,125,000
Net pension liability	22,613,728	-	(2,077,491)	20,536,237	-
Net OPEB liability	26,141,861	-	(2,007,200)	24,134,661	-
Total governmental activities					
Long-term liabilities	\$ 464,857,340	\$ -	\$(19,150,066)	\$ 445,707,274	\$ 13,125,000

Highland Park Independent School District

Notes to the Basic Financial Statements

The General Fund has typically been used to liquidate the liabilities for net pension and OPEB.

Note 9. Bonds Payable

General long-term debt of the District consists of Unlimited Tax School Building Bonds payable. Debt service requirements are payable solely from future revenues of the Debt Service Fund which consist principally of property taxes collected by the District and investment income.

General obligation bonds payable at August 31, 2020, are summarized as follows:

Description	Interest Rate Payable	Final Maturity	Amounts Original Issue	Payable Amounts Outstanding September 1, 2019	Issued	Retired	Outstanding August 31, 2020
Unlimited Tax Refunding Bonds, Series 2015	2.00% to 5.00%	2028	51,945,000	48,970,000	-	4,565,000	44,405,000
Unlimited Tax Building Bonds, Series 2016	3.00% to 5.00%	2036	206,660,000	203,000,000	-	5,390,000	197,610,000
Unlimited Tax Building Bonds, Series 2018	3.25% to 5.25%	2039	122,050,000	120,240,000	-	2,250,000	117,990,000
Unlimited Tax Refunding Bonds, Series 2019	3.00% to 4.00%	2039	3,355,000	3,355,000	-	325,000	3,030,000
Total				\$ 375,565,000	\$ -	\$ 12,530,000	\$ 363,035,000

Debt service requirements are as follows:

Years Ended August 31,	General Obligations		Total Requirements
	Principal	Interest	
2021	\$ 13,125,000	\$ 15,524,531	\$ 28,649,531
2022	13,775,000	14,876,475	28,651,475
2023	14,480,000	14,168,913	28,648,913
2024	15,200,000	13,450,906	28,650,906
2025	15,930,000	12,724,631	28,654,631
2026-2030	91,525,000	51,795,007	143,320,007
2031-2035	113,075,000	30,345,475	143,420,475
2036-2039	85,925,000	8,181,206	94,106,206
	\$ 363,035,000	\$ 161,067,144	\$ 524,102,144

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 10. Local, Intermediate and Out-of-State Revenues

During the current year, revenues from local and intermediate sources in the fund level financial statements consisted of the following:

	General Fund	Capital Projects Funds	Debt Service Fund	Non-Major Special Revenue Funds	Total Governmental Funds
Property taxes	\$ 150,982,004	\$ -	\$ 30,419,887	\$ -	\$ 181,401,891
Penalties and interest	702,988	-	134,819	-	837,807
Tuition and fees	693,415	-	-	249,240	942,655
Investment earnings	1,098,951	1,573,187	179,810	7,236	2,859,184
Rent	471,412	-	-	-	471,412
Parking garage fees	317,446	-	-	-	317,446
Gifts	3,684,987	-	-	4,693,831	8,378,818
Athletic activities	696,427	-	-	-	696,427
Co-curricular activities	-	-	-	1,211,923	1,211,923
Other	295,199	200,000	-	6,200	501,399
Total	\$ 158,942,829	\$ 1,773,187	\$ 30,734,516	\$ 6,168,430	\$ 197,618,962

Note 11. Employees' Retirement Plan

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Highland Park Independent School District

Notes to the Basic Financial Statements

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years.

Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

In May 201, the 86th Texas Legislature approved the TRS Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers and active employees to make the pension fund actuarially sound. This action allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity of \$2,000, whichever is less.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for plan years 2020 through 2025.

	Contribution Rates	
	2020	2019
Member	7.7%	7.7%
Non-employer contributing entity (State)	7.5%	6.8%
Employers	7.5%	6.8%
2019 employer contributions	\$ 1,429,481	
2019 member contributions	1,375,928	
2019 NECE on-behalf contributions	2,159,473	

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

Highland Park Independent School District

Notes to the Basic Financial Statements

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. The District is required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- On 1.5% of covered payroll. This contribution, known as the Public Education Employer Contribution, replaced the non-OASDI surcharge that was in effect until 2019.

In addition to the employer contributions listed above there are two additional surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect until 2019.

Actuarial Assumptions

The total pension liability in the August 31, 2018 actuarial valuation rolled forward to August 31, 2019 was determined using the following actuarial assumptions:

Valuation date	August 31, 2018 rolled forward to August 31, 2019
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	7.250%
Long-term expected investment rate of return	7.25%
Municipal Bond Rate as of August 2019	2.63%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2116
Inflation	2.30%
Salary increases, including inflation	3.05% to 9.05% including inflation
Payroll growth rate	2.50%
Benefit changes during the year	None
Ad-hod post-employment benefit changes	None

Highland Park Independent School District

Notes to the Basic Financial Statements

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ending August 31, 2018 and adopted in July 2019.

Discount Rate

The single discount rate used to measure the total pension liability was 7.25%. The Discount Rate can be found in the 2019 TRS CAFR on page 77. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity		
U.S.	18.00%	6.40%
Non - U.S. Developed	13.00%	6.30%
Emerging Markets	9.00%	7.30%
Private Equity	14.00%	8.40%
Stable Value		
U.S. Treasuries	16.00%	3.10%
Stable Value Hedge Funds	5.00%	4.50%
Real Return		
Real Assets	15.00%	8.50%
Energy and Natural Resources	6.00%	7.30%
Risk Parity		
Risk Parity	8.00%	5.8%/6.5%
Cash	2.00%	7.50%
Asset Allocation Leverage	-6.00%	2.70%
Total	100%	7.23%

* The expected contribution to returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Highland Park Independent School District

Notes to the Basic Financial Statements

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used 7.25% in measuring the Net Pension Liability.

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
District's proportionate share of the net pension liability	\$ 31,567,179	\$ 20,536,237	\$ 11,599,044

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

At August 31, 2020, the District reported a liability of \$20,536,237 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 20,536,237
State's proportionate share that is associated with District	32,073,433
Total	<u>\$ 52,609,670</u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2018 through August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was 0.0395055825% which was a decrease of 0.0071513% from its proportion measured as of August 31, 2018.

Changes since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent that that was changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2020, the District recognized pension expense of \$2,545,048 and revenue of \$5,038,284 for support provided by the State.

Highland Park Independent School District

Notes to the Basic Financial Statements

At August 31, 2020, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 86,271	\$ 713,051
Changes in actuarial assumptions	6,371,349	2,632,943
Difference between projected and actual investment earnings	206,208	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,261,549	623,293
Contributions paid to TRS subsequent to the measurement date	1,429,481	-
Total	\$ 9,354,858	\$ 3,969,287

\$1,429,841 reported as a deferred outflow of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2021.

The other amounts of the deferred outflows and inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Years Ended August 31,	Pension Expense (Income)
2021	\$ 1,073,601
2022	839,055
2023	1,083,743
2024	955,639
2025	227,232
Thereafter	(223,180)
Total	\$ 3,956,090

Note 12. Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698; or by calling (512) 542-6592.

Highland Park Independent School District

Notes to the Basic Financial Statements

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Plan Premium Rates
January 1, 2019 thru December 31, 2020

	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree* and children	468	408
Retiree and family	1,020	999

*or surviving spouse

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Highland Park Independent School District

Notes to the Basic Financial Statements

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	2020	2019
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%

The contribution amounts for the District's fiscal year 2020 are as follows:

District contributions	\$ 370,496
Member contributions	116,020
NECE on-behalf contributions (state)	481,255

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether or not they participate in the TRS Care OPEB program*). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

Actuarial Assumptions

A change was made in the measurement date of the total OPEB liability for this fiscal year. The actuarial valuation was performed as of August 31, 2018. Update procedures were used to roll forward the total OPEB liability to August 31, 2019. This is the first year using the roll forward procedures.

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality and most of the economic assumptions used in this OPEB valuation were identical to those used in the respective TRS pension valuation.

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The Post-retirement mortality rates were based on the 2019 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

Highland Park Independent School District

Notes to the Basic Financial Statements

The total OPEB liability in the August 31, 2018 was rolled forward to August 31, 2019, the actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2018 rolled forward to August 31, 2019
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Discount rate	2.63%. Sourced from fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2019.
Aging factors	Based on plan specific experience Normal Retirement: 70% participation prior to age 65 and 75% after age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age adjusted claims costs.
Health Care Trend Rates	Initial medical trend rates of 107.74% and 9.00% for Medicare retirees and initial medical trendrate of 6.75% for non-Medicare retirees. Initial prescription drug trend rate of 11.00% for all retirees. The first year medical trend for Medicare retirees (107.74%) reflects the anticipated return of the Health Insurer Fee (HIF) in 2020. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 9 years.
Projected salary increases	3.05% to 9.05% including inflation
Election Rates	Normal retirement 65% participation prior to age 65 and 50% participation after age 65
Ad hoc post-employment benefit changes	None

In this valuation, the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-Medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

Highland Park Independent School District

Notes to the Basic Financial Statements

Discount Rate

A single discount rate of 2.63% was used to measure the total OPEB liability. There was a change of .27 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to *not be able to* make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity Analysis The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%) in measuring the Net OPEB Liability.

	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
District's proportionate share of the net OPEB liability	\$ 29,138,281	\$ 24,134,661	\$ 20,220,326

Healthcare Cost Trend Rates Sensitivity Analysis. The following presents the net OPEB liability of using the assumed healthcare cost trend rate, as well as that the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability to the healthcare cost trend rate			
Assumptions current healthcare cost	\$ 19,688,210	\$ 24,134,661	\$ 30,090,864

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2020, the District reported a liability of \$24,134,661 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 24,134,661
State's proportionate share of the net OPEB liability associated with the District	32,069,567
Total	\$ 56,204,228

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019 the employer's proportion of the collective net pension liability was 0.0510341% which was a decrease of 0.0000013219% from its proportion measured as of August 31, 2018.

Highland Park Independent School District

Notes to the Basic Financial Statements

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

1. The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019. This change increased the total OPEB liability.
2. The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the total OPEB liability.
3. The trend rates were reset to better reflect the plan's anticipated experience. This change increased the total OPEB liability.
4. The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%. These changes decreased the total OPEB liability.

For the year ended August 31, 2020, the District recognized OPEB expense of \$324,945 and revenue of \$845,222 for support provided by the State.

At August 31, 2020, the District reported the District's contribution after the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,184,010	\$ 3,949,381
Changes of assumptions	1,340,492	6,491,632
Net difference between projected and actual earnings on OPEB investments	2,604	-
Changes in proportion and differences between district contributions and proportionate share of contributions (cost-sharing plan)	141,096	731,832
District contributions after measurement date	370,496	-
Totals	\$ 3,038,698	\$ 11,172,845

\$370,496 reported as deferred outflow of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2021. The net amounts of the employer's balances of the deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Years Ending June 30,	OPEB Expense (Income)
2021	\$ (1,402,689)
2022	(1,402,689)
2023	(1,403,532)
2024	(1,404,014)
2025	(1,403,882)
Thereafter	(1,487,837)
	\$ (8,504,643)

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 13. Interfund Transfers

All interfund transfers between various funds are approved supplements to the operations of those funds. Individual fund transfers for fiscal year 2020 were as follows:

Transfer In	Transfer Out	Amount	Purpose
General Fund	Enterprise fund	\$ 175,000	Support general operations
General Fund	Enterprise fund	225,000	Support general operations
		<u>\$ 400,000</u>	

Note 14. New Accounting Pronouncements

The GASB issued Statement No. 84, *Fiduciary Activities*, in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. This standard becomes effective for the District in fiscal year 2021. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 87, *Leases*, in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. This standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, in June 2018. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 90, *Majority Equity Interests- an amendment of GASB Statements No. 14 and 61*, in August 2018. This Statement's objective is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for component units. This standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. This Statement's objective is 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 standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 95, *Postponement of the Effective dates of Certain Authoritative Guidance*, in May 2020. This Statement's objective is to provide temporary relief to governments in light of the COVID-19 pandemic by delaying the effective dates of the statements above.

Note 15. Coronavirus Pandemic

In March 2020, the World Health Organization declared the novel coronavirus ('COVID-19') a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected public education, workforces, economies, and financial markets globally, potentially leading to economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on the District's operations and financial results at this time.

Required Supplementary Information

Highland Park Independent School District
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended August 31, 2020

Exhibit F-1

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget
		Original	Final		Positive or (Negative)
REVENUES					
5700	Total local and intermediate sources	\$ 157,245,493	\$ 157,633,318	\$ 158,942,829	\$ 1,309,511
5800	State program revenues	8,020,503	8,020,503	8,873,299	852,796
5900	Federal program revenues	-	-	185,000	185,000
5020	Total revenues	165,265,996	165,653,821	168,001,128	2,347,307
EXPENDITURES					
Current					
0011	Instruction	38,393,817	38,286,808	38,034,762	252,046
0012	Instructional resources and media services	931,400	1,156,400	1,062,073	94,327
0013	Curriculum and instructional staff development	582,438	510,440	424,232	86,208
0021	Instructional leadership	1,187,756	1,287,756	1,195,909	91,847
0023	School leadership	3,581,110	3,843,109	3,828,118	14,991
0031	Guidance, counseling, and evaluation services	3,242,755	3,377,755	3,362,535	15,220
0033	Health services	651,820	663,820	578,271	85,549
0035	Food service	1,608,137	1,730,137	1,669,980	60,157
0036	Cocurricular/extracurricular activities	2,997,286	3,144,285	2,950,927	193,358
0041	General administration	3,168,665	3,468,665	3,218,252	250,413
0051	Plant maintenance and operations	6,475,556	6,978,555	6,940,298	38,257
0052	Security and monitoring services	1,047,859	1,207,059	1,184,288	22,771
0053	Data processing services	1,447,541	1,797,541	1,714,885	82,656
0061	Community services	62,722	82,722	69,404	13,318
0081	Facilities acquisition and construction	10,553	20,553	22,402	(1,849)
0091	Contracted instructional services between schools	99,469,121	100,969,121	100,511,018	458,103
0095	Juvenile Justice Education Program	14,000	20,000	3,000	17,000
0099	Other intergovernmental charges	660,000	680,000	635,302	44,698
6030	Total expenditures	165,532,536	169,224,726	167,405,656	1,819,070
1100	Excess (deficiency) of revenues over (under) expenditures	(266,540)	(3,570,905)	595,472	4,166,377
OTHER FINANCING SOURCES					
7915	Transfers in	-	-	400,000	400,000
7080	Total other financing sources	-	-	400,000	400,000
1200	Net change in fund balances	(266,540)	(3,570,905)	995,472	4,566,377
0100	Fund balances - September 1 (beginning)	23,507,974	23,507,974	23,507,974	-
3000	FUND BALANCES - ending	\$ 23,241,434	\$ 19,937,069	\$ 24,503,446	\$ 4,566,377

The Notes to the Budgetary Comparison Schedule are an integral part of this statement.

Highland Park Independent School District

Notes to the Budgetary Comparison Schedule

Note 1. Summary of Significant Accounting Policies

Official Budget

The District is required by state law to adopt annual budgets for its General and Debt Service Fund. Each budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles (GAAP).

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given. Prior to September 1, the Board of Trustees legally enacts the budget through passage of a resolution.
- The approved budget is filed with the Texas Education Agency.

Once a budget is approved, it can be amended at the function and fund level only by approval of a majority of the members of the Board of Trustees. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Expenditures in excess of appropriations for the year ended August 31, 2020 were:

General Fund:	
Facilities Acquisition and construction	(\$1,849)

Highland Park Independent School District
Schedule of the District's Proportionate Share of the
Net Pension Liability –
Teacher Retirement System
For the Last Six Plan Years

Exhibit F-2

	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0395056%	0.0410842%	0.0415507%	0.0407724%	0.0403275%	0.0288519%
District's proportionate share of net pension liability	\$ 20,536,237	\$ 22,613,728	\$ 13,285,690	\$ 15,407,279	\$ 14,255,236	\$ 7,706,744
State's proportionate share of net pension liability associated with the District	32,073,433	35,305,647	21,445,658	26,015,076	25,527,410	21,370,696
Total	\$ 52,609,670	\$ 57,919,375	\$ 34,731,348	\$ 41,422,355	\$ 39,782,646	\$ 29,077,440
District's covered payroll	\$ 46,393,618	\$ 46,161,758	\$ 44,612,240	\$ 43,220,174	\$ 42,350,080	\$ 39,764,732
District's proportionate share of net pension liability as a percentage of its covered payroll	44.27%	48.99%	29.78%	35.65%	33.66%	19.38%
Plan fiduciary net position as a percentage of the total pension liability	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%

Note: Only six years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the ten year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement."

Highland Park Independent School District
Schedule of the District's Pension Contributions –
Teacher Retirement System
For The Last Six Fiscal Years

Exhibit F-3

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,429,481	\$ 1,256,207	\$ 1,339,831	\$ 1,335,748	\$ 1,295,442	\$ 1,167,875
Contribution in relation to contractually required contribution	(1,429,481)	(1,256,207)	(1,339,831)	(1,335,748)	(1,295,442)	(1,167,875)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 48,406,486	\$ 46,393,618	\$ 46,161,758	\$ 44,612,240	\$ 43,220,174	\$ 42,350,080
Contributions as a percentage of covered payroll	2.95%	2.71%	2.90%	2.99%	3.00%	2.76%

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1 - August 31.

Note: Only six years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the ten year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement."

Highland Park Independent School District**Exhibit F-4**

Schedule of the District's Proportionate Share of the
Net OPEB Liability – TRS-Care Plan
Teacher Retirement System
Last Three Plan Years*

	2019	2018	2017
District's proportion of the net OPEB liability	0.0510341%	0.0523561%	0.0520609%
District's proportionate share of the net OPEB liability	\$ 24,134,661	\$ 26,141,861	\$ 22,639,316
State's proportionate share of net OPEB liability associated with the District	32,069,567	40,300,656	36,654,055
Total	\$ 56,204,228	\$ 66,442,517	\$ 59,293,371
District's covered payroll	46,393,618	46,161,758	44,612,240
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	52.02%	56.63%	50.75%
Plan fiduciary net position as a percentage of the total OPEB liability	2.66%	1.57%	0.91%

*The amounts presented were determined as of the Plan's fiscal year end, August 31 of the prior year.

Ten years of data is not yet available.

Highland Park Independent School District**Exhibit F-5****Schedule of the District's OPEB Contributions – TRS-Care Plan
Teacher Retirement System
Last Three Fiscal Years***

	2020	2019	2018
TRS			
Contractually required contributions	\$ 370,496	\$ 475,478	\$ 395,242
Contributions in relation to the contractually required contributions	(370,496)	(475,478)	(395,242)
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -	\$ -	\$ -
District's covered payroll	\$ 48,406,486	\$ 46,393,618	\$ 46,161,758
Contributions as a percentage of covered payroll	0.77%	1.02%	0.86%

*The amounts presented were determined as of the Plan's fiscal year end, August 31 of the prior year.

Ten years of data is not yet available.

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Combining and Individual Fund Statements and Schedules

Highland Park Independent School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended August 31, 2020

Exhibit G-1

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variances with Final Budget Positive or (Negative)
		Original	Final		
	REVENUE				
5700	Total local and intermediate sources	\$ 28,740,000	\$ 30,490,000	\$ 30,734,516	\$ 1,994,516
5800	State program revenues	60,000	60,000	36,812	(23,188)
5020	Total revenue	28,800,000	30,550,000	30,771,328	1,971,328
	EXPENDITURES				
0071	Debt service - principal on long-term debt	12,530,000	12,530,000	12,530,000	-
0072	Debt service - interest on long-term debt	16,120,150	16,183,555	16,120,150	63,405
0073	Debt service - bond issuance cost and fees	149,850	149,850	3,000	146,850
6030	Total expenditures	28,800,000	28,863,405	28,653,150	210,255
	Excess (deficiency) of revenues over (under) expenditures	-	1,686,595	2,118,178	431,583
1200	Net change in fund balances	-	1,686,595	2,118,178	431,583
0100	Fund balances - beginning	5,845,164	5,845,164	5,845,164	-
3000	FUND BALANCES - ending	\$ 5,845,164	\$ 7,531,759	\$ 7,963,342	\$ 431,583

Highland Park Independent School District

Nonmajor Governmental Funds

Nonmajor Special Revenue and Capital Projects Funds

All nonmajor funds are special revenue funds except for the Moody Innovation STEAM Grant Fund which is a capital project. The programs included within these funds are as follows:

IDEA-B Formula Fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing special education and related services to children with disabilities, ages 3-21.

IDEA-B Preschool Fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing special education and related services to children with disabilities, ages 3-5.

LEP Summer School fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing summer school to limited English proficient students.

Advanced Placement Incentives Fund receives State Program Revenue to support professional development of teachers teaching advanced classes.

Textbook Allotment Fund is for funds awarded to school districts under the textbook allotment.

License Plate Royalties Fund is used to account for revenue received under the State's License Plate Royalties program.

Special Education Needs Fund is for the purpose of benefitting children with disabilities in the District by building staff capacity and providing for exceptional expenditures beyond the budget, such as specialized training, assistive technology, and other educational services to benefit students with disabilities.

State Funded Special Revenue Fund is used to account for activities related to the Read to Succeed license plate program designed to help generate money for public libraries and strengthen the campus reading program.

Campus Activity Funds - each campus has an activity fund and the campus principal is accountable for all aspects of the fund at that campus. Revenues are generated by sales and fund raising events at the campus locations.

Summer Camps Fund is used to account for fees received by the District for summer camps and their related expenditures.

Technology Fund is used to account for activities related to the back to school sign up.

Abydos Gifts Fund accounts for donations received from Abydos with donor imposed restrictions.

La Fiesta Gifts Fund accounts for donations received from La Fiesta.

Education Foundation Gifts is used to account for donations received by the District from the Education Foundation for specific purposes.

PC Tag Gifts is used to account for donations received by the District from Park Cities Talented and Gifted organization with donor imposed restrictions.

Other and PTA Gifts Funds are used to account for donations received from organizations with donor imposed restrictions for special defined purposes and facility acquisition for small equipment.

Moody Innovation STEAM Grant Fund is a grant from the Moody Foundation to the Highland Park Education Foundation which will work to advance teacher professional development and a cross-disciplinary alignment of STEAM curricula in grades K-12, enhancing the focus of textbooks to including experiential learning that engages students in hands-on collaborative, problem solving activities. It also helped fund construction of the Moody Advanced Professional Studies (MAPS) Center in 2019-2020.

Highland Park Independent School District

Combining Balance Sheet Nonmajor Governmental Funds August 31, 2020

		224 IDEA-B Formula Fund	225 IDEA-B Preschool Fund	289 LEP Summer School	397 Advanced Placement Incentives	410 Textbook Allotment	418 License Plate Royalties
ASSETS							
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	234,946	\$ -
1240	Due from other governments	461,765	11,870		-	-	-
1260	Due from other funds	31,054	11,314	1,336	79,055	898,902	1,277
1290	Other receivables	-	-	-	-	-	-
	Total assets	<u>\$ 492,819</u>	<u>\$ 23,184</u>	<u>1,336</u>	<u>\$ 79,055</u>	<u>\$ 1,133,848</u>	<u>\$ 1,277</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
2110	Accounts payable	\$ 15,500	\$ -	-	\$ -	\$ 283,558	\$ -
2160	Accrued wages payable	17,850	-	-	-	-	-
2170	Due to other funds	459,469	23,184	-	16,063	786,278	-
2300	Unearned revenue	-	-	-	-	-	-
	Total liabilities	<u>492,819</u>	<u>23,184</u>	<u>-</u>	<u>16,063</u>	<u>1,069,836</u>	<u>-</u>
FUND BALANCES							
Restricted for:							
3450	Advanced Placement Initiatives	-	-	-	62,992	-	-
3450	Grant awards	-	-	-	-	-	-
3450	State funded special revenue	-	-	1,336	-	64,012	-
3490	Donor stipulations	-	-	-	-	-	-
Committed for:							
3545	Campus activities	-	-	-	-	-	1,277
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>1,336</u>	<u>62,992</u>	<u>64,012</u>	<u>1,277</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 492,819</u>	<u>\$ 23,184</u>	<u>1,336</u>	<u>\$ 79,055</u>	<u>\$ 1,133,848</u>	<u>\$ 1,277</u>

428 Special Education Needs Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	480 Summer Camps Fund	490 Technology Fund	494 Abydos Gifts	495 La Fiesta Gifts	496 Education Foundation Gifts
\$ -	\$ -	\$ 581,719	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
40,213	52,683	2,066,584	48,474	168,862	20,233	29,728	43,966
-	-	-	-	-	-	-	-
<u>\$ 40,213</u>	<u>\$ 52,683</u>	<u>\$ 2,648,303</u>	<u>\$ 48,474</u>	<u>\$ 168,862</u>	<u>\$ 20,233</u>	<u>\$ 29,728</u>	<u>\$ 43,966</u>
\$ -	\$ -	\$ 54,224	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
40,213	-	11,154	37,495	144	2,450	180	5,600
-	-	570,220	-	53,365	-	-	-
<u>40,213</u>	<u>-</u>	<u>635,598</u>	<u>37,495</u>	<u>53,509</u>	<u>2,450</u>	<u>180</u>	<u>5,600</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	52,683	-	-	-	-	-	-
-	-	-	-	115,353	17,783	29,548	38,366
-	-	2,012,705	10,979	-	-	-	-
<u>-</u>	<u>52,683</u>	<u>2,012,705</u>	<u>10,979</u>	<u>115,353</u>	<u>17,783</u>	<u>29,548</u>	<u>38,366</u>
<u>\$ 40,213</u>	<u>\$ 52,683</u>	<u>\$ 2,648,303</u>	<u>\$ 48,474</u>	<u>\$ 168,862</u>	<u>\$ 20,233</u>	<u>\$ 29,728</u>	<u>\$ 43,966</u>

Highland Park Independent School District
Combining Balance Sheet – Continued
Nonmajor Governmental Funds
August 31, 2020

Exhibit G-2
Page 2 of 2

		497	498	499	Total	485	Total
		PC Tag		PTA	Nonmajor	Moody	Nonmajor
		Gifts	Other Gifts	Gifts	Special	Innovation	Governmental
					Revenue Funds	STEAM Grants	Funds
ASSETS							
1110	Cash and cash equivalents	\$ 69	\$ 9,917	\$ 14,222	\$ 840,873	\$ 1,000	\$ 841,873
1240	Due from other governments	-	-	-	473,635	-	473,635
1260	Due from other funds	60,065	481,317	3,472,578	7,507,641	482,774	7,990,415
1290	Other receivables	-	-	-	-	42,834	42,834
	Total assets	<u>\$ 60,134</u>	<u>\$ 491,234</u>	<u>\$ 3,486,800</u>	<u>\$ 8,822,149</u>	<u>\$ 526,608</u>	<u>\$ 9,348,757</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
2110	Accounts payable	\$ 69	\$ 22,637	\$ 112,558	\$ 488,546	\$ 6,849	\$ 495,395
2160	Accrued wages payable	-	1,924	33,133	52,907	8,844	61,751
2170	Due to other funds	50,741	247,762	168,334	1,849,067	414,862	2,263,929
2300	Unearned revenue	-	-	-	623,585	77,991	701,576
	Total liabilities	<u>50,810</u>	<u>272,323</u>	<u>314,025</u>	<u>3,014,105</u>	<u>508,546</u>	<u>3,522,651</u>
FUND BALANCES							
Restricted for:							
3450	Advanced Placement Initiatives	-	-	-	62,992	-	62,992
3450	Grant awards	-	-	-	-	18,062	18,062
3450	State funded special revenue	-	-	-	118,031	-	118,031
3490	Donor stipulations	9,324	218,911	3,172,775	3,602,060	-	3,602,060
Committed for:							
3545	Campus activities	-	-	-	2,024,961	-	2,024,961
3000	Total fund balances	<u>9,324</u>	<u>218,911</u>	<u>3,172,775</u>	<u>5,808,044</u>	<u>18,062</u>	<u>5,826,106</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 60,134</u>	<u>\$ 491,234</u>	<u>\$ 3,486,800</u>	<u>\$ 8,822,149</u>	<u>\$ 526,608</u>	<u>\$ 9,348,757</u>

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Highland Park Independent School District
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended August 31, 2020

		224 IDEA-B Formula Fund	225 IDEA-B Preschool Fund	289 LEP Summer School	397 Advanced Placement Incentives	410 Textbook Allotment	418 License Plate Royalties
REVENUES							
5700	Total local and intermediate sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	8,949	539,019	-
5900	Federal program revenues	1,000,820	11,870	1,336	-	-	-
5020	Total revenues	1,000,820	11,870	1,336	8,949	539,019	-
EXPENDITURES							
Current:							
0011	Instruction	463,886	11,870	-	-	706,986	-
0012	Instructional resources and media services	-	-	-	-	-	-
0013	Curriculum and staff development	-	-	-	-	-	-
0021	Instructional leadership	-	-	-	-	-	-
0023	School leadership	-	-	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-	-	-
0033	Health services	-	-	-	-	-	-
0034	Student Pupil Transportation	536,934	-	-	-	-	-
0035	Food service	-	-	-	-	-	-
0036	Cocurricular / Extracurricular activities	-	-	-	-	-	-
0041	General administration	-	-	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-	-	-
0053	Data processing services	-	-	-	-	-	-
Capital Outlay:							
0081	Facilities Acquisition and Construction	-	-	-	-	-	-
6030	Total expenditures	1,000,820	11,870	-	-	706,986	-
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	1,336	8,949	(167,967)	-
0100	Fund balance - beginning	-	-	-	54,043	231,979	1,277
3000	FUND BALANCE - ending	\$ -	\$ -	\$ 1,336	\$ 62,992	\$ 64,012	\$ 1,277

428 Special Education Needs Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	480 Summer Camps Fund	490 Technology Fund	494 Abydos Gifts	495 La Fiesta Gifts	496 Education Foundation Gifts
\$ -	\$ -	\$ 1,504,231	\$ 24,300	\$ 54,080	\$ -	\$ 30,028	\$ 27,521
-	50,303	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	50,303	1,504,231	24,300	54,080	-	30,028	27,521
-	-	1,282,352	-	-	-	480	-
-	-	81,499	-	-	-	-	-
-	-	6,853	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	8,938	-	-	-	-	-
-	-	13,126	-	-	-	-	-
-	-	50	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	100,750	46,395	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	16,850	-	-	-
-	-	-	-	-	-	-	-
-	-	1,493,568	46,395	16,850	-	480	-
-	50,303	10,663	(22,095)	37,230	-	29,548	27,521
-	2,380	2,002,042	33,074	78,123	17,783	-	10,845
\$ -	\$ 52,683	\$ 2,012,705	\$ 10,979	\$ 115,353	\$ 17,783	\$ 29,548	\$ 38,366

Highland Park Independent School District
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Continued
Nonmajor Governmental Funds
For the Fiscal Year Ended August 31, 2020

Exhibit G-3
Page 2 of 2

		497	498	499	Total Nonmajor Special Revenue Funds	485 Moody Innovation STEAM Grants	Total Nonmajor Governmental Funds
		PC Tag Gifts	Other Gifts	PTA Gifts			
REVENUES							
5700	Total local and intermediate sources	\$ 40,803	\$ 360,935	\$ 3,331,142	\$ 5,373,040	\$ 795,390	\$ 6,168,430
5800	State program revenues	-	-	-	598,271	-	598,271
5900	Federal program revenues	-	-	-	1,014,026	-	1,014,026
5020	Total revenues	40,803	360,935	3,331,142	6,985,337	795,390	7,780,727
EXPENDITURES							
	Current:						
0011	Instruction	26,465	401,041	2,597,003	5,490,083	42,495	5,532,578
0012	Instructional resources and media services	-	43,669	24,626	149,794	-	149,794
0013	Curriculum and staff development	5,014	49,803	195,482	257,152	137,108	394,260
0021	Instructional leadership	-	-	-	-	363,295	363,295
0023	School leadership	-	7,394	51,139	67,471	-	67,471
0031	Guidance, counseling, and evaluation services	-	1,824	-	14,950	-	14,950
0033	Health services	-	-	4,244	4,294	-	4,294
0034	Student Pupil Transportation	-	-	-	536,934	-	536,934
0035	Food service	-	-	36,454	36,454	-	36,454
0036	Cocurricular / Extracurricular activities	-	68,466	2,353	217,964	-	217,964
0041	General administration	-	3,375	103	3,478	-	3,478
0051	Plant maintenance and operations	-	-	374,051	374,051	-	374,051
0053	Data processing services	-	-	-	16,850	-	16,850
	Capital Outlay:						
0081	Facilities Acquisition and Construction	-	-	-	-	234,430	234,430
6030	Total expenditures	31,479	575,572	3,285,455	7,169,475	777,328	7,946,803
1100	Excess (deficiency) of revenues over (under) expenditures	9,324	(214,637)	45,687	(184,138)	18,062	(166,076)
0100	Fund balance - beginning	-	433,548	3,127,088	5,992,182	-	5,992,182
3000	FUND BALANCE - ending	\$ 9,324	\$ 218,911	\$ 3,172,775	\$ 5,808,044	\$ 18,062	\$ 5,826,106

Highland Park Independent School District

Nonmajor Enterprise Funds

Enterprise Funds

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that of costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed through user charges. The Fund is comprised of the following individual funds:

Seay Tennis Center is used to account for the operations of the tennis center that provides services to the residents of the District and to the District's athletic teams.

Academy for Lifelong Learning is used to account for the operations of the continuing education school that provides services to the residents of the District.

Highland Park Independent School District**Exhibit G-4**

Combining Statement of Net Position

Nonmajor Enterprise Funds

August 31, 2020

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 100,251	\$ 140	\$ 100,391
Due from other funds	1,072,609	1,516,432	2,589,041
Total current assets	1,172,860	1,516,572	2,689,432
Noncurrent assets			
Capital assets:			
Buildings and improvements	428,692	-	428,692
Accumulated depreciation on buildings and improvements	(351,303)	-	(351,303)
Furniture and equipment	201,456	-	201,456
Accumulated depreciation on furniture and equipment	(162,475)	-	(162,475)
Total noncurrent assets	116,370	-	116,370
Total assets	1,289,230	1,516,572	2,805,802
LIABILITIES			
Current liabilities			
Accounts payable	50,727	134	50,861
Due to other funds	378,739	227,020	605,759
Unearned revenue	-	75	75
Total liabilities	429,466	227,229	656,695
NET POSITION			
Net investment in capital assets	116,370	-	116,370
Unrestricted net position	743,394	1,289,343	2,032,737
Total net position	\$ 859,764	\$ 1,289,343	\$ 2,149,107

Highland Park Independent School District
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended August 31, 2020

Exhibit G-5

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Local and intermediate sources	\$ 761,832	\$ 590,416	\$ 1,352,248
Total operating revenues	761,832	590,416	1,352,248
OPERATING EXPENSES			
Payroll costs	482,491	344,819	827,310
Professional and contractual services	69,939	38,726	108,665
Supplies and materials	53,732	3,982	57,714
Depreciation expense	45,578	-	45,578
Other operating costs	5,860	47,597	53,457
Total operating expenses	657,600	435,124	1,092,724
Operating income	104,232	155,292	259,524
NONOPERATING REVENUES			
Earnings from temporary deposits and investments	712	-	712
Total nonoperating revenues	712	-	712
Income before transfers	104,944	155,292	260,236
Transfers out	(175,000)	(225,000)	(400,000)
Change in net position	(70,056)	(69,708)	(139,764)
Total net position - beginning	929,820	1,359,051	2,288,871
TOTAL NET POSITION - ENDING	\$ 859,764	\$ 1,289,343	\$ 2,149,107

Highland Park Independent School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended August 31, 2020

Exhibit G-6

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from user charges	\$ 819,770	\$ 662,221	\$ 1,481,991
Cash payments to employees for services	(447,018)	(344,819)	(791,837)
Cash payments to suppliers	(129,531)	(92,265)	(221,796)
Net cash provided by (used in) operating activities	243,221	225,137	468,358
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends on investments	712	-	712
Net cash provided by investing activities	712	-	712
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out	(175,000)	(225,000)	(400,000)
Net cash used by non-capital financing activities	(175,000)	(225,000)	(400,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition or construction of capital assets	(21,691)	-	(21,691)
Net cash used in capital and related financing activities	(21,691)	-	(21,691)
Net increase in cash and cash equivalents	47,242	137	47,379
Cash and cash equivalents at beginning of the year	53,009	3	53,012
Cash and cash equivalents at end of the year	\$ 100,251	\$ 140	\$ 100,391
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income:	\$ 104,232	\$ 155,292	\$ 259,524
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	45,578	-	45,578
Effect of increases and decreases in current assets and liabilities:			
(Increase) decrease in receivables	-	(153,350)	(153,350)
(Increase) decrease in interfund balances	57,938	226,085	284,023
Increase (decrease) in accounts payable	47,134	(1,960)	45,174
Increase (decrease) in accrued wages payable	(11,661)	-	(11,661)
Increase (decrease) in unearned revenue	-	(930)	(930)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 243,221	\$ 225,137	\$ 468,358

Highland Park Independent School District

Private Purpose Trust Funds

Private Purpose Trust Funds

The Private Purpose Trust Funds are utilized to account for assets held by the District in a trustee capacity. The various trust funds consist of memorial donations and bequests for student scholarships, for which the District serves as the trustee.

Highland Park Independent School District

Combining Statement of Net Position

Private Purpose Trust Funds

August 31, 2020

	809	810	812	813
	Gage Art Trust	Bradfield Scholarship	Martin Memorial	Jordan Memorial
ASSETS				
Current assets				
Cash and cash equivalents	\$ 18,450	\$ 6,817	\$ 35	\$ -
Due from other funds	5,791	-	-	32
Total current assets	24,241	6,817	35	32
Noncurrent assets				
Restricted assets	66,460	-	-	-
Total noncurrent assets	66,460	-	-	-
Total assets	90,701	6,817	35	32
LIABILITIES				
Current liabilities				
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
NET POSITION				
Held in trust for other purposes	90,701	6,817	35	32
TOTAL NET POSITION	<u>\$ 90,701</u>	<u>\$ 6,817</u>	<u>\$ 35</u>	<u>\$ 32</u>

Exhibit G-7

814	815	816	817	818	Total
Mclean Memorial	Varner Memorial	Park Cities Memorial	Goodloe Trust	Other Trusts	Private Purpose Trust Funds
\$ 1,294	\$ 2,521	\$ 11	\$ 803	\$ 3	\$ 29,934
-	-	-	-	-	5,823
1,294	2,521	11	803	3	35,757
-	-	-	-	-	66,460
-	-	-	-	-	66,460
1,294	2,521	11	803	3	102,217
-	-	-	-	-	-
-	-	-	-	-	-
1,294	2,521	11	803	3	102,217
\$ 1,294	\$ 2,521	\$ 11	\$ 803	\$ 3	\$ 102,217

Highland Park Independent School District
Combining Statement of Changes In Fiduciary Fund
Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended August 31, 2020

	809	810	812	813
	Gage Art Trust	Bradfield Scholarship	Martin Memorial	Jordan Memorial
ADDITIONS				
Local and intermediate sources	\$ 5,855	\$ 132	\$ -	\$ 30
Total additions	5,855	132	-	30
DEDUCTIONS				
Other operating costs	40,831	1,000	-	1,400
Total deductions	40,831	1,000	-	1,400
Change in net position	(34,976)	(868)	-	(1,370)
Total net position - beginning	125,677	7,685	35	1,402
TOTAL NET POSITION - ending	\$ 90,701	\$ 6,817	\$ 35	\$ 32

Exhibit G-8

814	815	816	817	818	Total
Mclean Memorial	Varner Memorial	Park Cities Memorial	Goodloe Trust	Other Trusts	Private Purpose Trust Funds
\$ 37	\$ 46	\$ 2	\$ 2	\$ 1	\$ 6,105
37	46	2	2	1	6,105
-	-	-	-	-	43,231
-	-	-	-	-	43,231
37	46	2	2	1	(37,126)
1,257	2,475	9	801	2	139,343
\$ 1,294	\$ 2,521	\$ 11	\$ 803	\$ 3	\$ 102,217

Highland Park Independent School District

Agency Funds

Agency Funds

The District accounts for resources held for others in a custodial capacity in agency funds. The Districts agency funds are as follows:

Student Activities Fund – accounts for the receipt and disbursement of monies for student activity organizations.

Employee Activities – accounts for the receipt of money from District vending machines used for employee activities.

District Support Organizations – accounts for receipt of monies collected on behalf of other organizations.

Highland Park Independent School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended August 31, 2020

Exhibit G-9

	Balance September 1, 2019	Additions	Deductions	Balance August 31, 2020
Student Activities				
Assets:				
Cash and temporary investments	\$ 70,470	\$ 257,612	250,101	\$ 77,981
Due from other funds	303,928	-	6,490	297,438
Total assets	\$ 374,398	\$ 257,612	\$ 256,591	\$ 375,419
Liabilities:				
Accounts payable	\$ 17,002	\$ 205,910	\$ 222,912	\$ -
Due to other funds	30,033	18,821	84	48,770
Due to student groups	327,363	234,112	234,826	326,649
Total liabilities	\$ 374,398	\$ 458,843	\$ 457,822	\$ 375,419
Employee Activities				
Assets:				
Cash and temporary investments	\$ 6,634	\$ 18,876	\$ 25,510	\$ -
Due from other funds	13,340	9,319		22,659
	\$ 19,974	\$ 28,195	\$ 25,510	\$ 22,659
Liabilities:				
Accounts payable	\$ -	\$ 16,178	\$ 15,932	\$ 246
Due to other funds	8,558	148	148	8,558
Due to employees	11,416	18,728	16,289	13,855
	\$ 19,974	\$ 35,054	\$ 32,369	\$ 22,659
District Support Organizations				
Assets:				
Cash and temporary investments	\$ -	\$ 4,939,961	\$ 4,939,961	\$ -
Other receivables	54,245	815,613	859,740	10,118
Due from other funds	3,749,597	256,508	-	4,006,105
Total assets	\$ 3,803,842	\$ 6,012,082	\$ 5,799,701	\$ 4,016,223
Liabilities:				
Accounts payable	\$ 91,270	\$ 3,863,244	\$ 3,866,240	\$ 88,274
Due to other funds	3,000	-		3,000
Due to other organizations	3,709,572	3,932,969	3,717,592	3,924,949
Total liabilities	\$ 3,803,842	\$ 7,796,213	\$ 7,583,832	\$ 4,016,223
Total Agency Funds				
Assets:				
Cash and temporary investments	\$ 77,104	\$ 5,216,449	\$ 5,215,572	\$ 77,981
Other receivables	54,245	815,613	859,740	10,118
Due from other funds	4,066,865	265,827	6,490	4,326,202
Total assets	\$ 4,198,214	\$ 6,297,889	\$ 6,081,802	\$ 4,414,301
Liabilities:				
Accounts payable	\$ 108,272	\$ 4,085,332	\$ 4,105,084	\$ 88,520
Due to other funds	41,591	18,969	232	60,328
Due to other organizations	3,709,572	3,932,969	3,717,592	3,924,949
Due to student groups	338,779	252,840	251,115	340,504
Total liabilities	\$ 4,198,214	\$ 8,290,110	\$ 8,074,023	\$ 4,414,301

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Required Texas Education Agency Schedule

Highland Park Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended August 31, 2020

	(1)	(2)	(3)	(10)
Last Ten Years Ended August 31,	Maintenance	Debt Service	Net Assessed / Appraised Value For School Tax Purposes	Beginning Balance September 1, 2019
2011 and prior years	Various	Various	Various	\$ 210,458
2012	1.0267	0.1075	\$ 11,069,317,404	62,617
2013	1.0267	0.1075	11,177,630,627	62,016
2014	1.0267	0.1000	11,733,798,388	91,687
2015	1.0267	0.0914	12,672,806,297	94,742
2016	1.0267	0.0852	13,616,138,816	116,875
2017	1.0267	0.1260	14,795,777,632	188,185
2018	1.0400	0.1632	15,063,138,724	267,374
2019	1.0400	0.1955	16,239,144,372	1,046,876
2020 (School year under audit)	0.9700	0.1955	16,711,223,127	-
Total				\$ 2,140,830

(20)	(31)	(32)	(40)	(50)
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance August 31, 2020
\$ -	\$ 29,090	\$ 2,122	\$ (21,069)	\$ 158,177
-	3,181	333	-	59,103
-	3,181	333	-	58,502
-	3,202	312	-	88,173
-	3,109	277	(308)	91,048
-	2,148	178	(1,219)	113,330
-	14,378	1,765	1,274	173,316
-	(126)	(20)	(50,868)	216,652
-	263,442	49,522	(314,635)	419,277
182,703,841	150,660,400	30,365,065	(605,349)	1,073,027
<u>\$ 182,703,841</u>	<u>\$ 150,982,005</u>	<u>\$ 30,419,887</u>	<u>\$ (992,174)</u>	<u>\$ 2,450,605</u>

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Highland Park Independent School District
Statistical Section (Unaudited)

This part of the District's statistical comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Contents:

Financial Trends Information..... 94

These schedules contain trend information on how the District's financial performance and well-being have changed over time.

Revenue Capacity 108

These schedules contain information on the District's most significant local revenue source, the property tax.

Debt Capacity 114

These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information 117

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

Operating Information 121

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Highland Park Independent School District

Net Position By Component
Last Ten Years (Unaudited)
(Accrual Basis of Accounting)

	2011	2012	2013	2014
Governmental Activities				
Net investment in capital assets	\$ 37,686,728	\$ 40,044,080	\$ 46,259,243	\$ 50,465,828
Restricted	3,356,530	3,154,823	3,099,431	3,677,109
Unrestricted	25,892,817	26,779,772	23,597,681	22,677,129
Total Governmental Activities	\$ 66,936,075	\$ 69,978,675	\$ 72,956,355	\$ 76,820,066
Business-Type Activities				
Net investment in capital assets	\$ 115,525	\$ 256,191	\$ 268,475	\$ 237,751
Unrestricted	1,699,887	2,079,988	2,169,808	2,045,492
Total Business-Type Activities	\$ 1,815,412	\$ 2,336,179	\$ 2,438,283	\$ 2,283,243
Total Primary Government				
Net investment in capital assets	\$ 37,802,253	\$ 40,300,271	\$ 46,527,718	\$ 50,703,579
Restricted	3,356,530	3,154,823	3,099,431	3,677,109
Unrestricted	27,592,704	28,859,760	25,767,489	24,722,621
Total Primary Government	\$ 68,751,487	\$ 72,314,854	\$ 75,394,638	\$ 79,103,309

Source: Current and prior District Annual Financial Reports

Exhibit S-1

2015	2016	2017	2018	2019	2020
\$ 55,580,304	\$ 54,822,579	\$ 60,322,924	\$ 64,726,393	\$ 77,337,201	\$ 88,357,589
3,233,365	5,074,178	4,160,279	7,780,979	9,325,420	11,368,812
9,885,887	7,504,454	11,337,000	(17,726,788)	(16,564,273)	(18,478,017)
\$ 68,699,556	\$ 67,401,211	\$ 75,820,203	\$ 54,780,584	\$ 70,098,348	\$ 81,248,384
\$ 261,782	\$ 270,482	\$ 227,074	\$ 183,666	\$ 140,257	\$ 116,370
2,721,179	3,257,501	1,696,894	1,899,356	2,148,614	2,032,737
\$ 2,982,961	\$ 3,527,983	\$ 1,923,968	\$ 2,083,022	\$ 2,288,871	\$ 2,149,107
\$ 55,842,086	\$ 55,093,061	\$ 60,549,998	\$ 64,910,059	\$ 77,477,458	\$ 88,473,959
3,233,365	5,074,178	4,160,279	7,780,979	9,325,420	11,368,812
12,607,066	10,761,955	13,033,894	(15,827,432)	(14,415,659)	(16,445,280)
\$ 71,682,517	\$ 70,929,194	\$ 77,744,171	\$ 56,863,606	\$ 72,387,219	\$ 83,397,491

Highland Park Independent School District

Change in Net Position

Last Ten Years (Unaudited)

(Accrual Basis of Accounting)

	2011	2012	2013	2014
EXPENSES				
Governmental activities				
Instruction	\$ 40,644,171	\$ 39,294,695	\$ 39,949,333	\$ 41,366,775
Instructional Resources & Media Services	1,007,883	914,754	1,004,711	983,306
Curriculum & Instructional Staff Development	1,764,722	1,959,277	1,650,436	1,976,924
Instructional Leadership	1,164,601	1,051,758	1,076,148	1,129,916
School Leadership	3,095,222	2,869,891	3,044,317	3,131,884
Guidance, Counseling & Evaluation Services	2,970,773	2,835,728	2,975,043	3,030,497
Health Services	626,080	545,288	560,365	581,804
Student (Pupil) Transportation	205,651	209,000	185,584	270,605
Food Services	1,368,215	1,339,042	1,412,509	1,480,071
Cocurricular/Extracurricular Activities	2,697,688	2,670,120	2,787,706	3,001,557
General Administration	2,850,506	2,768,530	2,996,012	3,034,219
Plant Maintenance and Operations	5,986,822	5,933,301	5,399,657	5,792,350
Security and Monitoring Services	265,219	66,373	122,336	420,663
Data Processing Services	927,484	916,950	825,956	1,030,909
Community Services	-	-	-	-
Debt Service - Interest on Long Term Debt	5,270,149	5,098,781	4,343,604	4,247,254
Debt Service - Bond Issuance Cost and Fees	61,519	32,477	13,246	2,826
Facilities Acquisition and Construction	150,984	99,170	-	146,745
Contracted Instructional Services Between Schools	70,429,680	69,253,860	68,513,500	68,946,652
Incremental Costs Associated with Chapter 41	305,184	346,393	347,744	353,011
Juvenile and justice education programs	-	-	-	-
Other intergovernmental charges	-	-	-	-
Total governmental activities expenses	141,792,553	138,205,388	137,208,207	140,927,968
Business-type activities:				
Seay Tennis Center	366,013	445,749	450,476	482,623
Academy for Lifelong Learning	608,424	625,018	666,550	607,952
Total business-type activities expenses	974,437	1,070,767	1,117,026	1,090,575
Total Primary Government expenses	\$ 142,766,990	\$ 139,276,155	\$ 138,325,233	\$ 142,018,543
PROGRAM REVENUES				
Governmental activities:				
Charges for Services				
Instruction	\$ 1,168,549	\$ 1,503,657	\$ 1,711,648	\$ 1,787,503
Instructional Resources and Media Services	74,163	95,536	123,606	121,235
School Leadership	63,562	74,201	89,303	97,662
Cocurricular/Extracurricular Activities	1,043,515	1,215,390	795,834	965,944
Plant Maintenance and Operations	107,573	162,873	223,748	225,635
Other	12,043	16,573	94,463	109,473
Operating Grants and Contributions	9,277,376	9,807,850	8,810,448	10,592,649
Capital Grants and Contributions	831,015	80,323	422,311	857,671
Total governmental activities program revenues	12,577,796	12,956,403	12,271,361	14,757,772
Business-type activities				
Charges for services:				
Seay Tennis Center	474,091	634,381	631,562	698,086
Academy for Lifelong Learning	894,915	915,686	942,050	924,849
Operating Grants and Contributions	33,862	37,668	40,827	39,385
Total business-type activities program revenues	1,402,868	1,587,735	1,614,439	1,662,320
Total primary government program revenues	\$ 13,980,664	\$ 14,544,138	\$ 13,885,800	\$ 16,420,092
Net (Expense) Revenue				
Governmental activities	\$(129,214,757)	\$(125,248,985)	\$(124,936,846)	\$(126,170,196)
Business-type activities	428,431	516,968	497,413	571,745
Total Primary Government net expense	\$(128,786,326)	\$(124,732,017)	\$(124,439,433)	\$(125,598,451)

Source: Current and prior District Annual Financial Reports

2015	2016	2017	2018	2019	2020
\$ 44,669,537	\$ 46,091,573	\$ 45,446,242	\$ 32,342,308	\$ 50,505,040	\$ 51,410,329
1,015,861	915,397	1,011,547	903,019	1,200,654	1,400,664
1,868,684	2,101,803	2,065,757	1,120,522	1,075,808	878,543
1,111,930	1,228,973	1,363,197	973,269	1,878,396	1,849,560
3,198,644	3,332,683	3,268,768	2,534,414	4,162,589	4,730,492
3,272,752	3,417,617	3,537,367	2,145,130	3,919,175	4,115,605
585,523	638,889	607,526	427,141	684,083	703,537
354,058	303,478	290,031	195,572	694,323	536,934
1,527,889	1,667,056	1,613,755	1,348,393	1,935,223	2,035,917
2,773,443	2,946,855	3,409,906	2,503,836	3,542,940	3,145,503
3,400,180	3,918,025	3,073,258	3,113,128	4,076,896	3,687,332
5,590,203	5,745,647	5,786,020	5,069,885	6,167,174	7,261,478
512,287	567,814	834,871	771,910	1,086,461	1,273,061
1,221,814	1,058,409	1,255,244	1,263,599	1,613,765	1,918,388
-	8,615	54,370	40,974	90,198	130,884
3,940,575	5,383,189	10,094,549	11,837,373	14,520,201	13,957,179
3,250	162,260	3,500	-	41,942	3,000
10,946	156,183	6,360	11,998	30,559	42,865
75,527,475	82,235,185	90,029,741	96,834,257	106,041,400	100,511,018
355,288	382,923	-	-	-	-
3,000	3,000	3,000	13,032	-	3,000
-	-	577,056	609,065	656,360	635,302
150,943,339	162,265,574	174,332,065	164,058,825	203,923,187	200,230,591
491,648	541,822	529,808	581,574	585,928	657,600
631,963	641,063	588,750	539,537	555,924	435,124
1,123,611	1,182,885	1,118,558	1,121,111	1,141,852	1,092,724
\$ 152,066,950	\$ 163,448,459	\$ 175,450,623	\$ 165,179,936	\$ 205,065,039	\$ 201,323,315
\$ 1,961,946	\$ 2,099,417	\$ 2,316,390	\$ 2,297,276	\$ 2,416,108	\$ 2,207,551
117,531	144,368	137,935	140,458	152,964	93,234
83,039	85,184	81,628	71,021	85,977	69,893
966,125	1,054,560	1,203,372	1,077,507	1,240,754	847,310
184,488	278,074	223,322	512,369	581,915	521,831
128,962	136,971	234,348	215,855	231,128	433,250
10,714,734	12,005,770	12,101,570	(1,086,229)	17,690,849	15,595,912
446,654	155,334	90,056	17,917	-	212,521
14,603,479	15,959,678	16,388,621	3,246,174	22,399,695	19,981,502
743,025	726,267	718,742	852,433	940,001	761,832
1,033,093	949,606	874,602	813,266	805,394	590,416
43,868	47,393	-	-	-	-
1,819,986	1,723,266	1,593,344	1,665,699	1,745,395	1,352,248
\$ 16,423,465	\$ 17,682,944	\$ 17,981,965	\$ 4,911,873	\$ 24,145,090	\$ 21,333,750
\$(136,339,860)	\$(146,305,896)	\$(157,943,444)	\$(160,812,651)	\$(181,523,492)	\$(180,249,089)
696,375	540,381	474,786	544,588	603,543	259,524
\$(135,643,485)	\$(145,765,515)	\$(157,468,658)	\$(160,268,063)	\$(180,919,949)	\$(179,989,565)

Highland Park Independent School District

Change in Net Position – Continued

Last Ten Years (Unaudited)

(Accrual Basis of Accounting)

	2011	2012	2013	2014
Net (Expense) Revenue				
Governmental activities	\$ (129,214,757)	\$ (125,248,985)	\$ (124,936,846)	\$ (126,170,196)
Business-type activities	428,431	516,968	497,413	571,745
Total primary government net expense	(128,786,326)	(124,732,017)	(124,439,433)	(125,598,451)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	106,576,800	105,959,270	107,217,132	113,135,475
Property taxes levied for debt service	10,783,360	11,089,679	11,224,689	11,018,357
Unrestricted grants and contributions	11,137,280	10,894,879	8,775,795	5,119,410
Investment earnings	156,930	304,777	296,910	236,120
Miscellaneous local and intermediate revenue	249,827	42,980	-	-
Transfers in	-	-	400,000	400,000
Total governmental activities	128,904,197	128,291,585	127,914,526	129,909,362
Business-type activities:				
Investment earnings	2,559	3,799	4,691	3,625
Transfer (out)	-	-	(400,000)	(400,000)
Total business-type activities	2,559	3,799	(395,309)	(396,375)
Total Primary Government	\$ 128,906,756	\$ 128,295,384	\$ 127,519,217	\$ 129,512,987
Change in Net Position				
Governmental activities	\$ (310,560)	\$ 3,042,600	\$ 2,977,680	\$ 3,739,166
Business-type activities	430,990	520,767	102,104	175,370
Total Primary Government	\$ 120,430	\$ 3,563,367	\$ 3,079,784	\$ 3,914,536

2015	2016	2017	2018	2019	2020
\$ (136,339,860)	\$ (146,305,896)	\$ (157,943,444)	\$ (160,812,651)	\$ (181,523,492)	\$ (180,249,089)
696,375	540,381	474,786	544,588	603,543	259,524
(135,643,485)	(145,765,515)	(157,468,658)	(160,268,063)	(180,919,949)	(179,989,565)
121,261,084	130,806,769	141,487,391	148,731,800	156,297,472	151,893,801
10,777,171	10,861,522	17,371,158	23,329,421	29,361,264	30,609,206
4,694,961	2,491,882	3,487,360	2,305,436	4,233,372	5,423,045
216,643	847,378	1,928,687	3,927,524	6,549,148	2,866,878
1,263	-	10,236	774,261	-	206,195
730,410	-	2,086,021	400,000	400,000	400,000
137,681,532	145,007,551	166,370,853	179,468,442	196,841,256	191,399,125
3,343	4,641	7,220	14,466	2,306	712
(730,410)	-	(2,086,021)	(400,000)	(400,000)	(400,000)
(727,067)	4,641	(2,078,801)	(385,534)	(397,694)	(399,288)
\$ 136,954,465	\$ 145,012,192	\$ 164,292,052	\$ 179,082,908	\$ 196,443,562	\$ 190,999,837
\$ 1,341,672	\$ (1,298,345)	\$ 8,427,409	\$ 18,655,791	\$ 15,317,764	\$ 11,150,036
(30,692)	545,022	(1,604,015)	159,054	205,849	(139,764)
\$ 1,310,980	\$ (753,323)	\$ 6,823,394	\$ 18,814,845	\$ 15,523,613	\$ 11,010,272

Highland Park Independent School District

Fund Balances, Governmental Funds

Last Ten Years (Unaudited)

(Modified Accrual Basis of Accounting)

	2011	2012	2013	2014
General Fund				
Unreserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	6,503
Unassigned	16,516,949	17,369,574	16,730,139	16,315,075
Total General Fund	16,516,949	17,369,574	16,730,139	16,321,578
All Other Governmental Funds				
Reserved for retirement of debt	-	-	-	-
Reserved for other - Special Revenue	-	-	-	-
Unreserved designated - Capital Projects	-	-	-	-
Unreserved reported in Special Revenue	-	-	-	-
Nonspendable	-	-	-	-
Restricted	3,461,449	3,265,693	3,161,700	3,705,966
Committed	8,058,780	7,606,042	4,402,920	3,178,050
Unassigned	-	-	(12,012)	(15,670)
Total all Other Governmental Funds	11,520,229	10,871,735	7,552,608	6,868,346
Total Governmental Funds	\$ 28,037,178	\$ 28,241,309	\$ 24,282,747	\$ 23,189,924

Note: In 2011, the District implemented GASB statement 54 which changed the classifications of fund balance.

Source: Current and prior District Annual Financial Reports

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,218,473	1,244,128	1,367,825	1,267,816	1,273,038	1,140,186
8,301,439	9,595,031	15,658,895	19,044,955	22,234,936	23,363,260
10,519,912	10,839,159	17,026,720	20,312,771	23,507,974	24,503,446
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,500	-	-	-
3,289,033	5,466,033	4,497,774	8,064,922	128,794,613	51,953,391
4,839,155	181,670,754	139,510,907	201,042,072	2,278,013	2,050,786
(36,780)	54,456	-	-	-	-
8,091,408	187,191,243	144,014,181	209,106,994	131,072,626	54,004,177
\$ 18,611,320	\$198,030,402	\$ 161,040,901	\$ 229,419,765	\$ 154,580,600	\$ 78,507,623

Highland Park Independent School District

Governmental Funds Revenues

Last Ten Fiscal Years (Unaudited)

(Modified Accrual Basis of Accounting)

	2011	2012	2013	2014
Local Source Revenues				
Local Maintenance and Debt Service Tax	\$ 116,903,847	\$ 117,227,386	\$ 118,216,386	\$ 123,937,019
Investment earnings	153,032	302,482	291,914	235,457
Charitable donations	5,534,263	5,304,348	5,738,252	7,288,907
Tuition from Patrons	529,063	747,671	1,512,989	1,586,372
Co-curricular athletic gate receipts	593,656	586,152	474,929	648,077
Other Revenue from Local Sources	2,034,204	1,777,387	1,050,684	1,072,988
Total Local Sources	125,748,065	125,945,426	127,285,154	134,768,820
State Programs Revenues				
Per Capita and Foundation	10,994,746	10,845,587	8,775,795	5,088,998
Other Revenue from State	336,337	606,836	204,056	394,161
On-behalf Payments	2,446,658	2,406,633	2,492,384	2,767,618
Total State Programs	13,777,741	13,859,056	11,472,235	8,250,777
Federal Program Revenues				
Federal grants	1,933,667	1,619,648	798,067	999,649
Total Federal Revenues	1,933,667	1,619,648	798,067	999,649
Total Revenues	\$ 141,459,473	\$ 141,424,130	\$ 139,555,456	\$ 144,019,246

Source: Current and prior District Annual Financial Reports

2015	2016	2017	2018	2019	2020
\$ 132,338,812	\$ 141,703,220	\$ 158,656,428	\$ 172,064,202	\$ 185,864,969	\$ 182,503,007
215,940	845,183	1,923,733	3,918,150	6,549,148	2,830,252
6,661,087	7,316,756	8,268,579	8,571,291	10,423,389	9,411,751
1,140,217	1,132,944	1,192,921	1,142,794	1,229,129	693,415
654,103	746,430	796,506	674,875	1,446,523	696,427
1,680,609	1,919,200	2,209,387	2,546,157	1,832,002	1,484,110
142,690,768	153,663,733	173,047,554	188,917,469	207,345,160	197,618,962
4,726,407	2,490,884	3,487,212	2,305,436	4,208,381	5,373,045
209,991	295,443	204,128	103,803	1,161,709	635,083
3,010,160	2,704,105	2,776,188	2,896,496	2,956,912	3,500,254
7,946,558	5,490,432	6,467,528	5,305,735	8,327,002	9,508,382
1,248,575	960,051	1,019,322	886,226	1,056,819	1,199,026
1,248,575	960,051	1,019,322	886,226	1,056,819	1,199,026
\$ 151,885,901	\$ 160,114,216	\$ 180,534,404	\$ 195,109,430	\$ 216,728,981	\$ 208,326,370

Highland Park Independent School District
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years (Unaudited)
(Modified Accrual Basis of Accounting)

	2011	2012	2013	2014
Instruction	\$ 36,093,682	\$ 36,332,567	\$ 36,747,118	\$ 37,826,896
Instructional Resources and Media Services	901,786	843,191	948,463	919,680
Curriculum Development & Staff Development	1,616,782	1,836,332	1,554,192	1,867,952
Instructional Leadership	1,044,859	964,449	978,053	1,026,298
School Leadership	2,694,444	2,612,516	2,767,785	2,843,259
Guidance, Counseling and Evaluation Services	2,605,008	2,579,018	2,714,327	2,759,029
Health Services	544,743	495,732	508,762	527,427
Student (Pupil) Transportation	260,381	209,000	185,584	270,605
Food Services	1,192,633	1,246,655	1,323,300	1,342,303
Co-curricular/Extracurricular Activities	2,504,398	2,660,784	2,692,680	2,866,993
General Administration	2,559,563	2,576,420	2,768,072	2,845,292
Plant Maintenance and Operations	5,656,988	5,660,916	5,162,026	5,833,680
Security and Monitoring Services	84,736	118,888	156,313	416,320
Data Processing Services	926,414	971,384	795,210	1,028,990
Community Services	-	-	-	-
Debt Service - Principal on long-term debt	5,630,000	6,630,000	6,930,000	7,080,000
Debt Service - Interest on long-term debt	5,425,224	5,223,085	4,431,992	4,314,393
Debt Service - Bond fees	28,995	3,000	117,577	2,826
Facilities Acquisition and Construction	5,899,872	655,809	3,904,206	2,770,873
Contracted Instructional Services Between Public Schools ⁽²⁾	70,429,680	69,253,860	68,513,500	68,946,652
Incremental Cost Associated with Chapter 41	305,184	346,393	347,744	353,011
Juvenile and justice education programs	-	-	-	-
Other intergovernmental charges	-	-	-	-
Total Expenditures ⁽¹⁾	\$ 146,405,372	\$ 141,219,999	\$ 143,546,904	\$ 145,842,479
Debt service as a percentage of noncapital expenditures	7.9%	8.5%	8.2%	8.0%

Note:

(1) Includes General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund. Expenditures have been grouped by function category which is consistent with the Financial Accountability System Resource Guide.

Source: Current and prior District Annual Financial Reports

2015	2016	2017	2018	2019	2020
\$ 41,354,674	\$ 41,424,824	\$ 41,352,323	\$ 41,937,155	\$ 42,400,414	\$ 43,567,340
1,145,372	939,601	937,944	1,449,765	1,031,451	1,211,867
1,776,147	1,923,286	1,927,306	1,188,017	1,015,147	818,492
1,022,212	1,097,923	1,243,824	1,451,825	1,597,539	1,559,204
2,935,555	2,917,389	2,938,123	3,309,898	3,400,389	3,895,589
3,016,211	3,047,206	3,189,737	3,023,879	3,202,224	3,377,485
536,401	558,596	546,193	545,800	565,254	582,565
354,058	303,478	290,031	195,572	694,323	536,934
1,418,763	1,477,612	1,539,527	1,498,052	1,621,474	1,706,434
2,743,880	2,923,903	3,408,486	3,084,336	3,305,882	3,168,891
3,537,778	3,122,561	2,859,393	3,225,050	3,603,476	3,221,730
5,926,426	6,250,845	5,699,345	5,547,494	5,759,818	7,314,349
878,022	488,412	895,540	764,396	1,036,121	1,184,288
1,180,646	1,017,633	1,409,359	2,273,013	2,572,800	3,178,621
-	-	46,929	49,665	55,255	69,404
7,405,000	9,800,000	7,465,000	9,475,000	11,685,000	12,530,000
3,988,043	5,952,851	11,472,361	13,634,668	16,674,375	16,120,150
3,250	722,198	3,500	348,352	41,942	3,000
1,356,304	44,927,608	42,175,208	76,658,188	85,070,907	79,603,684
75,527,475	82,235,185	90,029,741	96,834,257	106,041,400	100,511,018
355,288	382,923	-	-	-	-
3,000	3,000	3,000	13,032	-	3,000
-	-	577,056.00	609,065	656,360	635,302
<u>\$ 156,464,505</u>	<u>\$ 211,517,034</u>	<u>\$ 220,009,926</u>	<u>\$ 267,116,479</u>	<u>\$ 292,031,551</u>	<u>\$ 284,799,347</u>
<u>7.4%</u>	<u>9.5%</u>	<u>10.7%</u>	<u>12.2%</u>	<u>13.8%</u>	<u>14.2%</u>

Highland Park Independent School District

Governmental Funds, Other Financing Sources and Uses,
and Net Change in Fund Balance
Last Ten Fiscal Years (Unaudited)
(Modified Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Excess of revenues over (under) expenditures	\$ (4,945,899)	\$ 204,131	\$ (3,991,448)	\$ (1,823,233)
Other financing sources (uses)				
Transfer In	5,017,170	480,000	995,000	1,383,410
Transfer Out	(7,600,000)	(480,000)	(595,000)	(653,000)
Issuance of Bonds	3,045,000	-	22,285,000	-
Payment to bond refunding escrow agent	-	-	(24,714,331)	-
Premium or Discount on Issuance of Bonds	11,320	-	2,062,217	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>473,490</u>	<u>-</u>	<u>32,886</u>	<u>730,410</u>
Net change in fund balance	<u><u>\$ (4,472,409)</u></u>	<u><u>\$ 204,131</u></u>	<u><u>\$ (3,958,562)</u></u>	<u><u>\$ (1,092,823)</u></u>

Source: Current and prior District Annual Financial Reports

2015	2016	2017	2018	2019	2020
<u>\$ (4,578,604)</u>	<u>\$ (51,402,818)</u>	<u>\$ (39,475,522)</u>	<u>\$ (72,007,049)</u>	<u>\$ (75,302,570)</u>	<u>\$ (76,472,977)</u>
3,900,000	4,549,297	3,544,368	400,000	400,000	400,000
(3,900,000)	(4,549,297)	(1,058,347)	-	-	-
-	258,605,000	-	122,050,000	3,355,000	-
-	(58,629,197)	-	-	(3,600,622)	-
-	30,846,097	-	17,210,992	309,027	-
-	-	-	724,921	-	-
<u>-</u>	<u>230,821,900</u>	<u>2,486,021</u>	<u>140,385,913</u>	<u>463,405</u>	<u>400,000</u>
<u><u>\$ (4,578,604)</u></u>	<u><u>\$ 179,419,082</u></u>	<u><u>\$ (36,989,501)</u></u>	<u><u>\$ 68,378,864</u></u>	<u><u>\$ (74,839,165)</u></u>	<u><u>\$ (76,072,977)</u></u>

Highland Park Independent School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

Exhibit S-7

Fiscal Year	Residential Property	Commercial Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2011	\$ 12,249,505,320	\$ 2,357,163,870	\$ 209,206,560	\$ 3,581,524,926	\$ 11,234,350,824	1.1150
2012	11,962,716,480	2,428,404,920	201,288,880	3,523,092,876	11,069,317,404	1.1342
2013	11,953,046,950	2,590,164,500	210,340,800	3,575,921,623	11,177,630,627	1.1342
2014	12,493,761,050	2,768,530,200	226,550,750	3,755,043,612	11,733,798,388	1.1267
2015	13,533,524,440	3,089,012,350	248,026,740	4,197,757,233	12,672,806,297	1.1181
2016	14,719,442,320	3,223,015,490	249,543,160	4,575,862,154	13,616,138,816	1.1119
2017	16,086,067,140	3,573,327,030	266,951,760	5,130,568,298	14,795,777,632	1.1527
2018	16,117,322,750	3,712,497,810	272,493,530	5,039,175,366	15,063,138,724	1.2032
2019	17,424,635,940	3,966,152,450	286,810,710	5,430,337,941	16,247,261,258	1.2355
2020	17,836,766,710	4,417,938,550	310,901,210	5,793,248,192	16,772,358,278	1.1655

Source: Dallas Central Appraisal District. Property in the district is reassessed every three years. Property is assessed at actual value; therefore, the assessed values are equal to actual values. Tax rates are per \$100 of assessed value.

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Highland Park Independent School District

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years (Unaudited)

Years Ended August 31,	District Direct Tax Rates		
	Maintenance & Operations	Debt Service	Total
2011	1.0125	0.1025	1.1150
2012	1.0267	0.1075	1.1342
2013	1.0267	0.1075	1.1342
2014	1.0267	0.1000	1.1267
2015	1.0267	0.0914	1.1181
2016	1.0267	0.0852	1.1119
2017	1.0267	0.1260	1.1527
2018	1.0400	0.1632	1.2032
2019	1.0400	0.1955	1.2355
2020	0.9700	0.1955	1.1655

Source: Dallas County Tax Office

Note:

(1) Includes both Maintenance & Operations and Debt Service rates.

Overlapping Tax Rates⁽¹⁾

Years Ended August 31,	Town of Highland Park	City of University Park	City of Dallas	County of Dallas	Dallas County Hospital District	Dallas County Community College District	Dallas County School Equalization District
2011	0.2200	0.27845	0.7970	0.2431	0.27100	0.099670	0.010000
2012	0.2200	0.27845	0.7970	0.2431	0.27100	0.119375	0.009370
2013	0.2200	0.27432	0.7970	0.2431	0.27600	0.124700	0.010000
2014	0.2200	0.26970	0.7970	0.2431	0.28600	0.124775	0.010000
2015	0.2200	0.26979	0.7970	0.2431	0.28600	0.124775	0.010000
2016	0.2200	0.25893	0.7970	0.2431	0.28600	0.123650	0.010000
2017	0.2200	0.24876	0.7825	0.2431	0.27940	0.122933	0.009271
2018	0.2200	0.24876	0.7804	0.2431	0.27940	0.124238	0.010000
2019	0.2200	0.24538	0.7767	0.2431	0.27940	0.124000	0.010000
2020	0.2300	0.25855	0.7766	0.2431	0.26950	0.124000	0.010000

Source: Dallas County Tax Office

Note:

(1) Includes both Maintenance & Operations and Debt Service rates.

Highland Park Independent School District

Exhibit S-9

Principal Property Taxpayers

Current Year and Nine Years Ago (Unaudited)

Taxpayer	Type of Property	2020			2011		
		Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
KBSIII Preston Commons LLC	Commercial	\$ 214,425,000	1	1.28 %			
HP Village Partners LP	Commercial	200,629,890	2	1.07	\$ 115,044,550	2	1.02
Sherry Realty Holdings	Commercial	87,185,000	3	0.65	50,386,000	4	
Caruth Preston Rd. Assoc.	Commercial	84,959,720	4	0.55	47,584,240	5	0.42
CFO DT III LLC	Commercial	68,250,000	5	0.54			-
BV CP Preston Center LP	Commercial	62,750,000	6	0.44			
Alpine Preston Center LLC	Commercial	62,000,000	7	0.37			
CFO DT IV LLC	Commercial	61,785,000	8	0.34			
5950 Sherry Property LLC	Commercial	60,730,000	9	0.34			
FHF I Berkshire Tower LLC	Commercial	58,400,000	10	0.33			
SP Millenium Center, LP	Commercial				121,625,420	1	1.08
TR 8333 Douglas Corp.	Commercial				63,600,000	3	0.57
USA Preston Center Pavillion	Commercial				42,200,000	6	0.38
RREEF Sherry Lane LP	Commercial				35,231,000	7	0.31
BPC CORP, Inc.	Commercial				31,829,860	8	0.28
Southern Methodist	Commercial				30,771,100	9	0.27
Intercity Investments, Inc.	Commercial				26,300,000	10	0.23
Total		\$ 961,114,610		5.90	\$ 564,572,170		456.00%

Source: Dallas County Tax Assessor

Highland Park Independent School District

Exhibit S-10

Property Tax Levies and Collections

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2011	\$ 116,694,954	\$ 116,056,204	99.45%	\$ 31,730	\$ 116,087,934	99.48%
2012	116,519,962	116,293,908	99.81%	18,800	116,312,708	99.82%
2013	118,120,098	117,708,874	99.65%	119,573	117,828,447	99.75%
2014	123,821,588	123,245,241	99.53%	73,811	123,319,052	99.59%
2015	132,421,480	131,944,897	99.64%	(135,026)	131,809,871	99.54%
2016	142,727,212	141,303,217	99.00%	41,911	141,345,128	99.03%
2017	159,424,797	157,732,114	98.94%	259,019	157,991,133	99.10%
2018	171,511,304	170,691,343	99.52%	-	170,691,343	99.52%
2019	184,938,061	184,016,234	99.50%	-	184,016,234	99.50%
2020	182,098,490	181,025,465	99.41%	-	181,025,465	99.41%

Source: Current and prior District Annual Financial Reports.

Note:

(1) Includes supplements and corrections to the original levy calculation for the fiscal year.

Highland Park Independent School District
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (Unaudited)

Exhibit S-11

Fiscal Year	General Unlimited Tax Bonds ⁽¹⁾	Maintenance Tax Notes ⁽¹⁾	Total	Restricted for Debt Service	Net Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ⁽²⁾	Percentage of Personal Income ⁽³⁾	Estimated Population	Total Outstanding Debt Per Capita ⁽³⁾
2011	\$ 114,429,339	\$ 3,045,000	\$ 117,474,339	\$ 1,768,943	\$ 115,705,396	1.03%	1.54%	31,540	\$ 3,669
2012	107,896,452	2,635,000	110,531,452	1,486,670	109,044,782	0.99%	1.29%	34,605	3,151
2013	102,017,431	2,210,000	104,227,431	1,370,673	102,856,758	0.92%	1.19%	34,600	2,973
2014	94,781,633	1,785,000	96,566,633	1,476,473	95,090,160	0.81%	1.17%	31,340	3,034
2015	87,338,214	1,350,000	88,688,214	1,344,147	87,344,067	0.69%	1.04%	31,280	2,792
2016	313,020,516	-	313,020,516	2,685,441	310,335,075	2.28%	3.64%	31,150	9,963
2017	303,438,087	-	303,438,087	1,250,829	302,187,258	2.04%	3.41%	31,330	9,645
2018	430,691,265	-	430,691,265	4,510,328	426,180,937	2.83%	4.69%	31,410	13,568
2019	416,101,751	-	416,101,751	5,845,164	410,256,587	2.53%	4.41%	31,410	13,061
2020	401,036,376	-	401,036,376	7,963,342	393,073,034	2.34%	4.17%	31,450	12,498

Source: District audited financial records.

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(1) General Unlimited Tax Bonds and Maintenance Tax Notes are from governmental activities. The District has no other debt.

(2) See Exhibit S-7 for property value data.

(3) See Exhibit S-14 for population data.

Highland Park Independent School District
Direct and Overlapping Governmental Activities Debt
August 31, 2020 (Unaudited)

Exhibit S-12

Name of Governmental Unit	Gross Outstanding	Percent Overlapping	Amount Overlapping Gross Debt
County of Dallas	\$ 130,445,000	6.67	\$ 8,700,682
Dallas County Community College District	135,375,000	6.67	9,029,513
Dallas County Hospital District	622,000,000	6.67	41,487,400
Dallas County Schools	27,204,352	6.67	1,814,530
City of Dallas	1,943,620,416	12.57	244,313,086
Total Overlapping Debt	2,858,644,768		305,345,211
Highland Park Independent School District	401,036,376	100.00%	401,036,376
Total Direct and Overlapping Debt	\$ 3,259,681,144		\$ 706,381,587
Ratio of Total Direct and Overlapping Debt to Assessed Valuation			4.35%
Per Capita Overlapping Debt			\$ 22,489

Source: Gross Debt Outstanding and Percent Overlapping were obtained from the Municipal Advisory of Texas (Texas MAC). The methodology used in deriving Overlapping Percentages:

- 1) Determine the estimated shared assessed valuation of taxable property within both the overlapping taxing body(s) and our District;
- 2) Divide that shared value by the total assessed value of taxable property within the overlapping taxing body.

Highland Park Independent School District**Exhibit S-13**Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Debt Limit	Total Net Debt Applicable To Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2011	\$ 1,123,435,062	\$ 115,705,395	\$ 1,284,162,794	10.30
2012	1,106,931,740	109,044,782	997,886,958	9.85
2013	1,117,763,063	102,856,758	1,014,906,305	9.20
2014	1,173,379,839	95,090,160	1,078,289,679	8.10
2015	1,267,280,630	85,765,853	1,181,514,777	6.77
2016	1,361,613,882	332,837,703	1,028,776,179	24.44
2017	1,479,577,763	302,187,258	1,177,390,505	20.42
2018	1,506,313,872	426,180,937	1,080,132,935	28.29
2019	1,624,726,126	410,256,587	1,214,469,539	25.25
2020	1,677,235,828	393,073,034	1,284,162,794	23.44

Legal Debt Margin Calculation for Fiscal Year 2019

Taxable Assessed Value		\$ 16,772,358,278
Debt Limit (10% of assessed value)		1,677,235,828
Total Bonded Debt	\$ 401,036,376	
Less: Restricted for Debt Service	7,963,342	
Debt applicable to limit		393,073,034
Legal debt margin		\$ 1,284,162,794

Highland Park Independent School District**Exhibit S-14**

Demographic and Economic Statistics

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Estimated Population ⁽¹⁾	Personal Income	Per Capita Personal Income ^(1,2)	Unemployment Rate ⁽³⁾
2011	31,540	\$ 7,492,179,034	\$ 237,545	8.7
2012	34,605	8,483,303,577	245,147	6.7
2013	34,600	8,660,201,478	250,295	6.5
2014	31,340	8,150,165,670	260,056	5.8
2015	31,280	8,403,002,845	268,638	4.4
2016	31,150	8,535,441,477	274,011	4.2
2017	31,330	8,859,475,881	282,779	4.1
2018	31,410	9,095,268,583	289,566	3.8
2019	31,410	9,295,364,493	295,936	3.4
2020	31,450	9,418,888,375	299,488	6.9

Source:

(1) North Central Texas Council of Governments Census (NCTCG) and Estimates.

(2) US Bureau of Labor Statistics for DFW. Years 2010 through 2019 were adjusted by the CPI. 2.2% for 2019

(3) Texas Workforce Commission. Unemployment rate is for Dallas County.

Highland Park Independent School District

Exhibit S-15

Top Ten Principal Employers

Current Year and Nine Years Ago (Unaudited)

Employer ⁽¹⁾	2020		Percentage of Total Employment	2011	
	Employees	Rank		Employees	Rank
Wal-Mart Stores	34,000	1	0.87%	34,698	1
American Airlines	33,000	2	0.85%	20,684	2
Baylor Scott & White Health	23,865	3	0.61%	19,677	5
Texas Health Resources	22,466	4	0.58%	18,672	6
Dallas Independent School District	22,674	5	0.58%	20,554	3
Lockheed Martin Aeronautics Co.	22,200	6	0.57%	14,902	8
University of Texas Southwestern Medical Center	17,000	7	0.44%		
The Kroger Co.	15,397	8	0.39%		
AT&T Inc.	15,000	9	0.38%	17,482	7
Medical City Healthcare	14,500	10	0.37%		
Bank of America				20,000	4
City of Dallas				13,427	9
JPMorgan Chase				13,000	10
	<u>220,102</u>		<u>5.64%</u>	<u>193,096</u>	
Estimated Employed Workforce in 2019	3,900,000				

Source: Dallas Business Journal Book of Lists, Dallas Economic Development Profile, Dallas County Financial Records

Note:

(1) The Highland Park Independent School District 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 Dallas County.

Highland Park Independent School District
Full-Time-Equivalent District Employees by Type
Last Ten Fiscal Years (Unaudited)

Exhibit S-16

	Fiscal Year										Percent Change 2010-2019
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Instruction											
Teachers	427.2	427.5	432.8	443.7	461.9	467.0	469.1	453.8	440.4	444.4	4.03
Librarians	8.0	5.9	5.8	6.0	4.7	6.0	6.8	6.9	6.8	6.9	(13.75)
Educational Aides	47.9	63.5	71.3	73.2	76.3	82.8	88.1	93.3	96.4	84.5	76.41
Other Professionals (instructional)	10.2	15.1	15.6	18.3	23.6	24.8	25.8	24.0	28.7	33.8	231.37
	<u>493.3</u>	<u>512.0</u>	<u>525.5</u>	<u>541.2</u>	<u>566.5</u>	<u>580.6</u>	<u>589.8</u>	<u>578.0</u>	<u>572.3</u>	<u>569.6</u>	<u>15.47</u>
Campus Administration											
Principal	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	16.67
Assistant Principal	7.0	5.4	5.5	5.3	5.4	5.7	6.7	7.5	7.7	9.0	28.57
Instructional Officer	-	-	-	-	-	-	-	1.0	-	-	-
Teacher Supervisor	3.0	7.3	7.0	6.1	6.2	7.1	6.4	9.2	8.7	9.4	213.33
Campus Support	26.0	26.0	26.0	26.0	26.0	23.0	-	-	-	-	(100.00)
	<u>42.0</u>	<u>44.7</u>	<u>44.5</u>	<u>43.4</u>	<u>43.6</u>	<u>41.8</u>	<u>19.1</u>	<u>23.7</u>	<u>23.5</u>	<u>25.4</u>	<u>(39.52)</u>
Student Services											
Counselor	15.0	14.1	13.8	14.1	15.1	16.1	16.1	12.9	16.0	16.0	6.67
Educational Diagnostician	3.0	3.0	3.0	3.0	3.0	4.0	3.9	3.0	2.3	4.0	33.33
School Nurse	8.0	7.0	7.0	8.0	8.0	9.0	8.0	7.4	7.9	7.8	(2.50)
LSSP/Psychologist/Therapist	15.1	15.1	20.5	18.8	19.4	20.0	20.5	21.0	21.7	20.2	33.77
	<u>41.1</u>	<u>39.2</u>	<u>44.3</u>	<u>43.9</u>	<u>45.5</u>	<u>49.1</u>	<u>48.5</u>	<u>44.3</u>	<u>47.9</u>	<u>48.0</u>	<u>16.79</u>
Support and Administration											
Superintendent and											
Asst Superintendent	3.0	3.0	3.0	3.0	3.0	3.0	2.6	3.0	3.0	3.0	-
Instructional Officer	1.5	0.5	0.5	1.5	1.5	1.0	1.0	2.5	6.0	5.6	273.33
Teacher Supervisor	4.0	5.0	3.0	3.0	3.0	3.0	3.0	-	-	-	(100.00)
Non-Campus Professionals	3.6	3.5	3.5	3.0	3.0	3.0	3.0	2.0	2.0	2.0	(44.44)
Auxiliary Staff	142.6	132.7	132.2	137.1	143.0	101.2	117.2	120.0	164.1	164.1	15.08
	<u>154.7</u>	<u>144.7</u>	<u>142.2</u>	<u>147.6</u>	<u>153.5</u>	<u>111.2</u>	<u>126.8</u>	<u>127.5</u>	<u>175.1</u>	<u>174.7</u>	<u>12.93</u>
Total	<u><u>731.1</u></u>	<u><u>740.6</u></u>	<u><u>756.5</u></u>	<u><u>776.1</u></u>	<u><u>809.1</u></u>	<u><u>782.7</u></u>	<u><u>784.2</u></u>	<u><u>773.5</u></u>	<u><u>818.7</u></u>	<u><u>817.7</u></u>	<u><u>11.85</u></u>

Source:

(1) Fall Public Education Information Management System (PEIMS) Submissions with full-time equivalent employees as of the last Friday in October.

Note:

Full-time instructional employees of the district are employed for 187 contract days. Campus Administrators and Student Services employees are primarily employed for 200 or 215 days. Central administrative and non-campus professional staff are employed for 226 days. Non-professional support staff are employed for 230 days. Auxiliary staff are employed on an hourly basis with daily hours ranging from 8 hours to 4 hours.

Highland Park Independent School District

Exhibit S-17

Teacher Average Salary and FTE Counts Last Ten Fiscal Years (Unaudited)

Fiscal Year	Beginning Teacher		1 - 5 Years Experience		6 - 10 Years Experience		11 - 20 Years Experience		Over 20 Years Experience		District Total Teachers		State-wide Average Salary
	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	
2011	\$ 46,994	7.3	\$ 48,968	90.2	\$ 51,448	103.5	\$ 55,589	117.1	\$ 66,792	109.1	\$ 55,894	427.2	\$ 48,639
2012	47,456	10.8	48,873	82.8	50,667	104.1	50,667	126.0	65,554	103.8	55,043	427.5	48,868
2013	47,368	11.6	48,511	99.1	51,105	103.9	55,489	121.3	66,185	96.9	55,018	432.8	48,375
2014	50,072	10.2	49,679	94.0	51,827	120.3	55,875	131.2	66,967	87.9	55,521	443.7	48,821
2015	50,609	9.0	50,329	104.2	52,559	113.4	56,664	149.9	67,029	85.4	56,026	461.9	50,715
2016	47,282	11.0	52,586	96.5	54,567	119.1	58,000	157.7	69,675	82.6	57,799	467.0	51,891
2017	47,596	7.5	50,916	90.0	52,285	126.3	55,606	157.4	64,360	87.9	55,319	469.1	52,525
2018	48,950	4.5	50,614	94.4	52,393	110.4	55,463	153.8	63,863	90.7	55,319	453.8	53,334
2019	49,425	10.6	51,005	83.5	52,632	103.1	55,691	148.4	63,217	94.9	55,557	440.4	54,122
2020	49,193	3.3	52,025	96.4	54,139	94.5	56,788	152.9	63,625	97.3	56,627	444.4	57,091

Sources: Data obtained from the Public Education Information System (PEIMS) data reported to Texas Education Agency annually. State-wide average salary was obtained from the Academic Excellence Indicator System Annual Report for State of Texas (AEIS).

Highland Park Independent School District

Exhibit S-18

Operating Statistics

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Enrollment ⁽¹⁾	Operating Expenditures ⁽²⁾	Cost Per Pupil	Operating Expenditures Excluding Recapture ⁽²⁾	Cost Per Pupil	(FTEs) Teaching Staff ⁽³⁾	Pupil Teacher Ratio
2011	6,689	\$ 128,359,298	\$ 19,190	\$ 57,929,618	\$ 8,660	427.2	15.7
2012	6,804	128,896,597	18,944	59,642,737	8,766	427.5	15.9
2013	6,848	128,265,174	18,730	59,751,674	8,725	432.8	15.8
2014	7,037	131,768,906	18,725	62,822,254	8,927	443.7	15.9
2015	7,091	144,174,971	20,332	68,647,496	9,681	461.9	15.4
2016	7,081	150,342,319	21,232	68,107,134	9,618	467.1	15.2
2017	7,044	158,410,721	22,489	68,380,980	9,708	469.2	15.0
2018	6,991	166,098,145	23,759	69,263,888	9,908	453.8	15.4
2019	6,801	178,890,097	26,303	72,848,697	10,711	440.4	15.4
2020	6,864	175,407,579	25,555	74,438,458	10,845	444.4	15.4

Notes:

(1) Enrollment is as of the October reporting date to TEA through the Public Education Information System (PEIMS).

(2) Operating expenditures are total governmental fund expenditures less debt service, capital projects, fiduciary, and proprietary funds.

(3) Teachers (FTEs) are as of October reporting date to TEA through PEIMS and District records.

Highland Park Independent School District
School Building Information
Last Ten Fiscal Years (Unaudited)

Exhibit S-19

Schools	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
John S. Armstrong Elementary School										
(Constructed 1953)										
Square feet	79,885	79,885	79,885	79,885	79,885	79,885	79,885	79,885	89,048	89,048
Capacity	633	633	633	594	594	594	594	594	550	550
Enrollment	556	598	569	581	577	581	552	531	509	509
John S. Bradfield Elementary School										
(Constructed 1926)										
Square feet	86,603	86,603	86,603	86,535	86,535	86,535	86,535	86,535	86,535	105,556
Capacity	697	697	697	669	668	668	668	668	668	770
Enrollment	651	703	701	718	747	747	726	692	651	610
Robert S. Hyer Elementary School										
(Constructed 1947)										
Square feet	78,211	78,211	78,211	78,211	78,211	78,211	78,211	78,211	78,211	109,534
Capacity	657	657	657	704	704	704	704	704	704	770
Enrollment	691	693	700	726	736	717	697	697	663	648
University Park Elementary School										
(Constructed 1928)										
Square feet	86,287	83,287	83,287	86,287	86,287	86,287	86,287	86,287	111,035	111,035
Capacity	655	655	655	683	682	682	682	682	770	770
Enrollment	679	705	696	705	706	689	648	652	661	700
Arch H. McCulloch Intermediate School										
(Constructed 1995)										
Square feet	112,186	112,186	112,186	112,186	112,186	112,186	112,186	112,186	193,668	193,668
Capacity	1,072	1,072	1,107	1,107	1,107	1,107	1,107	1,107	1,401	1,401
Enrollment	1,063	1,043	1,030	1,103	1,096	1,106	1,145	1,133	1,084	1,034
Highland Park Middle School										
(Constructed 1995)										
Square feet	166,544	166,544	166,544	166,544	166,544	166,544	166,544	166,544	193,668	193,668
Capacity	1,205	1,205	1,205	1,205	1,205	1,205	1,205	1,205	1,499	1,499
Enrollment	1,032	1,036	1,107	1,098	1,089	1,127	1,116	1,106	1,133	1,150
Highland Park High School										
(Constructed 1937)										
Square feet	376,890	376,890	376,890	385,693	385,693	385,693	385,693	385,693	385,693	385,693
Capacity	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,924
Enrollment	2,017	2,026	2,045	2,106	2,140	2,114	2,160	2,180	2,118	2,220
Multi-Purpose Activity Building										
	60,000	60,000	60,000	60,307	60,307	60,307	60,307	60,307	60,307	60,307

Source:

- (1) Square feet and functional capacity data for 2010 through 2019 was obtained from a Facility Study performed by SHW Group LLP in June 2014.
- (2) Enrollment is as of the October reporting date to TEA through the Public Education Information System.

Reports on Internal Control, Compliance, and Federal Awards

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**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Highland Park Independent School District (the District), as of and for the year ended August 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 18, 2020. Our report includes a reference to other auditors who audited the financial statements of the Highland Park I.S.D. Education Foundation as described in our report on the District's financial statements. The financial statements of the Highland Park I.S.D. Education Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Board of Trustees
Highland Park Independent School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
December 18, 2020



**Independent Auditor's Report on Compliance for Each
Major Federal Program and Report on Internal Control over Compliance
in Accordance with the Uniform Guidance**

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

Report on Compliance for Each Major Federal Program

We have audited Highland Park Independent School District's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2020.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
December 18, 2020

Highland Park Independent School District**Exhibit K-1**

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2020

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through State Department of Education			
Title IV IDEA - Part B, Formula	84.027A	196600010579116600	\$ 1,000,820
Title IV IDEA - Part B, Preschool	84.173A	196610010579116610	11,870
Total Special Education Cluster			1,012,690
LEP Summer School	84.369A	S369A180045	1,336
Total U.S. Department of Education			1,014,026
U.S. Department of the Treasury			
Passed through City of University Park			
Coronavirus Relief Fund	21.019	N/A	135,000
Passed Through Town of Highland Park			
Coronavirus Relief Fund	21.019	N/A	50,000
Total U.S. Department of the Treasury			185,000
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,199,026

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

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Highland Park Independent School District

Notes to the Schedule of Expenditures of Federal Awards

The District utilizes the fund types specified in the Texas Education Agency Financial Accountability System Resource Guide.

Special Revenue Funds are used to account for resources restricted to, or committed for, specific purposes by a grantor. Federal and state awards generally are accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified grant periods.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

The District did not elect to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance, Section 414 for the year ended August 31, 2020.

Highland Park Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2020

Section 1. Summary of the Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are not
considered to be material weakness(es)?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are not
considered to be material weakness(es)?

_____ Yes X None reported

An unmodified opinion was issued on compliance for
major programs.

Any audit findings disclosed that are required to be reported
in accordance with the Uniform Guidance?

_____ Yes X No

Identification of major programs:

84.027A, 84.173A

Special Education Cluster

Dollar threshold use to distinguish between type
A and type B programs?

\$750,000 – Federal

Auditee qualified as low-risk auditee?

 X Yes _____ No

Highland Park Independent School District

Summary of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2020

Section 2. Financial Statement Findings

None

Section 3. Federal Awards Findings

None

Section 4. Summary of Prior Year Audit Findings

None

Highland Park Independent School District
7015 Westchester Drive, Dallas, Texas 75205
214-780-3000 / www.hpsd.org

Exhibit C

Highland Park Independent School District Dallas, Texas



Annual Comprehensive Financial Report
for the fiscal year ended August 31, 2021

Doug Cooper
Grade3
University Park Elementary School
Olympic Inspired Kimono

Highland Park Independent School District Dallas, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended August 31, 2021



Prepared by:

Business Services Department & Finance

Chase Park
Director of Finance

Mr. Mike White, RTSBA
Assistant Superintendent
For Business Services

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Highland Park Independent School District
Annual Comprehensive Financial Report
Fiscal Year Ended August 31, 2021
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Highland Park Independent School District

Annual Comprehensive Financial Report

Fiscal Year Ended August 31, 2021

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Highland Park Independent School District

Annual Comprehensive Financial Report

Fiscal Year Ended August 31, 2021

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Introductory Section

Certificate of Board

Highland Park Independent School District

Dallas

057-911

Name of School District

County

Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) _____ approved _____ disapproved for the year ended August 31, 2021 at the meeting of the Board of Trustees of such school district on the ____ day of _____, 2022.

Signature of Board Secretary
Jae Ellis

Signature of Board President
Tom Sharpe

HIGHLAND PARK INDEPENDENT SCHOOL DISTRICT



7015 Westchester Drive, Dallas Texas 75205
(214) 780-3000 Fax (214) 780-4019
www.hpisd.org

January 10, 2022

Board of Trustees and the Taxpayers of the Highland Park Independent School District:

The Texas Education Code (TEC) requires all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with general accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Highland Park Independent School District (District) for the fiscal year ended August 31, 2021.

This report consists of management's representations concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the information presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Weaver and Tidwell, LLP, Dallas, Texas, a firm of licensed certified public accountants, has audited the financial statements of the District. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2021 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended August 31, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the District

The District opened its first campus, John S. Armstrong School in 1914 with ninety-five students, three teachers and a principal. The residents of the District elect a seven-member Board of Trustees (the Board). The seven members of the Board serve, without compensation, a three-year term of office. On a rotating basis, two or three places are filled during annual elections held in May. Vacancies may be filled by appointment until the next election. Candidates must be qualified voters of the District.

Regular meetings are scheduled on the second or third Tuesday of every month with the exception of the month of July when there is no Board meeting. Special meetings and study sessions are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, by the courts, and by the will of the people as expressed in school board elections. Board decisions are based on a majority vote of those present.

In general, the Board adopts policies, sets direction for curriculum, and employs the Superintendent, who oversees the operations of the District and its schools. Along with general Board business, Trustees are charged with numerous statutory regulations that include calling trustee and other school elections, canvassing the results, organizing the Board, and electing its officers. The Board is also responsible for setting the tax rate, setting salary schedules, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending annual budgets for the General Fund and the Debt Service Fund.

The District serves parts of three communities within a six square mile area located in north central Dallas County and is surrounded by the Dallas Independent School District. The Town of Highland Park, City of University Park and City of Dallas are the three different municipalities served by the District. The small community is known as the “Park Cities.” There is no raw land for residential, commercial, or industrial development. Southern Methodist University is located in the District.

The District provides a quality public education program for children from pre-kindergarten through grade 12. In addition to the basic instructional programs, the District offers special education, gifted and talented, bilingual/ESL, remedial, college preparatory, and career and technical programs. The District is fully accredited by the Texas Education Agency.

Since the opening of the first campus in 1914, it has become apparent that the preservation of a quality education is a priority in the community. The District has attained a national standing for excellence due to the hard work of the parents’ generous support of the community and the deep commitment of faculty and staff. This affiliation, paralleled with an atmosphere set upon high expectations, results in a phenomenal educational environment.

The District currently has five elementary schools (grades K-4), an intermediate school (grades 5-6), a middle school (grades 7-8), and one high school (grades 9-12). Enrollment for the 2020-21 year was 6,648, a decrease of 216 students from the previous year. Highland Park High School graduated 564 seniors in 2021.

The District’s mission statement is as follows: “The Highland Park Independent School District, grounded in tradition and with an unyielding commitment to excellence, academics, integrity, citizenship, and service, empowers each and every student to achieve post-secondary success.”

To accomplish its mission, the District attracts highly qualified personnel to teach an individualized educational program in all grade levels. A student-centered approach to learning through the use of a widely diversified curriculum is the educational philosophy of the District. A high degree of professionalism exists among District employees, and an on-going recognition of student and staff excellence contributes to this environment. The HPISD schools have long been committed to excellence in education. The District's students continue to win academic and co-curricular honors in district, state and national competitions. District staff, likewise, is recognized as outstanding educators and professionals by their peers in Texas and throughout the nation.

Long Range Planning

Much of the District's instructional program planning is done using the District and Campus Improvement Plans. The plans demonstrate the commitment to increase student achievement for all students. Campus Improvement Plans address specific needs of students at individual campuses. The District and Campus Improvement Plans include annual goals for improving student achievement and objective evaluation criteria for measuring success.

The annual budget serves as the foundation for the District's financial planning and control. This process begins in January. An administrative budget committee sets budget targets and provides oversight for the budget development process. The District Finance Committee, comprised of district administrators, members of the Board, and community members, reviews the recommendations of the administrative budget committee.

Based on the parameters set forth, district budget managers are requested to submit to the District's Business Services Department their budget appropriations for the next school year. Upon approval by the Finance Committee, a preliminary budget is then presented and discussed with the Board at one or more public budget workshops. The proposed budget is prepared by August 20th for the September 1 fiscal year start date. The Board president calls a board meeting for the purpose of discussing and adopting the budget and the tax rate. A notice of this meeting is required to be published at least 10 days, but not more than 30 days before the public meeting. The budget is adopted prior to August 31st for a September 1 fiscal year start date.

Internal Controls

Management of the District is responsible for establishing and maintaining an internal control structure. In addition, management is to ensure that the District's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements are in conformity with generally accepted accounting principles.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefits likely to be derived.
- The valuation of costs and benefits requires estimates and judgments by Management.

As a recipient of state and federal financial assistance, the District's internal control structure is designed to ensure District compliance with applicable laws and regulations related to this assistance. This internal control structure is subject to periodic evaluation by Management and independent auditors.

The District's internal control structure includes budgetary, as well as accounting controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official budget for the *general fund* and the *debt service fund*. In accordance with procedures prescribed by the State Board of Education, the Board must approve budget amendments that affect the total amount in a fund or functional spending category prior to the expenditure of the funds. The functional level is specified by the Board policy as the legal level of budgetary control. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are a reserve of fund balance and are treated as expenditures in the subsequent year upon receipt of the goods or services.

Factors Affecting Financial Condition

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

Introduction. The District is located in the Park Cities community, north central Dallas County, approximately three miles north of downtown Dallas. The Park Cities community is considered one of the finest communities in which to live in Dallas County because of the outstanding public schools, distinguished homes and excellent public service departments. In addition, the Park Cities community is one of the wealthiest communities in Texas.

Population. The North Central Texas Council of Governments estimates the population in Dallas County at 2,619,040 for 2021. The estimated population for the Park Cities is 32,030.

Local economy. Dallas has established a national reputation as an economic force. The economic stability of the Park Cities provides a solid tax base for the District. The largest employers in the Park Cities are Southern Methodist University, the District, and the municipalities. In the Dallas Area, major employers include Walmart, Texas Health Resources, American Airlines, Lockheed Martin Aeronautics Co, Dallas Independent School District, Baylor Scott & White Health, and UT Southwestern Medical Center.

There are many other major employers in Dallas County providing products or services in the industries of telecommunications, retail, health services, financial services, military aircraft design, restaurants, and many other areas. The diverse economy and highly skilled work force contributes to the strengths of the Dallas Area.

The District's tax base has decreased two percent over the previous year. For tax year 2020, the Dallas County Appraisal District certified that, as of Aug 2020, the total market value of all real and business personal property, before qualified exemptions, was \$22,202,443,855. The taxable value for the same property was \$16,303,387,948. Residential property makes up 80 percent of the taxable value on the tax roll. The District is required to provide a \$25,000 homestead exemption for qualified homeowners. In addition to State required exemptions, the District offers the maximum local homestead exemption of twenty percent, thereby reducing the taxable value of the average home to approximately \$1,377,138.

Major Accomplishments and Initiatives

As reflected in the District's mission statement, activities of the District focus on learning opportunities for students. The following information reflects the degree of success that both the District and its students have accomplished in both academics, extra and co-curricular activities:

- Highland Park High School (HPHS) has received an astounding 123 state team titles in 99 years, including 12 UIL Lone Star Cups, most in UIL history.
- 14 HPHS seniors were named National Merit Semifinalists by the National Merit Scholarship Corporation.
- 35 students were named National Merit Commended Students and 14 were named National Hispanic Recognition Scholars, two were named National African American Recognition Scholars, and one was named a National Indigenous Recognition Scholar.
- HPHS students earned 498 Advanced Placement Scholar Awards, and 187 students were recognized as National AP Scholars.
- In 2021, HPHS students earned a composite score of 27.3 on the ACT exam, 7 points above the state average.
- HPHS students earned an average composite score of 1296 on the SAT exam, exceeding the state and national averages of 1003 and 1060, respectively.
- HPHS Academic Decathlon won its fifth state title in six years, and finished second in Division I at the United States Academic Decathlon 2021 National Competition.
- During the 2020-21 school year, HPHS won two UIL State Championships in team tennis and boys golf. HPHS athletes also won state medals in girls gymnastics, boys gymnastics, and boys golf.
- A HPHS student was nominated as Best Actor in the 2021 High School Musical Theater Awards for Shrek the Musical.
- The Highlander Band had five members selected to the TMEA All-State Band competition, and HPHS Singing Scots Choir had one student receive 2nd chair honors in the TMEA All-State Choir.
- The HPHS Wind Symphony and HPMS Honors Band were selected as National winners in the 2021 Mark of Excellence National Wind Band Honors Project.
- The graduating class of 2021 completed more than 60,000 hours of community service in four years.

District Facilities. Highland Park ISD voters approved a \$361.4 million bond issue in November 2015. Through the bond, the District constructed its first new elementary school since the 1940s, rebuilt Bradfield, Hyer and University Park Elementary Schools. In addition, the District completed major renovations at Armstrong Elementary, McCulloch Intermediate/Highland Park Middle School and Highland Park High School. The District relocated and rebuilt the Seay Tennis Center and built a new Multi-Use Facility with room for professional development training space. The District finished up remaining originally planned projects from the bond issue with the natatorium infill and High School renovation.

Construction on the new elementary school began in June 2016 and the school opened in August 2017. University Park Elementary School students and staff transitioned to the new campus during the rebuild of University Park Elementary School during the 2017-18 school year, and transitioned back to their newly rebuilt campus for the 2018-19 school year. Bradfield Elementary school students and staff transitioned back to their newly rebuilt campus for the 2019-20 school year. Hyer Elementary returned to their newly rebuilt campus for the 2020-21 school year. The new elementary school was named Michael M. Boone Elementary School and officially opened for the 2020-21 school year.

Component Unit. The Government-wide financial statements for the District include one component unit, the Highland Park Education Foundation. The entity is a separate 501(c)(3) entity that has the sole purpose of raising funds for the District. The component unit has its own Board of Trustees that is separate from the District's Board of Trustees. The financial information provided has been audited by a separate audit firm other than the Districts' but has provided their financial data to Weaver and Tidwell, LLP for review and inclusion into the District's financial statements.

Awards and Acknowledgments

GFOA Certificate of Achievement. The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Highland Park Independent School District for its comprehensive annual financial report for the fiscal year ended August 31, 2020. This was the 22nd consecutive year that the District has achieved this prestigious award. 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 satisfied both generally accepted accounting principles and applicable legal requirements.

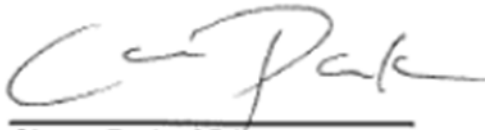
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence. The Association of School Business Officials (ASBO) awarded the Certificate of Excellence in Financial Reporting to the District for the fiscal year ended August 31, 2020. This was the 22nd consecutive year that the District has achieved this award. This award is for school districts whose comprehensive annual financial reports substantially conform to the recommended principles and standards of financial reporting adopted by that organization. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the ACFR for the fiscal year ended August 31, 2021, which will be submitted to ASBO for review, also conforms to their principles and standards.

FIRST (Financial Integrity Rating System of Texas). Highland Park Independent School District received a rating of "Above Standard" under Texas' Schools FIRST financial accountability rating system for fiscal performance during the 2019-2020 school year. The rating is the state's second highest, demonstrating the quality of the Highland Park ISD's financial management and reporting system.

Schools FIRST (Financial Integrity Rating System of Texas) is a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system. The accountability system was established in 2003.

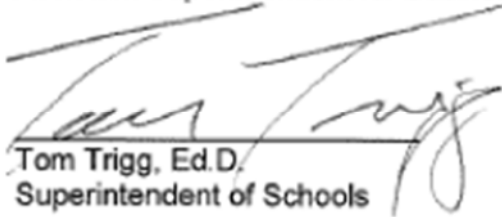
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Business Services Department. We want to express our appreciation to all members who assisted and contributed to the preparation of this report. We would also like to thank the members of the Board of Trustees for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.
Respectfully submitted,



Chase Park, CPA
Director of Finance



Mike White, RTSBA
Assistant Superintendent for Business Services



Tom Trigg, Ed.D.
Superintendent of Schools

Highland Park Independent School District

School Administration

Elected Officials

Board of Trustees

Tom Sharpe	President
Stacy Kelly	Vice-President
Jae Ellis	Secretary
Doug Woodward	TASB Delegate
Edward Herring	Finance Officer
Bryce Benson	Member
Maryjane Bonfield	Member

Appointed Officials

Superintendent of Schools

Dr. Tom Trigg

Assistant Superintendent for Business Services

Mike White

Assistant Superintendent for Education Services

Lisa Wilson

Highland Park Independent School District

Consultants and Advisors

Architects

Stantec Architecture Inc.
5717 Legacy Drive
Suite 250
Plano, Texas 75024

Auditors

Weaver and Tidwell, L.L.P.
2300 N. Field St.
Suite 1000
Dallas, Texas 75251

Bond Counsel

Bracewell & Giuliani
1445 Ross Avenue
Suite 3800
Dallas, Texas 75202-2724

Depository Bank

PlainsCapital Bank
8200 Douglas Avenue
Suite 200
Dallas, Texas 75225

Financial Advisors

RBC Capital Markets
200 Crescent Court
Suite 1500
Dallas, Texas 75201

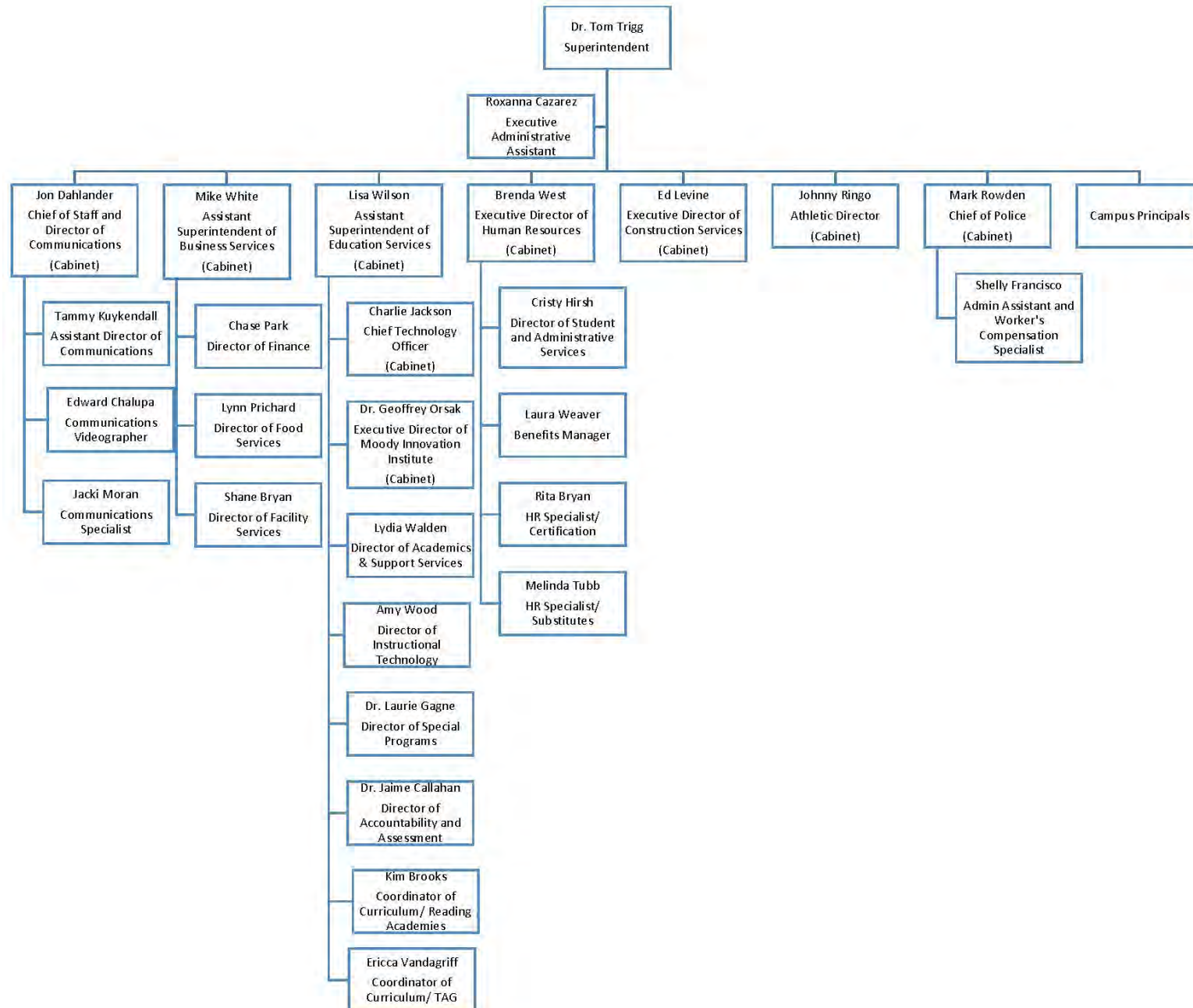
General Counsel

Thompson & Knight, L.L.P.
One Arts Plaza
1722 Routh Street
Suite 1500
Dallas, Texas 75201-2533

Fiscal Agent

The Bank of New York Mellon Trust Company, N.A.
600 North Pearl Street
Suite 420
Dallas, Texas 75201

Highland Park ISD Central Administration





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Highland Park Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2020

Christopher P. Morrell

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Highland Park Independent School District

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

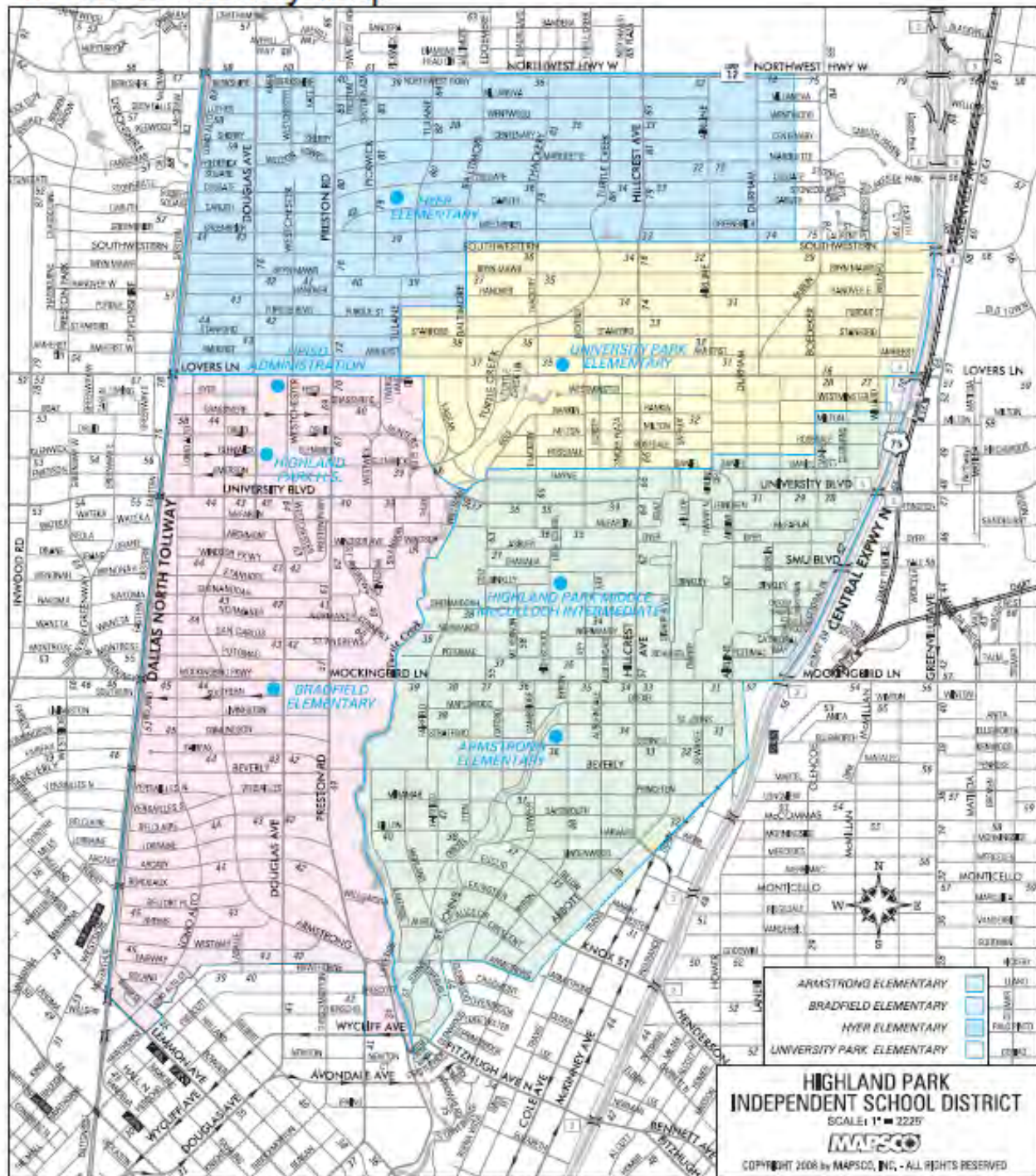
The district report meets the criteria established for
ASBO International's Certificate of Excellence.



W. Edward Chabal
President

David J. Lewis
Executive Director

HPISD Boundary Map



Administration Building
7015 Westchester
Dallas, Texas 75205
(214) 780-3030

Highland Park High School
4220 Emerson
Dallas, Texas 75205
(214) 780-3700

Highland Park Middle School
3555 Granada
Dallas, Texas 75205
(214) 780-3600

Arch H. McCulloch Intermediate School
3555 Granada
Dallas, Texas 75205
(214) 780-3500

John S. Armstrong Elementary School
3800 Canale
Dallas, Texas 75205
(214) 780-3100

John S. Bradfield Elementary School
4300 Southern
Dallas, Texas 75205
(214) 780-3200

Robert S. Hyer Elementary School
3820 Canale
Dallas, Texas 75205
(214) 780-3300

University Park Elementary School
3505 Amherst
Dallas, Texas 75225
(214) 780-3400

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Financial Section

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Independent Auditor's Report

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

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 Highland Park Independent School District (the District), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District'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 Highland Park I.S.D. Education Foundation, the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Highland Park I.S.D. Education Foundation, are 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 the Highland Park I.S.D. Education Foundation 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 District, as of August 31, 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 14 to the basic financial statements, during the year ended August 31, 2021, the District implemented Government Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. Beginning net position in the fiduciary funds and governmental activities and beginning fund balance in the nonmajor governmental funds has been restated as a result of the implementation of this statement. 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 (pages 7-14) and budgetary comparison information, schedules of the District's proportionate share of the net pension liability and the net OPEB liability, and schedules of District pension and OPEB contributions (pages 60-65), 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund statements and schedules, required Texas Education Agency schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The Board of Trustees
Highland Park Independent School District

The combining and individual fund statements and schedules, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 December 31, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
December 31, 2021

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Management's Discussion and Analysis

The business management team of Highland Park Independent School District has prepared this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2021. Readers are encouraged to review the information furnished in the letter of transmittal, found at the front of this report, as well as the District's financial statements, which follow this section.

Financial Highlights

- The net position of the District at the close of the fiscal year was \$93,241,666. The District's net position includes a deficit in unrestricted net position of \$16,756,601 which is primarily due to net pension and other post-employment benefits liabilities.
- As of the close of the fiscal year, the District's governmental funds reported combined ending fund balances of \$65,338,403. Of this amount, \$23,687,607 (approximately 36.3 percent) is unassigned; and therefore, is available for spending at the government's discretion.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$23,688,952, which approximated 13.7 percent of the total general fund expenditures.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the District's assets, liabilities and deferred inflows/outflows of resources, with the net of these amounts 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 District is improving or deteriorating.

The statement of activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The business-type activities of the District include a community education program and a community tennis center. The government-wide financial statements can be found at Exhibits A-1 and B-1.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds not the District as a whole.

Some funds are required by State law and/or bond covenants. Other funds may be established by the District to control and manage money for particular purposes or to evidence appropriate use of certain taxes, grants and other special revenues.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus on governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's short-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. These reconciliations facilitate the comparison between governmental funds and governmental activities.

The District maintained 23 governmental funds in fiscal year 2020-2021. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, capital projects fund and debt service fund, which are considered to be the District's major funds. Financial data from the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements found elsewhere in this report. The District adopts an annual appropriated budget for its general fund and debt service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found at Exhibit C-1 and C-3.

Proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As mentioned above in the government-wide definition, the District has two business-type activities or enterprise funds. The second type of proprietary fund is the internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses the internal service fund to report activities for its self-funded insurance program. The basic proprietary fund financial statements are at Exhibits D-1, D-2 and D-3 in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets are at Exhibits E-1 and E-2 in this report.

Notes to the financial statements. The notes provide additional information that is essential to having a complete understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found at Exhibits F-1 through F-5 in this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual statements and schedules start at Exhibit G-1 in this report and continue through Exhibit G-9. A required TEA schedule is located at Exhibit H-1.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Exhibited below in Table I, is the District's net position summarized for both the governmental activities and the business-type activities. Exhibited in Table II, is the change in the District's net position.

Table I
District's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 82,469,254	\$ 104,081,064	\$ 1,919,364	\$ 2,083,673	\$ 84,388,618	\$ 106,164,737
Capital assets	454,503,573	446,221,843	140,377	116,370	454,643,950	446,338,213
Total assets	536,972,827	550,302,907	2,059,741	2,200,043	539,032,568	552,502,950
Deferred outflows of resources	12,101,254	15,376,774	-	-	12,101,254	15,376,774
Current liabilities	15,266,562	23,581,891	39,401	50,936	15,305,963	23,632,827
Noncurrent liabilities	422,585,564	445,707,274	-	-	422,585,564	445,707,274
Total liabilities	437,852,126	469,289,165	39,401	50,936	437,891,527	469,340,101
Deferred inflows of resources	20,000,629	15,142,132	-	-	20,000,629	15,142,132
Net position						
Net investment in capital assets	95,193,907	88,357,589	140,377	116,370	95,334,284	88,473,959
Restricted	14,663,983	11,368,812	-	-	14,663,983	11,368,812
Unrestricted	(18,636,564)	(18,478,017)	1,879,963	2,032,737	(16,756,601)	(16,445,280)
Total net position	\$ 91,221,326	\$ 81,248,384	\$ 2,020,340	\$ 2,149,107	\$ 93,241,666	\$ 83,397,491

Government-Wide Activities. As of August 31, 2021, the sum of the District's assets and deferred outflows of resources exceeded its liabilities by \$93,241,666, an increase of \$9,741,955, exclusive of the \$102,220 cumulative effect of the change in accounting principle, from the previous year-end. The total cost of all government-wide activities for the fiscal year was \$204,335,864. Funding for these government-wide activities is from specific program revenues, property taxes, grants and contributions, and other general revenues. The following is a summary of the government-wide activities:

- The total cost of government-wide activities for fiscal year 2020-21 was \$204,335,864.
- Specific program revenues received in the amount of \$20,663,521 were used to offset the cost of activities.
- The remaining cost of government-wide activities not directly funded by program revenues was \$183,672,343.

Total District's investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment) less any outstanding debt used to acquire those assets is \$95,334,284. The District uses the capital assets within the governmental activities to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A small portion of the District's net position, \$14,663,983 (15.7 percent), represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$16,756,601 is not an indication that the District does not have significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are more than currently available resources.

Table II - Change in the District's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 4,011,825	\$ 4,173,069	\$ 2,268,114	\$ 1,352,248	\$ 6,279,939	\$ 5,525,317
Operating grants and contributions	14,294,183	15,595,912	-	-	14,294,183	15,595,912
Capital grants and contributions	89,399	212,521	-	-	89,399	212,521
General revenues:						
Property taxes	185,364,120	182,503,007	-	-	185,364,120	182,503,007
State aid - formula grants	6,586,190	5,423,045	-	-	6,586,190	5,423,045
Investment earnings	195,203	2,866,787	59	712	195,262	2,867,499
Misc. local and intermediate revenue	1,268,726	206,195	-	-	1,268,726	206,195
Total revenues	211,809,646	210,980,536	2,268,173	1,352,960	214,077,819	212,333,496
Expenses						
Instruction & instructional-related services	\$ 51,305,922	\$ 53,689,536	\$ -	\$ -	\$ 51,305,922	\$ 53,689,536
Instructional and School Leadership	6,285,311	6,580,052	-	-	6,285,311	6,580,052
Support services – student	10,718,288	10,537,496	-	-	10,718,288	10,537,496
Administrative support services	3,263,669	3,687,332	-	-	3,263,669	3,687,332
Support Services – nonstudent based	11,964,702	10,583,811	-	-	11,964,702	10,583,811
Debt service	13,277,557	13,960,179	-	-	13,277,557	13,960,179
Facilities acquisition and construction	34,366	42,865	-	-	34,366	42,865
Intergovernmental charges	105,489,109	101,149,320	-	-	105,489,109	101,149,320
Seay Tennis Center	-	-	1,615,763	657,600	1,615,763	657,600
Academy for Lifelong Learning	-	-	381,177	435,124	381,177	435,124
Total expenses	202,338,924	200,230,591	1,996,940	1,092,724	204,335,864	201,323,315
Change in net position before transfers	9,470,722	10,750,036	271,233	260,236	9,741,955	11,010,272
Transfers	400,000	400,000	(400,000)	(400,000)	-	-
Change in net position	9,870,722	11,150,036	(128,767)	(139,764)	9,741,955	11,010,272
Net position - beginning	81,248,384	70,098,348	2,149,107	2,288,871	83,397,491	72,387,219
Cumulative change in accounting principle	102,220	-	-	-	102,220	-
Net position, beginning, as restated	81,350,604	70,098,348	2,149,107	2,288,871	83,499,711	72,387,219
Net position - ending	\$ 91,221,326	\$ 81,248,384	\$ 2,020,340	\$ 2,149,107	\$ 93,241,666	\$ 83,397,491

Governmental Activities. For the 2020-21 fiscal year, net position from governmental activities, increased by \$9,870,722. The cost of governmental activities for the year was \$202,338,924. The amount paid by taxpayers for these activities through property taxes was \$185,364,120. However, of the total amount of property taxes collected, the District was required to send \$104,857,894 to the State as required under the recapture provisions of Chapter 41 in the Texas Education Code. This amount represents approximately 56.6 percent of all property tax revenue collected for operations and debt service combined. The District's Chapter 41 recapture payments to the State are shown on Exhibit B-1 of the financial statements under the expense line item "Contracted Instructional Services between Schools." When excluding Chapter 41 recaptured payments to the State, the cost of governmental activities for the District was \$97,481,030, a decrease of -1.6 percent from the previous year.

Business-Type Activities. Net position for business-type activities as of August 31, 2021 was \$2,020,340, a decrease from prior year of \$(128,767). Charges for services were \$2,268,114 for the year, an increase of \$915,866 ; total cost of operations for business-type activities were \$1,996,940, a \$904,216 increase. Both the Seay Tennis Center and the Academy for Life-long Learning were profitable for the year before transfers to the General Fund. The increases in business-type activities revenues and expenses were primarily due to a significant increase in Tennis Center activity in fiscal year 2021.

Financial Analysis of the District's Funds

As stated earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

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

As of August 31, 2021, the District's governmental funds reported combined ending fund balances of \$65,338,403, a decrease of \$13,271,440 from the previous year, exclusive of the \$102,220 cumulative effect of the change in accounting principle. Of the combined ending fund balances approximately 36.3 percent, or \$23,687,607 of this total amount constitutes unassigned fund balance. Table III illustrates the fund balances of the governmental funds.

Table III
Governmental Funds - Fund Balance as of August 31, 2021

	General Fund	Debt Service	Capital Projects	Non major Governmental Funds	Total Governmental Funds
Fund balances					
Nonspendable:					
Prepays	\$ 115,186	\$ -	\$ -	\$ -	\$ 115,186
Long-term receivables	940,000	-	-	-	940,000
Restricted for:					
Advanced placement initiatives	-	-	-	62,992	62,992
Grant awards	-	-	-	14,309	14,309
State funded special revenue	-	-	-	81,306	81,306
Debt service	-	10,822,286	-	-	10,822,286
Local special revenue	-	-	-	4,073,672	4,073,672
Capital expenditures	-	-	23,394,953	-	23,394,953
Committed for:					
Capital expenditures	-	-	25,828	-	25,828
Campus activities	-	-	-	2,120,264	2,120,264
Unassigned:	23,688,952	-	-	(1,345)	23,687,607
Total fund balance	\$ 24,744,138	\$ 10,822,286	\$ 23,420,781	\$ 6,351,198	\$ 65,338,403

At the end of the current fiscal year, the ending fund balance for the General Fund totaled \$24,744,138, of which \$23,688,952 was unassigned. The total fund balance represents 14.3 percent of total general fund expenditures. The fund balance increased by \$240,692 during the current fiscal year. The increase is the net effect of expenditures exceeding revenues by \$159,308 and transfers in of \$400,000.

Property taxes are the primary source of revenue for the General Fund, representing 88.85 percent of the total revenue for the fund. Property tax collections totaled \$153,355,551 for the current fiscal year, an increase of \$2,373,546 from the previous year which is primarily due to an increase in the taxable assessed value of property in the District. Total revenues for the General Fund equaled \$172,594,174.

Total General Fund expenditures for the year ended August 31, 2021 were \$172,753,482, an increase of \$5,347,826 from 2020. The increase in expenditures is primarily related to an increase of \$4.3M in Chapter 49 recapture expenditures and an increase of \$1.4M in plant maintenance and operations expenditures due to the February 2021 winter storm. The \$1.4M increase in expenditures for plant maintenance and operations was mostly offset by an insurance recovery revenue of \$1.3M for damages caused by the storm.

For the 2020-21 fiscal year, the Capital Projects Fund and Debt Service Fund are reported as major funds. This is reflected on Exhibits C-1 and C-3. Fund balance as of August 31, 2021, is \$23,420,781 for the Capital Projects Fund and \$10,822,286 for the Debt Service Fund. The Capital Projects Fund decreased by \$16,793,948 primarily due to current year spending of bond proceeds issued in prior years. The Debt Service Fund had revenues of \$31,511,475 for the 2020-21 year. Debt service expenditures were \$28,652,531 resulting in net revenues over expenditures in the amount of \$2,858,944.

The non-major governmental funds column is comprised 19 Special Revenue Funds and one capital projects fund. The significant funds are discussed below.

The District maintained 19 special revenue funds in the current fiscal year. The total ending fund balance for all special revenue funds combined was \$6,336,889, an increase of \$426,625 from the previous year, exclusive of the \$102,220 effect of a change in accounting principle. The campus activity fund and PTA gift fund are the two largest special revenue funds. Together the two funds represent \$5,608,776 (88.5 percent) of the total ending fund balance of all special revenue funds.

Proprietary funds. As mentioned earlier, the District's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position for the enterprise funds as of August 31, 2021, totaled \$2,020,340, a decrease of \$(128,767) from the previous year. Total income for the year was \$2,268,173, an increase of \$915,213 from last year. Expenditures for the year were \$1,996,940 which a \$904,216 increase over prior year. Detail schedules can be reviewed for each fund at Exhibits G-4, G-5 and G-6.

Total net position for the internal service fund as of August 31, 2021, totaled \$640,120, an increase of \$43,388 from the prior year. Workers' compensation costs exceeded revenues by this amount.

General Fund Budgetary Highlights

On February 1, 2017, the Texas Education Agency addressed a change in practice which impacted the calculation of recapture amounts owed under Chapter 41, Texas Education Code (TEC). Previously TEA only recognized 50 percent of the value loss due to the Local Optional Homestead Exemption (LOHE) for purposes of calculating recapture under Chapter 41 when there was an appropriation or surplus in the FSP. Starting with the 2016-17 school year (and state FY2017), TEA recognizes 50 percent of the value loss due to the LOHE for purposes of calculating recapture under Chapter 41, regardless of the existence of an appropriation or surplus in the FSP.

TEA recalculated recapture amounts owed for the 2016-17 school year (and state FY2017), which saved HPISD approximately \$3.1 million in recapture. This change was effective for only the 2016-17 school year (and state FY2017) and forward, but will not be applied retroactively for prior fiscal years.

In August 2021, the District amended its appropriations budget to \$173,273,590, an increase of \$3,701,373 over the original adopted budget. The most significant appropriations budget amendments were an increase in Recapture in the amount of \$500,000 and an increase in Plant Maintenance and Operations of \$600,000.

Capital Asset and Debt Administration

Capital assets. At August 31, 2021, the District had invested \$454,643,950 in a broad range of capital assets, including land, buildings and improvements, furniture and equipment and construction in progress. (See Table IV below).

Table IV
District's Capital Assets (in thousands)
(net of depreciation)

	Governmental Activities		Business-type Activities		Total Activities		Increase (Decrease) Percentage %
	2021	2020	2021	2020	2021	2020	
Land	\$ 70,497	\$ 70,493	\$ -	\$ -	\$ 70,497	\$ 70,493	0.0
Buildings and improvements	260,084	181,838	121	77	260,205	181,915	43.0
Furniture and equipment	1,961	2,002	19	39	1,980	2,041	(3.0)
Construction in progress	121,962	191,889	-	-	121,962	191,889	(36.4)
Totals at historical cost	\$ 454,504	\$ 446,222	\$ 140	\$ 116	\$ 454,644	\$ 446,338	1.9

During fiscal year, the District's capital assets balance increased by \$8,305,737 (net of depreciation). Additional information about the District's capital assets is presented in Note 5 of the financial statements.

Long-term Liabilities. As of August 31, 2021, the District had total bonded debt outstanding of \$385,290,075, a decrease of \$15,746,301 from the prior year. More detailed information about the District's long-term liabilities is presented in Note 8 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

The District experienced a 6 percent increase in certified taxable values for tax year 2021. The total appraised local taxable value for the 2021-22 budget year was certified by the Dallas Central Appraisal District at \$17,348,902,350, an increase of \$1,045,514,402 from the previous year. The District's weighted average daily attendance (WADA) use for the 2021-22 fiscal budget is 7,361.

The total tax rate for fiscal year 2021-22 is \$1.131 per \$100 of value, \$0.9610 for maintenance and operations (General Fund) and \$0.1700 for interest and sinking (Debt Service Fund). This is a decrease in rate of 1.8% when combining the General Fund and Debt Service tax rates. The Dallas County Tax Office certified adjusted tax collection for both the General Fund and Debt Service Fund at \$184,474,773, an increase of 4.6% over the previous year.

For the 2021-22 fiscal year, the District budgeted total revenues for the General Fund at \$170,453,467 of which \$159,317,144 will come from property tax collections, \$4,701,323 will come from State aid, and the remaining \$6,435,000 will come from other local resources. Parent Teacher Associations, Highland Park Education Foundation and the Highland Park Sports Club have committed \$3,363,000 to the District's General Fund Budget.

The 2020-21 General Fund ending balance is \$24,744,138 which is adequate to fund 4.2 months of General Fund operating expenditures when Chapter 41 Recapture is eliminated from the equation.

Debt Service Fund revenues are budgeted at \$28,800,000 for the 2021-22 fiscal year. Appropriations are budgeted at \$28,800,000, to include principal, interest, and fees payments towards the District's outstanding bonded debt. The Debt Service Fund ending fund balance is estimated at \$7,963,342.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances. In addition, it provides evidence of accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Administration Office, Business Services Department, Highland Park I.S.D., 7015 Westchester Drive, Dallas, Texas 75205.

Basic Financial Statements

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Highland Park Independent School District

Statement of Net Position

August 31, 2021

Exhibit A-1

Data Control Codes		1	2	3	Component Unit
		Primary Government			HPISD
		Governmental Activities	Business-type Activities	Total	Education Foundation
	ASSETS				
1110	Cash and cash equivalents	\$ 78,884,732	\$ 140,728	\$ 79,025,460	\$ 3,263,496
1120	Current investments	-	-	-	2,149,121
1220	Delinquent property taxes receivables	2,218,743	-	2,218,743	-
1230	Allowance for uncollectible taxes (credit)	(332,811)	-	(332,811)	-
1240	Due from other governments	1,295,862	-	1,295,862	-
1260	Internal balances	(1,778,636)	1,778,636	-	-
1290	Other receivables (net)	1,975,457	-	1,975,457	603,535
1410	Prepaid expenses	115,186	-	115,186	-
1490	Other current assets	-	-	-	4,479
	Capital assets:				
1510	Land	70,497,214	-	70,497,214	-
1520	Buildings and building improvements	360,419,302	506,008	360,925,310	-
1530	Furniture and equipment	19,894,443	201,456	20,095,899	-
1570	Accumulated depreciation	(118,269,023)	(567,087)	(118,836,110)	-
1580	Construction in progress	121,961,637	-	121,961,637	-
1810	Restricted cash and investments	-	-	-	40,744,311
1890	Restricted assets	90,721	-	90,721	-
1000	Total assets	536,972,827	2,059,741	539,032,568	46,764,942
	DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred refunding amount	2,585,456	-	2,585,456	-
1705	Deferred outflows of resources-pension	6,898,232	-	6,898,232	-
1706	Deferred outflows of resources - OPEB	2,617,566	-	2,617,566	-
1700	Total deferred outflows of resources	12,101,254	-	12,101,254	-
	LIABILITIES				
2110	Accounts payable	9,848,021	4,521	9,852,542	542,249
2140	Interest payable	661,762	-	661,762	-
2160	Accrued wages payable	2,797,506	-	2,797,506	-
2180	Due to other governments	166,224	-	166,224	-
2300	Unearned revenue	1,793,049	34,880	1,827,929	48,125
	Noncurrent liabilities:				
2501	Due within one year	13,775,000	-	13,775,000	-
2502	Due in more than one year	371,515,075	-	371,515,075	-
2540	Net pension liability	18,736,608	-	18,736,608	-
2545	Net OPEB liability	18,558,881	-	18,558,881	-
2000	Total liabilities	437,852,126	39,401	437,891,527	590,374
	DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows of resources- pension	4,532,262	-	4,532,262	-
2606	Deferred inflows of resources - OPEB	15,468,367	-	15,468,367	-
2600	Total deferred inflows of resources	20,000,629	-	20,000,629	-
	NET POSITION				
3200	Net investment in capital assets	95,193,907	140,377	95,334,284	-
	Restricted for:				
3820	State programs	158,607	-	158,607	-
3850	Debt service	10,431,704	-	10,431,704	-
3890	Donor stipulations	4,073,672	-	4,073,672	43,980,473
3900	Unrestricted net position	(18,636,564)	1,879,963	(16,756,601)	2,194,095
3000	Total net position	\$ 91,221,326	\$ 2,020,340	\$ 93,241,666	\$ 46,174,568

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Activities
For the Fiscal Year Ended August 31, 2021

Data Control Codes		1	Program Revenues	
			3	4
		Expenses	Charges for Services	Operating Grants and Contributions
GOVERNMENTAL ACTIVITIES				
11	Instruction	\$ 49,234,037	\$ 2,311,495	\$ 9,828,387
12	Instructional resources and media services	1,214,648	68,696	106,163
13	Curriculum and staff development	857,237	9,168	348,972
21	Instructional leadership	2,034,490	21,106	460,329
23	School leadership	4,250,821	74,946	279,799
31	Guidance, counseling, and evaluation services	3,987,551	63,191	218,982
33	Health services	743,786	11,109	43,478
34	Student transportation	477,473	-	-
35	Food service	1,921,463	33,326	1,635,106
36	Extracurricular activities	3,588,015	821,425	604,731
41	General administration	3,263,669	43,322	157,336
51	Plant maintenance and operations	8,702,418	531,824	237,842
52	Security and monitoring services	1,278,042	4,443	148,483
53	Data processing services	1,665,496	17,774	119,615
61	Community services	318,746	-	22,949
72	Interest on long-term debt	13,274,557	-	-
73	Debt Service - bond issuance costs and fees	3,000	-	-
81	Other facility costs	34,366	-	82,011
91	Contracted instructional services between schools	104,857,894	-	-
95	Juvenile and justice education programs	3,000	-	-
99	Other intergovernmental charge	628,215	-	-
[TG]	TOTAL GOVERNMENTAL ACTIVITIES	202,338,924	4,011,825	14,294,183
BUSINESS-TYPE ACTIVITIES				
01	Seay Tennis Center	1,615,763	1,902,224	-
02	Academy for Lifelong Learning	381,177	365,890	-
[TB]	TOTAL BUSINESS-TYPE ACTIVITIES	1,996,940	2,268,114	-
[TP]	TOTAL PRIMARY GOVERNMENT	\$ 204,335,864	\$ 6,279,939	\$ 14,294,183
COMPONENT UNIT				
03	Highland Park I.S.D. Education Foundation	\$ 3,709,092	\$ -	\$ 3,680,066

Data Control Codes	
General revenues and transfers	
Taxes	
MT	Property taxes, levied for general purposes
DT	Property taxes, levied for debt service
GC	Grants & contributions not restricted
IE	Investment earnings
MI	Miscellaneous local and intermediate revenue
FR	Transfers
TR	Total general revenues and transfers
CN	Change in net position
NB	Net position - beginning
PA	Cummulative effect of change in accounting principle
NB	Net position - beginning, as restated
NE	Net position-ending

The Notes to the Basic Financial Statements are an integral part of this statement.

Exhibit B-1

Program Revenues	Net (Expense) Revenue and Changes in Net Position			Component Unit
5	6	7	8	
Capital Grants and Contributions	Primary Government			HPISD Education Foundation
	Governmental Activities	Business-type Activities	Total	
\$ 24,126	\$ (37,070,029)	\$ -	\$ (37,070,029)	\$ -
-	(1,039,789)	-	(1,039,789)	-
-	(499,097)	-	(499,097)	-
-	(1,553,055)	-	(1,553,055)	-
-	(3,896,076)	-	(3,896,076)	-
-	(3,705,378)	-	(3,705,378)	-
-	(689,199)	-	(689,199)	-
-	(477,473)	-	(477,473)	-
-	(253,031)	-	(253,031)	-
-	(2,161,859)	-	(2,161,859)	-
-	(3,063,011)	-	(3,063,011)	-
-	(7,932,752)	-	(7,932,752)	-
-	(1,125,116)	-	(1,125,116)	-
-	(1,528,107)	-	(1,528,107)	-
-	(295,797)	-	(295,797)	-
-	(13,274,557)	-	(13,274,557)	-
-	(3,000)	-	(3,000)	-
65,273	112,918	-	112,918	-
-	(104,857,894)	-	(104,857,894)	-
-	(3,000)	-	(3,000)	-
-	(628,215)	-	(628,215)	-
89,399	(183,943,517)	-	(183,943,517)	-
-	-	286,461	286,461	-
-	-	(15,287)	(15,287)	-
-	-	271,174	271,174	-
\$ 89,399	(183,943,517)	271,174	(183,672,343)	-
\$ -	-	-	-	(29,026)
153,908,432	-	153,908,432	-	-
31,455,688	-	31,455,688	-	-
6,586,190	-	6,586,190	-	-
195,203	59	195,262	7,957,183	-
1,268,726	-	1,268,726	-	-
400,000	(400,000)	-	-	-
193,814,239	(399,941)	193,414,298	7,957,183	-
9,870,722	(128,767)	9,741,955	7,928,157	-
81,248,384	2,149,107	83,397,491	38,246,411	-
102,220	-	102,220	-	-
81,350,604	2,149,107	83,499,711	38,246,411	-
\$ 91,221,326	\$ 2,020,340	\$ 93,241,666	\$ 46,174,568	-

Highland Park Independent School District

Exhibit C-1

Balance Sheet Governmental Funds August 31, 2021

Data Control Codes		10 General Fund	50 Debt Service	60 Capital Projects	Non-major Governmental Funds	Total Governmental Funds
ASSETS						
1110	Cash and cash equivalents	\$ 36,489,017	\$ 10,575,053	\$ 27,403,989	\$ 3,755,110	\$ 78,223,169
1220	Property taxes-delinquent	1,899,707	319,036	-	-	2,218,743
1230	Allowance for uncollectible taxes (credit)	(284,956)	(47,855)	-	-	(332,811)
1240	Due from other governments	579,794	-	-	716,068	1,295,862
1260	Due from other funds	1,976,927	254,950	-	4,106,549	6,338,426
1290	Other receivables	1,872,359	210	-	43,326	1,915,895
1410	Prepaid expenditures	115,186	-	-	-	115,186
1890	Restricted assets	-	-	-	90,721	90,721
1000	Total assets	\$ 42,648,034	\$ 11,101,394	\$ 27,403,989	\$ 8,711,774	\$ 89,865,191
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
2110	Accounts payable	\$ 1,246,321	\$ -	\$ 3,982,343	\$ 260,194	\$ 5,488,858
2160	Accrued wages payable	2,711,883	-	-	85,623	2,797,506
2170	Due to other funds	11,227,245	3,575	865	1,163,535	12,395,220
2180	Due to other governments	119,083	4,353	-	42,788	166,224
2300	Unearned revenue	984,613	-	-	808,436	1,793,049
2000	Total liabilities	16,289,145	7,928	3,983,208	2,360,576	22,640,857
DEFERRED INFLOWS OF RESOURCES						
2601	Unavailable revenue	1,614,751	271,180	-	-	1,885,931
2600	Total deferred inflows of resources	1,614,751	271,180	-	-	1,885,931
FUND BALANCES						
Nonspendable:						
3430	Prepaid expenditures	115,186	-	-	-	115,186
3445	Long-term receivables	940,000	-	-	-	940,000
Restricted for:						
3450	Advanced Placement Initiatives	-	-	-	62,992	62,992
3450	Grant awards	-	-	-	14,309	14,309
3450	State funded special revenue	-	-	-	81,306	81,306
3480	Debt service	-	10,822,286	-	-	10,822,286
3490	Donor stipulations	-	-	-	4,073,672	4,073,672
3510	Capital expenditure	-	-	23,394,953	-	23,394,953
Committed for:						
3510	Capital expenditure	-	-	25,828	-	25,828
3545	Campus activities	-	-	-	2,120,264	2,120,264
3600	Unassigned	23,688,952	-	-	(1,345)	23,687,607
3000	Total fund balances	24,744,138	10,822,286	23,420,781	6,351,198	65,338,403
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 42,648,034	\$ 11,101,394	\$ 27,403,989	\$ 8,711,774	\$ 89,865,191

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
August 31, 2021

Exhibit C-2

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 65,338,403
1 The District uses internal services funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	640,120
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental fund financial statements.	572,772,596
3 Accumulated depreciation is not reported in the governmental fund financial statements.	(118,269,023)
4 Long-term debt is not reported in the governmental fund financial statements.	(385,290,075)
5 Property taxes and donations reported as deferred inflows in the governmental fund financial statements are recognized as revenue in the government-wide financial statements.	1,885,931
6 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.	(661,762)
7 The following pension-related items are not reported in the governmental funds financial statements: the District's proportionate share of the TRS net pension liability of (\$18,736,608), a deferred resource inflow of (\$4,532,262) and a deferred resource outflow of \$6,898,232. The net effect is a decrease of net position.	(16,370,638)
8 Deferred loss on refunding amount is reflected in the statement of net position of the government-wide financial statements, net of amortization; but, it is not reported in the governmental funds financial statements.	2,585,456
9 The following OPEB-related items are not reported in the governmental funds financial statements: the District's proportionate share of the TRS net OPEB liability of (\$18,558,881), a deferred resource inflow of (\$15,468,367) and a deferred resource outflow of \$2,617,566. The net effect is a decrease of net position.	(31,409,682)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 91,221,326

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Revenues, Expenditures, and Changes in
Fund Balance
Governmental Funds
For the Fiscal Year Ended August 31, 2021

Exhibit C-3

Data Control Codes		10 General Fund	50 Debt Service	60 Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
5700	Total local and intermediate sources	\$ 162,278,315	\$ 31,483,002	\$ 72,492	\$ 6,037,686	\$ 199,871,495
5800	State program revenues	10,250,586	28,473	-	458,187	10,737,246
5900	Federal program revenues	65,273	-	-	993,680	1,058,953
5020	Total revenues	172,594,174	31,511,475	72,492	7,489,553	211,667,694
EXPENDITURES						
Current						
0011	Instruction	38,402,112	-	-	4,578,697	42,980,809
0012	Instructional resources & media services	961,384	-	-	142,145	1,103,529
0013	Curriculum & instructional staff development	408,667	-	-	372,094	780,761
0021	Instructional leadership	1,397,231	-	-	375,223	1,772,454
0023	School leadership	3,530,527	-	-	57,878	3,588,405
0031	Guidance, counseling, and evaluation services	3,383,704	-	-	48,654	3,432,358
0033	Health services	644,718	-	-	3,224	647,942
0034	Student (pupil) transportation	-	-	-	477,473	477,473
0035	Food service	1,640,135	-	-	254,140	1,894,275
0036	Cocurricular/extracurricular activities	2,756,936	-	-	546,325	3,303,261
0041	General administration	2,874,444	-	-	5,984	2,880,428
0051	Plant maintenance and operations	8,380,431	-	-	1,699	8,382,130
0052	Security and monitoring services	1,255,425	-	-	1,289	1,256,714
0053	Data processing services	1,491,758	-	97,088	13,187	1,602,033
0061	Community services	117,823	-	-	-	117,823
DEBT SERVICE						
0071	Debt service - Principal on long-term debt	-	13,125,000	-	-	13,125,000
0072	Debt service - Interest on long-term debt	-	15,524,531	-	-	15,524,531
0073	Debt service - Bond issuance costs and fees	-	3,000	-	-	3,000
CAPITAL OUTLAY						
0081	Facilities acquisition and construction	19,078	-	16,769,352	188,669	16,977,099
INTERGOVERNMENTAL						
0091	Contracted instructional services between schools	104,857,894	-	-	-	104,857,894
0095	Juvenile and Justice Education Programs	3,000	-	-	-	3,000
0099	Other intergovernmental charges	628,215	-	-	-	628,215
6030	Total expenditures	172,753,482	28,652,531	16,866,440	7,066,681	225,339,134
1100	Excess (deficiency) of revenues over (under) expenditures	(159,308)	2,858,944	(16,793,948)	422,872	(13,671,440)
OTHER FINANCING SOURCES (USES)						
7915	Transfers in	400,000	-	-	-	400,000
7080	Total other financing sources and (uses)	400,000	-	-	-	400,000
1200	Net change in fund balances	240,692	2,858,944	(16,793,948)	422,872	(13,271,440)
0100	Fund balances - beginning	24,503,446	7,963,342	40,214,729	5,826,106	78,507,623
	Cumulative effect of change in accounting principle	-	-	-	102,220	102,220
3000	FUND BALANCES - ending	\$ 24,744,138	\$ 10,822,286	\$ 23,420,781	\$ 6,351,198	\$ 65,338,403

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District

Exhibit C-4

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities For the Fiscal Year Ended August 31, 2021

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS			\$ (13,271,440)
1 The District uses internal service funds to charge the costs of certain activities such as self-insurance to appropriate functions in other funds. The net loss of internal service funds is reported with government activities. The net effect of this consolidation is to decrease net position.			43,388
2 Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.			17,970,193
3 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.			(9,688,463)
4 The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of discounts, premiums, and deferred losses on refunding when debt is first issued; however the amounts are deferred and amortized in the government-wide financial statements. This amount represents the net effect of the following items:			
Repayments	\$	13,125,000	
Amortization of premium on bonds		2,621,301	
Amortization of deferred refunding amount		(397,762)	15,348,539
5 Current year changes in accrued interest payable do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.			26,435
6 Changes in pension liability, and related deferred inflows and outflows not recognized on the fund financial statements under the modified accrual bases are recognized on the accrual basis in the government-wide financial statements. The net effect of pension liability, deferred inflows, and outflows are as follows:			
Changes in pension liability		1,799,629	
Changes in pension deferred inflows		(562,975)	
Changes in pension deferred outflows		(2,456,626)	(1,219,972)
7 The net change in net OPEB liability, deferred outflows and deferred inflows is reported in the statement of activities, but does not require the use of current financial resources and, therefore, is not reported as revenue or expenditures in the governmental funds. The net change consists of the following:			
Changes in net OPEB liability		5,575,780	
Changes in OPEB deferred inflows		(4,295,522)	
Changes in OPEB deferred outflows		(421,132)	859,126
8 Revenue from property taxes and donations is deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide statements.			(197,084)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			\$ 9,870,722

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District**Exhibit D-1**

Statement of Net Position

Proprietary Funds

August 31, 2021

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS		
Current assets		
Cash and cash equivalents	\$ 140,728	\$ 661,563
Due from other funds	2,589,041	12,368
Total current assets	2,729,769	673,931
NON CURRENT ASSETS		
Capital assets		
Buildings and improvements	506,008	-
Accumulated depreciation on buildings and improvements	(385,121)	-
Furniture and equipment	201,456	-
Accumulated depreciation on furniture and equipment	(181,966)	-
Total noncurrent assets	140,377	-
Total assets	2,870,146	673,931
LIABILITIES		
Current liabilities		
Accounts payable	4,521	33,811
Due to other funds	810,405	-
Unearned revenue	34,880	-
Total liabilities	849,806	33,811
NET POSITION		
Net investment in capital assets	140,377	-
Unrestricted	1,879,963	640,120
TOTAL NET POSITION	<u>\$ 2,020,340</u>	<u>\$ 640,120</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Revenues, Expenses, and Changes in
Fund Net Position
Proprietary Funds
For the Fiscal Year Ended August 31, 2021

Exhibit D-2

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Local and intermediate sources	\$ 2,268,114	\$ 50,887
Total operating revenues	2,268,114	50,887
OPERATING EXPENSES		
Payroll costs	1,702,923	-
Professional and contractual services	91,957	-
Supplies and materials	111,998	-
Depreciation expense	53,309	-
Other operating costs	36,753	8,136
Total operating expenses	1,996,940	8,136
Operating income (loss)	271,174	42,751
NONOPERATING REVENUES		
Earnings from temporary deposits and investments	59	637
Total nonoperating revenues	59	637
Income before transfers	271,233	43,388
TRANSFERS		
Transfers out	(400,000)	-
Total transfers	(400,000)	-
Change in net position	(128,767)	43,388
Total net position - beginning	2,149,107	596,732
TOTAL NET POSITION - ending	\$ 2,020,340	\$ 640,120

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended August 31, 2021

Exhibit D-3

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 2,507,565	\$ 50,887
Payments to employees for services	(1,751,233)	723,404
Payments to suppliers	(238,738)	(693,799)
Net cash provided by operating activities	517,594	80,492
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	59	637
Net cash provided by investing activities	59	637
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers out	(400,000)	-
Net cash used in non-capital financing activities	(400,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition or construction of capital assets	(77,316)	-
Net cash used in capital and related financing activities	(77,316)	-
Net increase in cash and cash equivalents	40,337	81,129
Cash and cash equivalents at the beginning of year	100,391	580,434
Cash and cash equivalents at the end of year	<u>\$ 140,728</u>	<u>\$ 661,563</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 271,174	\$ 42,751
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	53,309	-
Effect of increases and decreases in current assets and liabilities:		
Increase in interfund balances	204,646	723,404
Decrease in accounts payable	(46,340)	(685,663)
Increase in unearned revenue	34,805	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 517,594</u>	<u>\$ 80,492</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Fiduciary Net Position
Custodial Funds
August 31, 2021

Exhibit E-1

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 1,012,332
Other receivables	88,133
Due from other funds	4,326,202
Total assets	5,426,667
LIABILITIES	
Accounts payable	48,596
Due to other funds	60,412
Total liabilities	109,008
NET POSITION	
Restricted for other purposes	5,317,659
TOTAL NET POSITION	\$ 5,317,659

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended August 31, 2021

Exhibit E-2

	Custodial Funds
ADDITIONS	
Donations to support organizations	\$ 4,913,217
Support for student activities	97,662
Support for employee activities	18,404
Total additions	5,029,283
DEDUCTIONS	
Student activities	4,101,958
Employee activities	23,967
Total deductions	4,125,925
Change in net position	903,358
Net Position, beginning	-
Cumulative effect of change in accounting principle	4,414,301
Net position, beginning, restated	4,414,301
Net position, ending	\$ 5,317,659

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 1. Significant Accounting Policies

Highland Park Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the Board) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in Statement on Auditing Standards No. 69 of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the Resource Guide) and the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity

In defining the scope of the District for financial reporting purposes, the District conforms with the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB No. 61, *The Financial Reporting Entity: Omnibus*. This report includes the financial statements of the District's primary government, which covers all funds or organizations that are part of the District's legal entity.

Additionally, the District's reporting entity also includes the accounts of the Highland Park I.S.D. Education Foundation, (the Foundation) as a discretely presented component unit, a legally separate, tax exempt entity. The Foundation was organized to receive and distribute funds, property and gift of any kind exclusively for the benefit of Highland Park Independent School District, its students, and personnel in furtherance of the education objectives of the Foundation. Separate financial statements are issued by the Foundation and can be obtained from: Highland Park I.S.D. Education Foundation, 4201 Grassmere, Dallas, Texas 75205. Contributions from the Foundation to the District were approximately \$2,364,905 for the year ending August 31, 2021.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The governmental activities are supported by tax revenues and intergovernmental revenues. Business-type activities include operations that rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to/due from on the governmental fund balance sheet and proprietary fund statement of net position and as other financing sources and uses on the governmental fund statement of revenues, expenditures and changes in fund balance and on the proprietary fund statement of revenues, expenses, and changes in net position. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide statement of net position as internal balances and on the statement of activities as interfund transfers. Interfund services provided and used are not eliminated in the process of consolidation.

Highland Park Independent School District

Notes to the Basic Financial Statements

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is the accounting convention, which determines which assets and liabilities are included on the balance sheet of a fund type and whether a fund type's operating statement presents "financial flow" or capital maintenance information.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

Highland Park Independent School District

Notes to the Basic Financial Statements

The Proprietary Fund types and Fiduciary Fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

Fund Accounting

The District's accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is utilized to account for all revenues and expenditures except those required to be accounted for in another fund. Major sources include local property taxes, state funding under the minimum Foundation Program and interest earnings. Expenditures include all costs associated with the daily operations of the schools.

Debt Service Fund is utilized to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs arising from general obligation bonds.

Capital Projects Fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived from proceeds of general obligation bonds and interest earned on such monies and local sources committed for such purposes.

Additionally, the District reports the following fund types:

Nonmajor Governmental Funds

Special Revenue Funds are utilized to account for the proceeds of specific revenue sources that are legally restricted or committed for specified purposes.

Capital Projects Fund is utilized to account for the Moody Innovation STEAM Grant, a grant from the Moody Foundation to the District, which in 2021 consisted primarily of funding for construction of the Moody Advanced Professional Studies (MAPS) Center.

Proprietary Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed through user charges.

Seay Tennis Center is used to account for the operations of the tennis center that provides services to the residents of the District and to the District's athletic teams.

Academy for Lifelong Learning is used to account for the operations of the continuing education school that provides services to the residents of the District.

Internal Service Funds are used to account for the financing of goods or services by one department to another on a cost reimbursement basis.

Highland Park Independent School District

Notes to the Basic Financial Statements

Insurance Fund is used to account for the District's partially self-insured workers' compensation plan.

Fiduciary Funds

Custodial Funds are used to account for resources held for the others in a custodial capacity. The fund is used to account for the assets held by the District as an agent for student and other organizations. These funds were previously reported in an agency fund. This change resulted in reporting more detail of additions to and deductions from custodial funds that was reported for agency funds. See Note 14 for implementation of GASB Statement No. 84, Fiduciary Funds.

Budgets and Budgetary Accounting

The District facilitates budgeting and budgetary control by preparing annual budgets for the General Fund and Debt Service Fund and appropriately amending the budgets as circumstances dictate; the annual budgets as amended are an integral part of the accounting system, providing appropriate budgetary control over revenues, expenditures and transfers through comparison of actual data and encumbrances to budgetary data.

The Superintendent of Schools is designated as the budget officer of the District and is responsible for preparing, or causing to be prepared, a budget for the next succeeding fiscal year.

The budget is required to be prepared no later than August 20 at a meeting of the Board of Trustees called for the purpose of adopting such budget after ten days public notice of the meeting has been given.

The administration performs semi-annual budget reviews by which budget requirements are re-evaluated and revisions recommended to the Board of Trustees. The Board of Trustees may approve amendments to the budget, which are required when a change is made to any one of the functional expenditure categories or revenue object accounts defined by the Texas Education Agency. Such amendments must be reflected in the official minutes of the Board, and may not, by law, occur after August 31. Therefore, the legal level of budgetary control is at the function level within each budgeted fund. Management may transfer appropriations between objects, sub-objects, organizations, programs, and projects without approval from the Board of Trustees, as long as appropriations are not increased at the function level.

The Texas Education Agency (TEA) requires the budgets to be filed with the Texas Education Agency through regular submissions to the Public Education Information Management System (PEIMS). The budget should not be exceeded in any functional expenditure category under TEA requirements. The final amended versions of these budgets are used in this report.

Unused appropriations lapse at the end of each fiscal year; however, the District increases the subsequent year appropriations by an amount equal to outstanding encumbrances. Supplemental appropriations were not significant to the original adopted budget for the fiscal year ended August 31, 2021.

Budgets for the General and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Investments

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Highland Park Independent School District

Notes to the Basic Financial Statements

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid expenditures are accounted for under the consumption method.

Local Tax Revenues and Receivables

Ad valorem taxes are levied from valuations assessed as of January 1 and are recognized as revenue beginning on the date of levy, October 1, when they become available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within sixty days of the fiscal year end are recorded as deferred revenues and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as deferred revenues and recognized as revenue of the period to which they apply.

Current taxes are due on October 1 and become delinquent if unpaid on February 1. Pursuant to Subtitle E of the Texas Property Tax Code, penalties and interest on unpaid taxes are calculated at the rate of 1% per month of delinquency. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed.

Allowance for Uncollectible Taxes

An allowance for uncollectible taxes is provided based upon an analysis of historical trends.

Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing-off real property taxes without specific authority from the Texas legislature.

The District expects to receive all significant receivables within one year of August 31, 2021.

Capital Assets

Capital assets which include land, buildings, furniture 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 District as assets with an initial, individual cost of more than \$5,000 and an estimated life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed.

Buildings, furniture, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

	Years
Buildings	10 - 40
Building improvements	10 - 20
Vehicles	5 - 11
Office equipment	5 - 7
Computer equipment	5 - 7

Compensated Absences

This District does not compensate its employees for unused leave; therefore no accrual for compensated absences is required.

Highland Park Independent School District

Notes to the Basic Financial Statements

Long-Term Debt

In the government-wide financial statements bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, in the period the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the government-wide statement of net position and governmental fund balance sheet report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to deferred losses on debt refunding transactions, which are reported as deferred outflows of resources, the District reports certain deferred inflows and outflows related to pensions and OPEB on the government-wide statement of net position. At the governmental fund level, earned but unavailable tax revenue and donations are reported as a deferred inflows of resources.

Governmental Fund Financial Statements

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The 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 funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

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

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

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

Highland Park Independent School District

Notes to the Basic Financial Statements

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees. This classification includes campus activity funds, and various other construction funds.

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. According to District policy, fund balance can be assigned by the Superintendent or the Superintendent's designee.

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

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Pension

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Debt Service

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. The full amount estimated to be required for general obligation bond retirement is provided by the debt service tax together with interest earned within the Debt Service Fund.

Accounting Estimates

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

Highland Park Independent School District

Notes to the Basic Financial Statements

The amount of state foundation revenue a school district earns for a year may vary until the time when final values for all factors in the state and formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate for the year ended August 31, 2021 will change.

Cash Flow Presentation

For the purpose of presenting the statement of cash flows, the District considers all highly liquid investments with an original maturity or initial maturity of less than three months to be cash equivalents.

Interfund Transactions

During the course of normal operations, it is necessary for the District to enter into transactions among its various funds. These transactions consist of one or more of the following types:

- Reimbursements to a fund, which are generally reflected through the allocation of pooled cash accounts, for expenditures or expenses initially made from it that are properly applicable to another fund. All interfund receivable / payable balances at August 31, 2021 were the result of these types of reimbursements and are expected to be repaid within one year.
- Transfers in and out, as appropriate, which are shown as other financing sources or uses in the fund financial statements.
- All other outstanding balances between funds are reported as “due to/from other funds” in the fund financial statements.

Account Code Reporting

The Data Control Codes refer to the account code structure prescribed by TEA in the Financial Accountability Resource Guide. The Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide data base for policy development and funding plans.

Note 2. Cash and Investments

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At August 31, 2021, the carrying amount of the District's deposits (cash and interest-bearing savings accounts included in temporary investments) was \$3,871,118 and bank balance was \$5,158,118. The District's cash deposits at August 31, 2021 and during the year then ended were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

At August 31, 2021, the carrying amount of the Foundation's deposits was \$3,263,496, which was partially covered by FDIC insurance. The Foundation places its cash and cash equivalents with high credit quality financial institutions to minimize risk, and the Foundation has not experienced losses on such assets. At August 31, 2021, the Foundation had uninsured bank balances totaling \$2,177,296.

Highland Park Independent School District

Notes to the Basic Financial Statements

The following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Depository: Plains Capital Bank
2. The market value of securities pledged as of the date of the highest combined balance on deposit was \$18,462,346.
3. The highest combined balances of cash, savings, and time deposit accounts amounted to \$8,032,228 on August 12, 2021.

Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes and the District's investment policy authorized the District to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	1 year	None	None
U.S. Agency Securities	1 year	None	None
State of Texas securities	1 year	None	None
Certificates of deposit	1 year	None	None
Money market	-	None	None
Fully collateralized repurchase agreements	-	None	None
Repurchase agreements	90 days	15%	None
Mutual funds	-	15%	None
Investment pools	-	None	None
Guaranteed investment contracts	1 year	None	None
Commercial paper	270 days	None	None

The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Highland Park Independent School District

Notes to the Basic Financial Statements

Cash and investments as of August 31, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position

Primary government

Cash and cash equivalents	\$	79,025,460
Restricted assets		90,721

Fiduciary funds

Cash and cash equivalents		1,012,332

Total cash and investments	\$	80,128,513

Cash and investments as of August 31, 2021 consist of the following:

Cash on hand	\$	29,175
Deposits with financial institutions		3,871,118
Investments		76,228,220

Total cash and investments	\$	80,128,513

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. By policy the District shall use final and weighted-average maturity limits and diversification to reduce exposure to changes in interest rates. One of the ways that the District manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days thus reducing the interest rate risk. The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

As of August 31, 2021, the District had the following investments:

Investment Type	Amount	Average Maturity	Legal Rating	of Year End
Lone Star Investment Pool	\$ 76,228,220	24 days	N/A	AAA
Common stock - Exxon	-	N/A	N/A	AA+
Total investments	\$ 76,228,220			

As of August 31, 2021 the District did not invest in any securities which are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The table in the previous section lists the minimum rating required by (where applicable) the Public Funds Investment Act, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Highland Park Independent School District

Notes to the Basic Financial Statements

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of August 31, 2021, other than external investment pools and the flexible repurchase agreement, the District did not have 5% or more of its investments with one issuer.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

As of August 31, 2021 the District deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Highland Park Independent School District

Notes to the Basic Financial Statements

The District has recurring fair value measurements as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

	Fair Value at August 31, 2021	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Days)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Investments not subject to fair value						
Investment Pools						
Lone Star	\$ 76,228,220	\$ -	\$ -	\$ -	100.00%	24
Investments by fair value level						
Marketable equity securities						
Common stock	-	-	-	-	0.00%	N/A
Total value	\$ 76,228,220	\$ -	\$ -	\$ -		

The Lone Star Investment Pool (the Pool) is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is governed by an 11 member Board of Trustees, consisting of individuals representing entities participating in the Pool. The fair value of the District's position in the Pool is the same as the value of the Pool shares.

Fair value of marketable equity securities reported as level 1 is determined by reference to quoted market prices for investments listed on an exchange or over-the-counter market. These securities were donated to the District and are held in a trustee capacity as part of the Gage Trust Fund.

Highland Park I.S.D. Education Foundation

The Foundation records financial instruments at estimated fair value. Fair value accounting defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities as of the reporting date;

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices in active markets for similar assets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets;

Level 3 – Unobservable inputs that are supported by little or no market activity and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Highland Park Independent School District

Notes to the Basic Financial Statements

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate Bonds: The investment grade bonds held by the Foundation generally do not trade in active market on the measurement date. Therefore, bonds are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market quotations (where observable), bond spreads, and fundamental data relating to the issuer.

The following table sets forth the Foundation's investments at fair value at August 31, 2021:

	Level 1	Level 2	Level 3	Total
Investments at fair value				
Common stock	\$ 31,871,267	\$ -	\$ -	\$ 31,871,267
Corporate bonds	-	11,022,165	-	11,022,165
	<u>\$ 31,871,267</u>	<u>\$ 11,022,165</u>	<u>\$ -</u>	<u>\$ 42,893,432</u>

For the year ended August 31, 2021, net investment earnings, including earnings from cash equivalents, were as follows:

Interest and dividends	\$ 2,680,989
Unrealized gain	5,463,115
Realized gain	(44,271)
Investment expenses	<u>(142,650)</u>
	<u>\$ 7,957,183</u>

Note 3. Receivables

Due from Other Governments: The District participates in a variety of state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from state governments as of August 31, 2021 are as follows:

Fund	Due from State
General	\$ 579,794
Non-major governmental	
IDEA-B Formula	700,618
IDEA-B Preschool	<u>15,450</u>
Total Non-major	<u>716,068</u>
Total	<u><u>\$ 1,295,862</u></u>

Highland Park Independent School District

Notes to the Basic Financial Statements

Other Receivables: As of August 31, 2021 other receivables consisted of the following:

	General Fund	Debt Service	Non-Major Funds	Total
Long-term loan	\$ 940,000	\$ -	\$ -	\$ 940,000
Miscellaneous	932,359	210	43,326	975,895
	<u>\$ 1,872,359</u>	<u>\$ 210</u>	<u>\$ 43,326</u>	<u>\$ 1,915,895</u>

The long-term loan consists of a zero-interest loan to the District Superintendent. Under terms of the agreement, the loan balance is not expected to be collected within the next year and, therefore, an equal amount of fund balance has been reported as nonspendable.

Note 4. Interfund Receivables/Payables

Schedule of Interfund receivables and payables at August 31, 2021, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Non-Major Funds	\$ 1,126,013	Operational
General Fund	Enterprise	806,138	Operational
General Fund	Custodial Funds	41,201 ⁽²⁾	Operational
General Fund	Debt Service Fund	3,575	Operational
Non-Major Funds	Non-Major Funds	19,752	Operational
Non-Major Funds	Custodial Funds	18,361 ⁽²⁾	Operational
Non-Major Funds	General Fund	4,068,436	Operational
Enterprise	General Fund	2,589,041	Operational
Internal Service Fund	General Fund	596	Operational
Internal Service Fund	Non-Major Funds	6,640	Operational
Internal Service Fund	Capital Projects Fund	865	Operational
Internal Service Fund	Enterprise	4,267	Operational
Custodial Funds	General Fund	4,314,222 ⁽¹⁾	Operational
Custodial Funds	Non-Major Funds	11,130 ⁽¹⁾	Operational
Custodial Funds	Custodial Funds	850 ⁽²⁾	Operational
Debt Service Fund	General Fund	254,950	Operational
		<u>\$ 13,266,037</u>	

⁽¹⁾ Reclassified to accounts payable in the Government-wide Statement of Net Position

⁽²⁾ Reclassified to other receivables in the Government-wide Statement of Net Position

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 5. Capital Asset Activity

Capital asset activity for the District for the year ended August 31, 2021, was as follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental activities				
Capital assets, not depreciated				
Land	\$ 70,492,714	\$ 4,500	\$ -	\$ 70,497,214
Construction in progress	191,889,120	14,811,650	(84,739,133)	121,961,637
Total capital assets not depreciated	262,381,834	14,816,150	(84,739,133)	192,458,851
Capital assets being depreciated				
Buildings and improvements	273,396,239	2,283,930	84,739,133	360,419,302
Furniture, equipment and other	19,024,330	870,113	-	19,894,443
Total capital assets being depreciated	292,420,569	3,154,043	84,739,133	380,313,745
Less accumulated depreciation for				
Buildings and improvements	(91,558,534)	(8,777,064)	-	(100,335,598)
Furniture, equipment and other	(17,022,026)	(911,399)	-	(17,933,425)
Total accumulated depreciation	(108,580,560)	(9,688,463)	-	(118,269,023)
Total capital assets, being depreciated, net	183,840,009	(6,534,420)	84,739,133	262,044,722
Governmental activities capital assets, net	\$ 446,221,843	\$ 8,281,730	\$ -	\$ 454,503,573
Business-Type activities				
Capital assets, being depreciated				
Buildings and improvements	\$ 428,692	\$ 77,316	\$ -	\$ 506,008
Furniture and equipment	201,456	-	-	201,456
Total capital assets being depreciated	630,148	77,316	-	707,464
Less accumulated depreciation for				
Buildings and improvements	(351,303)	(33,818)	-	(385,121)
Furniture and equipment	(162,475)	(19,491)	-	(181,966)
Total accumulated depreciation	(513,778)	(53,309)	-	(567,087)
Total capital assets, being depreciated, net	116,370	24,007	-	140,377
Business-Type activities capital assets, net	\$ 116,370	\$ 24,007	\$ -	\$ 140,377

Highland Park Independent School District

Notes to the Basic Financial Statements

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 6,242,896
Instructional resources and media services	147,613
Curriculum and instructional staff development	63,535
Instructional leadership	244,435
School leadership	623,989
Guidance, counseling and evaluation services	520,909
Health services	89,451
Food services	251,235
Cocurricular/ Extracurricular activities	288,727
General administration	368,246
Plant maintenance and operations	474,455
Security and monitoring services	71,949
Data processing services	149,679
Community services	150,580
Facilities and acquisition	764
Total depreciation expense	\$ 9,688,463

The District has outstanding active construction commitments of \$3,211,488 as of August 31, 2021.

Note 6. Unearned Revenue / Deferred Inflows of Resources

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (*unearned revenue*). At the end of the current fiscal year, the various components of *unearned revenue* and *deferred inflows of resources* were as follows:

	General Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Deferred inflows of resources				
Net tax revenue	\$ 1,614,751	\$ 271,180	\$ -	\$ 1,885,931
Total	\$ 1,614,751	\$ 271,180	\$ -	\$ 1,885,931
Unearned revenue				
Student fees	\$ 359,584	\$ -	\$ 744,983	\$ 1,104,567
Athletic receipts	625,029	-	-	625,029
Donations	-	-	63,453	63,453
Total	\$ 984,613	\$ -	\$ 808,436	\$ 1,793,049

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 7. Risk Management

The District is exposed to various risk of loss related to torts, theft or damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Workers' Compensation

As of August 31, 2011, the District discontinued all of the self-funded medical plans. At that time, employees became eligible to purchase health insurance through TRS-Active Care which is the statewide health plan for public education employees established by the 77th Texas Legislature and is a fully insured plan administered by Aetna. Additionally, the District maintains a self-insured worker's compensation plan administered by the Texas Association of School Boards (TASB), under TASB Risk Management Fund Workers' Compensation Aggregate Deductible Program.

Self-insurance fund revenues and expenses are recognized on the accrual basis. Unpaid claims filed prior to August 31 and subsequently approved by the administrator of the plan are recorded as a liability.

	2021	2020
Workers' Compensation		
Claims payable, beginning of year	\$ 125,044	\$ 126,362
Claims incurred for and changes in estimates	27,483	48,526
Claim payments	(118,716)	(49,844)
Claims payable, end of year	\$ 33,811	\$ 125,044

End-of-year claims payable for Workers' Compensation includes an estimate of incurred but unreported claims reserve loss. This liability is based on requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability has been incurred as of the date of the financial statements and the amount of loss can be reasonably estimated.

Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. The liability booked was the discounted actuarial estimate at the mean funding level. The District does not provide any post-retirement health benefits to its employees.

Medicare Part-D

The Medicare Prescription Drug, Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retirement Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2021, 2020, and 2019, these on-behalf payments were \$218,080, \$196,927 and \$174,165, respectively, and were recorded as equal revenues and expenditures in the General Fund.

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 8. Changes in Long-Term Liabilities

A summary of changes in general long-term debt follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 363,035,000	\$ -	\$ (13,125,000)	\$ 349,910,000	\$ 13,775,000
Premium on bonds	38,001,376	-	(2,621,301)	35,380,075	-
Total bonded debt	401,036,376	-	(15,746,301)	385,290,075	13,775,000
Net pension liability	20,536,237	-	(1,799,629)	18,736,608	-
Net OPEB liability	24,134,661	-	(5,575,780)	18,558,881	-
Total governmental activities					
Long-term liabilities	\$ 445,707,274	\$ -	\$ (23,121,710)	\$ 422,585,564	\$ 13,775,000

The General Fund has typically been used to liquidate the liabilities for net pension and OPEB.

Note 9. Bonds Payable

General long-term debt of the District consists of Unlimited Tax School Building Bonds payable. Debt service requirements are payable solely from future revenues of the Debt Service Fund which consist principally of property taxes collected by the District and investment income.

General obligation bonds payable at August 31, 2021, are summarized as follows:

Description	Interest Rate Payable	Final Maturity	Amounts Original Issue	Payable Amounts Outstanding September 1, 2020	Issued	Retired	Outstanding August 31, 2021
Unlimited Tax Refunding Bonds, Series 2015	2.00% to 5.00%	2028	51,945,000	44,405,000	-	4,745,000	39,660,000
Unlimited Tax Building Bonds, Series 2016	3.00% to 5.00%	2036	206,660,000	197,610,000	-	5,680,000	191,930,000
Unlimited Tax Building Bonds, Series 2018	3.25% to 5.25%	2039	122,050,000	117,990,000	-	2,365,000	115,625,000
Unlimited Tax Refunding Bonds, Series 2019	3.00% to 4.00%	2039	3,355,000	3,030,000	-	335,000	2,695,000
Total				\$ 363,035,000	\$ -	\$ 13,125,000	\$ 349,910,000

Highland Park Independent School District

Notes to the Basic Financial Statements

Debt service requirements are as follows:

Years Ended August 31,	General Obligations		Total Requirements
	Principal	Interest	
2022	\$ 13,775,000	\$ 14,876,475	\$ 28,651,475
2023	14,480,000	14,168,913	28,648,913
2024	15,200,000	13,450,906	28,650,906
2025	15,930,000	12,724,631	28,654,631
2026	16,715,000	11,933,100	28,648,100
2027-2031	95,650,000	47,706,796	143,356,796
2032-2036	117,395,000	26,023,420	143,418,420
2037-2039	60,765,000	4,658,375	65,423,375
	<u>\$ 349,910,000</u>	<u>\$ 145,542,616</u>	<u>\$ 495,452,616</u>

Note 10. Local, Intermediate and Out-of-State Revenues

During the current year, revenues from local and intermediate sources in the fund level financial statements consisted of the following:

	General Fund	Debt Service Fund	Capital Projects Funds	Non-Major Special Revenue Funds	Total Governmental Funds
Property taxes	\$ 153,355,551	\$ 31,335,133	\$ -	\$ -	\$ 184,690,684
Penalties and interest	728,623	141,897	-	-	870,520
Tuition and fees	778,858	-	-	491,581	1,270,439
Investment earnings	85,433	5,972	72,492	30,668	194,565
Rent	475,171	-	-	-	475,171
Parking garage fees	540,272	-	-	-	540,272
Gifts	4,477,317	-	-	4,364,890	8,842,207
Athletic activities	243,410	-	-	-	243,410
Co-curricular activities	-	-	-	1,150,547	1,150,547
Other	1,593,680	-	-	-	1,593,680
Total	<u>\$ 162,278,315</u>	<u>\$ 31,483,002</u>	<u>\$ 72,492</u>	<u>\$ 6,037,686</u>	<u>\$ 199,871,495</u>

Note 11. Employees' Retirement Plan

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

Highland Park Independent School District

Notes to the Basic Financial Statements

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.texas.gov/TRS%20Documents/acfr-2021.pdf>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years.

Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

Employee contribution rates are set in state statute, Texas Government Code 825.402. Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Rates for such plan fiscal years and the contribution amounts for the District's fiscal year 2021 are as follows:

	Contribution Rates	
	2021	2020
Member	7.7%	7.7%
Non-employer contributing entity (State)	7.5%	7.5%
Employers	7.5%	7.5%
2021 employer contributions	\$ 1,455,954	
2021 member contributions	1,307,305	
2021 NECE on-behalf contributions	2,675,872	

Highland Park Independent School District

Notes to the Basic Financial Statements

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal, private, local or non-educational and general funds.
- When employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50 percent of the state contribution rate for certain instructional or administrative employees and 100 percent of the state contribution rate for all other employees.

In addition to the employer contributions listed above there are two surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.5% of the member's salary beginning in September 1, 2019, gradually increasing to 2.0% on September 1, 2024.

Actuarial Assumptions

The total pension liability in the August 31, 2019 actuarial valuation rolled forward to August 31, 2020 was determined using the following actuarial assumptions:

Valuation date	August 31, 2019 rolled forward to August 31, 2020
Actuarial cost method	Individual entry age normal
Asset valuation method	Market Value
Single discount rate	7.25%
Long-term expected investment rate of return	7.25%
Municipal Bond Rate as of August 2020	2.33%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in	
Projection Period (100 years)	2119
Inflation	2.30%
Salary increases, including inflation	3.05% to 9.05% including inflation
Benefit changes during the year	None
Ad-hoc post-employment benefit changes	None

Highland Park Independent School District

Notes to the Basic Financial Statements

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ending August 31, 2017 and adopted in July 2018.

Discount Rate and Long-Term Expected Rate of Return

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimates 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. Best estimates of geometric real rates of return for each major asset class included in TRS's target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation*	Long-term Expected Portfolio Real Rate of Return**	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.00%	3.90%	0.99%
Non - U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
Stable Value			
U.S. Treasuries	16.00%	-0.70%	-0.05%
Absolute Return	-	1.80%	-
Stable Value Hedge Funds	5.00%	1.90%	0.11%
Real Return			
Real Assets	15.00%	4.60%	1.02%
Energy and Natural Resources	6.00%	6.00%	0.42%
Commodities	-	0.80%	-
Risk Parity			
Risk Parity	8.00%	3.00%	0.30%
Asset Allocation Leverage			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility drag***			-0.67%
Total	100%		7.33%

* Target allocations are based on the FY2020 policy model

** Capital market assumptions come from Aon Hewitt (as of 8/31/2020)

*** The volatility drag results from the conversion between arithmetic and geometric mean returns.

Highland Park Independent School District

Notes to the Basic Financial Statements

Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease in Discount Rate 6.25%	Discount Rate 7.25%	1% Increase in Discount Rate 8.25%
District's proportionate share of the net pension liability	\$ 28,891,514	\$ 18,736,608	\$ 10,485,969

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

At August 31, 2021, the District reported a liability of \$18,736,608 for its proportionate share of the TRS's net pension liability. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

District's proportionate share of the collective net pension liability	\$ 18,736,608
State's proportionate share that is associated with District	34,734,255
Total	<u>\$ 53,470,863</u>

The net pension liability was measured as of August 31, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2019 rolled forward to August 31, 2020. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At the measurement date of August 31, 2020, the employer's proportion of the collective net pension liability was 0.03498379650% which was a decrease of 0.0045218% from its proportion measured as of August 31, 2019.

For the fiscal year ended August 31, 2021, the District recognized pension expense and revenue of \$173,165 for support provided by the State.

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 34,212	\$ 522,889
Changes in actuarial assumptions	4,347,560	1,848,552
Difference between projected and actual investment earnings	379,307	-
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	681,199	2,160,821
Contributions paid to TRS subsequent to the measurement date	1,455,954	-
Total	<u>\$ 6,898,232</u>	<u>\$ 4,532,262</u>

Highland Park Independent School District

Notes to the Basic Financial Statements

\$1,455,954 reported as a deferred outflow of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2022.

The other amounts of the deferred outflows and inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Years Ended August 31,	Pension Expense (Income)
2022	\$ 481,258
2023	649,538
2024	526,390
2025	(121,019)
2026	(528,792)
Thereafter	(97,359)
Total	\$ 910,016

Change of Assumptions Since the Prior Measurement Date

There were no changes of assumptions that affected measurement of the total pension liability during the measurement period.

Change of Benefit Terms Since the Prior Measurement Date

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

Note 12. Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Highland Park Independent School District

Notes to the Basic Financial Statements

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees of TRS is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052.

The premium rates for retirees are reflected in the following table:

TRS-Care Plan Monthly Premium Rates

	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree* and children	468	408
Retiree and family	1,020	999

*or surviving spouse

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	2021	2020
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%

The contribution amounts for the District's fiscal year 2021 are as follows:

District contributions	\$ 374,056
Member contributions	118,894
NECE on-behalf contributions (state)	498,622

Highland Park Independent School District

Notes to the Basic Financial Statements

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether or not they participate in the TRS Care OPEB program*). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$230.8 million in fiscal year 2020.

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability was performed as of August 31, 2019. Update procedures were used to roll forward the total OPEB liability to August 31, 2020.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2020 TRS annual pension actuarial valuation:

Demographic Assumptions	Economic Assumptions
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Salary increases
Rates of disability	

See Note 11 for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

The initial medical trend rates were 9.00% for Medicare retirees and 7.30% for non-Medicare retirees. There was an initial prescription drug trend rate of 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

The following methods and assumptions were used in the TRS-CARE OPEB valuation.

Actuarial cost method	Individual entry age normal
Discount rate	2.33% as of August 31, 2020.
Aging factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Election Rates	Normal retirement 65% participation prior to age 65, 40% participation after age 65 and 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Ad hoc post-employment benefit changes	None

Highland Park Independent School District

Notes to the Basic Financial Statements

Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability at August 31, 2020. This was a decrease of 0.3% in the discount rate since the August 31, 2019 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data / Yield Curve / Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index".

Discount Rate Sensitivity Analysis. The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the net OPEB liability.

	1% Decrease (1.33%)	Current Discount Rate (2.33%)	1% Increase (3.33%)
District's proportionate share of the net OPEB liability	\$ 22,270,615	\$ 18,558,881	\$ 15,627,144

Healthcare Cost Trend Rates Sensitivity Analysis. The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 15,160,228	\$ 18,558,881	\$ 23,085,407

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2021, the District reported a liability of \$18,558,881 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 18,558,881
State's proportionate share of the net OPEB liability associated with the District	24,938,688
Total	\$ 43,497,569

The Net OPEB Liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 thru August 31, 2020.

Highland Park Independent School District

Notes to the Basic Financial Statements

At August 31, 2020 the employer's proportion of the collective net pension liability was 0.000488205% which was a decrease of 0.000022136% from its proportion measured as of August 31, 2019.

For the year ended August 31, 2021, the District recognized OPEB expense of \$324,945 and revenue of \$845,222 for support provided by the State.

Changes of Assumptions Since the Prior Measurement Date – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

1. The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the total OPEB liability.
2. The participation rate for pre-65 retirees was lowered from 50% to 40%. This change decrease the total OPEB liability.
3. The ultimate health care trend assumption was lowered from 4.5% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change decreased the total OPEB liability.

Changes of Benefit Terms Since the Prior Measurement Date

There were no changes in benefit terms since the prior measurement date.

At August 31, 2021, the District reported the District's contribution after the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 971,736	\$ 8,493,493
Changes of assumptions	1,144,697	5,096,365
Net difference between projected and actual earnings on OPEB investments	6,031	-
Changes in proportion and differences between district contributions and proportionate share of contributions (cost-sharing plan)	121,046	1,878,509
District contributions after measurement date	374,056	-
Totals	\$ 2,617,566	\$ 15,468,367

Highland Park Independent School District

Notes to the Basic Financial Statements

\$374,056 reported as deferred outflow of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2022. The net amounts of the employer's balances of the deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Years Ending June 30,	OPEB Expense (Income)
2022	\$ (2,134,785)
2023	(2,135,592)
2024	(2,136,053)
2025	(2,135,927)
2026	(1,640,214)
Thereafter	(3,042,286)
	<u>\$ (13,224,857)</u>

Note 13. Interfund Transfers

All interfund transfers between various funds are approved supplements to the operations of those funds. Individual fund transfers for fiscal year 2021 were as follows:

Transfer In	Transfer Out	Amount	Purpose
General Fund	Enterprise fund	\$ 175,000	Support general operations
General Fund	Enterprise fund	225,000	Support general operations
		<u>\$ 400,000</u>	

Note 14. GASB Pronouncements Implemented by the District

GASB Statement No. 84, Fiduciary Activities, was issued in January 2017 and provides guidance to enhance the consistency and comparability of fiduciary activities reported by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities, and (2) clarifying whether and how business-type activities should report their fiduciary activities.

As a result of implementation of GASB 84, beginning nonmajor government funds' fund balance and governmental activities net position have been restated to reflect the inclusion of Scholarship Funds, previously reported as private-purpose trust funds. The cumulative effects of implementing GASB 84 are reflected in the amounts of \$4,414,301 in the Statement of Changes in Fiduciary Net Position, Custodial Funds, and \$102,220 in the Statement of Revenues, Expenditures, and Changes in Fund Balance, Non-major Governmental Funds and on the Statement of Activities, Governmental Activities for the year ended August 31, 2021. These effects were the result of removing the Scholarship funds that are now considered special revenue funds, and establish beginning net position for the custodial funds (formerly reported as Agency funds).

The GASB issued Statement No. 98, The Annual Comprehensive Financial Report. This Statement was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments, including public school districts. The implementation of this standard changed this report name to the Annual Comprehensive Financial Report.

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 15. New Accounting Pronouncements

The GASB issued Statement No. 87, *Leases*, in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. This standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, in June 2018. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 90, *Majority Equity Interests- an amendment of GASB Statements No. 14 and 61*, in August 2018. This Statement's objective is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for component units. This standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 91, *Conduit Debt Obligations*, in May 2019. This Statement's objective is 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 standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

GASB Statement No. 92: Omnibus 2020. Statement 92 was issued in January 2020. This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. This Standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

GASB Statement No. 93: Replacement of Interbank Offered Rates. Statement 93 was issued in March 2020. This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. This Standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

GASB Statement No. 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Statement 94 was issued in March 2020. This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. This Standard becomes effective for the District in fiscal year 2023. The District has not yet determined the impact of this statement.

GASB Statement No. 96: Subscription-Based Information Technology Arrangements. Statement 96 was issued in May 2020 and establishes standards of accounting and financial reporting for Subscription-based information technology arrangements by a government. This Standard becomes effective for the District in fiscal year 2023. The District has not yet determined the impact of this statement.

GASB Statement No. 97: Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." Statement 97 was issued in June 2020. This Statement modifies the applicability of certain component unit criteria as they relate to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. This Standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

Required Supplementary Information

Highland Park Independent School District
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended August 31, 2021

Exhibit F-1

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget Positive or (Negative)
		Original	Final		
REVENUES					
5700	Total local and intermediate sources	\$ 160,106,761	\$ 163,182,761	\$ 162,278,315	\$ (904,446)
5800	State program revenues	8,530,771	9,156,144	10,250,586	1,094,442
5900	Federal program revenues	-	-	65,273	65,273
5020	Total revenues	168,637,532	172,338,905	172,594,174	255,269
EXPENDITURES					
Current					
0011	Instruction	37,977,610	38,683,983	38,402,112	281,871
0012	Instructional resources and media services	989,385	1,059,385	961,384	98,001
0013	Curriculum and instructional staff development	562,228	511,228	408,667	102,561
0021	Instructional leadership	1,240,510	1,415,510	1,397,231	18,279
0023	School leadership	3,737,560	3,684,560	3,530,527	154,033
0031	Guidance, counseling, and evaluation services	3,282,205	3,436,205	3,383,704	52,501
0033	Health services	684,670	687,670	644,718	42,952
0035	Food service	1,529,812	1,778,812	1,640,135	138,677
0036	Cocurricular/extracurricular activities	2,920,210	3,093,710	2,756,936	336,774
0041	General administration	3,055,840	3,247,840	2,874,444	373,396
0051	Plant maintenance and operations	6,670,006	7,937,006	8,380,431	(443,425)
0052	Security and monitoring services	1,230,200	1,289,200	1,255,425	33,775
0053	Data processing services	1,426,816	1,630,816	1,491,758	139,058
0061	Community services	58,150	78,150	117,823	(39,673)
0081	Facilities acquisition and construction	10,553	10,553	19,078	(8,525)
0091	Contracted instructional services between schools	103,522,077	104,022,077	104,857,894	(835,817)
0095	Juvenile Justice Education Program	14,000	14,000	3,000	11,000
0099	Other intergovernmental charges	660,000	660,000	628,215	31,785
6030	Total expenditures	169,571,832	173,240,705	172,753,482	487,223
1100	Excess (deficiency) of revenues over (under) expenditures	(934,300)	(901,800)	(159,308)	742,492
OTHER FINANCING SOURCES					
7915	Transfers in	-	-	400,000	400,000
7080	Total other financing sources	-	-	400,000	400,000
1200	Net change in fund balances	(934,300)	(901,800)	240,692	1,142,492
0100	Fund balances - September 1 (beginning)	24,503,446	24,503,446	24,503,446	-
3000	FUND BALANCES - ending	\$ 23,569,146	\$ 23,601,646	\$ 24,744,138	\$ 1,142,492

The Notes to the Budgetary Comparison Schedule are an integral part of this statement.

Highland Park Independent School District

Notes to the Budgetary Comparison Schedule

Note 1. Summary of Significant Accounting Policies

Official Budget

The District is required by state law to adopt annual budgets for its General and Debt Service Fund. Each budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles (GAAP).

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given. Prior to September 1, the Board of Trustees legally enacts the budget through passage of a resolution.
- The approved budget is filed with the Texas Education Agency.

Once a budget is approved, it can be amended at the function and fund level only by approval of a majority of the members of the Board of Trustees. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Expenditures in excess of appropriations for the year ended August 31, 2021 were:

General Fund:	
Plant maintenance and operations	(\$443,425)
Community services	(\$39,673)
Facilities Acquisition and construction	(\$8,525)
Contracted instructional services between schools	(\$835,817)

Highland Park Independent School District

Exhibit F-2

Schedule of the District's Proportionate Share of the Net Pension Liability – Teacher Retirement System For the Last Seven Plan Years

Year	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2020	0.0349838%	\$ 18,736,608	\$ 34,734,255	\$ 53,470,863	\$ 48,406,486	38.71%	75.54%
2019	0.0395056%	20,536,237	32,073,433	52,609,670	46,393,618	44.27%	75.24%
2018	0.0410842%	22,613,728	35,305,647	57,919,375	46,161,758	48.99%	73.74%
2017	0.0415507%	13,285,690	21,445,658	34,731,348	44,612,240	29.78%	82.17%
2016	0.0407724%	15,407,279	26,015,076	41,422,355	43,220,174	35.65%	78.00%
2015	0.0403275%	14,255,236	25,527,410	39,782,646	42,350,080	33.66%	78.43%
2014	0.0288519%	7,706,744	21,370,696	29,077,440	39,764,732	19.38%	83.25%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.
Ten years of data is not available.

Note: Only seven years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the ten year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement."

Highland Park Independent School District
Schedule of the District's Pension Contributions –
Teacher Retirement System
For The Last Seven Fiscal Years

F-3

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 1,455,954	\$ (1,455,954)	\$ -	\$ 49,709,956	2.93%
2020	1,429,481	(1,429,481)	-	48,406,486	2.95%
2019	1,256,207	(1,256,207)	-	46,393,618	2.71%
2018	1,339,831	(1,339,831)	-	46,161,758	2.90%
2017	1,335,748	(1,335,748)	-	44,612,240	2.99%
2016	1,295,442	(1,295,442)	-	43,220,174	3.00%
2015	1,167,875	(1,167,875)	-	42,350,080	2.76%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.

Ten years of data is not available.

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1 - August 31.

Note: Only seven years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the ten year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement."

Highland Park Independent School District
Schedule of the District's Proportionate Share of the
Net OPEB Liability – TRS-Care Plan
Teacher Retirement System
Last Four Plan Years*

Exhibit F-4

Year	District's Proportion of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportionate Share of the Net OPEB Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2020	0.0488205%	\$ 18,558,881	\$ 24,938,688	\$ 43,497,569	\$ 48,406,486	38.34%	4.99%
2019	0.0510341%	24,134,661	32,069,567	56,204,228	46,393,618	52.02%	2.66%
2018	0.0523561%	26,141,861	40,300,656	66,442,517	46,161,758	56.63%	1.57%
2017	0.0520609%	22,639,316	36,654,055	59,293,371	44,612,240	50.75%	0.91%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.
Ten years of data is not available.

*The amounts presented were determined as of the Plan's fiscal year end, August 31 of the prior year.

Ten years of data is not yet available.

Highland Park Independent School District**Exhibit F-5**

Schedule of the District's OPEB Contributions – TRS-Care Plan
Teacher Retirement System
Last Four Fiscal Years*

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 374,056	\$ (374,056)	\$ -	\$ 49,709,956	0.75%
2020	370,496	(370,496)	-	48,406,486	0.77%
2019	475,478	(475,478)	-	46,393,618	1.02%
2018	395,242	(395,242)	-	46,161,758	0.86%

* The amounts presented for the fiscal years were determined as of the District's fiscal year end.

Ten years of data is not available.

*The amounts presented were determined as of the Plan's fiscal year end, August 31 of the prior year.

Ten years of data is not yet available.

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Combining and Individual Fund Statements and Schedules

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Highland Park Independent School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended August 31, 2021

Exhibit G-1

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variances with Final Budget Positive or (Negative)
		Original	Final		
	REVENUE				
5700	Total local and intermediate sources	\$ 28,740,000	\$ 28,740,000	\$ 31,483,002	\$ 2,743,002
5800	State program revenues	60,000	60,000	28,473	(31,527)
5020	Total revenue	28,800,000	28,800,000	31,511,475	2,711,475
	EXPENDITURES				
0071	Debt service - principal on long-term debt	12,530,000	12,530,000	13,125,000	595,000
0072	Debt service - interest on long-term debt	16,120,150	16,183,555	15,524,531	659,024
0073	Debt service - bond issuance cost and fees	149,850	149,850	3,000	146,850
6030	Total expenditures	28,800,000	28,863,405	28,652,531	210,874
	Excess (deficiency) of revenues over (under) expenditures	-	(63,405)	2,858,944	2,922,349
1200	Net change in fund balances	-	(63,405)	2,858,944	2,922,349
0100	Fund balances - beginning	7,963,342	7,963,342	7,963,342	-
3000	FUND BALANCES - ending	\$ 7,963,342	\$ 7,899,937	\$ 10,822,286	\$ 2,922,349

Highland Park Independent School District

Nonmajor Governmental Funds

Nonmajor Special Revenue and Capital Projects Funds

All nonmajor funds are special revenue funds except for the Moody Innovation STEAM Grant Fund which is a capital project. The programs included within these funds are as follows:

IDEA-B Formula Fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing special education and related services to children with disabilities, ages 3-21.

IDEA-B Preschool Fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing special education and related services to children with disabilities, ages 3-5.

LEP Summer School fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing summer school to limited English proficient students.

State Supplement for Visually Impaired Fund receives state supplemental visually impaired program funds to support visually impaired students of the District.

Advanced Placement Incentives Fund receives State Program Revenue to support professional development of teachers teaching advanced classes.

Textbook Allotment Fund is for funds awarded to school districts under the textbook allotment.

License Plate Royalties Fund is used to account for revenue received under the State's License Plate Royalties program.

Fiscal Support Grant Fund is used to account for funding received under the Special Education Fiscal Support program to secure evaluation staff, related services personnel, and/or special education teachers to fill short-term needs in the area of initial evaluations, compensatory services, and extend school year services.

Special Education Needs Fund is for the purpose of benefitting children with disabilities in the District by building staff capacity and providing for exceptional expenditures beyond the budget, such as specialized training, assistive technology, and other educational services to benefit students with disabilities.

State Funded Special Revenue Fund is used to account for activities related to the Read to Succeed license plate program designed to help generate money for public libraries and strengthen the campus reading program.

Campus Activity Funds - each campus has an activity fund and the campus principal is accountable for all aspects of the fund at that campus. Revenues are generated by sales and fund raising events at the campus locations.

Summer Camps Fund is used to account for fees received by the District for summer camps and their related expenditures.

Technology Fund is used to account for activities related to the back to school sign up.

Abydos Gifts Fund accounts for donations received from Abydos with donor imposed restrictions.

La Fiesta Gifts Fund accounts for donations received from La Fiesta.

Education Foundation Gifts is used to account for donations received by the District from the Education Foundation for specific purposes.

Highland Park Independent School District

Nonmajor Governmental Funds

PC Tag Gifts is used to account for donations received by the District from Park Cities Talented and Gifted organization with donor imposed restrictions.

Other and PTA Gifts Funds are used to account for donations received from organizations with donor imposed restrictions for special defined purposes and facility acquisition for small equipment.

Scholarship Funds are utilized for assets held by the District in a trustee capacity. The various trust funds consist of memorial donations and bequest for student scholarship, for which the District serves as the trustee.

Moody Innovation STEAM Grant Fund is a grant from the Moody Foundation to the Highland Park Education Foundation which will work to advance teacher professional development and a cross-disciplinary alignment of STEAM curricula in grades K-12, enhancing the focus of textbooks to including experiential learning that engages students in hands-on collaborative, problem solving activities. It also helped fund construction of the Moody Advanced Professional Studies (MAPS) Center in 2019-2020.

Highland Park Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
August 31, 2021

		224	225	289	385
		IDEA-B	IDEA-B	LEP	State
		Formula	Preschool	Summer	Supplement for
		Fund	Fund	School	Visually Impaired
ASSETS					
1110	Cash and cash equivalents	\$ 131,907	\$ 78	\$ -	\$ -
1240	Due from other governments	700,618	15,450	-	-
1260	Due from other funds	136	11,314	1,336	-
1290	Other receivables	-	-	-	-
1890	Restricted Assets	-	-	-	-
	Total assets	<u>\$ 832,661</u>	<u>\$ 26,842</u>	<u>1,336</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
2110	Accounts payable	\$ 256	\$ -	-	\$ -
2160	Accrued wages payable	33,603	1,225	-	-
2170	Due to other funds	798,802	25,617	-	-
2180	Due to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
	Total liabilities	<u>832,661</u>	<u>26,842</u>	<u>-</u>	<u>-</u>
Restricted for:					
3450	Advanced Placement Initiatives	-	-	-	-
3450	Grant awards	-	-	-	-
3450	State funded special revenue	-	-	1,336	-
3490	Donor stipulations	-	-	-	-
Committed for:					
3545	Campus activities	-	-	-	-
3600	Unassigned	-	-	-	-
3000	Total fund balances (deficit)	<u>-</u>	<u>-</u>	<u>1,336</u>	<u>-</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)	<u>\$ 832,661</u>	<u>\$ 26,842</u>	<u>1,336</u>	<u>\$ -</u>

397 Advanced Placement Incentives	410 Textbook Allotment	418 License Plate Royalties	427 Fiscal Support Grant	428 Special Education Needs Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	480 Summer Camps Fund
\$ -	124,360	\$ -	\$ -	\$ -	\$ -	\$ 2,909,214	\$ 17,066
-	-	-	-	-	-	-	-
79,056	-	1,277	-	40,213	44,228	16,209	48,474
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 79,056</u>	<u>\$ 124,360</u>	<u>\$ 1,277</u>	<u>\$ -</u>	<u>\$ 40,213</u>	<u>\$ 44,228</u>	<u>\$ 2,925,423</u>	<u>\$ 65,540</u>
\$ -	\$ 47,175	\$ -	\$ -	\$ -	\$ -	\$ 135,227	\$ -
-	-	-	-	-	-	-	-
16,064	-	-	-	40,213	-	11,153	37,908
-	-	-	1,345	-	41,443	-	-
-	-	-	-	-	-	687,688	-
<u>16,064</u>	<u>47,175</u>	<u>-</u>	<u>1,345</u>	<u>40,213</u>	<u>41,443</u>	<u>834,068</u>	<u>37,908</u>
62,992	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	77,185	-	-	-	2,785	-	-
-	-	-	-	-	-	-	-
-	-	1,277	-	-	-	2,091,355	27,632
-	-	-	(1,345)	-	-	-	-
<u>62,992</u>	<u>77,185</u>	<u>1,277</u>	<u>(1,345)</u>	<u>-</u>	<u>2,785</u>	<u>2,091,355</u>	<u>27,632</u>
<u>\$ 79,056</u>	<u>\$ 124,360</u>	<u>\$ 1,277</u>	<u>\$ -</u>	<u>\$ 40,213</u>	<u>\$ 44,228</u>	<u>\$ 2,925,423</u>	<u>\$ 65,540</u>

Highland Park Independent School District
Combining Balance Sheet – Continued
Nonmajor Governmental Funds
August 31, 2021

		490	494	495
		Technology	Abydos	La Fiesta
		Fund	Gifts	Gifts
ASSETS				
1110	Cash and cash equivalents	\$ 44,063	\$ -	\$ -
1240	Due from other governments	-	-	-
1260	Due from other funds	168,862	20,233	29,728
1290	Other receivables	-	-	-
1890	Restricted Assets	-	-	-
	Total assets	<u>\$ 212,925</u>	<u>\$ 20,233</u>	<u>\$ 29,728</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
2110	Accounts payable	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	-
2170	Due to other funds	144	2,450	3,936
2180	Due to other governments	-	-	-
2300	Unearned revenue	57,295	-	-
	Total liabilities	<u>57,439</u>	<u>2,450</u>	<u>3,936</u>
Restricted for:				
3450	Advanced Placement Initiatives	-	-	-
3450	Grant awards	-	-	-
3450	State funded special revenue	-	-	-
3490	Donor stipulations	155,486	17,783	25,792
Committed for:				
3545	Campus activities	-	-	-
3600	Unassigned	-	-	-
3000	Total fund balances (deficit)	<u>155,486</u>	<u>17,783</u>	<u>25,792</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICIT)	<u>\$ 212,925</u>	<u>\$ 20,233</u>	<u>\$ 29,728</u>

496 Education Foundation Gifts	497 PC Tag Gifts	498 Other Gifts	499 PTA Gifts	809 Scholarship Funds	Total Nonmajor Special Revenue Funds	485 Moody Innovation STEAM Grants	Total Nonmajor Governmental Funds
\$ 24,125	\$ 2,631	\$ 104,299	\$ 335,169	\$ 29,757	\$ 3,722,669	\$ 32,441	\$ 3,755,110
-	-	-	-	-	716,068	-	716,068
43,967	60,065	63,000	3,472,578	5,824	4,106,500	49	4,106,549
-	-	-	-	-	-	43,326	43,326
-	-	-	-	90,721	90,721	-	90,721
\$ 68,092	\$ 62,696	\$ 167,299	\$ 3,807,747	\$ 126,302	\$ 8,635,958	\$ 75,816	\$ 8,711,774
\$ 4,500	\$ -	\$ 6,295	\$ 17,303	\$ -	\$ 210,756	\$ 49,438	\$ 260,194
-	-	-	40,688	-	75,516	10,107	85,623
5,600	50,741	63	168,882	-	1,161,573	1,962	1,163,535
-	-	-	-	-	42,788	-	42,788
-	-	-	63,453	-	808,436	-	808,436
10,100	50,741	6,358	290,326	-	2,299,069	61,507	2,360,576
-	-	-	-	-	62,992	-	62,992
-	-	-	-	-	-	14,309	14,309
-	-	-	-	-	81,306	-	81,306
57,992	11,955	160,941	3,517,421	126,302	4,073,672	-	4,073,672
-	-	-	-	-	2,120,264	-	2,120,264
-	-	-	-	-	(1,345)	-	(1,345)
57,992	11,955	160,941	3,517,421	126,302	6,336,889	14,309	6,351,198
\$ 68,092	\$ 62,696	\$ 167,299	\$ 3,807,747	\$ 126,302	\$ 8,635,958	\$ 75,816	\$ 8,711,774

Highland Park Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended August 31, 2021

		224 IDEA-B Formula Fund	225 IDEA-B Preschool Fund	289 LEP Summer School	385 State Supplement for Visually Impaired
REVENUES					
5700	Total local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	1,800
5900	Federal program revenues	978,230	15,450	-	-
5020	Total revenues	978,230	15,450	-	1,800
EXPENDITURES					
Current:					
0011	Instruction	500,757	15,450	-	1,800
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student Pupil Transportation	477,473	-	-	-
0035	Food service	-	-	-	-
0036	Cocurricular / Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
Capital Outlay:					
0081	Facilities Acquisition and Construction	-	-	-	-
6030	Total expenditures	978,230	15,450	-	1,800
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
0100	Fund balance - beginning	-	-	1,336	-
	Cumulative effect of change in accounting principle	-	-	-	-
0100	Fund balance - beginning, as restated	-	-	1,336	-
3000	FUND BALANCE - ending	\$ -	\$ -	\$ 1,336	\$ -

397 Advanced Placement Incentives	410 Textbook Allotment	418 License Plate Royalties	427 Fiscal Support Grant	428 Special Education Needs Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	480 Summer Camps Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,237,031	\$ 462,796
-	345,607	-	-	-	110,780	-	-
-	-	-	-	-	-	-	-
-	345,607	-	-	-	110,780	1,237,031	462,796
-	332,434	-	1,345	-	8,557	1,015,260	-
-	-	-	-	-	-	51,109	-
-	-	-	-	-	-	3,550	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,966	-
-	-	-	-	-	41,443	2,058	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	80,438	446,143
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	110,678	-	-
-	332,434	-	1,345	-	160,678	1,158,381	446,143
-	13,173	-	(1,345)	-	(49,898)	78,650	16,653
62,992	64,012	1,277	-	-	52,683	2,012,705	10,979
-	-	-	-	-	-	-	-
62,992	64,012	1,277	-	-	52,683	2,012,705	10,979
\$ 62,992	\$ 77,185	\$ 1,277	\$ (1,345)	\$ -	\$ 2,785	\$ 2,091,355	\$ 27,632

Highland Park Independent School District
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances – Continued
Nonmajor Governmental Funds
For the Fiscal Year Ended August 31, 2021

		490	494	495
		Technology	Abydos	La Fiesta
		Fund	Gifts	Gifts
REVENUES				
5700	Total local and intermediate sources	\$ 53,320	\$ -	\$ 14,911
5800	State program revenues	-	-	-
5900	Federal program revenues	-	-	-
5020	Total revenues	53,320	-	14,911
EXPENDITURES				
	Current:			
0011	Instruction	-	-	18,218
0012	Instructional resources and media services	-	-	-
0013	Curriculum and staff development	-	-	-
0021	Instructional leadership	-	-	449
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0033	Health services	-	-	-
0034	Student Pupil Transportation	-	-	-
0035	Food service	-	-	-
0036	Cocurricular / Extracurricular activities	-	-	-
0041	General administration	-	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0053	Data processing services	13,187	-	-
	Capital Outlay:			
0081	Facilities Acquisition and Construction	-	-	-
6030	Total expenditures	13,187	-	18,667
1100	Excess (deficiency) of revenues over (under) expenditures	40,133	-	(3,756)
0100	Fund balance - beginning	115,353	17,783	29,548
	Cumulative effect of change in accounting principle	-	-	-
0100	Fund balance - beginning, as restated	115,353	17,783	29,548
3000	FUND BALANCE - ending	\$ 155,486	\$ 17,783	\$ 25,792

Exhibit G-3

Page 2 of 2

496 Education Foundation Gifts	497 PC Tag Gifts	498 Other Gifts	499 PTA Gifts	809 Scholarship Funds	Total Nonmajor Special Revenue Funds	485 Moody Innovation STEAM Grants	Total Nonmajor Governmental Funds
\$ 24,126	\$ 24,693	\$ 207,987	\$ 3,266,284	30,081	\$ 5,321,229	\$ 716,457	\$ 6,037,686
-	-	-	-	-	458,187	-	458,187
-	-	-	-	-	993,680	-	993,680
24,126	24,693	207,987	3,266,284	30,081	6,773,096	716,457	7,489,553
-							
4,500	22,062	204,519	2,332,694	5,999	4,463,595	115,102	4,578,697
-	-	35,222	55,814	-	142,145	-	142,145
-	-	9,497	206,704	-	219,751	152,343	372,094
-	-	-	-	-	449	374,774	375,223
-	-	4,218	47,694	-	57,878	-	57,878
-	-	5,058	95	-	48,654	-	48,654
-	-	-	3,224	-	3,224	-	3,224
-	-	-	-	-	477,473	-	477,473
-	-	-	254,140	-	254,140	-	254,140
-	-	1,459	18,285	-	546,325	-	546,325
-	-	5,984	-	-	5,984	-	5,984
-	-	-	1,699	-	1,699	-	1,699
-	-	-	1,289	-	1,289	-	1,289
-	-	-	-	-	13,187	-	13,187
-	-	-	-	-	110,678	77,991	188,669
4,500	22,062	265,957	2,921,638	5,999	6,346,471	720,210	7,066,681
19,626	2,631	(57,970)	344,646	24,082	426,625	(3,753)	422,872
38,366	9,324	218,911	3,172,775	-	5,808,044	18,062	5,826,106
-	-	-	-	102,220	102,220	-	102,220
38,366	9,324	218,911	3,172,775	102,220	5,910,264	18,062	5,928,326
\$ 57,992	\$ 11,955	\$ 160,941	\$ 3,517,421	\$ 126,302	\$ 6,336,889	\$ 14,309	\$ 6,351,198

Custodial Funds

The District accounts for resources held for others in a custodial capacity. The District's custodial funds are as follows:

Student Activities Fund – accounts for the receipt and disbursement of monies for student activity organizations.

Employee Activities – accounts for the receipt of money from District vending machines used for employee activities.

District Support Organizations – accounts for receipt of monies collected on behalf of other organizations.

Highland Park Independent School District**G-7**

Combining Statement of Net Position

Custodial Funds

For the Fiscal Year Ended August 31, 2021

	876	883	885	Total
	District Support	Student	Employee	Custodial
	Organizations	Activities	Activities	Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 952,450	\$ 56,712	\$ 3,170	\$ 1,012,332
Other receivables	88,133	-	-	88,133
Due from other funds	4,006,105	297,438	22,659	4,326,202
Total current assets	5,046,688	354,150	25,829	5,426,667
Total assets	5,046,688	354,150	25,829	5,426,667
LIABILITIES				
Current liabilities				
Accounts payable	43,527	4,894	175	48,596
Due to other funds	3,000	48,854	8,558	60,412
Total liabilities	46,527	53,748	8,733	109,008
NET POSITION				
Restricted for other purposes	5,000,161	300,402	17,096	5,317,659
TOTAL NET POSITION	<u>\$ 5,000,161</u>	<u>\$ 300,402</u>	<u>\$ 17,096</u>	<u>\$ 5,317,659</u>

Highland Park Independent School District**G-8**

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Fiscal Year Ended August 31, 2021

	876 District Support Organizations	883 Student Activities	885 Employee Activities	Total Custodial Funds
ADDITIONS				
Donations to support organizations	\$ 4,913,217	\$ -	\$ -	\$ 4,913,217
Support for student activities	-	97,662	-	97,662
Support for employee activities	-	-	18,404	18,404
Total additions	4,913,217	97,662	18,404	5,029,283
DEDUCTIONS				
Student activities	3,929,279	172,679	-	4,101,958
Employee activities	-	-	23,967	23,967
Total deductions	3,929,279	172,679	23,967	4,125,925
Change in net position	983,938	(75,017)	(5,563)	903,358
Net position, beginning	-	-	-	-
Cumulative effect of change in accounting principle	4,016,223	375,419	22,659	4,414,301
Net position, beginning, restated	4,016,223	375,419	22,659	4,414,301
NET POSITION, ENDING	\$ 5,000,161	\$ 300,402	\$ 17,096	\$ 5,317,659

Highland Park Independent School District

Nonmajor Enterprise Funds

Enterprise Funds

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that of costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed through user charges. The Fund is comprised of the following individual funds:

Seay Tennis Center is used to account for the operations of the tennis center that provides services to the residents of the District and to the District's athletic teams.

Academy for Lifelong Learning is used to account for the operations of the continuing education school that provides services to the residents of the District.

Highland Park Independent School District**Exhibit G-4**

Combining Statement of Net Position

Nonmajor Enterprise Funds

August 31, 2021

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 140,728	\$ -	\$ 140,728
Due from other funds	1,072,609	1,516,432	2,589,041
Total current assets	1,213,337	1,516,432	2,729,769
Noncurrent assets			
Capital assets:			
Buildings and improvements	506,008	-	506,008
Accumulated depreciation on buildings and improvements	(385,121)	-	(385,121)
Furniture and equipment	201,456	-	201,456
Accumulated depreciation on furniture and equipment	(181,966)	-	(181,966)
Total noncurrent assets	140,377	-	140,377
Total assets	1,353,714	1,516,432	2,870,146
LIABILITIES			
Current liabilities			
Accounts payable	2,417	2,104	4,521
Due to other funds	380,013	430,392	810,405
Unearned revenue	-	34,880	34,880
Total liabilities	382,430	467,376	849,806
NET POSITION			
Net investment in capital assets	140,377	-	140,377
Unrestricted net position	830,907	1,049,056	1,879,963
Total net position	\$ 971,284	\$ 1,049,056	\$ 2,020,340

Highland Park Independent School District
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended August 31, 2021

Exhibit G-5

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Local and intermediate sources	\$ 1,902,224	\$ 365,890	\$ 2,268,114
Total operating revenues	1,902,224	365,890	2,268,114
OPERATING EXPENSES			
Payroll costs	1,401,179	301,744	1,702,923
Professional and contractual services	45,008	46,949	91,957
Supplies and materials	111,569	429	111,998
Depreciation expense	53,309	-	53,309
Other operating costs	4,698	32,055	36,753
Total operating expenses	1,615,763	381,177	1,996,940
Operating income	286,461	(15,287)	271,174
NONOPERATING REVENUES			
Earnings from temporary deposits and investments	59	-	59
Total nonoperating revenues	59	-	59
Income before transfers	286,520	(15,287)	271,233
Transfers out	(175,000)	(225,000)	(400,000)
Change in net position	111,520	(240,287)	(128,767)
Total net position - beginning	859,764	1,289,343	2,149,107
TOTAL NET POSITION - ENDING	\$ 971,284	\$ 1,049,056	\$ 2,020,340

Highland Park Independent School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended August 31, 2021

Exhibit G-6

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from user charges	\$ 1,903,498	\$ 604,067	\$ 2,507,565
Cash payments to employees for services	(1,449,489)	(301,744)	(1,751,233)
Cash payments to suppliers	(161,275)	(77,463)	(238,738)
Net cash provided by operating activities	292,734	224,860	517,594
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends on investments	59	-	59
Net cash provided by investing activities	59	-	59
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out	(175,000)	(225,000)	(400,000)
Net cash used by non-capital financing activities	(175,000)	(225,000)	(400,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition or construction of capital assets	(77,316)	-	(77,316)
Net cash used in capital and related financing activities	(77,316)	-	(77,316)
Net increase (decrease) in cash and cash equivalents	40,477	(140)	40,337
Cash and cash equivalents at beginning of the year	100,251	140	100,391
Cash and cash equivalents at end of the year	\$ 140,728	\$ -	\$ 140,728
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss):	\$ 286,461	\$ (15,287)	\$ 271,174
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	53,309	-	53,309
Effect of increases and decreases in current assets and liabilities:			
(Increase) decrease in interfund balances	1,274	203,372	204,646
Increase (decrease) in accounts payable	(48,310)	1,970	(46,340)
Increase (decrease) in unearned revenue	-	34,805	34,805
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 292,734	\$ 224,860	\$ 517,594

Required Texas Education Agency Schedule

Highland Park Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended August 31, 2021

	(1)	(2)	(3)	(10)
Last Ten Years Ended August 31,	Maintenance	Debt Service	Net Assessed / Appraised Value For School Tax Purposes	Beginning Balance September 1, 2020
2011 and prior years	Various	Various	Various	\$ 217,279
2013	1.0267	0.1075	11,177,630,627	58,501
2014	1.0267	0.1075	11,733,798,388	88,173
2015	1.0267	0.1000	12,672,806,297	91,048
2016	1.0267	0.0914	13,616,138,816	113,331
2017	1.0267	0.0852	14,795,777,632	173,310
2018	1.0267	0.1260	15,063,138,724	216,646
2019	1.0400	0.1632	16,239,144,372	419,277
2020	1.0400	0.1955	16,711,223,127	1,073,025
2021 (School year under audit)	0.9700	0.1955	16,545,113,832	-
Total				<u>\$ 2,450,590</u>

(20)	(31)	(32)	(40)	(50)
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance August 31, 2021
\$ -	\$ 10,435	\$ 981	\$ (27,555)	\$ 178,308
-	1,119	117	-	57,265
-	984	96	-	87,093
-	1,179	105	(12)	89,752
-	18,601	1,544	(12)	93,174
-	47,887	5,878	(7,331)	112,214
-	48,808	7,659	(7,050)	153,129
-	128,731	24,199	(11,238)	255,109
-	186,203	37,529	(454,739)	394,554
175,841,016	152,911,604	31,257,027	9,125,760	798,145
<u>\$ 175,841,016</u>	<u>\$ 153,355,551</u>	<u>\$ 31,335,135</u>	<u>\$ 8,617,823</u>	<u>\$ 2,218,743</u>

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Highland Park Independent School District
Statistical Section (Unaudited)

This part of the District's statistical comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Contents:

Financial Trends Information..... 92

These schedules contain trend information on how the District's financial performance and well-being have changed over time.

Revenue Capacity 107

These schedules contain information on the District's most significant local revenue source, the property tax.

Debt Capacity 112

These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information 115

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

Operating Information 119

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Highland Park Independent School District

Net Position By Component
Last Ten Years (Unaudited)
(Accrual Basis of Accounting)

	2012	2013	2014	2015
Governmental Activities				
Net investment in capital assets	\$ 40,044,080	\$ 46,259,243	\$ 50,465,828	\$ 55,580,304
Restricted	3,154,823	3,099,431	3,677,109	3,233,365
Unrestricted	<u>26,779,772</u>	<u>23,597,681</u>	<u>22,677,129</u>	<u>9,885,887</u>
Total Governmental Activities	<u>\$ 69,978,675</u>	<u>\$ 72,956,355</u>	<u>\$ 76,820,066</u>	<u>\$ 68,699,556</u>
Business-Type Activities				
Net investment in capital assets	\$ 256,191	\$ 268,475	\$ 237,751	\$ 261,782
Unrestricted	<u>2,079,988</u>	<u>2,169,808</u>	<u>2,045,492</u>	<u>2,721,179</u>
Total Business-Type Activities	<u>\$ 2,336,179</u>	<u>\$ 2,438,283</u>	<u>\$ 2,283,243</u>	<u>\$ 2,982,961</u>
Total Primary Government				
Net investment in capital assets	\$ 40,300,271	\$ 46,527,718	\$ 50,703,579	\$ 55,842,086
Restricted	3,154,823	3,099,431	3,677,109	3,233,365
Unrestricted	<u>28,859,760</u>	<u>25,767,489</u>	<u>24,722,621</u>	<u>12,607,066</u>
Total Primary Government	<u><u>\$ 72,314,854</u></u>	<u><u>\$ 75,394,638</u></u>	<u><u>\$ 79,103,309</u></u>	<u><u>\$ 71,682,517</u></u>

Source: Current and prior District Annual Financial Reports

Exhibit S-1

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 54,822,579	\$ 60,322,924	\$ 64,726,393	\$ 88,357,589	\$ 88,357,589	\$ 95,193,907
5,074,178	4,160,279	7,780,979	11,368,812	11,368,812	14,663,983
7,504,454	11,337,000	(17,726,788)	(18,375,800)	(18,478,017)	(18,636,564)
<u>\$ 67,401,211</u>	<u>\$ 75,820,203</u>	<u>\$ 54,780,584</u>	<u>\$ 81,350,601</u>	<u>\$ 81,248,384</u>	<u>\$ 91,221,326</u>
\$ 270,482	\$ 227,074	\$ 183,666	\$ 140,257	\$ 116,370	\$ 140,377
3,257,501	1,696,894	1,899,356	2,148,614	2,032,737	1,879,963
<u>\$ 3,527,983</u>	<u>\$ 1,923,968</u>	<u>\$ 2,083,022</u>	<u>\$ 2,288,871</u>	<u>\$ 2,149,107</u>	<u>\$ 2,020,340</u>
\$ 55,093,061	\$ 60,549,998	\$ 64,910,059	\$ 88,497,846	\$ 88,473,959	\$ 95,334,284
5,074,178	4,160,279	7,780,979	11,368,812	11,368,812	14,663,983
10,761,955	13,033,894	(15,827,432)	(16,227,186)	(16,445,280)	(16,756,601)
<u>\$ 70,929,194</u>	<u>\$ 77,744,171</u>	<u>\$ 56,863,606</u>	<u>\$ 83,639,472</u>	<u>\$ 83,397,491</u>	<u>\$ 93,241,666</u>

Highland Park Independent School District
Change in Net Position
Last Ten Years (Unaudited)
(Accrual Basis of Accounting)

	2012	2013	2014
EXPENSES			
Governmental activities			
Instruction	\$ 39,294,695	\$ 39,949,333	\$ 41,366,775
Instructional Resources & Media Services	914,754	1,004,711	983,306
Curriculum & Instructional Staff Development	1,959,277	1,650,436	1,976,924
Instructional Leadership	1,051,758	1,076,148	1,129,916
School Leadership	2,869,891	3,044,317	3,131,884
Guidance, Counseling & Evaluation Services	2,835,728	2,975,043	3,030,497
Health Services	545,288	560,365	581,804
Student (Pupil) Transportation	209,000	185,584	270,605
Food Services	1,339,042	1,412,509	1,480,071
Cocurricular/Extracurricular Activities	2,670,120	2,787,706	3,001,557
General Administration	2,768,530	2,996,012	3,034,219
Plant Maintenance and Operations	5,933,301	5,399,657	5,792,350
Security and Monitoring Services	66,373	122,336	420,663
Data Processing Services	916,950	825,956	1,030,909
Community Services	-	-	-
Debt Service - Interest on Long Term Debt	5,098,781	4,343,604	4,247,254
Debt Service - Bond Issuance Cost and Fees	32,477	13,246	2,826
Facilities Acquisition and Construction	99,170	-	146,745
Contracted Instructional Services Between Schools	69,253,860	68,513,500	68,946,652
Incremental Costs Associated with Chapter 41	346,393	347,744	353,011
Juvenile and justice education programs	-	-	-
Other intergovernmental charges	-	-	-
Total governmental activities expenses	<u>138,205,388</u>	<u>137,208,207</u>	<u>140,927,968</u>
Business-type activities:			
Seay Tennis Center	445,749	450,476	482,623
Academy for Lifelong Learning	625,018	666,550	607,952
Total business-type activities expenses	<u>1,070,767</u>	<u>1,117,026</u>	<u>1,090,575</u>
Total Primary Government expenses	\$ 139,276,155	\$ 138,325,233	\$ 142,018,543
PROGRAM REVENUES			
Governmental activities:			
Charges for Services			
Instruction	\$ 1,503,657	\$ 1,711,648	\$ 1,787,503
Instructional Resources and Media Services	95,536	123,606	121,235
School Leadership	74,201	89,303	97,662
Cocurricular/Extracurricular Activities	1,215,390	795,834	965,944
Plant Maintenance and Operations	162,873	223,748	225,635
Other	16,573	94,463	109,473
Operating Grants and Contributions	9,807,850	8,810,448	10,592,649
Capital Grants and Contributions	80,323	422,311	857,671
Total governmental activities program revenues	<u>12,956,403</u>	<u>12,271,361</u>	<u>14,757,772</u>
Business-type activities			
Charges for services:			
Seay Tennis Center	634,381	631,562	698,086
Academy for Lifelong Learning	915,686	942,050	924,849
Operating Grants and Contributions	37,668	40,827	39,385
Total business-type activities program revenues	<u>1,587,735</u>	<u>1,614,439</u>	<u>1,662,320</u>
Total primary government program revenues	\$ 14,544,138	\$ 13,885,800	\$ 16,420,092
Net (Expense) Revenue			
Governmental activities	\$ (125,248,985)	\$ (124,936,846)	\$ (126,170,196)
Business-type activities	516,968	497,413	571,745
Total Primary Government net expense	\$ (124,732,017)	\$ (124,439,433)	\$ (125,598,451)

Source: Current and prior District Annual Financial Reports

2015	2016	2017	2018	2019	2020	2021
\$ 44,669,537	\$ 46,091,573	\$ 45,446,242	\$ 32,342,308	\$ 50,505,040	\$ 51,410,329	\$ 49,234,037
1,015,861	915,397	1,011,547	903,019	1,200,654	1,400,664	1,214,648
1,868,684	2,101,803	2,065,757	1,120,522	1,075,808	878,543	857,237
1,111,930	1,228,973	1,363,197	973,269	1,878,396	1,849,560	2,034,490
3,198,644	3,332,683	3,268,768	2,534,414	4,162,589	4,730,492	4,250,821
3,272,752	3,417,617	3,537,367	2,145,130	3,919,175	4,115,605	3,987,551
585,523	638,889	607,526	427,141	684,083	703,537	743,786
354,058	303,478	290,031	195,572	694,323	536,934	477,473
1,527,889	1,667,056	1,613,755	1,348,393	1,935,223	2,035,917	1,921,463
2,773,443	2,946,855	3,409,906	2,503,836	3,542,940	3,145,503	3,588,015
3,400,180	3,918,025	3,073,258	3,113,128	4,076,896	3,687,332	3,263,669
5,590,203	5,745,647	5,786,020	5,069,885	6,167,174	7,261,478	8,702,418
512,287	567,814	834,871	771,910	1,086,461	1,273,061	1,278,042
1,221,814	1,058,409	1,255,244	1,263,599	1,613,765	1,918,388	1,665,496
-	8,615	54,370	40,974	90,198	130,884	318,746
3,940,575	5,383,189	10,094,549	11,837,373	14,520,201	13,957,179	13,274,557
3,250	162,260	3,500	-	41,942	3,000	3,000
10,946	156,183	6,360	11,998	30,559	42,865	34,366
75,527,475	82,235,185	90,029,741	96,834,257	106,041,400	100,511,018	104,857,894
355,288	382,923	-	-	-	-	-
3,000	3,000	3,000	13,032	-	3,000	3,000
-	-	577,056	609,065	656,360	635,302	628,215
150,943,339	162,265,574	174,332,065	164,058,825	203,923,187	200,230,591	202,338,924
491,648	541,822	529,808	581,574	585,928	657,600	1,615,763
631,963	641,063	588,750	539,537	555,924	435,124	381,177
1,123,611	1,182,885	1,118,558	1,121,111	1,141,852	1,092,724	1,996,940
\$ 152,066,950	\$ 163,448,459	\$ 175,450,623	\$ 165,179,936	\$ 205,065,039	\$ 201,323,315	\$ 204,335,864
\$ 1,961,946	\$ 2,099,417	\$ 2,316,390	\$ 2,297,276	\$ 2,416,108	\$ 2,207,551	\$ 2,311,495
117,531	144,368	137,935	140,458	152,964	93,234	68,696
83,039	85,184	81,628	71,021	85,977	69,893	74,946
966,125	1,054,560	1,203,372	1,077,507	1,240,754	847,310	821,425
184,488	278,074	223,322	512,369	581,915	521,831	531,824
128,962	136,971	234,348	215,855	231,128	433,250	203,439
10,714,734	12,005,770	12,101,570	(1,086,229)	17,690,849	15,595,912	14,294,183
446,654	155,334	90,056	17,917	-	212,521	89,399
14,603,479	15,959,678	16,388,621	3,246,174	22,399,695	19,981,502	18,395,407
743,025	726,267	718,742	852,433	940,001	761,832	1,902,224
1,033,093	949,606	874,602	813,266	805,394	590,416	365,890
43,868	47,393	-	-	-	-	-
1,819,986	1,723,266	1,593,344	1,665,699	1,745,395	1,352,248	2,268,114
\$ 16,423,465	\$ 17,682,944	\$ 17,981,965	\$ 4,911,873	\$ 24,145,090	\$ 21,333,750	\$ 20,663,521
\$ (136,339,860)	\$ (146,305,896)	\$ (157,943,444)	\$ (160,812,651)	\$ (181,523,492)	\$ (180,249,089)	\$ (183,943,517)
696,375	540,381	474,786	544,588	603,543	259,524	271,174
\$ (135,643,485)	\$ (145,765,515)	\$ (157,468,658)	\$ (160,268,063)	\$ (180,919,949)	\$ (179,989,565)	\$ (183,672,343)

Highland Park Independent School District

Change in Net Position – Continued

Last Ten Years (Unaudited)

(Accrual Basis of Accounting)

	2012	2013	2014	2015
Net (Expense) Revenue				
Governmental activities	\$ (125,248,985)	\$ (124,936,846)	\$ (126,170,196)	\$ (136,339,860)
Business-type activities	516,968	497,413	571,745	696,375
Total primary government net expense	(124,732,017)	(124,439,433)	(125,598,451)	(135,643,485)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	105,959,270	107,217,132	113,135,475	121,261,084
Property taxes levied for debt service	11,089,679	11,224,689	11,018,357	10,777,171
Unrestricted grants and contributions	10,894,879	8,775,795	5,119,410	4,694,961
Investment earnings	304,777	296,910	236,120	216,643
Miscellaneous local and intermediate revenue	42,980	-	-	1,263
Transfers in	-	400,000	400,000	730,410
Total governmental activities	128,291,585	127,914,526	129,909,362	137,681,532
Business-type activities:				
Investment earnings	3,799	4,691	3,625	3,343
Transfer (out)	-	(400,000)	(400,000)	(730,410)
Total business-type activities	3,799	(395,309)	(396,375)	(727,067)
Total Primary Government	\$ 128,295,384	\$ 127,519,217	\$ 129,512,987	\$ 136,954,465
Change in Net Position				
Governmental activities	\$ 3,042,600	\$ 2,977,680	\$ 3,739,166	\$ 1,341,672
Business-type activities	520,767	102,104	175,370	(30,692)
Total Primary Government	\$ 3,563,367	\$ 3,079,784	\$ 3,914,536	\$ 1,310,980

2016	2017	2018	2019	2020	2020
\$ (146,305,896)	\$ (157,943,444)	\$ (160,812,651)	\$ (181,523,492)	\$ (180,249,089)	\$ (183,943,517)
540,381	474,786	544,588	603,543	259,524	271,174
(145,765,515)	(157,468,658)	(160,268,063)	(180,919,949)	(179,989,565)	(183,672,343)
130,806,769	141,487,391	148,731,800	156,297,472	151,893,801	153,908,432
10,861,522	17,371,158	23,329,421	29,361,264	30,609,206	31,455,688
2,491,882	3,487,360	2,305,436	4,233,372	5,423,045	6,586,190
847,378	1,928,687	3,927,524	6,549,148	2,866,878	195,203
-	10,236	774,261	-	206,195	1,268,726
-	2,086,021	400,000	400,000	400,000	400,000
145,007,551	166,370,853	179,468,442	196,841,256	191,399,125	193,814,239
4,641	7,220	14,466	2,306	712	59
-	(2,086,021)	(400,000)	(400,000)	(400,000)	(400,000)
4,641	(2,078,801)	(385,534)	(397,694)	(399,288)	(399,941)
\$ 145,012,192	\$ 164,292,052	\$ 179,082,908	\$ 196,443,562	\$ 190,999,837	\$ 193,414,298
\$ (1,298,345)	\$ 8,427,409	\$ 18,655,791	\$ 15,317,764	\$ 11,150,036	\$ 9,870,722
545,022	(1,604,015)	159,054	205,849	(139,764)	(128,767)
\$ (753,323)	\$ 6,823,394	\$ 18,814,845	\$ 15,523,613	\$ 11,010,272	\$ 9,741,955

Highland Park Independent School District

Fund Balances, Governmental Funds

Last Ten Years (Unaudited)

(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015
General Fund				
Nonspendable	\$ -	\$ -	\$ 6,503	\$ 2,218,473
Unassigned	17,369,574	16,730,139	16,315,075	8,301,439
Total General Fund	17,369,574	16,730,139	0 16,321,578	10,519,912
All Other Governmental Funds				
Nonspendable	-	-	-	-
Restricted	3,265,693	3,161,700	3,705,966	3,289,033
Committed	7,606,042	4,402,920	3,178,050	4,839,155
Unassigned	-	(12,012)	(15,670)	(36,780)
Total all Other Governmental Funds	10,871,735	7,552,608	0 6,868,346	8,091,408
Total Governmental Funds	\$ 28,241,309	\$ 24,282,747	0 \$ 23,189,924	\$ 18,611,320

Source: Current and prior District Annual Financial Reports

2016	2017	2018	2019	2020	2021
\$ 1,244,128	\$ 1,367,825	\$ 1,267,816	\$ 1,273,038	\$ 1,140,186	\$ 1,055,186
9,595,031	15,658,895	19,044,955	22,234,936	23,363,260	23,688,952
10,839,159	17,026,720	20,312,771	23,507,974	24,503,446	24,744,138
-	5,500	-	-	-	-
5,466,033	4,497,774	8,064,922	128,794,613	51,953,391	38,449,518
181,670,754	139,510,907	201,042,072	2,278,013	2,050,786	2,146,092
54,456	-	-	-	-	(1,345)
187,191,243	144,014,181	209,106,994	131,072,626	54,004,177	40,594,265
\$ 198,030,402	\$ 161,040,901	\$ 229,419,765	\$ 154,580,600	\$ 78,507,623	\$ 65,338,403

Highland Park Independent School District
Governmental Funds Revenues
Last Ten Fiscal Years (Unaudited)
(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015
Local Source Revenues				
Local Maintenance and Debt Service Tax	\$ 117,227,386	\$ 118,216,386	\$ 123,937,019	\$ 132,338,812
Investment earnings	302,482	291,914	235,457	215,940
Charitable donations	5,304,348	5,738,252	7,288,907	6,661,087
Tuition from Patrons	747,671	1,512,989	1,586,372	1,140,217
Co-curricular athletic gate receipts	586,152	474,929	648,077	654,103
Other Revenue from Local Sources	1,777,387	1,050,684	1,072,988	1,680,609
Total Local Sources	125,945,426	127,285,154	134,768,820	142,690,768
State Programs Revenues				
Per Capita and Foundation	10,845,587	8,775,795	5,088,998	4,726,407
Other Revenue from State	606,836	204,056	394,161	209,991
On-behalf Payments	2,406,633	2,492,384	2,767,618	3,010,160
Total State Programs	13,859,056	11,472,235	8,250,777	7,946,558
Federal Program Revenues				
Federal grants	1,619,648	798,067	999,649	1,248,575
Total Federal Revenues	1,619,648	798,067	999,649	1,248,575
Total Revenues	\$ 141,424,130	\$ 139,555,456	\$ 144,019,246	\$ 151,885,901

Source: Current and prior District Annual Financial Reports

2016	2017	2018	2019	2020	2021
\$ 141,703,220	\$ 158,656,428	\$ 172,064,202	\$ 185,864,969	\$ 182,503,007	\$ 185,561,204
845,183	1,923,733	3,918,150	6,549,148	2,830,252	194,565
7,316,756	8,268,579	8,571,291	10,423,389	9,411,751	8,835,174
1,132,944	1,192,921	1,142,794	1,229,129	693,415	778,858
746,430	796,506	674,875	1,446,523	696,427	706,206
1,919,200	2,209,387	2,546,157	1,832,002	1,484,110	3,795,488
153,663,733	173,047,554	188,917,469	207,345,160	197,618,962	199,871,495
2,490,884	3,487,212	2,305,436	4,208,381	5,373,045	6,541,565
295,443	204,128	103,803	1,161,709	635,083	529,485
2,704,105	2,776,188	2,896,496	2,956,912	3,500,254	3,666,196
5,490,432	6,467,528	5,305,735	8,327,002	9,508,382	10,737,246
960,051	1,019,322	886,226	1,056,819	1,199,026	1,058,953
960,051	1,019,322	886,226	1,056,819	1,199,026	1,058,953
\$ 160,114,216	\$ 180,534,404	\$ 195,109,430	\$ 216,728,981	\$ 208,326,370	\$ 211,667,694

Highland Park Independent School District
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years (Unaudited)
(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015
Instruction	\$ 36,332,567	\$ 36,747,118	\$ 37,826,896	\$ 41,354,674
Instructional Resources and Media Services	843,191	948,463	919,680	1,145,372
Curriculum Development & Staff Development	1,836,332	1,554,192	1,867,952	1,776,147
Instructional Leadership	964,449	978,053	1,026,298	1,022,212
School Leadership	2,612,516	2,767,785	2,843,259	2,935,555
Guidance, Counseling and Evaluation Services	2,579,018	2,714,327	2,759,029	3,016,211
Health Services	495,732	508,762	527,427	536,401
Student (Pupil) Transportation	209,000	185,584	270,605	354,058
Food Services	1,246,655	1,323,300	1,342,303	1,418,763
Co-curricular/Extracurricular Activities	2,660,784	2,692,680	2,866,993	2,743,880
General Administration	2,576,420	2,768,072	2,845,292	3,537,778
Plant Maintenance and Operations	5,660,916	5,162,026	5,833,680	5,926,426
Security and Monitoring Services	118,888	156,313	416,320	878,022
Data Processing Services	971,384	795,210	1,028,990	1,180,646
Community Services	-	-	-	-
Debt Service - Principal on long-term debt	6,630,000	6,930,000	7,080,000	7,405,000
Debt Service - Interest on long-term debt	5,223,085	4,431,992	4,314,393	3,988,043
Debt Service - Bond fees	3,000	117,577	2,826	3,250
Facilities Acquisition and Construction	655,809	3,904,206	2,770,873	1,356,304
Contracted Instructional Services Between Public Schools ⁽²⁾	69,253,860	68,513,500	68,946,652	75,527,475
Incremental Cost Associated with Chapter 41	346,393	347,744	353,011	355,288
Juvenile and justice education programs	-	-	-	3,000
Other intergovernmental charges	-	-	-	-
Total Expenditures ⁽¹⁾	\$ 141,219,999	\$ 143,546,904	\$ 145,842,479	\$ 156,464,505
Debt service as a percentage of noncapital expenditures	8.5%	8.2%	8.0%	7.4%

Note:

(1) Includes General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund. Expenditures have been grouped by function category which is consistent with the Financial Accountability System Resource Guide.

Source: Current and prior District Annual Financial Reports

2016	2017	2018	2019	2020	2021
\$ 41,424,824	\$ 41,352,323	\$ 41,937,155	\$ 42,400,414	\$ 43,567,340	\$ 42,980,809
939,601	937,944	1,449,765	1,031,451	1,211,867	1,103,529
1,923,286	1,927,306	1,188,017	1,015,147	818,492	780,761
1,097,923	1,243,824	1,451,825	1,597,539	1,559,204	1,772,454
2,917,389	2,938,123	3,309,898	3,400,389	3,895,589	3,588,405
3,047,206	3,189,737	3,023,879	3,202,224	3,377,485	3,432,358
558,596	546,193	545,800	565,254	582,565	647,942
303,478	290,031	195,572	694,323	536,934	477,473
1,477,612	1,539,527	1,498,052	1,621,474	1,706,434	1,894,275
2,923,903	3,408,486	3,084,336	3,305,882	3,168,891	3,303,261
3,122,561	2,859,393	3,225,050	3,603,476	3,221,730	2,880,428
6,250,845	5,699,345	5,547,494	5,759,818	7,314,349	8,382,130
488,412	895,540	764,396	1,036,121	1,184,288	1,256,714
1,017,633	1,409,359	2,273,013	2,572,800	3,178,621	1,602,033
-	46,929	49,665	55,255	69,404	117,823
9,800,000	7,465,000	9,475,000	11,685,000	12,530,000	13,125,000
5,952,851	11,472,361	13,634,668	16,674,375	16,120,150	15,524,531
722,198	3,500	348,352	41,942	3,000	3,000
44,927,608	42,175,208	76,658,188	85,070,907	79,603,684	16,977,099
82,235,185	90,029,741	96,834,257	106,041,400	100,511,018	104,857,894
382,923	-	-	-	-	-
3,000	3,000	13,032	-	3,000	3,000
-	577,056.00	609,065	656,360	635,302	628,215
<u>\$ 211,517,034</u>	<u>\$ 220,009,926</u>	<u>\$ 267,116,479</u>	<u>\$ 292,031,551</u>	<u>\$ 284,799,347</u>	<u>\$ 225,339,134</u>
<u>9.5%</u>	<u>10.7%</u>	<u>12.2%</u>	<u>13.8%</u>	<u>14.2%</u>	<u>13.8%</u>

Highland Park Independent School District

Governmental Funds, Other Financing Sources and Uses,
and Net Change in Fund Balance
Last Ten Fiscal Years (Unaudited)
(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015
Excess of revenues over (under) expenditures	\$ 204,131	\$ (3,991,448)	\$ (1,823,233)	\$ (4,578,604)
Other financing sources (uses)				
Transfer In	480,000	995,000	1,383,410	3,900,000
Transfer Out	(480,000)	(595,000)	(653,000)	(3,900,000)
Issuance of Bonds	-	22,285,000	-	-
Payment to bond refunding escrow agent	-	(24,714,331)	-	-
Premium or Discount on Issuance of Bonds	-	2,062,217	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	32,886	730,410	-
Net change in fund balance	\$ 204,131	\$ (3,958,562)	\$ (1,092,823)	\$ (4,578,604)

Source: Current and prior District Annual Financial Reports

2016	2017	2018	2019	2020	2021
\$ (51,402,818)	\$ (39,475,522)	\$ (72,007,049)	\$ (75,302,570)	\$ (76,472,977)	\$ (13,671,440)
4,549,297	3,544,368	400,000	400,000	400,000	400,000
(4,549,297)	(1,058,347)	-	-	-	-
258,605,000	-	122,050,000	3,355,000	-	-
(58,629,197)	-	-	(3,600,622)	-	-
30,846,097	-	17,210,992	309,027	-	-
-	-	724,921	-	-	-
230,821,900	2,486,021	140,385,913	463,405	400,000	400,000
<u>\$ 179,419,082</u>	<u>\$ (36,989,501)</u>	<u>\$ 68,378,864</u>	<u>\$ (74,839,165)</u>	<u>\$ (76,072,977)</u>	<u>\$ (13,271,440)</u>

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Highland Park Independent School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

Exhibit S-7

Fiscal Year	Residential Property	Commercial Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2012	11,962,716,480	2,428,404,920	201,288,880	3,523,092,876	\$ 11,069,317,404	1.1342
2013	11,953,046,950	2,590,164,500	210,340,800	3,575,921,623	11,177,630,627	1.1342
2014	12,493,761,050	2,768,530,200	226,550,750	3,755,043,612	11,733,798,388	1.1267
2015	13,533,524,440	3,089,012,350	248,026,740	4,197,757,233	12,672,806,297	1.1181
2016	14,719,442,320	3,223,015,490	249,543,160	4,575,862,154	13,616,138,816	1.1119
2017	16,086,067,140	3,573,327,030	266,951,760	5,130,568,298	14,795,777,632	1.1527
2018	16,117,322,750	3,712,497,810	272,493,530	5,039,175,366	15,063,138,724	1.2032
2019	17,424,635,940	3,966,152,450	286,810,710	5,430,337,941	16,247,261,159	1.2355
2020	17,836,766,710	4,417,938,550	310,901,210	5,793,248,192	16,772,358,278	1.1655
2021	17,337,373,915	4,562,115,100	302,954,840	5,899,055,907	16,303,387,948	1.1519

Source: Dallas Central Appraisal District. Property in the district is reassessed every three years. Property is assessed at actual value; therefore, the assessed values are equal to actual values. Tax rates are per \$100 of assessed value.

Highland Park Independent School District

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years (Unaudited)

Years Ended August 31,	District Direct Tax Rates		
	Maintenance & Operations	Debt Service	Total
2012	1.0267	0.1075	1.1342
2013	1.0267	0.1075	1.1342
2014	1.0267	0.1000	1.1267
2015	1.0267	0.0914	1.1181
2016	1.0267	0.0852	1.1119
2017	1.0267	0.126	1.1527
2018	1.0400	0.1632	1.2032
2019	1.0400	0.1955	1.2355
2020	0.9700	0.1955	1.1655
2021	0.9564	0.1955	1.1519

Source: Dallas County Tax Office

Note:

(1) Includes both Maintenance & Operations and Debt Service rates.

Overlapping Tax Rates ⁽¹⁾

Years Ended August 31,	Town of Highland Park	City of University Park	City of Dallas	County of Dallas	Dallas County Hospital District	Dallas County	Dallas County
						Community College District	School Equalization District
2012	0.2200	0.27845	0.7970	0.2431	0.27100	0.119375	0.009370
2013	0.2200	0.27432	0.7970	0.2431	0.27600	0.124700	0.010000
2014	0.2200	0.26970	0.7970	0.2431	0.28600	0.124775	0.010000
2015	0.2200	0.26979	0.7970	0.2431	0.28600	0.124775	0.010000
2016	0.2200	0.25893	0.7970	0.2431	0.28600	0.123650	0.010000
2017	0.2200	0.24876	0.7825	0.2431	0.27940	0.122933	0.009271
2018	0.2200	0.24876	0.7804	0.2431	0.27940	0.124238	0.010000
2019	0.2200	0.24538	0.7767	0.2431	0.27940	0.124000	0.010000
2020	0.2300	0.25855	0.7766	0.2431	0.26950	0.124000	0.010000
2021	0.2300	0.26475	0.7763	0.2397	0.22610	0.124000	0.010000

Source: Dallas County Tax Office

Note:

(1) Includes both Maintenance & Operations and Debt Service rates.

Highland Park Independent School District

Exhibit S-9

Principal Property Taxpayers

Current Year and Nine Years Ago (Unaudited)

Taxpayer	Type of Property	2021			2012		
		Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
KBSIII Preston Commons LLC	Commercial	\$ 210,944,510	1	1.29 %			
HP Village Partners LP	Commercial	200,666,570	2	1.23	\$ 105,007,490	2	0.95
Douglas Center HP LP	Commercial	107,500,000	3	0.66			
SPUS9 Sherry Lane LP	Commercial	91,255,000	4	0.56			
Caruth Preston Road Assoc.	Commercial	78,271,240	5	0.48	45,194,400	5	0.41
BV CP Preston Center LP	Commercial	61,000,000	6	0.37			
CFO DTIV LLC	Commercial	59,925,000	7	0.37			
5950 Sherry Property LLC	Commercial	59,200,000	8	0.36			
FHF I Berkshire Tower LLC	Commercial	57,242,760	9	0.35			
Alpine Preston Center LLC	Commercial	57,000,000	10	0.35			
SP Millenium Center, LP	Commercial				125,094,960	1	1.13
TR 8333 Douglas Corp.	Commercial				68,713,000	3	0.62
Sherry Realty Holdings	Commercial				61,000,000	4	0.55
USA Preston Center Pavillion	Commercial				43,967,170	6	0.40
RREEF Sherry Lane LP	Commercial				39,054,030	7	0.35
Dallas Country Club	Commercial				37,615,780	8	0.34
BPC CORP, Inc.	Commercial				36,017,860	9	0.33
Intercity Investments, Inc.	Commercial				29,437,200	10	0.27
Total		\$ 983,005,080		6.02	\$ 591,101,890		5.35

Source: Dallas County Tax Assessor

Highland Park Independent School District

Exhibit S-10

Property Tax Levies and Collections

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2012	\$ 116,519,962	\$ 116,293,908	99.81%	\$ 3,397	\$ 116,297,305	99.81%
2013	118,120,098	117,708,874	99.65%	1,236	117,710,110	99.65%
2014	123,821,588	123,245,241	99.53%	1,079	123,246,320	99.54%
2015	132,421,480	131,944,897	99.64%	1,283	131,946,180	99.64%
2016	142,727,212	141,303,217	99.00%	20,145	141,323,362	99.02%
2017	159,424,797	157,732,114	98.94%	53,764	157,785,878	98.97%
2018	171,511,304	170,691,343	99.52%	56,468	170,747,811	99.55%
2019	184,938,061	184,016,234	99.50%	152,930	184,169,164	99.58%
2020	182,098,490	181,025,465	99.41%	2,223,731	183,249,196	99.50%
2021	175,841,016	184,168,631	104.74%	-	184,168,631	104.74%

Source: Current and prior District Annual Financial Reports.

Note:

(1) Includes supplements and corrections to the original levy calculation for the fiscal year.

Highland Park Independent School District

Exhibit S-11

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Unlimited Tax Bonds ⁽¹⁾	Maintenance Tax Notes ⁽¹⁾	Total	Restricted for Debt Service	Net Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ⁽²⁾	Percentage of Personal Income ⁽³⁾	Estimated Population	Total Outstanding Debt Per Capita ⁽³⁾
2012	\$ 107,896,452	\$ 2,635,000	\$ 110,531,452	\$ 1,486,670	\$ 109,044,782	0.99%	1.29%	34,605	\$ 3,151
2013	102,017,431	2,210,000	104,227,431	1,370,673	102,856,758	0.92%	1.19%	34,600	2,973
2014	94,781,633	1,785,000	96,566,633	1,476,473	95,090,160	0.81%	1.17%	31,340	3,034
2015	87,338,214	1,350,000	88,688,214	1,344,147	87,344,067	2.28%	1.04%	31,280	2,792
2016	313,020,516	-	313,020,516	2,685,441	310,335,075	2.04%	3.64%	31,150	9,963
2017	303,438,087	-	303,438,087	1,250,829	302,187,258	2.83%	3.41%	31,330	9,645
2018	430,691,265	-	430,691,265	4,510,328	426,180,937	2.53%	4.69%	31,410	13,568
2019	416,101,751	-	416,101,751	5,845,164	410,256,587	2.43%	4.41%	31,410	13,061
2020	401,036,376	-	416,101,751	7,963,342	408,138,409	2.41%	4.39%	31,450	12,977
2021	385,290,075	-	385,290,075	10,822,286	374,467,789	2.30%	3.68%	32,030	11,691

Source: District audited financial records.

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

(1) General Unlimited Tax Bonds and Maintenance Tax Notes are from governmental activities. The District has no other debt.

(2) See Exhibit S-7 for property value data.

(3) See Exhibit S-14 for population data.

Highland Park Independent School District
Direct and Overlapping Governmental Activities Debt
August 31, 2021 (Unaudited)

Exhibit S-12

Name of Governmental Unit	Gross Outstanding	Percent Overlapping	Amount Overlapping Gross Debt
County of Dallas	\$ 116,665,000	6.31	\$ 7,361,562
Dallas County Community College District	115,750,000	6.31	7,303,825
Dallas County Hospital District	575,530,000	6.31	36,315,943
Dallas County Schools	16,679,652	6.31	1,052,486
City of Dallas	1,936,980,416	1.04	20,144,596
Total Overlapping Debt	2,761,605,068		72,178,412
Highland Park Independent School District	385,290,075	100.00%	385,290,075
Total Direct and Overlapping Debt	\$ 3,146,895,143		\$ 457,468,487
Ratio of Total Direct and Overlapping Debt to Assessed Valuation			2.81%
Per Capita Overlapping Debt			\$ 14,546

Source: Gross Debt Outstanding and Percent Overlapping were obtained from the Municipal Advisory of Texas (Texas MAC). The methodology used in deriving Overlapping Percentages:

- 1) Determine the estimated shared assessed valuation of taxable property within both the overlapping taxing body(s) and our District;
- 2) Divide that shared value by the total assessed value of taxable property within the overlapping taxing body.

Highland Park Independent School District

Exhibit S-13

Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Debt Limit	Total Net Debt Applicable To Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2012	\$ 1,106,931,740	\$ 109,044,782	\$ 1,284,162,794	9.85
2013	1,117,763,063	102,856,758	1,014,906,305	9.20
2014	1,173,379,839	95,090,160	1,078,289,679	8.10
2015	1,267,280,630	85,765,853	1,181,514,777	6.77
2016	1,361,613,882	332,837,703	1,028,776,179	24.44
2017	1,479,577,763	426,180,937	1,053,396,826	28.80
2018	1,506,313,872	410,256,587	1,096,057,285	27.24
2019	1,624,726,126	410,256,587	1,214,469,539	25.25
2020	1,677,235,828	344,567,715	1,332,668,113	20.54
2021	1,630,338,795	374,467,789	1,255,871,006	22.97

Legal Debt Margin Calculation for Fiscal Year 2021

Taxable Assessed Value		\$ 16,303,387,948
Debt Limit (10% of assessed value)		1,630,338,795
Total Bonded Debt	\$ 385,290,075	
Less: Restricted for Debt Service	10,822,286	
Debt applicable to limit		374,467,789
Legal debt margin		\$ 1,255,871,006

Highland Park Independent School District**Exhibit S-14**

Demographic and Economic Statistics

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Estimated Population ⁽¹⁾	Personal Income	Per Capita Personal Income ^(1,2)	Unemployment Rate ⁽³⁾
2012	34,605	\$ 8,483,303,577	\$ 245,147	6.7
2013	34,600	8,660,201,478	250,295	6.5
2014	31,340	8,150,165,670	260,056	5.8
2015	31,280	8,403,002,845	268,638	4.4
2016	31,150	8,535,441,477	274,011	4.2
2017	31,330	8,859,475,881	282,779	4.1
2018	31,410	9,095,268,583	289,566	3.8
2019	31,410	9,295,364,493	295,936	3.4
2020	31,450	9,295,364,493	299,488	6.9
2021	32,030	10,187,331,902	318,056	4.7

Source:

(1) North Central Texas Council of Governments Census (NCTCG) and Estimates.

(2) US Bureau of Labor Statistics for DFW. Years 2010 through 2019 were adjusted by the CPI. 2.2% for 2019

(3) Texas Workforce Commission. Unemployment rate is for Dallas County.

Highland Park Independent School District

Exhibit S-15

Top Ten Principal Employers

Current Year and Nine Years Ago (Unaudited)

Employer ⁽¹⁾	2021		Percentage of Total Employment	2012	
	Employees	Rank		Employees	Rank
Wal-Mart Stores	34,698	1	0.87%		
Texas Health Resources	26,000	2	0.65%		
American Airlines Group, Inc	24,700	3	0.62%		
Lockheed Martin Aeronautics Co.	22,950	4	0.57%		
Dallas Independent School District	22,621	5	0.57%	18,868	1
UT Southwestern Medical Center	20,167	6	0.50%	13,053	3
Bank of America	20,000	7	0.50%		
Baylor Scott & White Health	18,195	8	0.45%		
Medical City Healthcare	17,000	9	0.43%		
AT&T, Inc.	15,800	10	0.40%		
City of Dallas				13,369	2
Parkland Health and Hospital System				9,500	4
Texas Instruments				9,300	5
Baylor University Medical Center				7,847	6
Dallas County Personnel/Civil Service				7,427	7
Southwest Airlines				6,458	8
DCCCD				6,001	9
Presbyterian Hospital of Dallas				5,917	10
	<u>222,131</u>		<u>5.56%</u>	<u>97,740</u>	
Estimated Employed Workforce in 2021	4,000,000				

Source: Dallas Business Journal Book of Lists, Dallas Economic Development Profile, Dallas County Financial Records

Note:

(1) The Highland Park Independent School District 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 Dallas County.

Highland Park Independent School District
Full-Time-Equivalent District Employees by Type
Last Ten Fiscal Years (Unaudited)

Exhibit S-16

	Fiscal Year										Percent Change
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2021
Instruction											
Teachers	427.5	432.8	443.7	461.9	467.0	469.1	453.8	440.4	444.4	455.0	6.43
Librarians	5.9	5.8	6.0	4.7	6.0	6.8	6.9	6.8	6.9	8.3	40.68
Educational Aides	63.5	71.3	73.2	76.3	82.8	88.1	93.3	96.4	84.5	89.8	41.42
Other Professionals (instructional)	15.1	15.6	18.3	23.6	24.8	25.8	24.0	28.7	33.8	18.1	19.87
	512.0	525.5	541.2	566.5	580.6	589.8	578.0	572.3	569.6	571.2	11.56
Campus Administration											
Principal	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0	8.0	33.33
Assistant Principal	5.4	5.5	5.3	5.4	5.7	6.7	7.5	7.7	9.0	8.9	64.81
Instructional Officer	-	-	-	-	-	-	1.0	-	-	1.0	-
Teacher Supervisor	7.3	7.0	6.1	6.2	7.1	6.4	9.2	8.7	9.4	6.7	(8.22)
Campus Support	26.0	26.0	26.0	26.0	23.0	-	-	-	-	29.3	12.69
	44.7	44.5	43.4	43.6	41.8	19.1	23.7	23.5	25.4	53.9	20.58
Student Services											
Counselor	14.1	13.8	14.1	15.1	16.1	16.1	12.9	16.0	16.0	17.0	20.57
Educational Diagnostician	3.0	3.0	3.0	3.0	4.0	3.9	3.0	2.3	4.0	4.5	50.00
School Nurse	7.0	7.0	8.0	8.0	9.0	8.0	7.4	7.9	7.8	9.2	31.43
LSSP/Psychologist/Therapist	15.1	20.5	18.8	19.4	20.0	20.5	21.0	21.7	20.2	21.3	41.06
	39.2	44.3	43.9	45.5	49.1	48.5	44.3	47.9	48.0	52.0	32.65
Support and Administration											
Superintendent and											
Asst Superintendent	3.0	3.0	3.0	3.0	3.0	2.6	3.0	3.0	3.0	3.0	-
Instructional Officer	0.5	0.5	1.5	1.5	1.0	1.0	2.5	6.0	5.6	6.5	1,200.00
Teacher Supervisor	5.0	3.0	3.0	3.0	3.0	3.0	-	-	-	1.0	(80.00)
Non-Campus Professionals	3.5	3.5	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	(42.86)
Auxiliary Staff	132.7	132.2	137.1	143.0	101.2	117.2	120.0	164.1	164.1	168.2	26.75
	144.7	142.2	147.6	153.5	111.2	126.8	127.5	175.1	174.7	180.7	24.88
Total	740.6	756.5	776.1	809.1	782.7	784.2	773.5	818.7	817.7	857.8	15.83

Source:

(1) Fall Public Education Information Management System (PEIMS) Submissions with full-time equivalent employees as of the last Friday in October.

Note:

Full-time instructional employees of the district are employed for 187 contract days. Campus Administrators and Student Services employees are primarily employed for 200 or 215 days. Central administrative and non-campus professional staff are employed for 226 days. Non-professional support staff are employed for 230 days. Auxiliary staff are employed on an hourly basis with daily hours ranging from 8 hours to 4 hours.

Highland Park Independent School District

Exhibit S-17

Teacher Average Salary and FTE Counts Last Ten Fiscal Years (Unaudited)

Fiscal Year	Beginning Teacher		1 - 5 Years Experience		6 - 10 Years Experience		11 - 20 Years Experience		Over 20 Years Experience		District Total Teachers		State-wide Average Salary
	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	
2012	\$ 47,456	10.8	\$ 48,873	82.8	\$ 50,667	104.1	\$ 50,667	126.0	\$ 65,554	103.8	\$ 55,043	427.5	\$ 48,868
2013	47,368	11.6	48,511	99.1	51,105	103.9	55,489	121.3	66,185	96.9	55,018	432.8	48,375
2014	50,072	10.2	49,679	94.0	51,827	120.3	55,875	131.2	66,967	87.9	55,521	443.7	48,821
2015	50,609	9.0	50,329	104.2	52,559	113.4	56,664	149.9	67,029	85.4	56,026	461.9	50,715
2016	47,282	11.0	52,586	96.5	54,567	119.1	58,000	157.7	69,675	82.6	57,799	467.0	51,891
2017	47,596	7.5	50,916	90.0	52,285	126.3	55,606	157.4	64,360	87.9	55,319	469.1	52,525
2018	48,950	4.5	50,614	94.4	52,393	110.4	55,463	153.8	63,863	90.7	55,319	453.8	53,334
2019	49,425	10.6	51,005	83.5	52,632	103.1	55,691	148.4	63,217	94.9	55,557	440.4	54,122
2020	49,193	3.3	52,025	96.4	54,139	94.5	56,788	152.9	63,625	97.3	56,627	444.4	57,091
2021	50,428	17.9	51,566	93.5	53,618	101.5	56,549	154.3	62,478	87.8	55,771	455.0	57,641

Sources: Data obtained from the Public Education Information System (PEIMS) data reported to Texas Education Agency annually. State-wide average salary was obtained from the Academic Excellence Indicator System Annual Report for State of Texas (AEIS).

Highland Park Independent School District

Exhibit S-18

Operating Statistics

Last Ten Fiscal Years (Unaudited)

Fiscal Year	Enrollment ⁽¹⁾	Operating Expenditures ⁽²⁾	Cost Per Pupil	Operating Expenditures Excluding Recapture ⁽²⁾	Cost Per Pupil	(FTEs) Teaching Staff ⁽³⁾	Pupil Teacher Ratio
2012	6,804	\$ 128,896,597	\$ 18,944	\$ 59,642,737	\$ 8,766	427.5	15.9
2013	6,848	128,265,174	18,730	59,751,674	8,725	432.8	15.8
2014	7,037	131,768,906	18,725	62,822,254	8,927	443.7	15.9
2015	7,091	144,174,971	20,332	68,647,496	9,681	461.9	15.4
2016	7,081	150,342,319	21,232	76,175,536	10,758	467.1	15.2
2017	7,044	158,410,721	22,489	76,068,404	10,799	469.2	15.0
2018	6,991	166,098,145	23,759	69,263,888	9,908	453.8	15.4
2019	6,801	178,890,097	26,303	72,848,697	10,711	440.4	15.4
2020	6,864	175,407,579	25,555	74,438,458	10,845	444.4	15.4
2021	6,648	180,393,969	27,135	75,642,871	11,378	455.0	14.6

Notes:

(1) Enrollment is as of the October reporting date to TEA through the Public Education Information System (PEIMS).

(2) Operating expenditures are total governmental fund expenditures less debt service, capital projects, fiduciary, and proprietary funds.

(3) Teachers (FTEs) are as of October reporting date to TEA through PEIMS and District records.

Highland Park Independent School District

School Building Information

Last Ten Fiscal Years (Unaudited)

Exhibit S-19

Schools	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
John S. Armstrong Elementary School (Constructed 1953)										
Square feet	79,885	79,885	79,885	79,885	79,885	79,885	79,885	89,048	89,048	89,048
Capacity	633	633	594	594	594	594	594	550	550	550
Enrollment	598	569	581	577	581	552	531	509	509	409
Michael M. Boone Elementary School (Constructed 2019)										
Square feet	-	-	-	-	-	-	-	-	-	110,691
Capacity	-	-	-	-	-	-	-	-	-	770
Enrollment	-	-	-	-	-	-	-	-	-	410
John S. Bradfield Elementary School (Constructed 1926)										
Square feet	86,603	86,603	86,535	86,535	86,535	86,535	86,535	86,535	105,556	105,556
Capacity	697	697	669	668	668	668	668	668	770	770
Enrollment	703	701	718	747	747	726	692	651	610	562
Robert S. Hyer Elementary School (Constructed 1947)										
Square feet	78,211	78,211	78,211	78,211	78,211	78,211	78,211	78,211	109,534	109,534
Capacity	657	657	704	704	704	704	704	704	770	770
Enrollment	693	700	726	736	717	697	697	663	648	501
University Park Elementary School (Constructed 1928)										
Square feet	83,287	83,287	86,287	86,287	86,287	86,287	86,287	111,035	111,035	111,035
Capacity	655	655	683	682	682	682	682	770	770	770
Enrollment	705	696	705	706	689	648	652	661	700	441
Arch H. McCulloch Intermediate School (Constructed 1995)										
Square feet	112,186	112,186	112,186	112,186	112,186	112,186	112,186	193,668	193,668	193,668
Capacity	1,072	1,107	1,107	1,107	1,107	1,107	1,107	1,401	1,401	1,401
Enrollment	1,043	1,030	1,103	1,096	1,106	1,145	1,133	1,084	1,034	1,051
Highland Park Middle School (Constructed 1995)										
Square feet	166,544	166,544	166,544	166,544	166,544	166,544	166,544	193,668	193,668	193,668
Capacity	1,205	1,205	1,205	1,205	1,205	1,205	1,205	1,499	1,499	1,499
Enrollment	1,036	1,107	1,098	1,089	1,127	1,116	1,106	1,133	1,150	1,110
Highland Park High School (Constructed 1937)										
Square feet	376,890	376,890	385,693	385,693	385,693	385,693	385,693	385,693	385,693	482,880
Capacity	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,924	2,924
Enrollment	2,026	2,045	2,106	2,140	2,114	2,160	2,180	2,118	2,220	2,200
Multi-Purpose Activity Building	60,000	60,000	60,307	60,307	60,307	60,307	60,307	60,307	60,307	60,307

Source:

- (1) Square feet and functional capacity data for 2010 through 2019 was obtained from a Facility Study performed by SHW Group LLP in June 2014.
- (2) Enrollment is as of the October reporting date to TEA through the Public Education Information System.

Reports on Internal Control, Compliance, and Federal Awards

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**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with Government Auditing Standards**

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Highland Park Independent School District (the District), as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 31, 2021. Our report includes a reference to other auditors who audited the financial statements of the Highland Park I.S.D. Education Foundation as described in our report on the District's financial statements. The financial statements of the Highland Park I.S.D. Education Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Board of Trustees
Highland Park Independent School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
December 31, 2021



**Independent Auditor's Report on Compliance for Each
Major Federal Program and Report on Internal Control over Compliance
in Accordance with the Uniform Guidance**

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

Report on Compliance for Each Major Federal Program

We have audited Highland Park Independent School District's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

Weaver and Tidwell, L.L.P.
2300 North Field Street, Suite 1000 | Dallas, Texas 75201
Main: 972.490.1970

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
December 31, 2021

Highland Park Independent School District**Exhibit K-1**Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2021

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through State Department of Education			
Title IV IDEA - Part B, Formula	84.027A	196600010579116600	\$ 978,230
Title IV IDEA - Part B, Preschool	84.173A	196610010579116610	15,450
Total U.S. Department of Education			993,680
U.S. Department of the Treasury			
Passed through State Department of Education			
COVID-19 - Coronavirus Relief Fund (PPRP)	21.019	52102035	50,000
Passed through Texas Division of Emergency Management			
COVID-19 - Coronavirus Relief Fund	21.019	2020-CF-21019	15,273
Total U.S. Department of the Treasury			65,273
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,058,953

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

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Highland Park Independent School District

Notes to the Schedule of Expenditures of Federal Awards

The District utilizes the fund types specified in the Texas Education Agency Financial Accountability System Resource Guide.

Special Revenue Funds are used to account for resources restricted to, or committed for, specific purposes by a grantor. Federal and state awards generally are accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified grant periods.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

Amounts reported in the Schedule of Expenditures of Federal Awards consist of the following:

Expenditures of Federal Awards in Fiscal Year 2020	\$ 50,000
Expenditures of Federal Awards in Fiscal Year 2021	<u>1,008,953</u>
Total Expenditures of Federal Awards	<u>\$ 1,058,953</u>

The \$50,000 of fiscal year 2020 expenditures represent eligible costs that were incurred under the Prior Purchase Reimbursement Program (PRPP) during the pre-award period.

The District did not elect to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance, Section 414 for the year ended August 31, 2021.

Highland Park Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2021

Section 1. Summary of the Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are not
considered to be material weakness(es)?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are not
considered to be material weakness(es)?

_____ Yes X None reported

An unmodified opinion was issued on compliance for
major programs.

Any audit findings disclosed that are required to be reported
in accordance with the Uniform Guidance?

_____ Yes X No

Identification of major programs:

84.027A, 84.173A

Special Education Cluster

Dollar threshold use to distinguish between type
A and type B programs?

\$750,000 – Federal

Auditee qualified as low-risk auditee?

 X Yes _____ No

Highland Park Independent School District

Summary of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2021

Section 2. Financial Statement Findings

None

Section 3. Federal Awards Findings

None

Section 4. Summary of Prior Year Audit Findings

None

Highland Park Independent School District
7015 Westchester Drive, Dallas, Texas 75205
214-780-3000 / www.hpsd.org

Exhibit D

October 27, 2015

To: Tim Turner

From: Seay Tennis Center Concerned Park Cities Residents

The following issues need to be researched/investigated and resolved. All of these issues have been derived from multiple conversations with Park Cities' residents that are intimately familiar with the Highland Park Tennis Teams and the Seay Tennis Center. A number of these residents have students on the current or past tennis teams. Many of the residents are members of the Seay Tennis Center or previous members of the center. Several past employees of the Seay Tennis Center have come forward to discuss the inside workings of both the school tennis program and the center. We would appreciate a written response to our concerns.

For the fiscal year ended August 31, 2014 the Seay Tennis Center had \$698,000 in revenue and \$246,187 in profits. 85% of the expenses consisted of payroll. Less than 30% of the payroll went to tennis professionals for coaching. \$237,457 went to personnel that performed little or no coaching. Only two of the six highest paid individuals (out of a total of 32) drawing over 80% of the payroll compensation were full time coaches.

1. Dan Holden holds a teaching certificate. However, Dan Holden does not teach any classes. Dan Holden's involvement with the tennis program is a 45 minute session on most school days, Monday – Thursday, in season. Dan Holden attends team tournaments.
2. Dan Holden is in charge of the Seay Tennis Center and the Seay Tennis Center tennis programs including the high school programs as distinct from the high school tennis team. Dan Holden does not attend any training sessions and does not attend tournaments involving Seay Center participants.
3. Dan Holden maintains investments in a Memphis real estate company, Memphis Invest. He solicits others to invest in this company. His wife works with Memphis Invest.
4. Dan Holden maintains investments in used car dealerships along with Shannon Rodden, the Plano West coach.
5. Dan Holden employs tennis professionals to coach the various tennis programs including the high school tennis team. Students that utilize these professionals are required to pay approximately \$3000 annually for these services.
6. Five out of the top 6 female high school tennis team players have trained at T Bar M Racquet Club in their tennis academy. The tennis academy is directed by Ryan Haley.

7. Tyler Jimenez works with the high school tennis team as an assistant coach. He also is the Junior Varsity coach. He also holds the title of the Director of Indoor Courts whatever that means. He joins Dan Holden for the daily 45 minute sessions in season Monday -- Thursday and also teaches a JV practice session 3 mornings weekly for one hour. He gives private lessons when he's not on duty. Tyler Jimenez invests in Memphis Invest.
8. Dixie Mabe is Director of Leagues of Seay Tennis Center. Any participant pays league fee of approximately \$80 for members and approximately \$140 for non members. Dixie also provides instruction in the junior program most afternoons for approximately 2-3 hours per day. Dixie also gives private lessons during the day and on weekends when he wasn't on duty. Dixie Mabe invests in Memphis Invest.
9. John Tallent is the Director Junior Programs whatever that means because he doesn't coach these programs. He is also the accountant and received all the funds and information regarding payments to post into a ledger. He in turn gives these funds over to Deborah Barnes who deposits under the supervision of Dan Holden. John Talent gave private lessons when he wasn't on duty. John Talent invests in Memphis Invest. John Tallent invests in the auto dealerships.
10. Deborah Barnes is in charge of the pro shop. The pro shop is owned by Deborah Barnes and Dan Holden. The shop is leased by Deborah Barnes for \$1 per year. She is the female team director. Deborah Barnes invests in Memphis Invest.
11. All of the tennis professionals conduct private lessons during the substantial amount of "free" time that exists as a result of minimal required duties. The professionals generally charge \$70-\$100 per hour. The professionals do not give up any portion of these fees to the high school/Seay Tennis Center to compensate for maintenance and overhead.
12. All revenues paid to the Seay Tennis Center must be paid in cash or check; credit cards are not allowed in spite of the obvious advantages in financial management and convenience. The accounting system for this cash is in question.
13. Tennis players in the Park Cities and outside of the Park Cities purchase an annual membership to use the Seay Tennis Center.
14. 27 tennis professionals are on the staff with no administrative duties. Generally the fees paid to these professionals are approximately \$10-\$15 per hour. These professionals also give private lessons when off duty.
15. A set of records was kept separately for cash and checks. Credit cards are only accepted for pro shop purchases. Because credit cards are not accepted all payments are made by cash or check. A credit card payment would be superior to cash or check in audit.
16. Systems are inadequate for documenting and supporting the flow of funds in the high school tennis programs and the Seay Tennis Center.

For compensation purposes the coaching tennis professionals were required to turn in daily time sheets. The non coaching tennis professionals turned in time sheets on a weekly or monthly basis. One of the professionals reported his hours were a "plug" figure used to arrive at an agreed sum.

The non coaches under the direction of Dan Holden are compensated handsomely by the district and the Seay Tennis Center for a limited amount of work. Additional substantial compensation can also be earned through private lessons.

We are not opposed to individuals investing. ~~We are opposed if high school employees are investing and those activities cause a reduction in service per the responsibility of the position in the school tennis program.~~ We are concerned that the investing ventures as laid out, if true, are being financed by funds absconded from the cash circulating as discussed.

Furthermore if Dan Holden has encouraged his associates to invest in Memphis Vest and/or the auto dealerships and reaped financial gain from his actions we believe that is inappropriate.

Exhibit E

Highland Park ISD

Job Description

Job Title: Director of Seay Tennis Center

Exemption Status/Test: Exempt/Executive

Reports to: Assistant Superintendent for Business Services

Pay Grade/Days: Administrative/Year Round

Dept./School: Business Services/ Seay Tennis Center

Date Revised: June 2020

Primary Purpose:

Direct and manage assigned program areas Seay Tennis Center for the district. Implement strategies that attain the participation of all programs and consistent high percentage of usage of all facilities. Create an engaging and fun environment for members, guests, and students. Distribute pertinent information about the Seay Tennis Center and its activities to members and community.

Qualifications:

Education/Certification:

Bachelor's degree from an accredited college or university
USPTA Certification

Special Knowledge/Skills:

Knowledge of overall operations of a tennis center
Knowledge of federal, state, and UIL policies governing athletics preferred
Ability to implement policy and procedures
Ability to interpret data
Ability to manage budget and personnel
Excellent public relations, organizational, communication, and interpersonal skills
Must be willing to work weekends and holidays
Maintain and increase member satisfaction
Ability to utilize point of sale system

Experience:

5 years successful experience coordinating tennis programs
Experience with operation of an athletic club, tennis center or country club preferred

Major Responsibilities and Duties:

Program Planning

1. Direct and manage Seay Tennis Center programs and scheduling.
2. Maintain an active program that promotes good sportsmanship and student development including the time, resources, and materials to support accomplishment of district goals.
3. Collaborate with High School and Middle School Administrators and Tennis Coaches on scheduling of events, facility usage and programming.

4. Ensure arrangements for transportation, lodging, and meals for out-of-town or other tournament events.
5. Monitor the process of cleaning, sanitizing, repairing, and storing equipment.
6. Determine on court programming of all ages and levels.
7. Plan event hosting
8. Work with HPISD Communications Department on marketing and advertising.
9. Ensure all courts are booked utilizing the online scheduling system
10. Ensure all staff are appropriately trained on utilization of the point of sale and scheduling system and adhere to district policies and procedures related to its use.

Student Management

11. Implement district student management policies, communicate expected student behavior related to athletics, and ensure enforcement of student discipline in accordance with Student Code of Conduct and student handbook.
12. Establish and maintain open lines of communication on vital issues with parents, students, campus administrators, and teachers/coaches.

Policy, Reports, and Law

13. Implement the policies established by federal law, state law, State Board of Education rule, UIL rules, and local board policy.
14. Compile, maintain, and file all reports, records, and other documents required.
15. Follow district safety protocols and emergency procedures.

Budget and Inventory

16. Develop and administer budget for areas assigned based on documented needs and ensure that operations are cost effective and funds are managed wisely.
17. Maintain a current inventory of supplies and equipment and recommend disposal and replacement of equipment.
18. Develop and maintain appropriate procedures for membership monitoring and renewals.

Personnel Management

19. Prepare, review, and revise job descriptions for assigned area.

20. Select, train, supervise, and evaluate Seay Tennis Center personnel make recommendations relative to placement, assignment, retention, discipline, and dismissal.
21. Implement a culture of excellence, positivity, and teamwork.

Community Relations

22. Demonstrate awareness of district and community needs, initiate activities to meet those needs, and use appropriate and effective techniques to encourage community and parent involvement.
23. Support HPISD programs and activities.
24. Respond to all membership inquiries, concerns, or requests.

Supervisory Responsibilities:

Supervise, evaluate, and recommend the hiring of tennis professionals and support staff for Seay Tennis Center.

Mental Demands/Physical Demands/Environmental Factors:

Tools/Equipment Used: Standard office equipment including computer and peripherals and other instructional equipment

Posture: Prolonged sitting; occasional bending/stooping, pushing/culling, twisting

Motion: Repetitive hand motions including frequent keyboarding and use of a mouse. Frequent driving

Lifting: Frequent light lifting and carrying (15 pounds or less)

Environment: Work inside and work outside (exposure to sun, heat, cold, and inclement weather); occasional exposure to noise; frequent district wide and statewide travel

Mental Demands: Maintain emotional control under stress; frequent prolonged and irregular hours

This document describes the general purpose and responsibilities assigned to this job and is not an exhaustive list of all responsibilities and duties that may be assigned or skills that may be required.

Reviewed by Brenda West

Date: June 14, 2020

Received by

Date

Exhibit F

Highland Park Athletic Department

Johnny Ringo – Athletic Director
7015 Westchester Drive, Dallas TX 75205
(214)780-4035 Fax (214)780-3033
ringoj@hplsd.org



March 17, 2016

Dear [REDACTED]

Following our initial meeting with yourself and Mr. [REDACTED], HPISD conducted an extensive review of the Seay Tennis Center and high school tennis program. This review included a cash operations review of the tennis center and in-depth interviews/questions with directors, coaches and the executive staff that addressed your specific concerns. In addition, the Seay Tennis Center is audited annually. After our second meeting, we looked into the additional concerns that were discussed.

At the conclusion of all reviews, there were no findings or evidence of any impropriety, financial or administrative misconduct. HPISD Business Services did make recommendations/changes where needed to formalize operations and financial processes to ensure best business practices at Seay. The entire tennis center staff is committed to implementing all recommendations and changes needed to improve operations and efficiency.

It our hope that after your receipt of this letter, you will agree that your concerns have been addressed in a professional manner. We have great confidence in our staff managing the Seay Tennis Center and coaching our high school tennis program.

Sincerely,

Johnny Ringo
Athletic Director
Highland Park ISD

cc: Dr. Thomas Trigg
Mr. Tim Turner

Exhibit G



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HPISD's Tim Turner Resigns

📅 October 18, 2016 👤 Britt Stafford



According to HPISD, Assistant Superintendent for Business Services Tim Turner has resigned from his position, effective Jan. 24, for personal reasons.

"I have truly enjoyed my experience with the district and I wish my colleagues and this incredible school community all the best in the future," Turner said in a press release. "This has been a difficult decision for me but one that I believe is in the best interest of my family at this time."

Turner, who almost has three decades of experience in public school finance, has worked with HPISD for the past five years overseeing the district's finances, maintenance operations, and food service.

"Tim Turner has served HPISD with honor and distinction for five years and I am truly sorry to see him leave," Superintendent Dr. Tom Trigg said in a press release. "It will be difficult to find someone who can match his knowledge and insight."

HPISD reports the search for Turner's replacement will start immediately.

← [Police Reports Oct. 10-16](#)

[Playoffs on Horizon for Lady Scots](#) →

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Exhibit H

[REDACTED]

From: Michael White <WhiteM@HPISD.ORG>
Sent: Monday, March 29, 2021 12:10 PM
To: [REDACTED]
Cc: Neal, Bryan P.; Brenda West; Thomas Trigg
Subject: Follow Up - Seay Tennis Center

Mr. [REDACTED]

I am responding on behalf of the Administration to your recent emails to Board President Jim Hitzelberger. As you know, I am the Administration official charged by the Superintendent with direct oversight of the Seay Tennis Center. I believe that we have previously discussed your concerns in our lengthy phone conversations, but I will attempt here to respond to the points mentioned in your recent emails.

As to allegations or rumors about the Seay Tennis Center, please know that the District's attorneys (copied on this email) conducted a thorough investigation, which included reviewing all of the types of documentation that you mention and doing so with expert assistance. Afterwards, the District took all steps it believed were appropriate, including revamping the Seay Tennis Center organization and management structure. If there are additional actions that you might have desired or expected but that did not occur, it is because we did not think they were the best approach.

The changes with Seay began almost a year ago and have been in place for some time now. From our perspective, we have fully, finally, and properly addressed any needed significant organizational or management changes. We are managing the Center in a way that we are comfortable is best for the District. As always, there may be adjustments made as we become more accustomed to the new structure, but as of now we believe we are where we need to be. Further, to address some of the comments in your earlier emails, there is no mismanagement occurring, there is no malfeasance occurring, and there are no funds being misdirected or mismanaged.

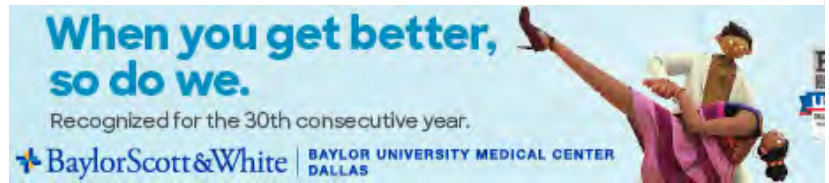
We do appreciate the interest by you and others in the Seay Tennis Center and hope you will trust that the management decisions we have made are what we believe are in the best interests of the District.

Thanks,

Mike White, RTSBA
Assistant Superintendent for Business Services
Highland Park ISD
7015 Westchester Drive
Dallas, TX 75205
(214) 780-3017 Work
(972) 533-3428 Cell

Exhibit I

Thursday, September 29, 2022



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Tyllir Jimenez PHOTOS: Courtesy Highland Park ISD, Pixabay

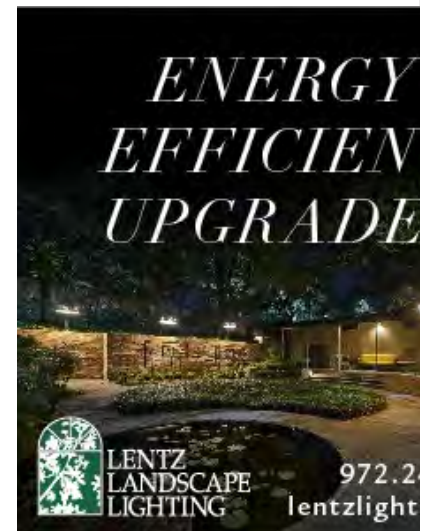
Sports

New HPHS Tennis Coach Named

📅 May 28, 2022 👤 Staff Report

Tyllir Jimenez has been promoted to head coach of the Highland Park High School tennis program, the school district announced Saturday. Jimenez will take over for Coach Dan Holden, who is retiring after serving as head coach for 22 years.

Jimenez has served as associate head varsity tennis coach at Highland Park since 2001. Since that time, Scots tennis teams have won the state championship 18 times and had 35 individual state champions.



He holds a bachelor's degree in communications from Texas Tech University, where he was ranked in the top 10 in the nation in doubles play, and qualified for the NCAA tennis championships.

"Highland Park's legacy in tennis is unmatched by any other high school in the state of Texas," Jimenez said. "It is such an honor to be named the new head coach. Working alongside Coach Holden has been very rewarding and I look forward to continuing to build upon HPHS' tradition of excellence in tennis."

"We are thrilled to be able to continue the great legacy of Scots Tennis with the addition of Tylir Jimenez as our head coach," HPISD Athletic Director Johnny Ringo said. "Tylir's contribution's as associate head coach these past 21 years is a major reason for our unparalleled success."



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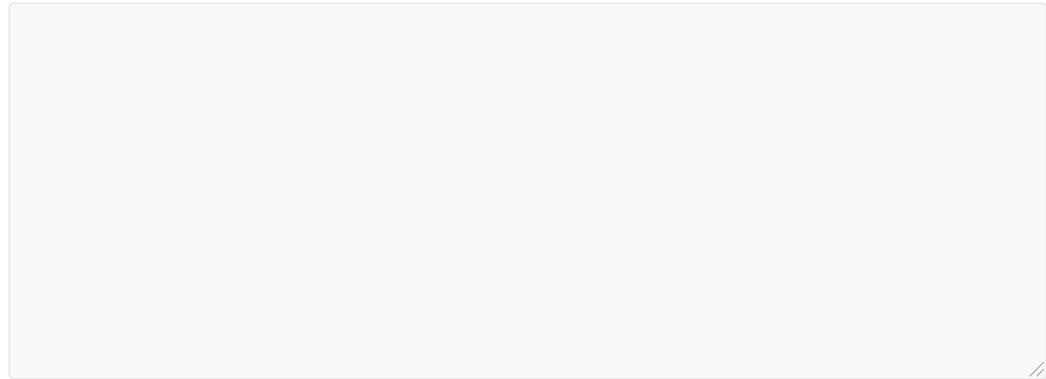
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HPISD athletic director Johnny Ringo, right, is one of three former presidents of the Texas High School Coaches Association in this photo, along with HP's Randy Allen and Longview's John King.

Sports

Trending

HPISD Athletic Director Ringo to Retire

📅 January 24, 2022 👤 Todd Jorgenson

After overseeing an era of championship success and facilities growth during the past nine years, Johnny Ringo plans to retire this spring as Highland Park ISD's athletic director.

Ringo joined HPISD in June 2013. Since then, the Scots have won 19 team state titles and 40 individual state titles. HP has won the UIL's Lone Star Cup, the top award in the state for high schools based on team performance in district and state championships, three times since 2016.

"The past nine years serving the students and staff of this remarkable school district have been some of the most rewarding and memorable of my career,"



Ringo's retirement will take effect when his contract expires in June. The district plans to begin searching for a new athletics administrator immediately.

Ringo has worked in athletics for 38 years overall, with 16 of those as a head football coach at such programs at Uvalde, Irving MacArthur, Coppell, and Plano East. He also was an assistant at Austin Westlake and at SMU.

"Coach Ringo has done a marvelous job as athletic director of Highland Park ISD," said HP football coach Randy Allen. "He will be missed, both as a close friend and as athletic director."

During his tenure, Ringo oversaw substantial upgrades to numerous district athletic facilities in conjunction with the district's 2015 bond initiative. In addition to a new Seay Tennis Center and natatorium, HPISD has added a new gymnastics center, a weight room, new locker rooms, and a new indoor golf facility.

"Plain and simple, Johnny Ringo has been a tremendous champion for HP athletics, and his enthusiasm is infectious," said HPISD superintendent Tom Trigg. "He is well-respected throughout the district, as well as by his peers and colleagues throughout the state. We all wish him the very best in the future."

Ringo, who shares his unique name with a notorious Wild West gunslinger, is a University of Texas graduate and former president of the Texas High School Coaches Association.

"He truly cares about the coaches and student-athletes and has done a great job working with the leaders of each team," said HP girls track and field coach Susan Bailey, who is also the district's girls athletic coordinator. "He is a great Scot and his leadership will be missed."



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Exhibit K

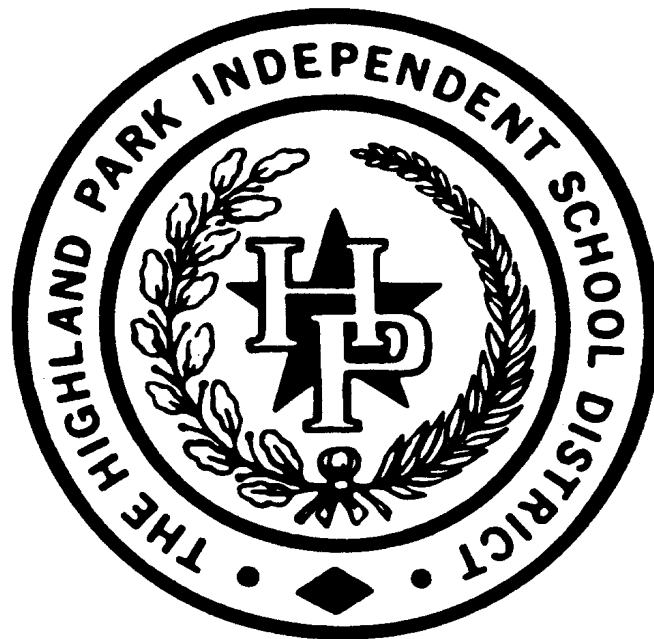
**Highland Park Independent School District
Dallas, Texas**

**Comprehensive Annual Financial Report
for the Fiscal Year Ended August 31, 2018**

Avery Chu
Grade 6
McCulloch Intermediate School
Tempera Paint
Sailboat

**Highland Park
Independent School District
Dallas, Texas**

Comprehensive Annual Financial Report
For the Fiscal Year Ended August 31, 2018



Prepared by:

Business Services Department & Finance

Evelyn Guerra
Director of Business Services

Mr. Mike White, RTSBA
Assistant Superintendent
For Business Services

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Highland Park Independent School District
Comprehensive Annual Financial Report
Fiscal Year Ended August 31, 2018
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Introductory Section

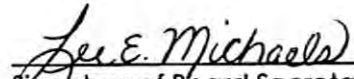
Certificate of Board

Highland Park Independent School District
Name of School District

Dallas
County

057-911
Co. - Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) 1 approved 0 disapproved for the year ended August 31, 2018 at a meeting of the Board of Trustees of such school district on the 15 day of January, 2019.



Signature of Board Secretary
Lee E. Michaels



Signature of Board President
Jim Hitzelberger

If the Board of Trustees disapproved of the auditors' report, the reason(s) for disapproving it is (are):

HIGHLAND PARK INDEPENDENT SCHOOL DISTRICT



7015 Westchester Drive, Dallas Texas 75205
(214) 780-3000 Fax (214) 780-4019
www.hpisd.org

January 8, 2019

Board of Trustees and the Taxpayers of the Highland Park Independent School District:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Highland Park Independent School District (the District) for the fiscal year ended August 31, 2018.

This report consists of management's representations concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the information presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Weaver and Tidwell, LLP, Dallas, Texas, a firm of licensed certified public accountants, have audited the financial statements of the District. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2018 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended August 31, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the District

The District opened its first campus, John S. Armstrong School in 1914 with 95 students, three teachers and a principal. The residents of the District elect a seven-member Board of Trustees (the Board). The seven members of the Board serve, without compensation, a three-year term of office. On a rotating basis, two or three places are filled during annual elections held in May. In 2018, the election was held on May 5. Vacancies may be filled by appointment until the next election. Candidates must be qualified voters of the District.

Regular meetings are scheduled the second Tuesday of every month with the exceptions of March and July. Due to spring break, the March meeting was held on the third Tuesday of the month, and there is no Board meeting in the month of July. Special meetings and study sessions are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, by the courts, and by the will of the people as expressed in school board elections. Board decisions are based on a majority vote of those present.

In general, the Board adopts policies, sets direction for curriculum, and employs the Superintendent, who oversees the operations of the District and its schools. Along with general Board business, Trustees are charged with numerous statutory regulations that include calling trustee and other school elections, canvassing the results, organizing the Board, and electing its officers. The Board is also responsible for setting the tax rate, setting salary schedules, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending annual budgets for the General Fund and the Debt Service Fund.

The District serves parts of three communities within a six-square-mile area located in north central Dallas County and is surrounded by the Dallas Independent School District. The Town of Highland Park, City of University Park and City of Dallas are the three different municipalities served by the District. The small community is known as the "Park Cities." There is no raw land for residential, commercial, or industrial development. Southern Methodist University is located in the District.

The District provides a quality public education program for children from kindergarten through grade 12. In addition to the basic instructional programs, the District offers special education, gifted and talented, bilingual/ESL, remedial, college preparatory, and career and technical programs. The District is fully accredited by the Texas Education Agency.

Since the opening of the first campus in 1914, it has become apparent that the preservation of a quality education is a priority in the community. The District has attained a national standing for excellence due to the hard work of the parents, generous support of the community and the deep commitment of faculty and staff. This affiliation, paralleled with an atmosphere set upon high expectations, results in a phenomenal educational environment.

The District currently has four elementary schools (grades K-4), an intermediate school (grades 5-6), a middle school (grades 7-8), and one high school (grades 9-12). Enrollment for the 2017-18 year is 6,991, a decrease of 53 students from the previous year. Highland Park High School graduated 551 seniors in 2018.

The District's mission statement is as follows: "The Highland Park Independent School District, with an unyielding commitment to excellence, will provide an exceptional academic program that recognizes the unique potential of each student and integrates the intellectual, social, cultural and physical aspects of learning. This program will empower each student to become an eager lifelong learner committed to academic excellence, integrity, responsible citizenship and service to others."

To accomplish its mission, the District attracts highly qualified personnel to teach an individualized educational program in all grade levels. A student-centered approach to learning through the use of a widely diversified curriculum is the educational philosophy of the District. A high degree of professionalism exists among District employees, and an on-going recognition of student and staff excellence contributes to this environment. The HPISD schools have long been committed to excellence in education. The District's students continue to win academic and co-curricular honors in district, state and national competitions. District staff, likewise, is recognized as outstanding educators and professionals by their peers in Texas and throughout the nation.

Long Range Planning

Much of the District's instructional program planning is done using the District and Campus Improvement Plans. The plans demonstrate the commitment to increase student achievement for all students. Campus Improvement Plans address specific needs of students at individual campuses. The District and Campus Improvement Plans include annual goals for improving student achievement and objective evaluation criteria for measuring success.

The annual budget serves as the foundation for the District's financial planning and control. This process begins in January. The District's Finance Committee sets budget targets and provides oversight for the budget development process. In addition, multi-year budget targets are established so that future finance challenges can be addressed and met. The Finance Committee is comprised of district administrators, all members of the Board, and community members.

Based on the parameters set forth, all district managers are required to submit to the District's Business Services Department their requests for appropriations for the next school year. The requests are compiled, summarized, and provided to the Finance Committee for review and discussion. Upon approval of the Finance Committee, a preliminary budget is then presented and discussed with the Board at one or more public budget workshops. The proposed budget is prepared by August 21st for the September 1 fiscal year start date. The Board president calls a board meeting for the purpose of discussing and adopting the budget and the tax rate. A notice of this meeting is required to be published at least 10 days, but not more than 30 days before the public meeting. The budget is adopted prior to August 31st for a September 1 fiscal year start date.

Internal Controls

Management of the District is responsible for establishing and maintaining an internal control structure. In addition, management is to ensure that the District's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefits likely to be derived.
- The valuation of costs and benefits requires estimates and judgments by Management.

As a recipient of state and federal financial assistance, the District's internal control structure is designed to ensure District compliance with applicable laws and regulations related to this assistance. This internal control structure is subject to periodic evaluation by Management and independent auditors.

The District's internal control structure includes budgetary, as well as accounting controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official budget for the *general fund* and the *debt service fund*. In accordance with procedures prescribed by the State Board of Education, the Board must approve budget amendments that affect the total amount in a fund or functional spending category prior to the expenditure of the funds. The functional level is specified by the Board policy as the legal level of budgetary control. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are a reserve of fund balance and are treated as expenditures in the subsequent year upon receipt of the goods or services.

Factors Affecting Financial Condition

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

Introduction. The District is located in the Park Cities community, north central Dallas County, approximately three miles north of downtown Dallas. The Park Cities community is considered one of the finest communities in which to live in Dallas County because of the outstanding public schools, distinguished homes and excellent public service departments. In addition, the Park Cities community is one of the wealthiest communities in Texas.

Population. The United States Census Bureau estimates the population in Dallas County at 2,618,148 for 2018. The estimated population for the Park Cities is 31,710.

Local economy. Dallas has established a national reputation as an economic force. The economic stability of the Park Cities provides a solid tax base for the District. The largest employers in the Park Cities are Southern Methodist University, the District, and the municipalities. In the Dallas Area, major employers include Wal-Mart, American Airlines Group, Texas Health Resources, Dallas ISD, Baylor Scott & White Health, Lockheed Martin Aeronautics Co., Bank of America, City of Dallas, UT Southwestern Medical Center and Texas Instruments Inc.

There are many other major employers in Dallas County providing products or services in the industries of telecommunications, retail, health services, financial services, military aircraft design, restaurants, and many other areas. The diverse economy and highly skilled work force contribute to the strengths of the Dallas Area.

The District's tax base has grown 7.9% over the previous year. For tax year 2018, the Dallas County Appraisal District certified that, as of July 2018, the total market value of all real and business personal property, before qualified exemptions, was \$21,677,599,100. The taxable value for the same property was \$16,247,261,258. Residential property makes up 87 percent of the taxable value on the tax roll. The District is required to provide a \$25,000 homestead exemption for qualified homeowners. In addition to State required exemptions, the District offers the maximum local homestead exemption of twenty percent, thereby reducing the taxable value of the average home to approximately \$1,513,648.

Major Accomplishments and Initiatives

As reflected in the District's mission statement, activities of the District focus on learning opportunities for students. The following information reflects the degree of success that both the District and its students have accomplished in both academics, extra and co-curricular activities:

- 26 HPHS students were named National Merit Semifinalists by the National Merit Scholarship Corporation. 24 were honored as National Commended Scholars, and 14 seniors were named National Hispanic Scholars.
- 501 HPHS students earned 572 Advanced Placement Scholar Awards. 73 students were recognized as National AP Scholars for scoring a 4 or higher on eight or more AP exams.
- HPHS earned a composite ACT score of 27.5, 6.9 points above the state average.
- The district's average SAT composite score of 1276 exceeded the state and the national averages at 1032 and 1068. Participation in SAT testing increased in 2017-18 from 50% to 61%, compared with participation in the 2016-17 school year.
- HPHS teams won 2018 UIL State Academic Championships in Math, Science and Number Sense.
- HPHS math and science teams won the first place Sweepstakes Award at the Texas Math and Science Coaches Association (TMSCA) State Meet.
- Highlander band ranked 10th at the state marching contest. This historic achievement marks the Highlander Band's first-ever trip to the state marching contest and served as a fitting finish to the band's most winning season in history.
- Eight HPHS students were selected for the Texas Music Educators Association All-State Band; five students were selected for the All-State Choir and one student was selected to the All-State Orchestra.
- During the 2017-18 school year, HPHS won back-to-back UIL State Championships in team tennis, football, boys swimming and diving and boys golf.
- HPHS students won individual UIL State Championships in wrestling and tennis mixed doubles.
- The graduating class of 2018 completed more than 71,000 hours of community service in four years.

District Facilities. Highland Park ISD voters approved a \$361.4 million bond issue in November 2015. Through the bond, the District will be able to build its first new elementary school since the 1940s, rebuild Bradfield, Hyer and University Park Elementary Schools and renovate Armstrong Elementary, McCulloch Intermediate/Highland Park Middle School and Highland Park High School. In addition, the District will relocate and rebuild the Seay Tennis Center and build a new Multi-Sport Facility with room for professional development training space.

Construction on the new elementary school began in June 2016 and the school opened in August 2017. University Park Elementary School students and staff transitioned to the new campus during the rebuild of University Park Elementary School during the 2017-18 school year. The newly rebuilt University Park elementary opened its doors in August 2018.

Component Unit. The Government-wide financial statements for the District include one component unit, the Highland Park ISD Education Foundation. The entity is a separate 501(c)(3) entity that has the sole purpose of raising funds for the District. The component unit has its own Board of Trustees that is separate from the District's Board of Trustees. The financial information provided has been audited by a separate audit firm than the Districts' but has provided their financial data to Weaver and Tidwell, LLP for review and inclusion into the District's financial statements.

Awards and Acknowledgments

GFOA Certificate of Achievement. The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Highland Park Independent School District for its comprehensive annual financial report for the fiscal year ended August 31, 2017. This was the 19th consecutive year that the District has achieved this prestigious award. 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 satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence. The Association of School Business Officials (ASBO) awarded the Certificate of Excellence in Financial Reporting to the District for the fiscal year ended August 31, 2017. This was the 19th consecutive year that the District has achieved this award. This award is for school districts whose comprehensive annual financial reports substantially conform to the recommended principles and standards of financial reporting adopted by that organization. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the CAFR for the fiscal year ended August 31, 2018, which will be submitted to ASBO for review, also conforms to their principles and standards.

FIRST (Financial Integrity Rating System of Texas). Highland Park Independent School District received a rating of "Above Standard" under Texas' Schools FIRST financial accountability rating system. The Superior Achievement rating is the state's second highest, demonstrating the quality of the Highland Park ISD's financial management and reporting system.

Schools FIRST (Financial Integrity Rating System of Texas) is a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system. The accountability system was established in 2003.

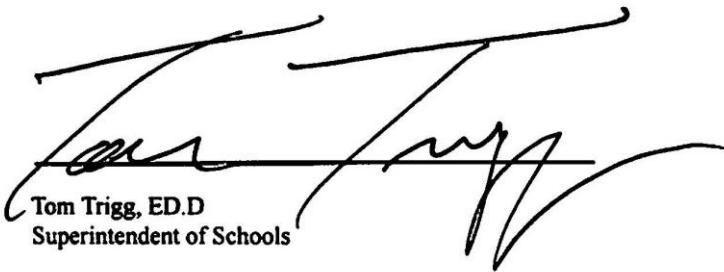
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Business Services Department. We want to express our appreciation to all members who assisted and contributed to the preparation of this report. We would also like to thank the members of the Board of Trustees for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

A handwritten signature in black ink, reading "Evelyn Guerra", written over a horizontal line.

Evelyn Guerra, CPA, CTSBO
Director of Business Services

A handwritten signature in black ink, appearing to read "Mike White", written over a horizontal line.

Mike White, RTSBA
Assistant Superintendent for Business Services

A large, stylized handwritten signature in black ink, reading "Tom Trigg", written over a horizontal line.

Tom Trigg, ED.D
Superintendent of Schools

Highland Park Independent School District
School Administration

Elected Officials

Board of Trustees

Jim Hitzelberger	President
Kelly Walker	Vice-President
Lee E. Michaels	Secretary
Paul Rowsey	Finance Officer
Edward Herring	Member
Stacy Kelly	Member
Tom Sharpe	Member

Appointed Officials

Superintendent of Schools

Dr. Tom Trigg

Assistant Superintendent for Business Services

Mike White

Assistant Superintendent for Education Services

Lisa Wilson

Highland Park Independent School District

Consultants and Advisors

Architects

Stantec Architecture Inc.
5717 Legacy Drive
Suite 250
Plano, Texas 75024

Auditors

Weaver and Tidwell, L.L.P.
2300 N. Field St.
Suite 1000
Dallas, Texas 75251

Bond Counsel

Bracewell & Giuliani
1445 Ross Avenue
Suite 3800
Dallas, Texas 75202-2724

Depository Bank

PlainsCapital Bank
8200 Douglas Avenue
Suite 200
Dallas, Texas 75225

Financial Advisors

RBC Capital Markets
200 Crescent Court
Suite 1500
Dallas, Texas 75201

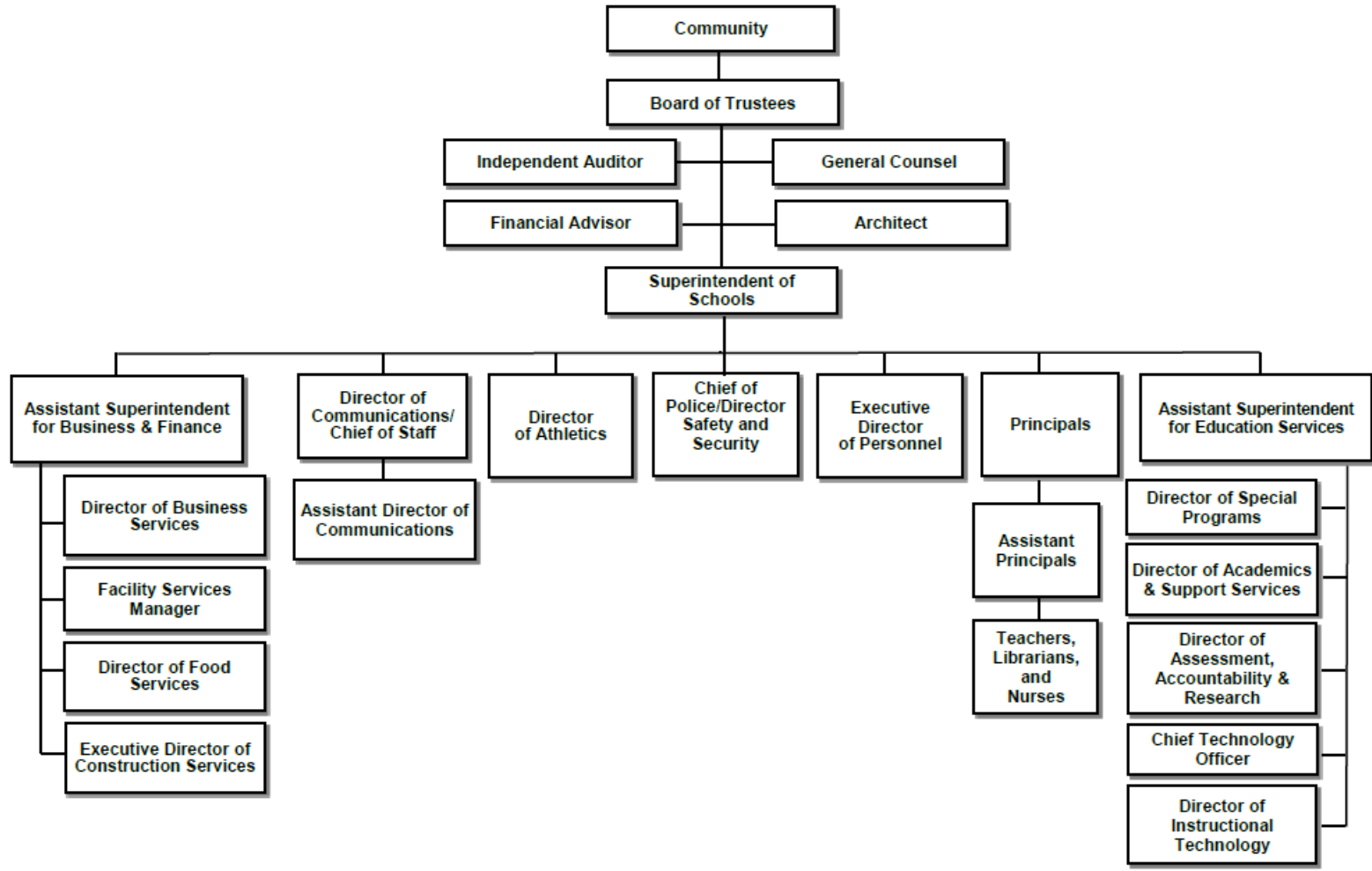
General Counsel

Thompson & Knight, L.L.P.
One Arts Plaza
1722 Routh Street
Suite 1500
Dallas, Texas 75201-2533

Fiscal Agent

The Bank of New York Mellon Trust Company, N.A.
600 North Pearl Street
Suite 420
Dallas, Texas 75201

Highland Park Independent School District Organization Chart





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Highland Park
Independent School District
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2017

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Highland Park Independent School District

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended August 31, 2017.

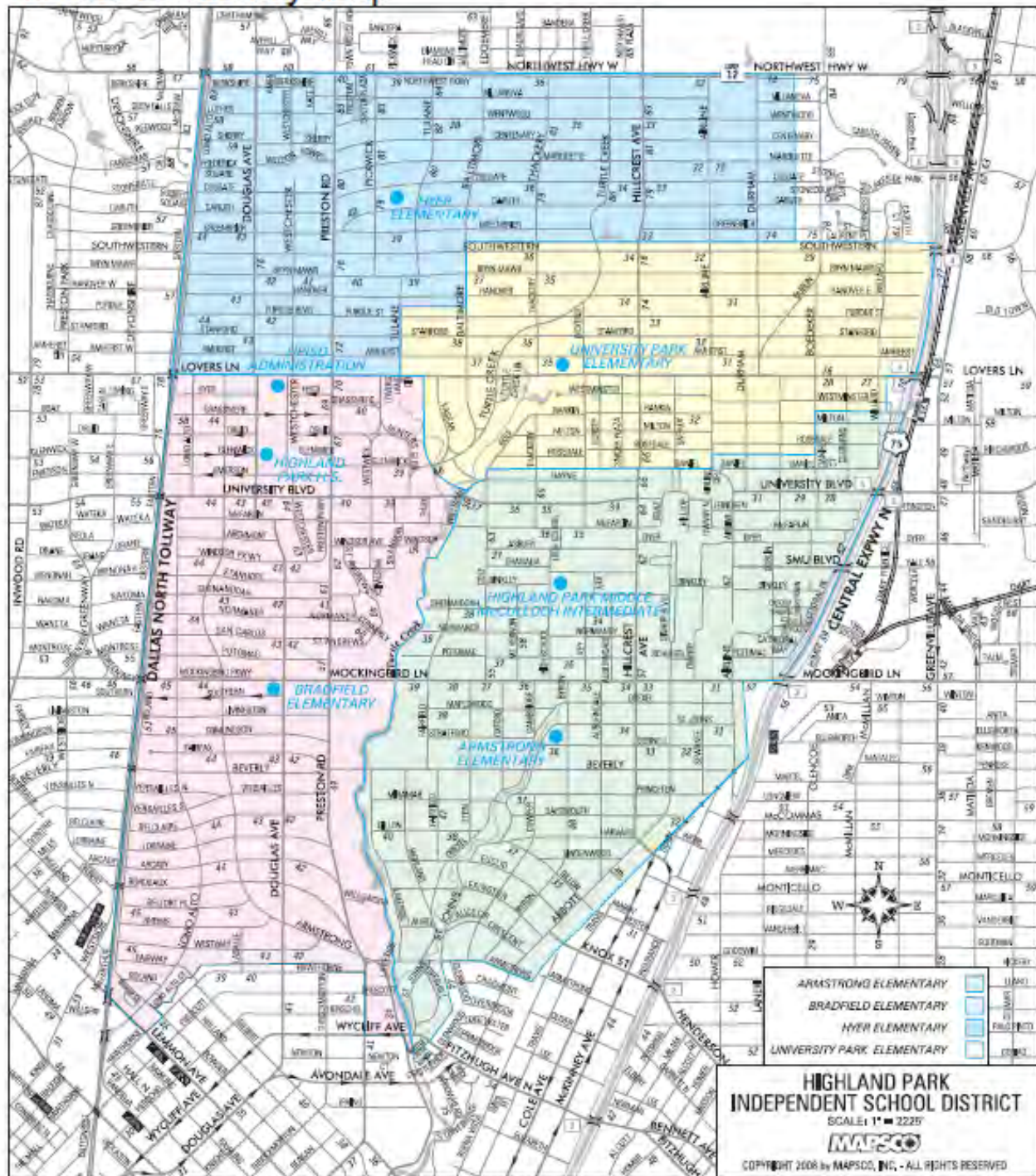
The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso, CAE
Executive Director

HPISD Boundary Map



Administration Building
 7015 Westchester
 Dallas, Texas 75205
 (214) 780-3030

Highland Park High School
 4220 Emerson
 Dallas, Texas 75205
 (214) 780-3700

Highland Park Middle School
 3555 Granada
 Dallas, Texas 75205
 (214) 780-3500

Arch H. McCulloch Intermediate School
 3555 Granada
 Dallas, Texas 75205
 (214) 780-3500

John S. Armstrong Elementary School
 3800 Canale
 Dallas, Texas 75205
 (214) 780-3100

John S. Bradfield Elementary School
 4300 Southern
 Dallas, Texas 75205
 (214) 780-3200

Robert S. Hyer Elementary School
 3820 Canale
 Dallas, Texas 75205
 (214) 780-3300

University Park Elementary School
 3505 Amherst
 Dallas, Texas 75225
 (214) 780-3400

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Financial Section

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Independent Auditor's Report

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

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 Highland Park Independent School District (the District), as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the District'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 Highland Park I.S.D. Education Foundation, the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Highland Park I.S.D. Education Foundation, are 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 the Highland Park I.S.D. Education Foundation 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.

The Board of Trustees
Highland Park Independent School District

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 District, as of August 31, 2018, 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.

Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2018 the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Beginning net position has been restated to reflect the change in accounting principle for implementation of this Statement. Our opinion is 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 (pages 7-15) and budgetary comparison information, schedules of the District's proportionate share of the net pension liability and the net OPEB liability, and schedules of District pension and OPEB contributions (pages 64-70), 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund statements and schedules, required Texas Education Agency schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The Board of Trustees
Highland Park Independent School District

The combining and individual fund statements and schedules, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 December 27, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
December 27, 2018

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Management's Discussion and Analysis

The business management team of Highland Park Independent School District has prepared this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2018. Readers are encouraged to review the information furnished in the letter of transmittal, found at the front of this report, as well as the District's financial statements, which follow this section.

Financial Highlights

- The net position of the District at the close of the fiscal year was \$56,863,606. The District's net position includes a deficit in unrestricted net position of \$15,827,432 which is primarily due to net pension and other post-employment benefits liabilities.
- As of the close of the fiscal year, the District's governmental funds reported combined ending fund balances of \$229,419,765. Of this amount, \$19,044,955 (approximately 8.3 percent) is unassigned; and therefore, is available for spending at the government's discretion.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$19,044,955, which approximated 12.0 percent of the total general fund expenditures.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the District's assets, liabilities and deferred inflows/outflows of resources, with the net of these amounts 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 District is improving or deteriorating.

The statement of activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The business-type activities of the District include a community education program and a community tennis center. The government-wide financial statements can be found at Exhibits A-1 and B-1.

In fiscal year 2018, the District implemented the Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – which superseded GASB Statement No. 45.

Statement No. 75 establishes financial reporting standards and/or accounting standards for state and local government defined benefit OPEB plans and defined contribution OPEB plans. Statement No. 75 requires that, at transition, a government recognizes a beginning deferred outflow of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. The effects of the implementation of this statement has no impact on the District's governmental fund financial statements. However, implementation has resulted in certain changes to the presentation of the District's government-wide financial statements. More information on the implementation of this statement and the District's OPEB plan is available in Note 1 and Note 12, respectively.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds not the District as a whole.

Some funds are required by State law and/or bond covenants. Other funds may be established by the District to control and manage money for particular purposes or to evidence appropriate use of certain taxes, grants and other special revenues.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus on governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's short-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. These reconciliations facilitate the comparison between governmental funds and governmental activities.

The District maintained 19 governmental funds in fiscal year 2017-2018. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, capital projects fund and debt service fund, which are considered to be the District's major funds. Financial data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements found elsewhere in this report. The District adopts an annual appropriated budget for its general fund and debt service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found at Exhibit C-1 and C-3.

- **Proprietary funds.** Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As mentioned above in the government-wide definition, the District has two business-type activities or enterprise funds. The second type of proprietary fund is the internal service fund. Internal service funds are an accounting device used to

accumulate and allocate costs internally among the various functions. The District uses the internal service fund to report activities for its self-funded insurance program. The basic proprietary fund financial statements are at Exhibits D-1, D-2 and D-3 in this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets are at Exhibits E-1 and E-2 in this report.

Notes to the financial statements. The notes provide additional information that is essential to having a complete understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found at Exhibits F-1 through F-5 in this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual statements start at Exhibit G-1 in this report and continue through Exhibit G-9. A required TEA schedule is located at Exhibit H-1.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Exhibited below in Table I, are the District's net positions summarized for both the governmental activities and the business-type activities. Exhibited in Table II, is the change in the District's net position.

Table I
District's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 256,426,619	\$ 181,682,951	\$1,942,748	\$1,740,437	\$ 258,369,367	\$183,423,388
Capital assets	292,657,840	221,571,779	183,666	227,074	292,841,506	221,798,853
Total assets	549,084,459	403,254,730	2,126,414	1,967,511	551,210,873	405,222,241
Deferred outflows of resources	8,916,644	10,796,835	-	-	8,916,644	10,796,835
Current liabilities	25,102,013	18,497,535	43,392	43,543	25,145,405	18,541,078
Noncurrent liabilities	466,616,271	318,845,366	-	-	466,616,271	318,845,366
Total liabilities	491,718,284	337,342,901	43,392	43,543	491,761,676	337,386,444
Deferred inflows of resources	11,502,235	888,461	-	-	11,502,235	888,461
Net position:						
Net investment in capital assets	64,726,393	60,322,924	183,666	227,074	64,910,059	60,549,998
Restricted	7,780,979	4,160,279	-	-	7,780,979	4,160,279
Unrestricted	(17,726,788)	11,337,000	1,899,356	1,696,894	(15,827,432)	13,033,894
Total net position	\$ 54,780,584	\$ 75,820,203	\$2,083,022	\$1,923,968	\$ 56,863,606	\$ 77,744,171

Government-Wide Activities. As of August 31, 2018, the sum of the District's assets and deferred outflows of resources exceeded its liabilities by \$56,863,606, an increase of \$18,814,845 from the previous year-end after beginning net position of the governmental activities was reduced by \$39,695,410, the cumulative effect of a change in accounting principles to implement GASB Statement 75. The total cost of all government-wide activities for the fiscal year was \$165,179,936. Funding for these government-wide activities is from specific program revenues, property taxes, grants and contributions, and other general revenues. The following is a summary of the government-wide activities:

- The total cost of government-wide activities for fiscal year 2017-18 was \$165,179,936.
- Specific program revenues received in the amount of \$4,911,873 were used to offset the cost of activities.
- The remaining cost of government-wide activities not directly funded by program revenues was \$160,268,063.

Total District's investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment) less any outstanding debt used to acquire those assets is \$64,910,059. The District uses the capital assets within the governmental activities to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A small portion of the District's net position, \$7,780,979 (13.7 percent), represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$15,827,432 is not an indication that the District does not have significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are more than currently available resources.

Table II
Change in the District's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	\$ 4,314,486	\$ 4,196,995	\$1,665,699	\$1,593,344	\$ 5,980,185	\$ 5,790,339
Operating grants and contributions	(1,086,229)	12,101,570	-	-	(1,086,229)	12,101,570
Capital grants and contributions	17,917	90,056	-	-	17,917	90,056
General revenues and transfers						
Property taxes	172,061,221	158,858,549	-	-	172,061,221	158,858,549
State aid - formula grants	2,305,436	3,487,360	-	-	2,305,436	3,487,360
Investment earnings	3,927,524	1,928,687	14,466	7,220	3,941,990	1,935,907
Misc. local and intermediate revenue	774,261	1,819	-	-	774,261	1,819
Transfers	400,000	2,086,021	(400,000)	(2,086,021)	-	-
Total revenue and transfers	<u>182,714,616</u>	<u>182,751,057</u>	<u>1,280,165</u>	<u>(485,457)</u>	<u>183,994,781</u>	<u>182,265,600</u>
Expenses:						
Instruction & instructional-related services	\$ 34,365,849	\$48,523,546	\$ -	\$ -	\$ 34,365,849	\$48,523,546
Instructional and School Leadership	3,507,683	4,631,965	-	-	3,507,683	4,631,965
Support services – student	6,620,072	9,458,585	-	-	6,620,072	9,458,585
Administrative support services	3,113,128	3,073,258	-	-	3,113,128	3,073,258
Support Services – nonstudent based	7,146,368	7,930,505	-	-	7,146,368	7,930,505
Debt service	11,837,373	10,098,049	-	-	11,837,373	10,098,049
Facilities acquisition and construction	11,998	6,360	-	-	11,998	6,360
Intergovernmental charges	97,456,354	90,609,797	-	-	97,456,354	90,609,797
Seay Tennis Center	-	-	581,574	529,808	581,574	529,808
Academy for Lifelong Learning	-	-	539,537	588,750	539,537	588,750
Total expenses	<u>164,058,825</u>	<u>174,332,065</u>	<u>1,121,111</u>	<u>1,118,558</u>	<u>165,179,936</u>	<u>175,450,623</u>
Change in net position	18,655,791	8,418,992	159,054	(1,604,015)	18,814,845	6,814,977
Net position – beginning	75,820,203	67,401,211	1,923,968	3,527,983	77,744,171	70,929,194
Cumulative effect of change in accounting principle ^(a)	<u>(39,695,410)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(39,695,410)</u>	<u>-</u>
Net position – ending	<u>\$ 54,780,584</u>	<u>\$75,820,203</u>	<u>\$2,083,022</u>	<u>\$1,923,968</u>	<u>\$ 56,863,606</u>	<u>\$77,744,171</u>

^(a) The restatement of the beginning net position is the result of the District implementing GASB Statement No. 75 in fiscal year 2018.

The implementation is discussed previously in MD&A.

Governmental Activities. For the 2017-18 fiscal year, net position from governmental activities, increased by \$18,655,791 before the adjustment to net position described earlier. The cost of governmental activities for the year was \$164,058,825. The amount paid by taxpayers for these activities through property taxes was \$172,061,221. However, of the total amount of property taxes collected, the District was required to send \$96,834,257 to the State as required under the recapture provisions of Chapter 41 in the Texas Education Code. This amount represents approximately 56.3 percent of all property tax revenue collected for operations and debt service combined. The District's Chapter 41 recapture payments to the State are shown on Exhibit B-1 of the financial statements under the expense line item "Contracted Instructional Services Between Schools." When excluding Chapter 41 recaptured payments to the State, the cost of governmental activities for the District was \$66,602,471, a decrease of 26.6 percent from the previous year due to a decrease in OPEB expenses.

Business-Type Activities. Net position for business-type activities as of August 31, 2018 was \$2,083,022, an increase from prior year of \$159,054. Charges for services, Operating Grants and Contributions combined were \$1,680,165 for the year, an increase of \$79,601. Total cost of operations for business-type activities were \$1,121,111, which was consistent with the previous year. Both enterprises were profitable for the year. As previously mentioned *business-type activities* consist of two for-profit operations, the Seay Tennis Center and the Academy for Life-long Learning.

Financial Analysis of the District's Funds

As stated earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

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

As of August 31, 2018, the District's governmental funds reported combined ending fund balances of \$229,419,765, an increase of \$68,378,864 from the previous year. Of the combined ending fund balances approximately 8.3 percent, or \$19,044,955 of this total amount constitutes unassigned fund balance. Table III illustrates the fund balances of the governmental funds.

Table III
Governmental Funds – Fund Balance
as of August 31, 2018

	General Fund	Debt Service	Capital Projects	Non major Governmental Funds	Total Governmental Funds
Fund balances					
Nonspendable:					
Prepays	\$ 107,816	\$ -	\$ -	\$ -	\$ 107,816
Long-term receivables	1,160,000	-	-	-	1,160,000
Restricted for:					
Advanced placement initiatives	-	-	-	50,443	50,443
Grant awards				3,614	3,614
State funded special revenue	-	-	-	44,133	44,133
Debt service	-	4,510,328	-	-	4,510,328
Local special revenue	-	-	-	3,456,404	3,456,404
Committed for:					
Capital expenditures	-	-	199,238,128	-	199,238,128
Campus activities				1,803,944	1,803,944
Unassigned:	19,044,955	-	-	-	19,044,955
Total fund balance	\$ 20,312,771	\$ 4,510,328	\$ 199,238,128	\$ 5,358,538	\$ 229,419,765

At the end of the current fiscal year, the ending fund balance for the General Fund totaled \$20,312,771, of which \$19,044,955 was unassigned. The total fund balance represents 12.8 percent of total general fund expenditures. The fund balance increased by \$3,286,051 during the current fiscal year. The increase is due to revenues exceeding expenditures by \$2,161,130, transfers in of \$400,000, and \$724,921 of proceeds from the sale of District property.

Property taxes are the primary source of revenue for the General Fund, representing 92.06 percent of the total revenue for the fund. Property tax collections totaled \$148,047,162 for the current fiscal year, an increase of \$7,410,754 from the previous year which is primarily due to an increase in property values and tax rates. Total revenues for the General Fund equaled \$160,817,534.

Total General Fund expenditures for the year ended August 31, 2018 were \$158,656,404, an increase of \$7,915,852 over 2017 expenditures. The increase is primarily related to the increased recapture costs of \$6.8 million.

For the 2017-18 fiscal year, the Capital Projects Fund and Debt Service Fund are reported as major funds. This is reflected on Exhibits C-1 and C-3. Fund balance as of August 31, 2018, is \$199,238,128 for the Capital Projects Fund and \$4,510,328 for the Debt Service Fund. The Capital Projects Fund increased by \$61,355,247 and is primarily attributable to proceeds from a current year debt issuance that remained unspent at year-end. The Debt Service Fund had revenues of \$23,519,032 for the 2017-18 year. Debt service expenditures were \$23,109,668 resulting in net revenues over expenditures in the amount of \$409,364. The increase in debt service fund balance of \$2,922,004 also includes proceeds from the current year issuance of debt of \$2,512,640 that were specifically earmarked to make the first interest payment on the new bonds.

The non-major governmental funds column is comprised 16 Special Revenue Funds. The significant funds are discussed below.

The District maintained 16 special revenue funds in the current fiscal year. The total ending fund balance for all special revenue funds combined was \$5,358,538, an increase of \$815,562 from the previous year. The campus activity fund and the PTA gift fund are the two largest special revenue funds. Together the two funds represent \$4,827,578 (90.1 percent) of the total ending fund balance of all special revenue funds.

Proprietary funds. As mentioned earlier, the District's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position for the enterprise funds as of August 31, 2018, totaled \$2,083,022, an increase of \$159,054 from the previous year. Total income for the year was \$1,680,165, an increase of \$79,601 from last year. Expenditures for the year were \$1,121,111 which was consistent with prior year. Detail schedules can be reviewed at Exhibits G-4 and G-5

Total net position for the internal service fund as of August 31, 2018, totaled \$654,953, a decrease of \$253,892 from the prior year. Workers' compensation costs exceeded revenues by this amount.

General Fund Budgetary Highlights

For the General Fund, the final budgeted amount for revenues was \$160,164,497. This was \$3,708,672 higher than the original budget. The increase in budgeted revenue was primarily the result of increases in certified taxable values.

On February 1, 2017, the Texas Education Agency addressed a change in practice which impacted the calculation of recapture amounts owed under Chapter 41, Texas Education Code (TEC). Previously TEA only recognized 50 percent of the value loss due to the Local Optional Homestead Exemption (LOHE) for purposes of calculating recapture under Chapter 41 when there was an appropriation or surplus in the FSP. Starting with the 2016-17 school year (and state FY2017), TEA will recognize 50 percent of the value loss due to the LOHE for purposes of calculating recapture under Chapter 41, regardless of the existence of an appropriation or surplus in the FSP.

TEA recalculated recapture amounts owed for the 2016-17 school year (and state FY2017), which saved HPISD approximately \$3.1 million in recapture. This change was effective for only the 2016-17 school year (and state FY2017) and forward, but will not be applied retroactively for prior fiscal years.

In August 2018, the District amended its appropriations budget to \$161,160,676, an increase of \$3,422,851 over the original adopted budget. The most significant appropriation budget amendment was an increase in Recapture in the amount of \$2,106,986.

Capital Asset and Debt Administration

Capital assets. At August 31, 2018, the District had invested \$292,841,506 in a broad range of capital assets, including land, buildings and improvements, furniture and equipment and construction in progress. (See Table IV below).

Table IV
District's Capital Assets, net of depreciation
(in thousands)

	Governmental Activities		Business-type Activities		Total Activities		Increase (Decrease) Percentage (%)
	2018	2017	2018	2017	2018	2017	
Land	\$ 67,576	\$ 67,576	\$ -	\$ -	\$ 67,576	\$ 67,576	(0.0)
Buildings and improvements	139,975	138,127	106	130	140,081	138,257	1.3
Furniture and equipment	2,996	4,901	78	97	3,074	4,998	(38.5)
Construction in progress	82,111	10,968	-	-	82,111	10,968	649.0
Totals at historical cost	\$ 292,658	\$ 221,572	\$ 184	\$ 227	\$ 292,842	\$ 221,799	32.0

As of the end of the fiscal year, there was an increase of \$71,042,653 in the District's capital assets balance (net of depreciation). Additional information about the District's capital assets is presented in Note 5 of the financial statements.

Long-term debt. As of August 31, 2018, the District had total bonded debt outstanding of \$430,691,265, an increase of \$127,253,178 from the prior year. More detailed information about the District's long-term debt is presented in Note 8 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

The District experienced a 7.9 percent increase in certified taxable values for tax year 2018. The total appraised local taxable value for the 2018-19 budget year was certified by the Dallas Central Appraisal District at \$16,247,261,258, an increase of \$1,184,122,534 from the previous year. The District's weighted average daily attendance (WADA) used for the 2018-19 fiscal budget is 6,585.

The total tax rate for fiscal year 2018-19 is \$1.2355 per \$100 of value, \$1.04 for maintenance and operations (General Fund) and \$0.1955 for interest and sinking (Debt Service Fund). This is an increase in the rate of 2.7% when combining the Debt Service and General Fund tax rates. The Dallas County Tax Office certified adjusted tax collection for both the General Fund and the Debt Service Fund at \$185,663,753, an increase of 10.5 percent over the previous year.

For the 2018-19 fiscal year, the District budgeted total revenues for the General Fund at \$166,145,358 of which \$153,300,358 will come from property tax collections. \$6,772,000 will come from State aid, and the remaining \$6,073,000 will come from other local resources. Parent Teacher Organizations, Highland Park Education Foundation and the Highland Park Sports Club have committed \$2,968,000 to the District's General Fund budget.

The General Fund appropriations budget for 2018-19 is \$166,447,250, which is an increase from the prior year adopted budget of \$8,709,425, or a 5.5 percent increase. Recapture is \$103,707,657, an increase of 7.1 percent from the previous year revised budget amount. When eliminating that payment to the State, the District's expenditure budget for the 2018-19 year is \$62,739,593, a .4% decrease from the prior year.

The 2017-18 General Fund ending fund balance is \$20,312,771, which is adequate to fund 3 months of General Fund operating expenditures when Chapter 41 is eliminated from the equation.

The TEA change in practice impacting the recalculation of recapture recognizing 50 percent of the value loss due to the LOHE under Chapter 41, TEC, is under litigation. If overturned, this will impact the appropriations budget by approximately \$3.2 million, thus changing the recapture payment to approximately \$106,907,657.

Debt Service Fund revenues are budgeted at \$28,367,000 for the 2018-19 fiscal year. Appropriations are budgeted at \$28,367,000, to include principal, interest and fees payments towards the District's outstanding bonded debt. The Debt Service ending fund balance is estimated at \$4,510,328.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances. In addition, it provides evidence of accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Administration Office, Business Services Department, Highland Park I.S.D., 7015 Westchester Drive, Dallas, Texas 75205.

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Basic Financial Statements

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Highland Park Independent School District
Statement of Net Position
August 31, 2018

Exhibit A-1

Data Control Codes		1	2	3	Component Unit
		Primary Government			HPISD Education Foundation
		Governmental Activities	Business-type Activities	Total	
	ASSETS				
1110	Cash and cash equivalents	\$ 192,184,546	\$ 51,723	\$ 192,236,269	\$ 4,774,638
1120	Current investments	5,522,754	735,427	6,258,181	18,802,165
1220	Delinquent property taxes receivables	2,029,338	-	2,029,338	-
1230	Allowance for uncollectible taxes (credit)	(304,400)	-	(304,400)	-
1240	Due from other governments	12,578	-	12,578	-
1250	Accrued interest	28,956	3,886	32,842	-
1260	Internal balances	(1,151,712)	1,151,712	-	-
1290	Other receivables (net)	1,378,514	-	1,378,514	215,404
1410	Prepaid expenses	107,816	-	107,816	-
	Capital assets:				
1510	Land	67,575,979	-	67,575,979	-
1520	Buildings and building improvements	218,651,071	407,001	219,058,072	-
1530	Furniture and equipment	17,110,437	201,456	17,311,893	-
1570	Accumulated depreciation	(92,790,501)	(424,791)	(93,215,292)	-
1580	Construction in progress	82,110,854	-	82,110,854	-
1810	Restricted cash and investments	-	-	-	10,539,419
1900	Long-term investments	56,618,229	-	56,618,229	-
1000	Total assets	549,084,459	2,126,414	551,210,873	34,331,626
	DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred refunding amount	3,956,220	-	3,956,220	-
1705	Deferred outflows of resources-pension	4,561,640	-	4,561,640	-
1706	Deferred outflows of resources - OPEB	398,784	-	398,784	-
1700	Total deferred outflows of resources	8,916,644	-	8,916,644	-
	LIABILITIES				
2110	Accounts payable	18,371,475	14,735	18,386,210	1,320,616
2140	Interest payable	475,050	-	475,050	-
2160	Accrued wages payable	2,133,507	11,487	2,144,994	-
2180	Due to other governments	2,648,234	-	2,648,234	-
2300	Unearned revenue	1,473,747	17,170	1,490,917	55,780
	Noncurrent liabilities:				
2501	Due within one year	11,685,000	-	11,685,000	-
2502	Due in more than one year	419,006,265	-	419,006,265	-
2540	Net pension liability	13,285,690	-	13,285,690	-
2545	Net OPEB liability	22,639,316	-	22,639,316	-
2000	Total liabilities	491,718,284	43,392	491,761,676	1,376,396
	DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows of resources- pension	2,032,166	-	2,032,166	-
2606	Deferred inflows of resources - OPEB	9,470,069	-	9,470,069	-
2600	Total deferred inflows of resources	11,502,235	-	11,502,235	-
	NET POSITION				
3200	Net investment in capital assets	64,726,393	183,666	64,910,059	-
	Restricted for:				
3820	State programs	98,190	-	98,190	-
3850	Debt service	4,226,385	-	4,226,385	-
3890	Donor stipulations	3,456,404	-	3,456,404	31,557,132
3900	Unrestricted net position	(17,726,788)	1,899,356	(15,827,432)	1,398,098
3000	Total net position	\$ 54,780,584	\$ 2,083,022	\$ 56,863,606	\$ 32,955,230

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Activities
For the Fiscal Year Ended August 31, 2018

Data Control Codes		1	Program Revenues	
			3	4
		Expenses	Charges for Services	Operating Grants and Contributions
	GOVERNMENTAL ACTIVITIES			
11	Instruction	\$ 32,342,308	\$ 2,297,276	\$ (1,720,544)
12	Instructional resources and media services	903,019	140,458	296,743
13	Curriculum and staff development	1,120,522	26,064	916,178
21	Instructional leadership	973,269	18,974	(104,602)
23	School leadership	2,534,414	71,021	(560,413)
31	Guidance, counseling, and evaluation services	2,145,130	76,672	(645,666)
33	Health services	427,141	10,271	(90,005)
34	Student transportation	195,572	-	-
35	Food service	1,348,393	27,855	1,163,736
36	Extracurricular activities	2,503,836	1,077,507	110,507
41	General administration	3,113,128	39,859	(359,474)
51	Plant maintenance and operations	5,069,885	512,369	(262,315)
52	Security and monitoring services	771,910	4,359	(17,199)
53	Data processing services	1,263,599	10,788	(49,660)
61	Community services	40,974	901	(17,457)
72	Interest on long-term debt	11,489,021	-	-
73	Debt Service - bond issuance costs and fees	348,352	-	-
81	Other facility costs	11,998	112	253,942
91	Contracted instructional services between schools	96,834,257	-	-
95	Juvenile and justice education programs	13,032	-	-
99	Other intergovernmental charge	609,065	-	-
[TG]	TOTAL GOVERNMENTAL ACTIVITIES	164,058,825	4,314,486	(1,086,229)
	BUSINESS-TYPE ACTIVITIES			
01	Seay Tennis Center	581,574	852,433	-
02	Academy for Lifelong Learning	539,537	813,266	-
[TB]	TOTAL BUSINESS-TYPE ACTIVITIES	1,121,111	1,665,699	-
[TP]	TOTAL PRIMARY GOVERNMENT	\$ 165,179,936	\$ 5,980,185	\$ (1,086,229)
	COMPONENT UNIT			
03	Highland Park I.S.D. Education Foundation	\$ 4,512,524	\$ -	\$ 14,413,911

Data Control Codes	
	General revenues and transfers
	Taxes
MT	Property taxes, levied for general purposes
DT	Property taxes, levied for debt service
GC	Grants & contributions not restricted
IE	Investment earnings
MI	Miscellaneous local and intermediate revenue
FR	Transfers
TR	Total general revenues and transfers
CN	Change in net position
NB	Net position - beginning
PA	Cummulative effect of change in accounting principle
NE	Net position-ending

The Notes to the Basic Financial Statements are an integral part of this statement.

Exhibit B-1

Program Revenues	Net (Expense) Revenue and Changes in Net Position			Component Unit
	6	7	8	
5	Primary Government			HPISD Education Foundation
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
\$ 17,917	\$ (31,747,659)	\$ -	\$ (31,747,659)	\$ -
-	(465,818)	-	(465,818)	-
-	(178,280)	-	(178,280)	-
-	(1,058,897)	-	(1,058,897)	-
-	(3,023,806)	-	(3,023,806)	-
-	(2,714,124)	-	(2,714,124)	-
-	(506,875)	-	(506,875)	-
-	(195,572)	-	(195,572)	-
-	(156,802)	-	(156,802)	-
-	(1,315,822)	-	(1,315,822)	-
-	(3,432,743)	-	(3,432,743)	-
-	(4,819,831)	-	(4,819,831)	-
-	(784,750)	-	(784,750)	-
-	(1,302,471)	-	(1,302,471)	-
-	(57,530)	-	(57,530)	-
-	(11,489,021)	-	(11,489,021)	-
-	(348,352)	-	(348,352)	-
-	242,056	-	242,056	-
-	(96,834,257)	-	(96,834,257)	-
-	(13,032)	-	(13,032)	-
-	(609,065)	-	(609,065)	-
17,917	(160,812,651)	-	(160,812,651)	-
-	-	270,859	270,859	-
-	-	273,729	273,729	-
-	-	544,588	544,588	-
\$ 17,917	(160,812,651)	544,588	(160,268,063)	-
\$ -	-	-	-	9,901,387
	148,731,800	-	148,731,800	-
	23,329,421	-	23,329,421	-
	2,305,436	-	2,305,436	-
	3,927,524	14,466	3,941,990	2,761,817
	774,261	-	774,261	-
	400,000	(400,000)	-	-
	179,468,442	(385,534)	179,082,908	2,761,817
	18,655,791	159,054	18,814,845	12,663,204
	75,820,203	1,923,968	77,744,171	20,292,026
	(39,695,410)	-	(39,695,410)	-
\$ 54,780,584	\$ 2,083,022	\$ 56,863,606	\$ 32,955,230	

Highland Park Independent School District
Balance Sheet
Governmental Funds
August 31, 2018

Exhibit C-1

Data Control Codes		10 General Fund	50 Debt Service	60 Capital Projects	Non-major Governmental Funds	Total Governmental Funds
ASSETS						
1110	Cash and cash equivalents	\$ 26,370,293	\$ 4,345,478	\$ 160,192,401	\$ 717,533	\$ 191,625,705
1120	Current investments	4,866,527	-	-	656,227	5,522,754
1220	Property taxes-delinquent	1,804,507	224,831	-	-	2,029,338
1230	Allowance for uncollectible taxes (credit)	(270,676)	(33,724)	-	-	(304,400)
1240	Due from other governments	5,654	-	-	6,924	12,578
1250	Accrued interest	26,717	-	-	2,239	28,956
1260	Due from other funds	4,845,659	164,822	-	4,835,078	9,845,559
1290	Other receivables	1,295,321	28	-	34,958	1,330,307
1410	Prepaid expenditures	107,816	-	-	-	107,816
1900	Long-term investments	-	-	56,618,229	-	56,618,229
1000	Total assets	<u>\$ 39,051,818</u>	<u>\$ 4,701,435</u>	<u>\$ 216,810,630</u>	<u>\$ 6,252,959</u>	<u>\$ 266,816,842</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
2110	Accounts payable	\$ 1,323,806	\$ -	\$ 13,421,826	\$ 69,153	\$ 14,814,785
2160	Accrued wages payable	2,072,256	-	-	61,251	2,133,507
2170	Due to other funds	10,373,843	-	4,150,676	77,347	14,601,866
2180	Due to other governments	2,648,234	-	-	-	2,648,234
2300	Unearned revenue	787,077	-	-	686,670	1,473,747
2000	Total liabilities	<u>17,205,216</u>	<u>-</u>	<u>17,572,502</u>	<u>894,421</u>	<u>35,672,139</u>
DEFERRED INFLOWS OF RESOURCES						
2601	Unavailable revenue	<u>1,533,831</u>	<u>191,107</u>	<u>-</u>	<u>-</u>	<u>1,724,938</u>
2600	Total deferred inflows of resources	<u>1,533,831</u>	<u>191,107</u>	<u>-</u>	<u>-</u>	<u>1,724,938</u>
FUND BALANCES						
Nonspendable:						
3430	Prepaid expenditures	107,816	-	-	-	107,816
3445	Long-term receivables	1,160,000	-	-	-	1,160,000
Restricted for:						
3450	Advanced Placement Initiatives	-	-	-	50,443	50,443
3450	Grant awards	-	-	-	3,614	3,614
3450	State funded special revenue	-	-	-	44,133	44,133
3480	Debt service	-	4,510,328	-	-	4,510,328
3490	Donor stipulations	-	-	-	3,456,404	3,456,404
Committed for:						
3510	Capital expenditure	-	-	199,238,128	-	199,238,128
3545	Campus activities	-	-	-	1,803,944	1,803,944
3600	Unassigned	<u>19,044,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,044,955</u>
3000	Total fund balances	<u>20,312,771</u>	<u>4,510,328</u>	<u>199,238,128</u>	<u>5,358,538</u>	<u>229,419,765</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 39,051,818</u>	<u>\$ 4,701,435</u>	<u>\$ 216,810,630</u>	<u>\$ 6,252,959</u>	<u>\$ 266,816,842</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
August 31, 2018

Exhibit C-2

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 229,419,765
1 The District uses internal services funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	654,953
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental fund financial statements.	385,448,341
3 Accumulated depreciation has not been included in the governmental fund financial statements.	(92,790,501)
4 Long-term liabilities have not been included in the governmental fund financial statements.	(430,691,265)
5 Property taxes and donations reported as deferred inflows in the governmental fund financial statements are recognized as revenue in the government-wide financial statements.	1,724,938
6 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.	(475,050)
7 Included in the items related to debt is the District's proportionate share of the TRS net pension liability of (\$13,285,690), a deferred resource inflow of (\$2,032,166) and a deferred resource outflow of \$4,561,640. The net effect is a decrease of net position.	(10,756,216)
8 Deferred loss on refunding amount is reflected in the statement of net position of the government-wide financial statements, net of amortization; but, it is not reported in the governmental funds financial statements.	3,956,220
9 Included in the items related to debt is the District's proportionate share of the TRS net pension liability of (\$22,639,316), a deferred resource inflow of (\$9,470,069) and a deferred resource outflow of \$398,784. The net effect is a decrease of net position.	<u>(31,710,601)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 54,780,584</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Revenues, Expenditures, and Changes in
Fund Balance
Governmental Funds
For the Fiscal Year Ended August 31, 2018

Exhibit C-3

Data Control Codes		10 General Fund	50 Debt Service	60 Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
5700	Total local and intermediate sources	\$ 155,615,602	\$ 23,459,665	\$ 2,515,572	\$ 7,326,630	\$ 188,917,469
5800	State program revenues	5,201,932	59,367	-	44,436	5,305,735
5900	Federal program revenues	-	-	-	886,226	886,226
5020	Total revenues	160,817,534	23,519,032	2,515,572	8,257,292	195,109,430
EXPENDITURES						
Current						
0011	Instruction	37,165,982	-	-	4,771,173	41,937,155
0012	Instructional resources & media services	888,921	-	-	560,844	1,449,765
0013	Curriculum & instructional staff development	380,073	-	-	807,944	1,188,017
0021	Instructional leadership	1,203,693	-	-	248,132	1,451,825
0023	School leadership	3,227,740	-	-	82,158	3,309,898
0031	Guidance, counseling, and evaluation services	3,001,644	-	-	22,235	3,023,879
0033	Health services	541,616	-	-	4,184	545,800
0034	Student (pupil) transportation	-	-	-	195,572	195,572
0035	Food service	1,474,961	-	-	23,091	1,498,052
0036	Cocurricular/extracurricular activities	2,595,121	-	-	489,215	3,084,336
0041	General administration	3,221,619	-	-	3,431	3,225,050
0051	Plant maintenance and operations	5,332,494	-	-	215,000	5,547,494
0052	Security and monitoring services	764,396	-	-	-	764,396
0053	Data processing services	1,335,894	-	918,368	18,751	2,273,013
0061	Community services	49,665	-	-	-	49,665
DEBT SERVICE						
0071	Debt service - Principal on long-term debt	-	9,475,000	-	-	9,475,000
0072	Debt service - Interest on long-term debt	-	13,634,668	-	-	13,634,668
0073	Debt service - Bond issuance costs and fees	-	-	348,352	-	348,352
CAPITAL OUTLAY						
0081	Facilities acquisition and construction	16,231	-	76,641,957	-	76,658,188
INTERGOVERNMENTAL						
0091	Contracted instructional services between schools	96,834,257	-	-	-	96,834,257
0095	Juvenile and Justice Education Programs	13,032	-	-	-	13,032
0099	Other intergovernmental charges	609,065	-	-	-	609,065
6030	Total expenditures	158,656,404	23,109,668	77,908,677	7,441,730	267,116,479
1100	Excess (deficiency) of revenues over (under) expenditures	2,161,130	409,364	(75,393,105)	815,562	(72,007,049)
OTHER FINANCING SOURCES (USES)						
7911	Capital-related debt issued (regular bonds)	-	2,512,640	119,537,360	-	122,050,000
7912	Sale of capital assets	724,921	-	-	-	724,921
7915	Transfers in	400,000	-	-	-	400,000
7916	Premium or discount on issuance of bonds	-	-	17,210,992	-	17,210,992
7080	Total other financing sources and (uses)	1,124,921	2,512,640	136,748,352	-	140,385,913
1200	Net change in fund balances	3,286,051	2,922,004	61,355,247	815,562	68,378,864
0100	Fund balances - beginning	17,026,720	1,588,324	137,882,881	4,542,976	161,040,901
3000	FUND BALANCES - ending	\$ 20,312,771	\$ 4,510,328	\$ 199,238,128	\$ 5,358,538	\$ 229,419,765

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District**Exhibit C-4**

Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures and Changes in Fund Balance to the
Government-Wide Statement of Activities
For the Fiscal Year Ended August 31, 2018

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		\$	68,378,864
1	The District uses internal service funds to charge the costs of certain activities such as self-insurance to appropriate functions in other funds. The net loss of internal service funds is reported with government activities. The net effect of this consolidation is to decrease net position.		(253,892)
2	Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.		78,313,600
3	Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.		(7,227,539)
4	The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of discounts, premiums, and deferred losses on refunding when debt is first issued; however the amounts are deferred and amortized in the government-wide financial statements. This amount represents the net effect of the following items:		
	Repayments	\$	9,475,000
	Bonds Issued		(122,050,000)
	Premium on issuance of bonds		(17,210,992)
	Amortization of premium on bonds		2,532,814
	Amortization of deferred refunding amount		(752,718)
			(128,005,896)
5	Current year changes in accrued interest payable do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		17,199
6	Changes in pension liability, and related deferred inflows and outflows not recognized on the fund financial statements under the modified accrual bases are recognized on the accrual basis in the government-wide financial statements. The net effect of pension liability, deferred inflows, and outflows are as follows:		
	Changes in pension liability		2,121,589
	Changes in pension deferred inflows		(1,143,705)
	Changes in pension deferred outflows		(1,526,257)
			(548,373)
7	The net change in net OPEB liability, deferred outflows and deferred inflows is reported in the statement of activities, but does not require the use of current financial resources and, therefore, is not reported as revenue or expenditures in the governmental funds. The net change consists of the following:		
	Changes in net OPEB liability		17,329,252
	Changes in OPEB deferred inflows		(9,470,069)
	Changes in OPEB deferred outflows		125,626
			7,984,809
8	Revenue from property taxes and donations is deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide statements.		(2,981)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$	18,655,791

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Net Position
Proprietary Funds
August 31, 2018

Exhibit D-1

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS		
Current assets		
Cash and cash equivalents	\$ 51,723	\$ 558,841
Current investments	735,427	-
Accrued interest and other receivables	3,886	-
Due from other funds	1,354,532	638,711
Total current assets	2,145,568	1,197,552
NON CURRENT ASSETS		
Capital assets		
Buildings and improvements	407,001	-
Accumulated depreciation on buildings and improvements	(301,298)	-
Furniture and equipment	201,456	-
Accumulated depreciation on furniture and equipment	(123,493)	-
Total noncurrent assets	183,666	-
Total assets	2,329,234	1,197,552
LIABILITIES		
Current liabilities		
Accounts payable	14,735	126,362
Due to other funds	202,820	416,237
Accrued wages payable	11,487	-
Unearned revenue	17,170	-
Total liabilities	246,212	542,599
NET POSITION		
Net investment in capital assets	183,666	-
Unrestricted	1,899,356	654,953
TOTAL NET POSITION	\$ 2,083,022	\$ 654,953

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Revenues, Expenses, and Changes in
Fund Net Position
Proprietary Funds
For the Fiscal Year Ended August 31, 2018

Exhibit D-2

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Local and intermediate sources	\$ 1,665,699	\$ 47,486
Total operating revenues	1,665,699	47,486
OPERATING EXPENSES		
Payroll costs	883,223	-
Professional and contractual services	90,128	259,261
Supplies and materials	35,689	-
Depreciation expense	43,408	-
Other operating costs	68,663	51,491
Total operating expenses	1,121,111	310,752
Operating income (loss)	544,588	(263,266)
NONOPERATING REVENUES		
Earnings from temporary deposits and investments	14,466	9,374
Total nonoperating revenues	14,466	9,374
Income (loss) before transfers	559,054	(253,892)
TRANSFERS		
Transfers out	(400,000)	-
Total transfers	(400,000)	-
Change in net position	159,054	(253,892)
Total net position - beginning	1,923,968	908,845
TOTAL NET POSITION - ending	\$ 2,083,022	\$ 654,953

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended August 31, 2018

Exhibit D-3

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 1,468,459	\$ 47,486
Payments to employees for services	(874,365)	452,514
Payments to suppliers	(193,451)	(500,000)
Net cash provided by operating activities	400,643	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	(13,078)	-
Investment earnings	13,303	9,374
Net cash provided by investing activities	225	9,374
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers out	(400,000)	-
Net cash used by non-capital financing activities	(400,000)	-
Net increase in cash and cash equivalents	868	9,374
Cash and cash equivalents at the beginning of year	50,855	549,467
Cash and cash equivalents at the end of year	\$ 51,723	\$ 558,841
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 544,588	\$ (263,266)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	43,408	-
Effect of increases and decreases in current assets and liabilities:		
(Increase) decrease in receivables	816,585	
(Increase) in interfund balances	(1,003,787)	452,514
Increase (decrease) in accounts payable	7,183	(189,248)
Increase (decrease) in accrued wages payable	2,704	-
Increase (decrease) in unearned revenue	(10,038)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 400,643	\$ -

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Fiduciary Net Position
Fiduciary Funds
August 31, 2018

Exhibit E-1

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 39,334	\$ 75,239
Current investments	-	124,351
Accrued interest	-	213
Other receivables	-	30,696
Due from other funds	13,826	3,417,352
Restricted assets	133,404	-
Total assets	186,564	3,647,851
LIABILITIES		
Accounts payable	-	55,424
Due to other funds	9,329	39,728
Due to other organizations	-	3,276,590
Due to student groups	-	276,109
Total liabilities	9,329	\$ 3,647,851
NET POSITION		
Held in trust for other purposes	177,235	
TOTAL NET POSITION		
	\$ 177,235	

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended August 31, 2018

Exhibit E-2

	Private Purpose Trust Funds
ADDITIONS	
Local and intermediate sources	\$ 12,261
Total additions	12,261
DEDUCTIONS	
Other operating costs	5,000
Total deductions	5,000
Change in net position	7,261
Total net position - beginning	169,974
TOTAL NET POSITION - ENDING	\$ 177,235

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 1. Significant Accounting Policies

Highland Park Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the Board) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in Statement on Auditing Standards No. 69 of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the Resource Guide) and the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity

In defining the scope of the District for financial reporting purposes, the District conforms with the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB No. 61, *The Financial Reporting Entity: Omnibus*. This report includes the financial statements of the District's primary government, which covers all funds or organizations that are part of the District's legal entity.

Additionally, the District's reporting entity also includes the accounts of the Highland Park I.S.D. Education Foundation, (the Foundation) as a discretely presented component unit, a legally separate, tax exempt entity. The Foundation was organized to receive and distribute funds, property and gift of any kind exclusively for the benefit of Highland Park Independent School District, its students, and personnel in furtherance of the education objectives of the Foundation. Separate financial statements are issued by the Foundation and can be obtained from: Highland Park I.S.D. Education Foundation, 4201 Grassmere, Dallas, Texas 75205. Contributions from the Foundation to the District were approximately \$2,047,651 for the year ending August 31, 2018.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The governmental activities are supported by tax revenues and intergovernmental revenues. Business-type activities include operations that rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Highland Park Independent School District

Notes to the Basic Financial Statements

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to/due from on the governmental fund balance sheet and proprietary fund statement of net position and as other financing sources and uses on the governmental fund statement of revenues, expenditures and changes in fund balance and on the proprietary fund statement of revenues, expenses, and changes in net position. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide statement of net position as internal balances and on the statement of activities as interfund transfers. Interfund services provided and used are not eliminated in the process of consolidation.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

Change in Accounting Principle

In fiscal year 2018, the District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* – which supersedes GASB Statement No. 45 (GASB 75).

The requirements of Statement No. 75 apply to the financial statements of all state and local government employers whose employees are provided postemployment benefits other than pensions (other postemployment benefits or OPEB). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense related to the OPEB plan. Note disclosure and RSI requirements about the OPEB plan also are addressed. The implementation of GASB 75 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively. However, the implementation has resulted in the restatement of the District's beginning net position for the fiscal year 2018 government-wide financial statements to reflect the reporting of net OPEB liability, deferred inflows and outflows of resources, and the recognition of OPEB expense. Net position as of September 1, 2017 was decreased by \$39,695,410 to reflect the cumulative effect of implementation. A beginning net OPEB liability of \$39,968,568 offset by deferred outflows of resources of \$273,158 at August 31, 2017 was reported as a prior period adjustment to the net position. Refer to Note 12. for more information regarding the District's OPEB plan. At transition, a government recognizes a beginning deferred outflows of resources for its OPEB contributions, if any, made subsequent to the measurement date of the beginning net OPEB liability. Since the measurement date of the OPEB plan was different than the District's fiscal year-end, the effects from the plan reported contributions to the plan subsequent to the respective measurement date as an increase in deferred outflows of resources and net position. The beginning deferred outflows for OPEB includes contributions from September 1, 2016 through August 31, 2017, totaling \$273,158.

Highland Park Independent School District

Notes to the Basic Financial Statements

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is the accounting convention, which determines which assets and liabilities are included on the balance sheet of a fund type and whether a fund type's operating statement presents "financial flow" or capital maintenance information.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements (with the exception of Agency funds which are custodial in nature and, thus, do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Proprietary Fund types and Fiduciary Fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

Highland Park Independent School District

Notes to the Basic Financial Statements

Fund Accounting

The District's accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is utilized to account for all revenues and expenditures except those required to be accounted for in another fund. Major sources include local property taxes, state funding under the minimum Foundation Program and interest earnings. Expenditures include all costs associated with the daily operations of the schools.

Debt Service Fund is utilized to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs arising from general obligation bonds.

Capital Projects Fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived from proceeds of general obligation bonds and interest earned on such monies and local sources committed for such purposes.

Additionally, the District reports the following fund types:

Governmental Funds

Special Revenue Funds are utilized to account for the proceeds of specific revenue sources, other than expendable trusts or for major capital projects that are legally restricted or committed for specified purposes.

Proprietary Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed through user charges.

Seay Tennis Center is used to account for the operations of the tennis center that provides services to the residents of the District and to the District's athletic teams.

Academy for Lifelong Learning is used to account for the operations of the continuing education school that provides services to the residents of the District.

Internal Service Funds are used to account for the financing of goods or services by one department to another on a cost reimbursement basis.

Insurance Fund is used to account for the District's partially self-insured workers' compensation plan.

Fiduciary Funds

Private Purpose Trust Funds consist of various scholarship funds held in a trustee capacity.

Agency Funds are used to account for assets held by the District in a trustee or agency capacity for student and employee activities, as well as other organizations.

Highland Park Independent School District

Notes to the Basic Financial Statements

Budgets and Budgetary Accounting

The District facilitates budgeting and budgetary control by preparing annual budgets for the General Fund and Debt Service Fund and appropriately amending the budgets as circumstances dictate; the annual budgets as amended are an integral part of the accounting system, providing appropriate budgetary control over revenues, expenditures and transfers through comparison of actual data and encumbrances to budgetary data.

The Superintendent of Schools is designated as the budget officer of the District and is responsible for preparing, or causing to be prepared, a budget for the next succeeding fiscal year.

The budget is required to be prepared not later than August 20 at a meeting of the Board of Trustees called for the purpose of adopting such budget after ten days public notice of the meeting has been given.

The administration performs semi-annual budget reviews by which budget requirements are re-evaluated and revisions recommended to the Board of Trustees. The Board of Trustees may approve amendments to the budget, which are required when a change is made to any one of the functional expenditure categories or revenue object accounts defined by the Texas Education Agency. Such amendments must be reflected in the official minutes of the Board, and may not, by law, occur after August 31. Therefore, the legal level of budgetary control is at the function level within each budgeted fund. Management may transfer appropriations between objects, sub-objects, organizations, programs, and projects without approval from the Board of Trustees, as long as appropriations are not increased at the function level.

The Texas Education Agency (TEA) requires the budgets to be filed with the Texas Education Agency through regular submissions to the Public Education Information Management System (PEIMS). The budget should not be exceeded in any functional expenditure category under TEA requirements. The final amended versions of these budgets are used in this report.

Unused appropriations lapse at the end of each fiscal year; however, the District increases the subsequent year appropriations by an amount equal to outstanding encumbrances. Supplemental appropriations were not significant to the original adopted budget for the fiscal year ended August 31, 2018.

Budgets for the General and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Investments

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid expenditures are accounted for under the consumption method.

Highland Park Independent School District
Notes to the Basic Financial Statements

Local Tax Revenues and Receivables

Ad valorem taxes are levied from valuations assessed as of January 1 and are recognized as revenue beginning on the date of levy, October 1, when they become available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within sixty days of the fiscal year end are recorded as deferred revenues and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as deferred revenues and recognized as revenue of the period to which they apply.

Current taxes are due on October 1 and become delinquent if unpaid on February 1. Pursuant to Subtitle E of the Texas Property Tax Code, penalties and interest on unpaid taxes are calculated at the rate of 1% per month of delinquency. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed.

Allowance for Uncollectible Taxes

An allowance for uncollectible taxes is provided based upon an analysis of historical trends.

Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing-off real property taxes without specific authority from the Texas legislature.

The District expects to receive all significant receivables within one year of August 31, 2018.

Capital Assets

Capital assets which include land, buildings, furniture 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 District as assets with an initial, individual cost of more than \$5,000 and an estimated life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed.

Buildings, furniture, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Buildings	10 - 40
Building improvements	10 - 20
Vehicles	5 - 11
Office equipment	5 - 7
Computer equipment	5 - 7

Compensated Absences

This District does not compensate its employees for unused leave; therefore no accrual for compensated absences is required.

Highland Park Independent School District

Notes to the Basic Financial Statements

Long-Term Debt

In the government-wide financial statements bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, in the period the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the government-wide statement of net position and governmental fund balance sheet report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to deferred losses on debt refunding transactions, which are reported as deferred outflows of resources, the District reports certain deferred inflows and outflows related to pensions and OPEB on the government-wide statement of net position. At the governmental fund level, earned but unavailable tax revenue and donations are reported as a deferred inflows of resources.

Governmental Fund Financial Statements

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The 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 funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

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

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

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

Highland Park Independent School District

Notes to the Basic Financial Statements

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees. This classification includes campus activity funds, and various other construction funds.

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. According to District policy, fund balance can be assigned by the Superintendent or the Superintendent's designee.

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

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and the unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Pension

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Debt Service

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. The full amount estimated to be required for general obligation bond retirement is provided by the debt service tax together with interest earned within the Debt Service Fund.

Accounting Estimates

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

Highland Park Independent School District

Notes to the Basic Financial Statements

The amount of state foundation revenue a school district earns for a year may vary until the time when final values for all factors in the state and formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate for the year ended August 31, 2018 will change.

Cash Flow Presentation

For the purpose of presenting the statement of cash flows, the District considers all highly liquid investments with an original maturity or initial maturity of less than three months to be cash equivalents.

Interfund Transactions

During the course of normal operations, it is necessary for the District to enter into transactions among its various funds. These transactions consist of one or more of the following types:

- Reimbursements to a fund, which are generally reflected through the allocation of pooled cash accounts, for expenditures or expenses initially made from it that are properly applicable to another fund. All interfund receivable / payable balances at August 31, 2018 were the result of these types of reimbursements and are expected to be repaid within one year.
- Transfers in and out, as appropriate, which are shown as other financing sources or uses in the fund financial statements.
- All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements.

Account Code Reporting

The Data Control Codes refer to the account code structure prescribed by TEA in the Financial Accountability Resource Guide. The Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide data base for policy development and funding plans.

Note 2. Cash and Investments

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At August 31, 2018, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$8,972,997 and bank balance was \$9,484,863. The District's cash deposits at August 31, 2018 and during the year ended August 31, 2018 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

Highland Park Independent School District

Notes to the Basic Financial Statements

The following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Depository: Plains Capital Bank
2. The market value of securities pledged as of the date of the highest combined balance on deposit was \$30,325,597.
3. The highest combined balances of cash, savings, and time deposit accounts amounted to \$30,175,171 on September 15, 2017.

Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes and the District's investment policy authorized the District to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	1 year	None	None
U.S. Agency Securities	1 year	None	None
State of Texas securities	1 year	None	None
Certificates of deposit	1 year	None	None
Money market	-	None	None
Fully collateralized repurchase agreements	-	None	None
Repurchase agreements	90 days	15%	None
Mutual funds	-	15%	None
Investment pools	-	None	None
Guaranteed investment contracts	1 year	None	None
Commercial paper	270 days	None	None

The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Highland Park Independent School District

Notes to the Basic Financial Statements

Cash and investments as of August 31, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position

Primary government

Cash and cash equivalents	\$ 192,236,269
Current investments	6,258,181
Noncurrent investments	56,618,229

Fiduciary funds

Cash and cash equivalents	114,573
Current investments	124,351
Restricted assets	133,404

Total cash and investments	\$ 255,485,007

Cash and investments as of August 31, 2018 consist of the following:

Cash on hand	\$ 7,090
Deposits with financial institutions	8,972,997
Investments	246,504,920

Total cash and investments	\$ 255,485,007

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. By policy the District shall use final and weighted-average maturity limits and diversification to reduce exposure to changes in interest rates. One of the ways that the District manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days thus reducing the interest rate risk. The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

As of August 31, 2018, the District had the following investments:

Investment Type	Amount	Average Maturity	Legal Rating	of Year End
Lone Star Investment Pool	\$ 189,753,288	22 days	N/A	AAA
Flexible repurchase agreement	56,618,229	451 days	N/A	AAA
Common stock - Exxon	133,403	NA	N/A	AA+
Total investments	\$ 246,504,920			

As of August 31, 2018 the District did not invest in any securities which are highly sensitive to interest rate fluctuations.

Highland Park Independent School District

Notes to the Basic Financial Statements

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The table in the previous section lists the minimum rating required by (where applicable) the Public Funds Investment Act, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of August 31, 2018, other than external investment pools and the flexible repurchase agreement, the District did not have 5% or more of its investments with one issuer.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

As of August 31, 2018 the District deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Highland Park Independent School District

Notes to the Basic Financial Statements

The District has recurring fair value measurements as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

	Value at August 31, 2018	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Days)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Investments not subject to fair value						
Investment Pools						
Lone Star	\$189,753,288	\$ -	\$ -	\$ -	76.98%	22
Flexible repurchase agreement	56,618,229	-	-	-	22.97%	451
Investments by fair value level						
Marketable equity securities						
Common stock	133,403	133,403	-	-	0.05%	NA
Total value	\$246,504,920	\$ 133,403	\$ -	\$ -		

The Lone Star Investment Pool (the Pool) is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is governed by an 11 member Board of Trustees, consisting of individuals representing entities participating in the Pool. The fair value of the District's position in the Pool is the same as the value of the Pool shares.

The Flexible Repurchase Agreement is reported at contract value, a cost-based measure.

Fair value of marketable equity securities reported as level 1 is determined by reference to quoted market prices for investments listed on an exchange or over-the-counter market. These securities were donated to the District and are held in a trustee capacity as part of the Gage Trust Fund.

Highland Park I.S.D. Education Foundation

The Foundation records financial instruments at estimated fair value. Fair value accounting defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities as of the reporting date;

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices in active markets for similar assets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets;

Level 3 – Unobservable inputs that are supported by little or no market activity and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Highland Park Independent School District

Notes to the Basic Financial Statements

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate Bonds: The investment grade bonds held by the Foundation generally do not trade in active market on the measurement date. Therefore, bonds are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market quotations (where observable), bond spreads, and fundamental data relating to the issuer.

The following table sets forth the Foundation's investments at fair value at August 31, 2018:

	Level 1	Level 2	Level 3	Total
Investments at fair value				
Common stock	\$ 20,864,999	\$ -	\$ -	\$ 20,864,999
Corporate bonds	-	8,476,585	-	8,476,585
	<u>\$ 20,864,999</u>	<u>\$ 8,476,585</u>	<u>\$ -</u>	<u>\$ 29,341,584</u>

For the year ended August 31, 2018, net investment earnings, including earnings from cash equivalents, were as follows:

Interest and dividends	\$ 379,138
Unrealized gain	2,021,747
Realized gain	470,957
Investment expenses	(110,025)
	<u>\$ 2,761,817</u>

Note 3. Receivables

Due from Other Governments: The District participates in a variety of state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from state governments as of August 31, 2018 are as follows:

Fund	Due from State
General	\$ 5,654
Non-major	
IDEA-B Formula	<u>6,924</u>
Total	<u>\$ 12,578</u>

Highland Park Independent School District

Notes to the Basic Financial Statements

Other Receivables: As of August 31, 2018 other receivables consisted of the following:

	General Fund	Debt Service	Non-Major Funds	Total
Long-term loan	\$ 1,160,000	\$ -	\$ -	\$ 1,160,000
Miscellaneous	135,321	28	34,958	170,307
	<u>\$ 1,295,321</u>	<u>\$ 28</u>	<u>\$ 34,958</u>	<u>\$ 1,330,307</u>

The long-term loan consists of a zero-interest loan to the District Superintendent. Under terms of the agreement, the loan balance is not expected to be collected within the next year and, therefore, an equal amount of fund balance has been reported as nonspendable.

Note 4. Interfund Receivables/Payables

Schedule of Interfund receivables and payables at August 31, 2018, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Capital Projects Fund	\$ 4,150,420	Operational
General Fund	Non-Major Funds	44,493	Operational
General Fund	Enterprise	201,694	Operational
General Fund	Internal Service Fund	416,237	Operational
General Fund	Private Purpose Trust Fund	9,329 ⁽²⁾	Operational
General Fund	Agency Funds	23,486 ⁽²⁾	Operational
Non-Major Funds	Non-Major Funds	19,616	Operational
Non-Major Funds	Agency Funds	15,392 ⁽²⁾	Operational
Non-Major Funds	General Fund	4,800,070	Operational
Enterprise	General Fund	1,354,532	Operational
Internal Service Fund	General Fund	635,221	Operational
Internal Service Fund	Non-Major Funds	2,108	Operational
Internal Service Fund	Capital Projects Fund	256	Operational
Internal Service Fund	Enterprise	1,126	Operational
Agency Funds	General Fund	3,405,372 ⁽¹⁾	Operational
Agency Funds	Non-Major Funds	11,130 ⁽¹⁾	Operational
Debt Service Fund	General Fund	164,822	Operational
Private Purpose Trust Fund	General Fund	13,826 ⁽¹⁾	Operational
Agency Funds	Agency Funds	850	Operational
		<u>\$ 15,269,980</u>	

⁽¹⁾ Reclassified to accounts payable in the Government-wide Statement of Net Position

⁽²⁾ Reclassified to other receivables in the Government-wide Statement of Net Position

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 5. Capital Asset Activity

Capital asset activity for the District for the year ended August 31, 2018, was as follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental activities				
Capital assets, not depreciated				
Land	\$ 67,575,979	\$ -	\$ -	\$ 67,575,979
Construction in progress	10,967,540	71,143,314	-	82,110,854
Total capital assets not depreciated	78,543,519	71,143,314	-	149,686,833
Capital assets being depreciated				
Buildings and improvements	211,767,103	7,040,968	(157,000)	218,651,071
Furniture, equipment and other	16,981,119	129,318	-	17,110,437
Total capital assets being depreciated	228,748,222	7,170,286	(157,000)	235,761,508
Less accumulated depreciation for				
Buildings and improvements	(73,639,688)	(5,193,536)	157,000	(78,676,224)
Furniture, equipment and other	(12,080,274)	(2,034,003)	-	(14,114,277)
Total accumulated depreciation	(85,719,962)	(7,227,539)	157,000	(92,790,501)
Total capital assets, being depreciated, net	143,028,260	(57,253)	-	142,971,007
Governmental activities capital assets, net	\$ 221,571,779	\$ 71,086,061	\$ -	\$ 292,657,840
Business-Type activities				
Capital assets, being depreciated				
Buildings and improvements	\$ 407,001	\$ -	\$ -	\$ 407,001
Furniture and equipment	201,456	-	-	201,456
Total capital assets being depreciated	608,457	-	-	608,457
Less accumulated depreciation for				
Buildings and improvements	(277,381)	(23,917)	-	(301,298)
Furniture and equipment	(104,002)	(19,491)	-	(123,493)
Total accumulated depreciation	(381,383)	(43,408)	-	(424,791)
Total capital assets, being depreciated, net	227,074	(43,408)	-	183,666
Business-Type activities capital assets, net	\$ 227,074	\$ (43,408)	\$ -	\$ 183,666

Highland Park Independent School District

Notes to the Basic Financial Statements

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 4,913,177
Instructional resources and media services	109,932
Curriculum and instructional staff development	33,946
Instructional leadership	147,092
School leadership	425,696
Guidance, counseling and evaluation services	370,076
Health services	68,153
Food services	194,784
Cocurricular/ Extracurricular activities	202,943
General administration	276,614
Plant maintenance and operations	345,095
Security and monitoring services	30,846
Data processing services	100,659
Community services	6,373
Facilities and acquisition	2,153
Total depreciation expense	<u>\$ 7,227,539</u>

The District has outstanding active construction commitments of \$194,572,559 as of August 31, 2018.

Note 6. Unearned Revenue / Deferred Inflows of Resources

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (*unearned revenue*). At the end of the current fiscal year, the various components of *unearned revenue* and *deferred inflows of resources* were as follows:

	General Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Deferred inflows of resources				
Net tax revenue	\$ 1,533,831	\$ 191,107	\$ -	\$ 1,724,938
Total	<u>\$ 1,533,831</u>	<u>\$ 191,107</u>	<u>\$ -</u>	<u>\$ 1,724,938</u>
Unearned revenue				
Student fees	\$ 311,725	\$ -	\$ 686,670	\$ 998,395
Athletic receipts	475,352	-	-	475,352
Total	<u>\$ 787,077</u>	<u>\$ -</u>	<u>\$ 686,670</u>	<u>\$ 1,473,747</u>

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 7. Risk Management

The District is exposed to various risk of loss related to torts, theft or damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

As of August 31, 2011, the District discontinued all of the self-funded medical plans. At that time, employees became eligible to purchase health insurance through TRS-Active Care which is the statewide health plan for public education employees established by the 77th Texas Legislature and is a fully insured plan administered by Aetna. Additionally, the District maintains a self-insured worker's compensation plan administered by the Texas Association of School Boards (TASB), under TASB Risk Management Fund Workers' Compensation Aggregate Deductible Program.

Self-insurance fund revenues and expenses are recognized on the accrual basis. Unpaid claims filed prior to August 31 and subsequently approved by the administrator of the plan are recorded as a liability.

	2018	2017
Workers' Compensation		
Claims payable, beginning of year	\$ 49,583	\$ 222,443
Claims incurred for and changes in estimates	259,261	(82,600)
Claim payments	(182,482)	(90,260)
Claims payable, end of year	\$ 126,362	\$ 49,583

End-of-year claims payable for Workers' Compensation includes an estimate of incurred but unreported claims reserve loss. This liability is based on requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability has been incurred as of the date of the financial statements and the amount of loss can be reasonably estimated. Accordingly, due to the significant reduction in the estimate of incurred but not reported claims during fiscal year 2018, the net expenditures recorded in the internal service fund are negative.

Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. The liability booked was the discounted actuarial estimate at the mean funding level. The District does not provide any post-retirement health benefits to its employees.

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 8. Changes in Long-Term Liabilities

A summary of changes in general long-term debt follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 274,910,000	\$ 122,050,000	\$ (9,475,000)	\$ 387,485,000	\$ 11,685,000
Premium on bonds	28,528,087	17,210,992	(2,532,814)	43,206,265	-
Total bonded debt	303,438,087	139,260,992	(12,007,814)	430,691,265	11,685,000
Net pension liability	15,407,279	-	(2,121,589)	13,285,690	-
Net OPEB liability	39,968,568	-	(17,329,252)	22,639,316	-
Total governmental activities					
Long-term liabilities	<u>\$ 358,813,934</u>	<u>\$ 139,260,992</u>	<u>\$(31,458,655)</u>	<u>\$ 466,616,271</u>	<u>\$ 11,685,000</u>

*Per GASB 75, beginning balance for net OPEB liability has been included to reflect retroactive application.

The General Fund has typically been used to liquidate the liabilities for net pension and OPEB.

Note 9. Bonds Payable

General long-term debt of the District consists of Unlimited Tax School Building Bonds payable. Debt service requirements are payable solely from future revenues of the Debt Service Fund which consist principally of property taxes collected by the District and investment income.

General obligation bonds payable at August 31, 2018, are summarized as follows:

Description	Interest Rate Payable	Final Maturity	Amounts Original Issue	Payable Amounts Outstanding September 1, 2017	Issued	Retired	Outstanding August 31, 2018
Unlimited Tax School Building Bonds, Series 2008	4.00% to 5.00%	2028	70,000,000	\$ 1,815,000	\$ -	\$ 1,815,000	\$ -
Unlimited Tax School Building Bonds, Series 2009	3.50% to 5.00%	2028	5,400,000	4,240,000	-	320,000	3,920,000
Unlimited Tax Refunding Bonds, Series 2013	2.00% to 4.00%	2019	22,285,000	11,500,000	-	5,625,000	5,875,000
Unlimited Tax Refunding Bonds, Series 2015	2.00% to 5.00%	2028	51,945,000	50,695,000	-	-	50,695,000
Unlimited Tax Building Bonds, Series 2016	3.00% to 5.00%	2036	206,660,000	206,660,000	-	1,715,000	204,945,000
Unlimited Tax Building Bonds, Series 2018	3.25% to 5.25%	2039	122,050,000	-	122,050,000	-	122,050,000
Total				<u>\$ 274,910,000</u>	<u>\$ 122,050,000</u>	<u>\$ 9,475,000</u>	<u>\$ 387,485,000</u>

Highland Park Independent School District

Notes to the Basic Financial Statements

Debt service requirements are as follows:

Years Ended August 31,	General Obligations		Total Requirements
	Principal	Interest	
2019	\$ 11,685,000	\$ 16,434,001	\$ 28,119,001
2020	12,550,000	16,425,986	28,975,986
2021	13,145,000	15,843,686	28,988,686
2022	13,800,000	15,232,944	29,032,944
2023	14,505,000	14,541,504	29,046,504
2024-2028	83,725,000	61,572,019	145,297,019
2029-2033	104,310,000	41,378,988	145,688,988
2034-2038	112,490,000	19,416,588	131,906,588
2039-2040	21,275,000	1,063,750	22,338,750
	<u>\$ 387,485,000</u>	<u>\$ 201,909,466</u>	<u>\$ 589,394,466</u>

During the year, the District issued \$122,050,000 Unlimited Tax Building Bonds, Series 2018, \$2,512,640 of which were recorded in the Debt Service Fund to fund capitalized interest on the bonds. The remaining proceeds will be used to construct, improve, renovate and equipment school buildings in the District and to acquire real property, as well as to pay costs of issuance related to bonds.

Note 10. Local, Intermediate and Out-of-State Revenues

During the current year, revenues from local and intermediate sources in the fund level financial statements consisted of the following:

	General Fund	Capital Projects Funds	Debt Service Fund	Non-Major Special Revenue Funds	Total Governmental Funds
Property taxes	\$ 148,047,162	\$ -	\$ 23,203,644	\$ -	\$ 171,250,806
Penalties and interest	723,972	-	89,424	-	813,396
Tuition and fees	716,455	-	-	426,339	1,142,794
Investment earnings	1,212,256	2,515,572	166,597	23,725	3,918,150
Rent	462,120	-	-	-	462,120
Parking garage fees	268,727	-	-	-	268,727
Gifts	3,165,339	-	-	5,405,952	8,571,291
Athletic activities	674,875	-	-	-	674,875
Co-curricular activities	-	-	-	1,470,614	1,470,614
Other	344,696	-	-	-	344,696
Total	<u>\$ 155,615,602</u>	<u>\$ 2,515,572</u>	<u>\$ 23,459,665</u>	<u>\$ 7,326,630</u>	<u>\$ 188,917,469</u>

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 11. Employees' Retirement Plan

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years.

Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Highland Park Independent School District

Notes to the Basic Financial Statements

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2018. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2015 and 2016. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2017 and 2018.

	Contribution Rates	
	2018	2017
Member	7.7%	7.7%
Non-employer contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2018 employer contributions	\$ 1,339,831	
2018 member contributions	1,347,306	
2018 NECE on-behalf contributions	2,193,581	

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

Employers (public school, junior college, other entities or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Highland Park Independent School District

Notes to the Basic Financial Statements

In addition to the employer contributions listed above there are two additional surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2017
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	8.00%
Long-term expected investment rate of return	8.00%
Inflation	2.50%
Salary increases, including inflation	3.50% to 9.50%
Payroll growth rate	2.50%
Benefit changes during the year	None
Ad-hod post-employment benefit changes	None

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2014 and adopted on September 24, 2015.

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. There was no change in the discount rate since the previous year. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term rate of return on pension plan investments is 8%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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.

Highland Park Independent School District

Notes to the Basic Financial Statements

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2017 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18%	4.6%	1.0%
Non - U.S. Developed	13%	5.1%	0.8%
Emerging Markets	9%	5.9%	0.7%
Directional Hedge Funds	4%	3.2%	0.1%
Private Equity	13%	7.0%	1.1%
Stable Value			
U.S. Treasuries	11%	0.7%	0.1%
Absolute Return	0%	1.8%	0.0%
Stable Value Hedge Funds	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real Return			
Global Inflation Linked Bonds	3%	0.9%	0.0%
Real Assets	16%	5.1%	1.1%
Energy and Natural Resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
Risk Parity			
Risk Parity	5%	6.7%	0.3%
Alpha	0%	0%	2.2%
Inflation Expectation	0%	0%	1.0%
Total	100%		8.7%

* The expected contribution to returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (8%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (7.0%)	Discount Rate (8.0%)	1% Increase in Discount Rate (9.0%)
District's proportionate share of the net pension liability	\$ 22,397,049	\$ 13,285,690	\$ 5,699,006

Highland Park Independent School District

Notes to the Basic Financial Statements

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

At August 31, 2018, the District reported a liability of \$13,285,690 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$	13,285,690
State's proportionate share that is associated with District		<u>21,445,658</u>
Total	\$	<u>34,731,348</u>

The net pension liability was measured as of August 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2016 through August 31, 2017.

At August 31, 2017 the employer's proportion of the collective net pension liability was 0.0415507% which was an increase of 0.0407724% from its proportion measured as of August 31, 2016.

Changes since the Prior Actuarial Valuation

There were no changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2018, the District recognized pension expense of \$548,373 and revenue of \$1,635,789 for support provided by the State.

At August 31, 2018, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 194,376	\$ 716,480
Changes in actuarial assumptions	605,184	346,454
Difference between projected and actual investment earnings	-	968,232
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	2,422,249	1,000
Contributions paid to TRS subsequent to the measurement date	<u>1,339,831</u>	<u>-</u>
Total	<u>\$ 4,561,640</u>	<u>\$ 2,032,166</u>

Highland Park Independent School District

Notes to the Basic Financial Statements

\$1,339,831 reported as a deferred outflow of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2019.

The other amounts of the deferred outflows and inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Years Ended August 31,	Pension Expense (Income)
2019	\$ 145,920
2020	993,980
2021	80,761
2022	(163,712)
2023	115,534
Thereafter	17,160
Total	\$ 1,189,643

Note 12. Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

Highland Park Independent School District

Notes to the Basic Financial Statements

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Plan Premium Rates Effective September 1, 2016 – December 31, 2017

	TRS-Care 1 Basic Plan	TRS-Care 2 Optional Plan	TRS-Care 3 Optional Plan
Retiree*	\$ -	\$ 70	\$ 100
Retiree and spouse	20	175	255
Retiree* and children	41	135	182
Retiree and family	61	237	337
Surviving children only	28	62	82

* or surviving spouse

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	2018	2017
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.00%
Employers/District	0.75%	0.55%
Federal/private funding remitted by Employers	1.25%	1.00%

The contribution amounts for the District's fiscal year 2018 are as follows:

District contributions	\$ 395,242
Member contributions	111,015
NECE on-behalf contributions (state)	438,219

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether or not they participate in the TRS Care OPEB program*). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

Highland Park Independent School District

Notes to the Basic Financial Statements

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$15.6 million in fiscal year 2017 and \$182.6 million in fiscal year 2018.

Actuarial Assumptions

The total OPEB liability in the August 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Expected payroll growth
Rates of disability incidence	
Additional actuarial methods and assumptions:	
Valuation date	August 31, 2017
Actuarial cost method	Individual entry age normal
Inflation	2.50%
Discount rate*	3.42%*
Aging factors	Based on plan specific experience
Expenses	third-party administrative expenses related to the delivery of health care benefits are included in the age adjusted claims costs.
Payroll growth rate	2.50%
Projected salary increases**	3.50% to 9.50%**
Healthcare trend rates***	4.50% to 12.00%***
Election Rates	
Normal retirement:	70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

*Source: Fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2017.

**Includes inflation at 2.50%

***Initial trend rates are 7.00% for non-Medicare retiree; 10.00% for Medicare retirees and 12.00% for prescriptions for all retirees. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 10 years.

Other information - There was a significant plan change adopted in fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will be offered and all retirees will be required to contribute monthly premiums for coverage. Assumption changes made for the August 31, 2017 valuation include a change to the assumption regarding the phase-out of the Medicare Part D subsidies and a change to the discount rate from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017.

Discount Rate

A single discount rate of 3.42% was used to measure the total OPEB liability. There was a change of .44 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to *not be able to make all future benefit payments of current plan members*. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability. *The source of the municipal bond rate was Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of August 31, 2017.*

Highland Park Independent School District

Notes to the Basic Financial Statements

Asset Class	Target Allocation	Long Term Expected Geometric Real Rate of Return	Expected Contribution to Long Term Portfolio Returns*
Global equity:			
U.S.	18%	4.6%	1.0%
Non-U.S. developed	13%	5.1%	0.8%
Emerging markets	9%	5.9%	0.7%
Directional hedge funds	4%	3.2%	0.1%
Private equity	13%	7.0%	1.1%
Stable value:			
U.S. treasuries	11%	0.7%	0.1%
Absolute return	0%	1.8%	0.0%
Stable value hedge funds	4%	3.0%	0.1%
Cash	1%	-0.2%	0.0%
Real return:			
Global inflation linked bonds	3%	0.9%	0.0%
Real assets	16%	5.1%	1.1%
Energy and natural resources	3%	6.6%	0.2%
Commodities	0%	1.2%	0.0%
Risk parity:			
Risk parity	5%	6.7%	0.3%
Inflation expectation	0%	0%	2.2%
Alpha	0%	0%	1.0%
Totals	100%		8.7%

* The expected contribution to returns incorporates the volatility drag resulting from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.42%) in measuring the Net OPEB Liability.

	1% Decrease (2.42%)	Current Discount Rate (3.42%)	1% Increase (4.42%)
District's proportionate share of the net OPEB liability	\$ 19,359,370	\$ 22,639,316	\$ 26,720,033

Highland Park Independent School District

Notes to the Basic Financial Statements

Healthcare Cost Trend Rates Sensitivity Analysis. The following presents the net OPEB liability of using the assumed healthcare cost trend rate, as well as that the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	Current Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB liability to the healthcare cost trend rate			
Assumptions current healthcare cost	\$ 18,849,506	\$ 22,639,316	\$ 27,612,062

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2018, the District reported a liability of \$22,639,316 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 22,639,316
State's proportionate share of the net OPEB liability associated with the District	<u>36,654,055</u>
Total	<u>\$ 59,293,371</u>

The Net OPEB Liability was measured as of August 31, 2017 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2016 thru August 31, 2017.

At August 31, 2017 the employer's proportion of the collective Net OPEB Liability was .000520608614% which was the same proportion measured as of August 31, 2016.

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

1. Significant plan changes were adopted during the fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates.
2. The August 31, 2016 valuation had assumed that the savings related to the Medicare Part D reimbursements would phase out by 2022. This assumption was removed for the August 31, 2017 valuation. Although there is uncertainty regarding these federal subsidies, the new assumption better reflects the current substantive plan. This change was unrelated to the plan amendment, and its impact was included as an assumption change in the reconciliation of the total OPEB liability. This change significantly lowered the OPEB liability.
3. The discount rate changed from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017. This change lowered the total OPEB liability.

There were no changes of benefit terms that affected measurement of the Total OPEB liability during the measurement period.

Highland Park Independent School District

Notes to the Basic Financial Statements

For the year ended August 31, 2018, the District recognized OPEB expense of (\$7,984,809) and revenue of (\$12,265,421) for support provided by the State.

At August 31, 2018, the District reported the District's contribution after the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 472,613
Changes of assumptions	-	8,997,456
Net difference between projected and actual earnings on OPEB investments	3,542	-
Changes in proportion and differences between district contributions and proportionate share of contributions (cost-sharing plan)	-	-
District contributions after measurement date	395,242	-
Totals	\$ 398,784	\$ 9,470,069

\$395,242 reported as deferred outflow of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2019. The other amounts of the deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Years Ending June 30,	OPEB Expense (Income)
2019	\$ (1,249,119)
2020	(1,249,119)
2021	(1,249,119)
2022	(1,249,119)
2023	(1,249,979)
Thereafter	(3,220,072)
	\$ (9,466,527)

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 13. Interfund Transfers

All interfund transfers between various funds are approved supplements to the operations of those funds. Individual fund transfers for fiscal year 2017 were as follows:

Transfer In	Transfer Out	Amount	Purpose
General Fund	Enterprise fund	\$ 175,000	Support general operations
General Fund	Enterprise fund	225,000	Support general operations
		<u>\$ 400,000</u>	

Note 14. New Accounting Pronouncements

The GASB issued Statement No. 81, Irrevocable Split-Interest Agreements, which will be effective for periods beginning after December 15, 2016. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement applies to all state and governmental entities. This standard became effective for the District in fiscal year 2018. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 82, Pension Issues- an amendment of GASB statements No. 67, No. 68, and No. 73, which will be effective for periods beginning after June 15, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement applies to all state and governmental entities. This standard became effective for the District in fiscal year 2018. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 85, Omnibus 2017, which will be effective for periods beginning after June 15, 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement applies to all state and governmental entities. This standard became effective for the District in fiscal year 2018. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 86, Omnibus 2017, which will be effective for periods beginning after June 15, 2017. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement applies to all state and governmental entities. This standard became effective for the District in fiscal year 2018. The District has not yet determined the impact of this statement.

Required Supplementary Information

Highland Park Independent School District
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended August 31, 2018

Exhibit F-1

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget Positive or (Negative)
		Original	Final		
	REVENUES				
5700	Total local and intermediate sources	\$ 151,038,000	\$ 154,948,000	\$ 155,615,602	\$ 667,602
5800	State program revenues	5,417,825	5,216,497	5,201,932	(14,565)
5020	Total revenues	156,455,825	160,164,497	160,817,534	653,037
	EXPENDITURES				
	Current				
0011	Instruction	37,798,503	37,838,368	37,165,982	672,386
0012	Instructional resources and media services	890,047	910,047	888,921	21,126
0013	Curriculum and instructional staff development	652,526	634,526	380,073	254,453
0021	Instructional leadership	1,196,942	1,271,942	1,203,693	68,249
0023	School leadership	3,140,514	3,265,514	3,227,740	37,774
0031	Guidance, counseling, and evaluation services	3,011,399	3,029,399	3,001,644	27,755
0033	Health services	622,350	622,350	541,616	80,734
0035	Food service	1,500,387	1,650,387	1,474,961	175,426
0036	Cocurricular/extracurricular activities	2,852,197	2,852,197	2,595,121	257,076
0041	General administration	2,806,058	3,321,058	3,221,619	99,439
0051	Plant maintenance and operations	5,617,282	5,782,282	5,332,494	449,788
0052	Security and monitoring services	863,123	903,123	764,396	138,727
0053	Data processing services	1,360,326	1,460,326	1,335,894	124,432
0061	Community services	60,069	60,069	49,665	10,404
0081	Facilities acquisition and construction	10,535	25,535	16,231	9,304
0091	Contracted instructional services between schools	94,742,567	96,849,553	96,834,257	15,296
0095	Juvenile Justice Education Program	3,000	24,000	13,032	10,968
0099	Other intergovernmental charges	610,000	660,000	609,065	50,935
6030	Total expenditures	157,737,825	161,160,676	158,656,404	2,504,272
1100	Excess (deficiency) of revenues over (under) expenditures	(1,282,000)	(996,179)	2,161,130	3,157,309
	OTHER FINANCING SOURCES				
7912	Sale of capital assets	725,000	724,921	724,921	-
7915	Transfers in	-	400,000	400,000	-
7080	Total other financing sources	725,000	1,124,921	1,124,921	-
1200	Net change in fund balances	(557,000)	128,742	3,286,051	3,157,309
0100	Fund balances - September 1 (beginning)	17,026,720	17,026,720	17,026,720	-
3000	FUND BALANCES - ending	\$ 16,469,720	\$ 17,155,462	\$ 20,312,771	\$ 3,157,309

The Notes to the Budgetary Comparison Schedule are an integral part of this statement.

Highland Park Independent School District

Notes to the Budgetary Comparison Schedule

Note 1. Summary of Significant Accounting Policies

Official Budget

The District is required by state law to adopt annual budgets for its General and Debt Service Fund. Each budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles (GAAP).

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given. Prior to September 1, the Board of Trustees legally enacts the budget through passage of a resolution.
- The approved budget is filed with the Texas Education Agency.

Once a budget is approved, it can be amended at the function and fund level only by approval of a majority of the members of the Board of Trustees. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Highland Park Independent School District
Schedule of the District's Proportionate Share of the
Net Pension Liability –
Teacher Retirement System
For the Last Ten Plan Years

Exhibit F-2

	2017	2016	2015	2014
District's proportion of the net pension liability	0.0415507%	0.0407724%	0.0403275%	0.0288519%
District's proportionate share of net pension liability	\$ 13,285,690	\$ 15,407,279	\$ 14,255,236	\$ 7,706,744
State's proportionate share of net pension liability associated with the District	21,445,658	26,015,076	25,527,410	21,370,696
Total	\$ 34,731,348	\$ 41,422,355	\$ 39,782,646	\$ 29,077,440
District's covered payroll	\$ 44,612,240	\$ 43,220,174	\$ 42,350,080	\$ 39,764,732
District's proportionate share of net pension liability as a percentage of its covered employee payroll	29.78%	35.65%	33.66%	19.38%
Plan fiduciary net position as a percentage of the total pension liability	82.17%	78.00%	78.43%	83.25%

Note: Only four years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement."

Highland Park Independent School District
Schedule of the District's Contributions –
Teacher Retirement System
For The Last Ten Fiscal Years

Exhibit F-3

	2018	2017	2016	2015
Contractually required contribution	\$ 1,339,831	\$ 1,335,748	\$ 1,295,442	\$ 1,167,875
Contribution in relation to contractually required contribution	(1,339,831)	(1,335,748)	(1,295,442)	(1,167,875)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 46,161,758	\$ 44,612,240	\$ 43,220,174	\$ 42,350,080
Contributions as a percentage of covered employee payroll	2.90%	2.99%	3.00%	2.76%

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1 - August 31.

Note: Only four years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the ten year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Highland Park Independent School District
Schedule of the District's Proportionate Share of the
Net OPEB Liability – TRS-Care Plan
Teacher Retirement System
Last 10 Plan Years*

Exhibit F-4

	2018
District's proportion of the net OPEB liability	0.0520609%
District's proportionate share of the net OPEB liability	\$ 22,639,316
State's proportionate share of net OPEB liability associated with the District	36,654,055
Total	\$ 59,293,371
District's covered payroll	44,612,240
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	50.75%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%

*The amounts presented were determined as of the Plan's fiscal year end, August 31 of the prior year.
Ten years of data is not available.

Highland Park Independent School District**Exhibit F-5**

Schedule of the District's OPEB Contributions – TRS-Care Plan
Teacher Retirement System
Last 10 Fiscal Years*

	2018
TRS	
Contractually required contributions	\$ 395,242
Contributions in relation to the contractually required contributions	<u>(395,242)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u><u>\$ -</u></u>
 District's covered payroll	 \$ 46,161,758
 Contributions as a percentage of covered payroll	 0.86%

*The amounts presented were determined as of the District's fiscal year end August 31.
Ten years of data is not available

Highland Park Independent School District

Notes to the Required Supplementary Information

Note 1. Defined Benefit Pension Plan - TRS

Actuarial Methods and Assumptions used to Determine Contribution Rates

The following information was used in the actuarial valuation for determining the actuarially determined contribution rate used for funding purposes. The methods and assumptions are as follows:

Valuation date	August 31, 2017
Actuarial cost method	Ultimate entry age normal
Amortization method	Level percentage of payroll, Floating
Remaining amortization period	32.2 years
Asset valuation method	Five year smoothed market
Actuarial assumptions:	
Inflation	2.50%
Salary increases	3.50% to 9.50% including inflation
Investment rate of return	8.00%

**Actuarial determined contribution rates are calculated as of August 31, of the preceding fiscal year. Members and employees are based upon statutorily fixed rates.

Note 2. OPEB Plan – TRS CARE

There was a significant plan change adopted in fiscal year ending August 31, 2017. Effective January 1, 2018, only one health plan option will be offered and all retirees will be required to contribute monthly premiums for coverage.

Assumption changes made for the August 31, 2017 valuation include a change to the assumption regarding the phase-out of the Medicare Part D subsidies and a change to the discount rate from 2.98% as of August 31, 2016 to 3.42% as of August 31, 2017. The change to the Medicare Part D subsidy phase-out assumption had the larger impact.

Combining and Individual Fund Statements and Schedules

Highland Park Independent School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended August 31, 2018

Exhibit G-1

Data Control Codes		Budgeted Amounts			Variances with Final Budget Positive or (Negative)
		Original	Final	Actual Amounts (GAAP Basis)	
	REVENUE				
5700	Total local and intermediate sources	\$ 22,650,000	\$ 23,360,000	\$ 23,459,665	\$ 809,665
5800	State program revenues	118,000	59,367	59,367	-
5020	Total revenue	22,768,000	23,419,367	23,519,032	751,032
	EXPENDITURES				
0071	Debt service - principal on long-term debt	9,475,000	9,475,000	9,475,000	-
0072	Debt service - interest on long-term debt	11,114,437	13,723,937	13,634,668	89,269
0073	Debt service - bond issuance cost and fees	13,500	13,500	-	13,500
6030	Total expenditures	20,602,937	23,212,437	23,109,668	102,769
	Excess of revenues over expenditures	2,165,063	206,930	409,364	202,434
	OTHER FINANCING SOURCES				
7911	Capital-related debt issued (regular bonds)	-	2,512,640	2,512,640	-
7080	Total other financing sources	-	2,512,640	2,512,640	-
1200	Net change in fund balances	2,165,063	2,719,570	2,922,004	202,434
0100	Fund balances - beginning	1,588,324	1,588,324	1,588,324	-
3000	FUND BALANCES - ending	\$ 3,753,387	\$ 1,795,254	\$ 4,510,328	\$ 202,434

Highland Park Independent School District

Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds account for the proceeds of specific revenue sources that have been restricted to expenditures for specific purposes other than expendable trusts or for major capital projects. The programs included within these funds are as follows:

IDEA-B Formula Fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing special education and related services to children with disabilities, ages 3-21.

IDEA-B Preschool Fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing special education and related services to children with disabilities, ages 3-5.

Advanced Placement Incentives Fund receives State Program Revenue to support professional development of teachers teaching advanced classes.

Textbook Allotment Fund is for funds awarded to school districts under the textbook allotment.

License Plate Royalties Fund is used to account for revenue received under the State's License Plate Royalties program.

Special Education Needs Fund is for the purpose of benefitting children with disabilities in the District by building staff capacity and providing for exceptional expenditures beyond the budget, such as specialized training, assistive technology, and other educational services to benefit students with disabilities.

State Funded Special Revenue Fund is used to account for activities related to the Read to Succeed license plate program designed to help generate money for public libraries and strengthen the campus reading program.

Campus Activity Funds - each campus has an activity fund and the campus principal is accountable for all aspects of the fund at that campus. Revenues are generated by sales and fund raising events at the campus locations.

Summer Camps Fund is used to account for fees received by the District for summer camps and their related expenditures.

Moody Innovation STEAM Grant Fund is a grant from the Moody Foundation to the Highland Park Education Foundation which will work to advance teacher professional development and a cross-disciplinary alignment of STEAM curricula in grades K-12, enhancing the focus of textbooks to including experiential learning that engages students in hands-on collaborative, problem solving activities.

Technology Fund is used to account for activities related to the back to school sign up.

Abydos Gifts Fund is used to account for donations received by the District from Abydos with donor imposed restrictions.

Education Foundation Gifts is used to account for donations received by the District from the Education Foundation for specific purposes.

PC Tag Gifts is used to account for donations received by the District from Park Cities Talented and Gifted organization with donor imposed restrictions.

Other Gifts is used to account for donations received from all other organizations with donor imposed restrictions.

PTA Gifts Fund is used to account for donations received by the District with donor imposed restrictions.

Highland Park Independent School District
Combining Balance Sheet
Nonmajor Governmental Funds
August 31, 2018

	224 IDEA-B Formula Fund	225 IDEA-B Preschool Fund	397 Advanced Placement Incentives	410 Textbook Allotment	418 License Plate Royalties
ASSETS					
1110 Cash and cash equivalents	\$ -	\$ 1	\$ -	\$ -	\$ -
1120 Current investments	-	-	-	-	-
1240 Due from other governments	6,924	-	-	-	-
1250 Accrued interest	-	-	-	-	-
1260 Due from other funds	30,228	10,316	68,859	47,142	1,277
1290 Other receivables	-	-	-	-	-
Total assets	<u>\$ 37,152</u>	<u>\$ 10,317</u>	<u>\$ 68,859</u>	<u>\$ 47,142</u>	<u>\$ 1,277</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
2110 Accounts payable	\$ 256	\$ -	\$ 2,352	\$ 5,328	\$ -
2160 Accrued wages payable	25,824	-	-	-	-
2170 Due to other funds	11,072	10,317	16,064	-	-
2300 Unearned revenue	-	-	-	-	-
Total liabilities	<u>37,152</u>	<u>10,317</u>	<u>18,416</u>	<u>5,328</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
3450 Advanced Placement Initiatives	-	-	50,443	-	-
3450 Grant awards	-	-	-	-	-
3450 State funded special revenue	-	-	-	41,814	-
3490 Donor stipulations	-	-	-	-	-
Committed for:					
3545 Campus activities	-	-	-	-	1,277
3000 Total fund balances	<u>-</u>	<u>-</u>	<u>50,443</u>	<u>41,814</u>	<u>1,277</u>
4000 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 37,152</u>	<u>\$ 10,317</u>	<u>\$ 68,859</u>	<u>\$ 47,142</u>	<u>\$ 1,277</u>

428 Special Education Needs Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	480 Summer Camps Fund	485 Moody Innovation STEAM Grants	490 Technology Fund	494 Abydos Gifts
\$ 3	\$ -	\$ 717,529	\$ -	\$ -	\$ -	\$ -
-	-	656,227	-	-	-	-
-	-	-	-	-	-	-
-	-	2,239	-	-	-	-
10	2,319	1,114,180	20,157	-	95,888	20,233
-	-	-	-	34,317	-	-
<u>\$ 13</u>	<u>\$ 2,319</u>	<u>\$ 2,490,175</u>	<u>\$ 20,157</u>	<u>\$ 34,317</u>	<u>\$ 95,888</u>	<u>\$ 20,233</u>
\$ -	\$ -	\$ 9,356	\$ -	\$ -	\$ -	\$ 1,881
-	-	-	-	12,052	-	-
13	-	11,130	509	18,651	-	-
-	-	686,670	-	-	-	-
<u>13</u>	<u>-</u>	<u>707,156</u>	<u>509</u>	<u>30,703</u>	<u>-</u>	<u>1,881</u>
-	-	-	-	-	-	-
-	-	-	-	3,614	-	-
-	2,319	-	-	-	-	-
-	-	-	-	-	95,888	18,352
-	-	1,783,019	19,648	-	-	-
-	2,319	1,783,019	19,648	3,614	95,888	18,352
<u>\$ 13</u>	<u>\$ 2,319</u>	<u>\$ 2,490,175</u>	<u>\$ 20,157</u>	<u>\$ 34,317</u>	<u>\$ 95,888</u>	<u>\$ 20,233</u>

Highland Park Independent School District
Combining Balance Sheet – Continued
Nonmajor Governmental Funds
August 31, 2018

Exhibit G-2
Page 2 of 2

	496	497	498	499	Total
	Education	PC Tag		PTA	Nonmajor
	Foundation	Gifts	Other Gifts	Gifts	Governmental
	Gifts	Gifts			Funds
ASSETS					
1110 Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 717,533
1120 Current investments	-	-	-	-	656,227
1240 Due from other governments	-	-	-	-	6,924
1250 Accrued interest	-	-	-	-	2,239
1260 Due from other funds	16,445	1,950	292,058	3,114,016	4,835,078
1290 Other receivables	-	-	-	641	34,958
Total assets	<u>\$ 16,445</u>	<u>\$ 1,950</u>	<u>\$ 292,058</u>	<u>\$ 3,114,657</u>	<u>\$ 6,252,959</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
2110 Accounts payable	\$ -	\$ 1,950	\$ 10,898	\$ 37,132	\$ 69,153
2160 Accrued wages payable	-	-	-	23,375	61,251
2170 Due to other funds	-	-	-	9,591	77,347
2300 Unearned revenue	-	-	-	-	686,670
Total liabilities	<u>-</u>	<u>1,950</u>	<u>10,898</u>	<u>70,098</u>	<u>894,421</u>
FUND BALANCES					
Restricted for:					
3450 Advanced Placement Initiatives	-	-	-	-	50,443
3450 Grant awards	-	-	-	-	3,614
3450 State funded special revenue	-	-	-	-	44,133
3490 Donor stipulations	16,445	-	281,160	3,044,559	3,456,404
Committed for:					
3545 Campus activities	-	-	-	-	1,803,944
3000 Total fund balances	<u>16,445</u>	<u>-</u>	<u>281,160</u>	<u>3,044,559</u>	<u>5,358,538</u>
4000 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 16,445</u>	<u>\$ 1,950</u>	<u>\$ 292,058</u>	<u>\$ 3,114,657</u>	<u>\$ 6,252,959</u>

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Highland Park Independent School District
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended August 31, 2018

		224	225	397	410	418
		IDEA-B	IDEA-B	Advanced	Textbook	License
		Formula	Preschool	Placement	Allotment	Plate
		Fund	Fund	Incentives		Royalties
REVENUES						
5700	Total local and intermediate sources	\$ -	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	1,710	42,667	-
5900	Federal program revenues	870,382	15,844	-	-	-
5020	Total revenues	870,382	15,844	1,710	42,667	-
EXPENDITURES						
Current:						
0011	Instruction	674,810	15,844	539	45,687	-
0012	Instructional resources and media services	-	-	-	-	-
0013	Curriculum and staff development	-	-	8,957	-	-
0021	Instructional leadership	-	-	-	-	-
0023	School leadership	-	-	2,090	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-	-
0033	Health services	-	-	-	-	-
0034	Student Pupil Transportation	195,572	-	-	-	-
0035	Food service	-	-	-	-	-
0036	Cocurricular / Extracurricular activities	-	-	-	-	-
0041	General administration	-	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-	-
0053	Data processing services	-	-	-	-	-
6030	Total expenditures	870,382	15,844	11,586	45,687	-
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	(9,876)	(3,020)	-
0100	Fund balance - beginning	-	-	60,319	44,834	1,277
3000	FUND BALANCE - ending	\$ -	\$ -	\$ 50,443	\$ 41,814	\$ 1,277

428 Special Education Needs Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	480 Summer Camps Fund	485 Moody Innovation STEAM Grants	490 Technology Fund	494 Abydos Gifts
\$ -	\$ -	\$ 1,697,626	\$ 285,087	\$ 488,769	\$ 49,275	\$ -
-	59	-	-	-	-	-
-	-	-	-	-	-	-
-	59	1,697,626	285,087	488,769	49,275	-
-	-	1,291,766	-	96,267	-	-
-	-	122,510	-	2,117	-	-
-	-	3,558	-	155,173	-	1,881
-	-	-	-	246,873	-	-
-	-	16,145	-	-	-	-
-	-	21,012	-	-	-	-
-	-	328	-	-	-	-
-	-	-	-	-	-	-
-	-	73	-	-	-	-
-	-	85,964	265,439	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	18,751	-
-	-	1,541,356	265,439	500,430	18,751	1,881
-	59	156,270	19,648	(11,661)	30,524	(1,881)
-	2,260	1,626,749	-	15,275	65,364	20,233
\$ -	\$ 2,319	\$ 1,783,019	\$ 19,648	\$ 3,614	\$ 95,888	\$ 18,352

Highland Park Independent School District
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Continued
Nonmajor Governmental Funds
For the Fiscal Year Ended August 31, 2018

Exhibit G-3
Page 2 of 2

		496	497	498	499	Total
		Education	PC Tag		PTA	Nonmajor
		Foundation	Gifts	Other Gifts	Gifts	Governmental
		Gifts				Funds
REVENUES						
5700	Total local and intermediate sources	\$ 17,917	\$ 33,379	\$ 974,174	\$ 3,780,403	\$ 7,326,630
5800	State program revenues	-	-	-	-	44,436
5900	Federal program revenues	-	-	-	-	886,226
5020	Total revenues	17,917	33,379	974,174	3,780,403	8,257,292
EXPENDITURES						
	Current:					
0011	Instruction	-	35,893	470,578	2,139,789	4,771,173
0012	Instructional resources and media services	-	-	22,969	413,248	560,844
0013	Curriculum and staff development	1,472	876	114,081	521,946	807,944
0021	Instructional leadership	-	1,119	140	-	248,132
0023	School leadership	-	-	13,991	49,932	82,158
0031	Guidance, counseling, and evaluation services	-	-	-	1,223	22,235
0033	Health services	-	-	-	3,856	4,184
0034	Student Pupil Transportation	-	-	-	-	195,572
0035	Food service	-	-	-	23,018	23,091
0036	Cocurricular / Extracurricular activities	-	-	137,894	(82)	489,215
0041	General administration	-	-	3,431	-	3,431
0051	Plant maintenance and operations	-	-	-	215,000	215,000
0053	Data processing services	-	-	-	-	18,751
6030	Total expenditures	1,472	37,888	763,084	3,367,930	7,441,730
1100	Excess (deficiency) of revenues over (under) expenditures	16,445	(4,509)	211,090	412,473	815,562
0100	Fund balance - beginning	-	4,509	70,070	2,632,086	4,542,976
3000	FUND BALANCE - ending	\$ 16,445	\$ -	\$ 281,160	\$ 3,044,559	\$ 5,358,538

Highland Park Independent School District

Nonmajor Enterprise Funds

Enterprise Funds

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that of costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed through user charges. The Fund is comprised of the following individual funds:

Seay Tennis Center is used to account for the operations of the tennis center that provides services to the residents of the District and to the District's athletic teams.

Academy for Lifelong Learning is used to account for the operations of the continuing education school that provides services to the residents of the District.

Highland Park Independent School District
Combining Statement of Net Position
Nonmajor Enterprise Funds
August 31, 2018

Exhibit G-4

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 51,723	\$ -	\$ 51,723
Current investments	735,427	-	735,427
Accrued interest	3,886	-	3,886
Due from other funds	-	1,354,532	1,354,532
Total current assets	791,036	1,354,532	2,145,568
Noncurrent assets			
Capital assets:			
Buildings and improvements	407,001	-	407,001
Accumulated depreciation on buildings and improvements	(301,298)	-	(301,298)
Furniture and equipment	201,456	-	201,456
Accumulated depreciation on furniture and equipment	(123,493)	-	(123,493)
Total noncurrent assets	183,666	-	183,666
Total assets	974,702	1,354,532	2,329,234
LIABILITIES			
Current liabilities			
Accounts payable	12,495	2,240	14,735
Due to other funds	202,279	541	202,820
Accrued wages payable	11,487	-	11,487
Unearned revenue	-	17,170	17,170
Total liabilities	226,261	19,951	246,212
NET POSITION			
Net investment in capital assets	183,666	-	183,666
Unrestricted net position	564,775	1,334,581	1,899,356
Total net position	\$ 748,441	\$ 1,334,581	\$ 2,083,022

Highland Park Independent School District
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended August 31, 2018

Exhibit G-5

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Local and intermediate sources	\$ 852,433	\$ 813,266	\$ 1,665,699
Total operating revenues	852,433	813,266	1,665,699
OPERATING EXPENSES			
Payroll costs	462,950	420,273	883,223
Professional and contractual services	40,303	49,825	90,128
Supplies and materials	30,264	5,425	35,689
Depreciation expense	43,408	-	43,408
Other operating costs	4,649	64,014	68,663
Total operating expenses	581,574	539,537	1,121,111
Operating income	270,859	273,729	544,588
NONOPERATING REVENUES			
Earnings from temporary deposits and investments	14,466	-	14,466
Total nonoperating revenues	14,466	-	14,466
Income before transfers	285,325	273,729	559,054
Transfers out	(175,000)	(225,000)	(400,000)
Change in net position	110,325	48,729	159,054
Total net position - beginning	638,116	1,285,852	1,923,968
TOTAL NET POSITION - ENDING	\$ 748,441	\$ 1,334,581	\$ 2,083,022

Highland Park Independent School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended August 31, 2018

Exhibit G-6

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from user charges	\$ 704,951	\$ 763,508	\$ 1,468,459
Cash payments to employees for services	(454,092)	(420,273)	(874,365)
Cash payments to suppliers	(75,216)	(118,235)	(193,451)
Net cash provided by operating activities	175,643	225,000	400,643
CASH FLOWS FROM INVESTING ACTIVITIES			
(Net) purchase of investment securities	(13,078)	-	(13,078)
Interest and dividends on investments	13,303	-	13,303
Net cash provided by investing activities	225	-	225
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out	(175,000)	(225,000)	(400,000)
Net cash used by non-capital financing activities	(175,000)	(225,000)	(400,000)
Net increase in cash and cash equivalents	868	-	868
Cash and cash equivalents at beginning of the year	50,855	-	50,855
Cash and cash equivalents at end of the year	<u>\$ 51,723</u>	<u>\$ -</u>	<u>\$ 51,723</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income:	\$ 270,859	\$ 273,729	\$ 544,588
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	43,408	-	43,408
Effect of increases and decreases in current assets and liabilities:			
(Increase) decrease in receivables	-	816,585	816,585
(Increase) decrease in interfund balances	(147,482)	(856,305)	(1,003,787)
Increase (decrease) in accounts payable	6,154	1,029	7,183
Increase (decrease) in accrued wages payable	2,704	-	2,704
Increase (decrease) in unearned revenue	-	(10,038)	(10,038)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 175,643</u>	<u>\$ 225,000</u>	<u>\$ 400,643</u>

Highland Park Independent School District

Private Purpose Trust Funds

Private Purpose Trust Funds

The Private Purpose Trust Funds are utilized to account for assets held by the District in a trustee capacity. The various trust funds consist of memorial donations and bequests for student scholarships, for which the District serves as the trustee.

Highland Park Independent School District

Combining Statement of Net Position

Private Purpose Trust Funds

August 31, 2018

	809	810	812	813
	Gage Art Trust	Bradfield Scholarship	Martin Memorial	Jordan Memorial
ASSETS				
Current assets				
Cash and cash equivalents	\$ 6,613	\$ 10,427	\$ 12,293	\$ 2,344
Due from other funds	8,571	2,000	2,500	-
Total current assets	15,184	12,427	14,793	2,344
Noncurrent assets				
Restricted assets	133,404	-	-	-
Total noncurrent assets	133,404	-	-	-
Total assets	148,588	12,427	14,793	2,344
LIABILITIES				
Current liabilities				
Due to other funds	-	4,500	1,025	1,000
Total liabilities	-	4,500	1,025	1,000
NET POSITION				
Held in trust for other purposes	148,588	7,927	13,768	1,344
TOTAL NET POSITION	<u>\$ 148,588</u>	<u>\$ 7,927</u>	<u>\$ 13,768</u>	<u>\$ 1,344</u>

Exhibit G-7

814	815	816	817	818	Total
McLean	Varner	Park Cities	Goodloe	Other	Private
Memorial	Memorial	Memorial	Trust	Trusts	Purpose
					Trust Funds
\$ 3,571	\$ 3,880	\$ 159	\$ 45	\$ 2	\$ 39,334
-	-	-	755	-	13,826
3,571	3,880	159	800	2	53,160
-	-	-	-	-	133,404
-	-	-	-	-	133,404
3,571	3,880	159	800	2	186,564
1,650	1,000	154	-	-	9,329
1,650	1,000	154	-	-	9,329
1,921	2,880	5	800	2	177,235
\$ 1,921	\$ 2,880	\$ 5	\$ 800	\$ 2	\$ 177,235

Highland Park Independent School District
Combining Statement of Changes In Fiduciary Fund
Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended August 31, 2018

	809	810	812	813
	Gage Art Trust	Bradfield Scholarship	Martin Memorial	Jordan Memorial
ADDITIONS				
Local and intermediate sources	\$ 11,709	\$ 176	\$ 206	\$ 39
Total additions	11,709	176	206	39
DEDUCTIONS				
Other operating costs	2,500	500	500	500
Total deductions	2,500	500	500	500
Change in net position	9,209	(324)	(294)	(461)
Total net position - beginning	139,379	8,251	14,062	1,805
TOTAL NET POSITION - ending	\$ 148,588	\$ 7,927	\$ 13,768	\$ 1,344

814	815	816	817	818	Total
Mclean Memorial	Varner Memorial	Park Cities Memorial	Goodloe Trust	Other Trusts	Private Purpose Trust Funds
\$ 60	\$ 65	\$ 5	\$ 1	\$ -	\$ 12,261
60	65	5	1	-	12,261
500	500	-	-	-	5,000
500	500	-	-	-	5,000
(440)	(435)	5	1	-	7,261
2,361	3,315	-	799	2	169,974
\$ 1,921	\$ 2,880	\$ 5	\$ 800	\$ 2	\$ 177,235

Highland Park Independent School District

Agency Funds

Agency Funds

The District accounts for resources held for others in a custodial capacity in agency funds. The Districts agency funds are as follows:

Student Activities Fund – accounts for the receipt and disbursement of monies for student activity organizations.

Employee Activities – accounts for the receipt of money from District vending machines used for employee activities.

District Support Organizations – accounts for receipt of monies collected on behalf of other organizations.

Highland Park Independent School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended August 31, 2018

Exhibit G-9

	Balance September 1, 2017	Additions	Deductions	Balance August 31, 2018
Student Activities				
Assets:				
Cash and temporary investments	\$ 73,854	\$ 327,373	\$ 326,131	\$ 75,096
Current investments	121,954	493,607	491,210	124,351
Accrued interest	293	213	293	213
Accounts Receivable	220	-	220	-
Due from other funds	99,567	615	-	100,182
Total assets	<u>\$ 295,888</u>	<u>\$ 821,808</u>	<u>\$ 817,854</u>	<u>\$ 299,842</u>
Liabilities:				
Accounts payable	\$ 9,672	\$ 293,347	\$ 302,727	\$ 292
Due to other funds	26,930	1,317	77	28,170
Due to student groups	259,286	402,221	390,127	271,380
Total liabilities	<u>\$ 295,888</u>	<u>\$ 696,885</u>	<u>\$ 692,931</u>	<u>\$ 299,842</u>
Employee Activities				
Assets:				
Cash and temporary investments	\$ 417	\$ 51,606	\$ 51,880	\$ 143
Due from other funds	13,339	1	-	13,340
	<u>\$ 13,756</u>	<u>\$ 51,607</u>	<u>\$ 51,880</u>	<u>\$ 13,483</u>
Liabilities:				
Accounts payable	\$ 300	\$ 50,732	\$ 50,836	\$ 196
Due to other funds	-	8,558	-	8,558
Due to employees	13,456	45,253	53,980	4,729
	<u>\$ 13,756</u>	<u>\$ 104,543</u>	<u>\$ 104,816</u>	<u>\$ 13,483</u>
District Support Organizations				
Assets:				
Cash and temporary investments	\$ -	\$ 6,616,057	\$ 6,616,057	\$ -
Other receivables	38,060	73,111	80,475	30,696
Due from other funds	3,094,391	3,303,831	3,094,392	3,303,830
Total assets	<u>\$ 3,132,451</u>	<u>\$ 9,992,999</u>	<u>\$ 9,790,924</u>	<u>\$ 3,334,526</u>
Liabilities:				
Accounts payable	\$ 28,361	\$ 3,080,945	\$ 3,054,370	\$ 54,936
Due to other funds	-	3,000	-	3,000
Due to other organizations	3,104,090	6,183,961	6,011,461	3,276,590
Total liabilities	<u>\$ 3,132,451</u>	<u>\$ 9,267,906</u>	<u>\$ 9,065,831</u>	<u>\$ 3,334,526</u>
Total Agency Funds				
Assets:				
Cash and temporary investments	\$ 74,271	\$ 6,995,036	\$ 6,994,068	\$ 75,239
Current investments	121,954	493,607	491,210	124,351
Accrued interest	293	213	293	213
Other receivables	38,280	73,111	80,695	30,696
Due from other funds	3,207,297	3,304,447	3,094,392	3,417,352
Total assets	<u>\$ 3,442,095</u>	<u>\$ 10,866,414</u>	<u>\$ 10,660,658</u>	<u>\$ 3,647,851</u>
Liabilities:				
Accounts payable	\$ 38,333	\$ 3,425,024	\$ 3,407,933	\$ 55,424
Due to other funds	26,930	12,875	77	39,728
Due to other organizations	3,104,090	6,183,961	6,011,461	3,276,590
Due to student groups	272,742	447,474	444,107	276,109
Total liabilities	<u>\$ 3,442,095</u>	<u>\$ 10,069,334</u>	<u>\$ 9,863,578</u>	<u>\$ 3,647,851</u>

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Required Texas Education Agency Schedule

Highland Park Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended August 31, 2018

	(1)	(2)	(3)	(10)
Last Ten Years Ended August 31,	Maintenance	Debt Service	Net Assessed / Appraised Value For School Tax Purposes	Beginning Balance September 1, 2017
2009 and prior years	Various	Various	Various	\$ 376,282
2010	1.0125	0.1000	\$ 11,691,476,226	77,197
2011	1.0125	0.1025	11,234,350,824	95,515
2012	1.0267	0.1075	11,069,317,404	85,045
2013	1.0267	0.1075	11,177,630,627	97,148
2014	1.0267	0.1000	11,733,798,388	127,462
2015	1.0267	0.0914	12,672,806,297	137,979
2016	1.0267	0.0852	13,616,138,816	234,036
2017	1.0267	0.1260	14,795,777,632	772,769
2018 (School year under audit)	1.0400	0.1632	15,063,138,724	-
Total				<u>\$ 2,003,433</u>

(20)	(31)	(32)	(40)	(50)
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance August 31, 2018
\$ -	\$ 125,760	\$ 9,371	\$ (49,495)	\$ 191,656
-	4,479	431	-	72,287
-	4,612	467	-	90,436
-	6,228	652	-	78,165
-	20,137	2,108	(490)	74,413
-	17,025	1,658	(3,500)	105,279
-	21,555	1,919	(4,134)	110,371
-	77,601	6,440	(5,060)	144,935
-	230,706	28,313	(171,916)	341,834
168,087,491	147,539,059	23,152,284	3,423,814	819,962
<u>\$ 168,087,491</u>	<u>\$ 148,047,162</u>	<u>\$ 23,203,643</u>	<u>\$ 3,189,219</u>	<u>\$ 2,029,338</u>

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Highland Park Independent School District
Statistical Section (Unaudited)

This part of the District's statistical comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Contents:

Financial Trends Information 98

These schedules contain trend information on how the District's financial performance and well-being have changed over time.

Revenue Capacity 112

These schedules contain information on the District's most significant local revenue source, the property tax.

Debt Capacity 118

These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information 121

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

Operating Information 125

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Highland Park Independent School District

Net Position By Component
Last Ten Years (Unaudited)
(Accrual Basis of Accounting)

	2009	2010	2011	2012
Governmental Activities				
Net investment in capital assets	\$ 33,064,019	\$ 35,895,983	\$ 37,686,728	\$ 40,044,080
Restricted	3,664,755	3,492,623	3,356,530	3,154,823
Unrestricted	28,724,975	27,858,029	25,892,817	26,779,772
Total Governmental Activities	\$ 65,453,749	\$ 67,246,635	\$ 66,936,075	\$ 69,978,675
Business-Type Activities				
Net investment in capital assets	\$ 137,982	\$ 126,749	\$ 115,525	\$ 256,191
Unrestricted	1,525,551	1,257,673	1,699,887	2,079,988
Total Business-Type Activities	\$ 1,663,533	\$ 1,384,422	\$ 1,815,412	\$ 2,336,179
Total Primary Government				
Net investment in capital assets	\$ 33,202,001	\$ 36,022,732	\$ 37,802,253	\$ 40,300,271
Restricted	3,664,755	3,492,623	3,356,530	3,154,823
Unrestricted	30,250,526	29,115,702	27,592,704	28,859,760
Total Primary Government	\$ 67,117,282	\$ 68,631,057	\$ 68,751,487	\$ 72,314,854

Source: Current and prior District Annual Financial Reports

Exhibit S-1

2013	2014	2015	2016	2017	2018
\$ 46,259,243	\$ 50,465,828	\$ 55,580,304	\$ 54,822,579	\$ 60,322,924	\$ 64,726,393
3,099,431	3,677,109	3,233,365	5,074,178	4,160,279	7,780,979
23,597,681	22,677,129	9,885,887	7,504,454	11,337,000	(17,726,788)
<u>\$ 72,956,355</u>	<u>\$ 76,820,066</u>	<u>\$ 68,699,556</u>	<u>\$ 67,401,211</u>	<u>\$ 75,820,203</u>	<u>\$ 54,780,584</u>
\$ 268,475	\$ 237,751	\$ 261,782	\$ 270,482	\$ 227,074	\$ 183,666
2,169,808	2,045,492	2,721,179	3,257,501	1,696,894	1,899,356
<u>\$ 2,438,283</u>	<u>\$ 2,283,243</u>	<u>\$ 2,982,961</u>	<u>\$ 3,527,983</u>	<u>\$ 1,923,968</u>	<u>\$ 2,083,022</u>
\$ 46,527,718	\$ 50,703,579	\$ 55,842,086	\$ 55,093,061	\$ 60,549,998	\$ 64,910,059
3,099,431	3,677,109	3,233,365	5,074,178	4,160,279	7,780,979
25,767,489	24,722,621	12,607,066	10,761,955	13,033,894	(15,827,432)
<u>\$ 75,394,638</u>	<u>\$ 79,103,309</u>	<u>\$ 71,682,517</u>	<u>\$ 70,929,194</u>	<u>\$ 77,744,171</u>	<u>\$ 56,863,606</u>

Highland Park Independent School District
Change in Net Position
Last Ten Years (Unaudited)
(Accrual Basis of Accounting)

	2009	2010	2011	2012
EXPENSES				
Governmental activities				
Instruction	\$ 35,812,175	\$ 38,187,936	\$ 40,644,171	\$ 39,294,695
Instructional Resources & Media Services	896,333	926,867	1,007,883	914,754
Curriculum & Instructional Staff Development	1,608,911	1,704,046	1,764,722	1,959,277
Instructional Leadership	648,409	955,592	1,164,601	1,051,758
School Leadership	2,762,773	2,971,682	3,095,222	2,869,891
Guidance, Counseling & Evaluation Services	2,377,581	2,719,804	2,970,773	2,835,728
Health Services	558,316	593,606	626,080	545,288
Student (Pupil) Transportation	221,814	156,223	205,651	209,000
Food Services	1,199,034	1,404,474	1,368,215	1,339,042
Cocurricular/Extracurricular Activities	2,217,654	2,278,055	2,697,688	2,670,120
General Administration	2,428,777	2,370,326	2,850,506	2,768,530
Plant Maintenance and Operations	5,931,617	5,886,997	5,986,822	5,933,301
Security and Monitoring Services	133,039	267,966	265,219	66,373
Data Processing Services	686,249	1,210,774	927,484	916,950
Community Services	-	-	-	-
Debt Service - Interest on Long Term Debt	5,706,797	5,522,347	5,270,149	5,098,781
Debt Service - Bond Issuance Cost and Fees	10,509	27,396	61,519	32,477
Facilities Acquisition and Construction	-	577,333	150,984	99,170
Contracted Instructional Services Between Schools	72,011,116	72,548,252	70,429,680	69,253,860
Incremental Costs Associated with Chapter 41	316,212	370,881	305,184	346,393
Juvenile and justice education programs	-	-	-	-
Other intergovernmental charges	-	-	-	-
Total governmental activities expenses	<u>135,527,316</u>	<u>140,680,557</u>	<u>141,792,553</u>	<u>138,205,388</u>
Business-type activities:				
Seay Tennis Center	316,388	348,521	366,013	445,749
Academy for Lifelong Learning	524,921	544,284	608,424	625,018
Total business-type activities expenses	<u>841,309</u>	<u>892,805</u>	<u>974,437</u>	<u>1,070,767</u>
Total Primary Government expenses	<u>\$ 136,368,625</u>	<u>\$ 141,573,362</u>	<u>\$ 142,766,990</u>	<u>\$ 139,276,155</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for Services				
Instruction	\$ 1,270,179	\$ 1,336,747	\$ 1,168,549	\$ 1,503,657
Instructional Resources and Media Services	95,028	76,569	74,163	95,536
School Leadership	92,216	79,120	63,562	74,201
Cocurricular/Extracurricular Activities	870,571	844,370	1,043,515	1,215,390
Plant Maintenance and Operations	99,773	106,671	107,573	162,873
Other	23,783	13,289	12,043	16,573
Operating Grants and Contributions	7,099,581	7,542,095	9,277,376	9,807,850
Capital Grants and Contributions	553,646	114,297	831,015	80,323
Total governmental activities program revenues	<u>10,104,777</u>	<u>10,113,158</u>	<u>12,577,796</u>	<u>12,956,403</u>
Business-type activities				
Charges for services:				
Seay Tennis Center	373,405	347,958	474,091	634,381
Academy for Lifelong Learning	744,807	744,381	894,915	915,686
Operating Grants and Contributions	-	27,065	33,862	37,668
Total business-type activities program revenues	<u>1,118,212</u>	<u>1,119,404</u>	<u>1,402,868</u>	<u>1,587,735</u>
Total primary government program revenues	<u>\$ 11,222,989</u>	<u>\$ 11,232,562</u>	<u>\$ 13,980,664</u>	<u>\$ 14,544,138</u>
Net (Expense) Revenue				
Governmental activities	<u>\$(125,422,539)</u>	<u>\$(130,567,399)</u>	<u>\$(129,214,757)</u>	<u>\$(125,248,985)</u>
Business-type activities	<u>276,903</u>	<u>226,599</u>	<u>428,431</u>	<u>516,968</u>
Total Primary Government net expense	<u>\$(125,145,636)</u>	<u>\$(130,340,800)</u>	<u>\$(128,786,326)</u>	<u>\$(124,732,017)</u>

Source: Current and prior District Annual Financial Reports

2013	2014	2015	2016	2017	2018
\$ 39,949,333	\$ 41,366,775	\$ 44,669,537	\$ 46,091,573	\$ 45,446,242	\$ 32,342,308
1,004,711	983,306	1,015,861	915,397	1,011,547	903,019
1,650,436	1,976,924	1,868,684	2,101,803	2,065,757	1,120,522
1,076,148	1,129,916	1,111,930	1,228,973	1,363,197	973,269
3,044,317	3,131,884	3,198,644	3,332,683	3,268,768	2,534,414
2,975,043	3,030,497	3,272,752	3,417,617	3,537,367	2,145,130
560,365	581,804	585,523	638,889	607,526	427,141
185,584	270,605	354,058	303,478	290,031	195,572
1,412,509	1,480,071	1,527,889	1,667,056	1,613,755	1,348,393
2,787,706	3,001,557	2,773,443	2,946,855	3,409,906	2,503,836
2,996,012	3,034,219	3,400,180	3,918,025	3,073,258	3,113,128
5,399,657	5,792,350	5,590,203	5,745,647	5,786,020	5,069,885
122,336	420,663	512,287	567,814	834,871	771,910
825,956	1,030,909	1,221,814	1,058,409	1,255,244	1,263,599
-	-	-	8,615	54,370	40,974
4,343,604	4,247,254	3,940,575	5,383,189	10,094,549	11,489,021
13,246	2,826	3,250	162,260	3,500	348,352
-	146,745	10,946	156,183	6,360	11,998
68,513,500	68,946,652	75,527,475	82,235,185	90,029,741	96,834,257
347,744	353,011	355,288	382,923	-	-
-	-	3,000	3,000	3,000	13,032
-	-	-	-	577,056	609,065
137,208,207	140,927,968	150,943,339	162,265,574	174,332,065	164,058,825
450,476	482,623	491,648	541,822	529,808	581,574
666,550	607,952	631,963	641,063	588,750	539,537
1,117,026	1,090,575	1,123,611	1,182,885	1,118,558	1,121,111
<u>\$ 138,325,233</u>	<u>\$ 142,018,543</u>	<u>\$ 152,066,950</u>	<u>\$ 163,448,459</u>	<u>\$ 175,450,623</u>	<u>\$ 165,179,936</u>
\$ 1,711,648	\$ 1,787,503	\$ 1,961,946	\$ 2,099,417	\$ 2,316,390	\$ 2,297,276
123,606	121,235	117,531	144,368	137,935	140,458
89,303	97,662	83,039	85,184	81,628	71,021
795,834	965,944	966,125	1,054,560	1,203,372	1,077,507
223,748	225,635	184,488	278,074	223,322	512,369
94,463	109,473	128,962	136,971	234,348	215,855
8,810,448	10,592,649	10,714,734	12,005,770	12,101,570	(1,086,229)
422,311	857,671	446,654	155,334	90,056	17,917
12,271,361	14,757,772	14,603,479	15,959,678	16,388,621	3,246,174
631,562	698,086	743,025	726,267	718,742	852,433
942,050	924,849	1,033,093	949,606	874,602	813,266
40,827	39,385	43,868	47,393	-	-
1,614,439	1,662,320	1,819,986	1,723,266	1,593,344	1,665,699
<u>\$ 13,885,800</u>	<u>\$ 16,420,092</u>	<u>\$ 16,423,465</u>	<u>\$ 17,682,944</u>	<u>\$ 17,981,965</u>	<u>\$ 4,911,873</u>
\$(124,936,846)	\$(126,170,196)	\$(136,339,860)	\$(146,305,896)	\$(157,943,444)	\$(160,812,651)
497,413	571,745	696,375	540,381	474,786	544,588
<u>\$(124,439,433)</u>	<u>\$(125,598,451)</u>	<u>\$(135,643,485)</u>	<u>\$(145,765,515)</u>	<u>\$(157,468,658)</u>	<u>\$(160,268,063)</u>

Highland Park Independent School District

Change in Net Position – Continued

Last Ten Years (Unaudited)

(Accrual Basis of Accounting)

	2009	2010	2011	2012
Net (Expense) Revenue				
Governmental activities	\$ (125,422,539)	\$ (130,567,399)	\$ (129,214,757)	\$ (125,248,985)
Business-type activities	276,903	226,599	428,431	516,968
Total primary government net expense	(125,145,636)	(130,340,800)	(128,786,326)	(124,732,017)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	103,818,560	109,544,185	106,576,800	105,959,270
Property taxes levied for debt service	9,945,424	10,542,707	10,783,360	11,089,679
Unrestricted grants and contributions	12,183,413	11,498,361	11,137,280	10,894,879
Investment earnings	1,427,868	230,079	156,930	304,777
Miscellaneous local and intermediate revenue	727	36,178	249,827	42,980
Transfers in	416,020	508,775	-	-
Total governmental activities	127,792,012	132,360,285	128,904,197	128,291,585
Business-type activities:				
Investment earnings	11,162	3,065	2,559	3,799
Transfer (out)	(416,020)	(508,775)	-	-
Total business-type activities	(404,858)	(505,710)	2,559	3,799
Total primary government	\$ 127,387,154	\$ 131,854,575	\$ 128,906,756	\$ 128,295,384
Change in Net Position				
Governmental activities	\$ 2,369,473	\$ 1,792,886	\$ (310,560)	\$ 3,042,600
Business-type activities	(127,955)	(279,111)	430,990	520,767
Total Primary Government	\$ 2,241,518	\$ 1,513,775	\$ 120,430	\$ 3,563,367

2013	2014	2015	2016	2017	2018
\$ (124,936,846)	\$ (126,170,196)	\$ (136,339,860)	\$ (146,305,896)	\$ (157,943,444)	\$ (160,812,651)
497,413	571,745	696,375	540,381	474,786	544,588
(124,439,433)	(125,598,451)	(135,643,485)	(145,765,515)	(157,468,658)	(160,268,063)
107,217,132	113,135,475	121,261,084	130,806,769	141,487,391	148,731,800
11,224,689	11,018,357	10,777,171	10,861,522	17,371,158	23,329,421
8,775,795	5,119,410	4,694,961	2,491,882	3,487,360	2,305,436
296,910	236,120	216,643	847,378	1,928,687	3,927,524
-	-	1,263	-	10,236	774,261
400,000	400,000	730,410	-	2,086,021	400,000
127,914,526	129,909,362	137,681,532	145,007,551	166,370,853	179,468,442
4,691	3,625	3,343	4,641	7,220	14,466
(400,000)	(400,000)	(730,410)	-	(2,086,021)	(400,000)
(395,309)	(396,375)	(727,067)	4,641	(2,078,801)	(385,534)
\$ 127,519,217	\$ 129,512,987	\$ 136,954,465	\$ 145,012,192	\$ 164,292,052	\$ 179,082,908
\$ 2,977,680	\$ 3,739,166	\$ 1,341,672	\$ (1,298,345)	\$ 8,427,409	\$ 18,655,791
102,104	175,370	(30,692)	545,022	(1,604,015)	159,054
\$ 3,079,784	\$ 3,914,536	\$ 1,310,980	\$ (753,323)	\$ 6,823,394	\$ 18,814,845

Highland Park Independent School District

Fund Balances, Governmental Funds

Last Ten Years (Unaudited)

(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved designated	-	-	-	-
Unreserved	19,114,055	22,739,637	-	-
Nonspendable	-	-	-	-
Unassigned	-	-	16,516,949	17,369,574
Total General Fund	19,114,055	22,739,637	16,516,949	17,369,574
All Other Governmental Funds				
Reserved for retirement of debt	2,286,491	2,115,516	-	-
Reserved for other - Special Revenue	1,581,153	1,473,335	-	-
Unreserved designated - Capital Projects	44,218,659	5,050,508	-	-
Unreserved reported in Special Revenue	1,162,321	1,130,591	-	-
Nonspendable	-	-	-	-
Restricted	-	-	3,461,449	3,265,693
Committed	-	-	8,058,780	7,606,042
Unassigned	-	-	-	-
Total all Other Governmental Funds	49,248,624	9,769,950	11,520,229	10,871,735
Total Governmental Funds	\$ 68,362,679	\$ 32,509,587	\$ 28,037,178	\$ 28,241,309

Note:

In 2011, the District implemented GASB statement 54 which changed the classifications of fund balance.

Source: Current and prior District Annual Financial Reports

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	6,503	2,218,473	1,244,128	1,367,825	1,267,816
16,730,139	16,315,075	8,301,439	9,595,031	15,658,895	19,044,955
16,730,139	16,321,578	10,519,912	10,839,159	17,026,720	20,312,771
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,500	-
3,161,700	3,705,966	3,289,033	5,466,033	4,497,774	8,064,922
4,402,920	3,178,050	4,839,155	181,670,754	139,510,907	201,042,072
(12,012)	(15,670)	(36,780)	54,456	-	-
7,552,608	6,868,346	8,091,408	187,191,243	144,014,181	209,106,994
\$ 24,282,747	\$ 23,189,924	\$ 18,611,320	\$ 198,030,402	\$ 161,040,901	\$ 229,419,765

Highland Park Independent School District
Governmental Funds Revenues
Last Ten Fiscal Years (Unaudited)
(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012
Local Source Revenues				
Local Maintenance and Debt Service Tax	\$ 112,932,204	\$ 119,445,087	\$ 116,903,847	\$ 117,227,386
Investment earnings	1,388,203	224,063	153,032	302,482
Charitable donations	5,601,417	5,656,871	5,534,263	5,304,348
Tuition from Patrons	506,890	463,438	529,063	747,671
Co-curricular athletic gate receipts	483,198	488,734	593,656	586,152
Other Revenue from Local Sources	2,283,191	2,387,024	2,034,204	1,777,387
Total Local Sources	123,195,103	128,665,217	125,748,065	125,945,426
State Programs Revenues				
Per Capita and Foundation	12,175,731	9,619,126	10,994,746	10,845,587
Other Revenue from State	(10,609,904)	223,164	336,337	606,836
On-behalf Payments	-	1,884,293	2,446,658	2,406,633
Total State Programs	1,565,827	11,726,583	13,777,741	13,859,056
Federal Program Revenues				
Federal grants	-	1,771,299	1,933,667	1,619,648
Total Federal Revenues	-	1,771,299	1,933,667	1,619,648
Total Revenues	\$ 124,760,930	\$ 142,163,099	\$ 141,459,473	\$ 141,424,130

Source: Current and prior District Annual Financial Reports

2013	2014	2015	2016	2017	2018
\$ 118,216,386	\$ 123,937,019	\$ 132,338,812	\$ 141,703,220	\$ 158,656,428	\$ 172,064,202
291,914	235,457	215,940	845,183	1,923,733	3,918,150
5,738,252	7,288,907	6,661,087	7,316,756	8,268,579	8,571,291
1,512,989	1,586,372	1,140,217	1,132,944	1,192,921	1,142,794
474,929	648,077	654,103	746,430	796,506	674,875
1,050,684	1,072,988	1,680,609	1,919,200	2,209,387	2,546,157
127,285,154	134,768,820	142,690,768	153,663,733	173,047,554	188,917,469
8,775,795	5,088,998	4,726,407	2,490,884	3,487,212	2,305,436
204,056	394,161	209,991	295,443	204,128	103,803
2,492,384	2,767,618	3,010,160	2,704,105	2,776,188	2,896,496
11,472,235	8,250,777	7,946,558	5,490,432	6,467,528	5,305,735
798,067	999,649	1,248,575	960,051	1,019,322	886,226
798,067	999,649	1,248,575	960,051	1,019,322	886,226
\$ 139,555,456	\$ 144,019,246	\$ 151,885,901	\$ 160,114,216	\$ 180,534,404	\$ 195,109,430

Highland Park Independent School District
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years (Unaudited)
(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012
Instruction	\$ 33,159,111	\$ 33,944,196	\$ 36,093,682	\$ 36,332,567
Instructional Resources and Media Services	838,242	831,964	901,786	843,191
Curriculum Development & Staff Development	1,538,161	1,636,652	1,616,782	1,836,332
Instructional Leadership	598,977	846,291	1,044,859	964,449
School Leadership	2,540,803	2,601,724	2,694,444	2,612,516
Guidance, Counseling and Evaluation Services	2,202,394	2,411,910	2,605,008	2,579,018
Health Services	513,350	521,420	544,743	495,732
Student (Pupil) Transportation	221,814	156,223	260,381	209,000
Food Services	1,124,416	1,230,614	1,192,633	1,246,655
Co-curricular/Extracurricular Activities	2,114,089	2,117,223	2,504,398	2,660,784
General Administration	2,285,971	2,458,180	2,559,563	2,576,420
Plant Maintenance and Operations	5,771,958	5,404,061	5,656,988	5,660,916
Security and Monitoring Services	133,242	114,133	84,736	118,888
Data Processing Services	3,393,527	1,286,342	926,414	971,384
Community Services	-	-	-	-
Debt Service - Principal on long-term debt	4,320,000	5,060,000	5,630,000	6,630,000
Debt Service - Interest on long-term debt	5,847,577	5,678,686	5,425,224	5,223,085
Debt Service - Bond fees	18,507	2,501	28,995	3,000
Facilities Acquisition and Construction	31,483,173	39,303,713	5,899,872	655,809
Contracted Instructional Services Between Public Schools ⁽²⁾	72,011,116	72,548,252	70,429,680	69,253,860
Incremental Cost Associated with Chapter 41	316,212	370,881	305,184	346,393
Juvenile and justice education programs	-	-	-	-
Other intergovernmental charges	-	-	-	-
Total Expenditures ⁽¹⁾	\$ 170,432,640	\$ 178,524,966	\$ 146,405,372	\$ 141,219,999
Debt service as a percentage of noncapital expenditures	7.5%	7.7%	7.9%	8.5%

Note:

⁽¹⁾ Includes General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund. Expenditures have been grouped by function category which is consistent with the Financial Accountability System Resource Guide.

Source: Current and prior District Annual Financial Reports

2013	2014	2015	2016	2017	2018
\$ 36,747,118	\$ 37,826,896	\$ 41,354,674	\$ 41,424,824	\$ 41,352,323	\$ 41,937,155
948,463	919,680	1,145,372	939,601	937,944	1,449,765
1,554,192	1,867,952	1,776,147	1,923,286	1,927,306	1,188,017
978,053	1,026,298	1,022,212	1,097,923	1,243,824	1,451,825
2,767,785	2,843,259	2,935,555	2,917,389	2,938,123	3,309,898
2,714,327	2,759,029	3,016,211	3,047,206	3,189,737	3,023,879
508,762	527,427	536,401	558,596	546,193	545,800
185,584	270,605	354,058	303,478	290,031	195,572
1,323,300	1,342,303	1,418,763	1,477,612	1,539,527	1,498,052
2,692,680	2,866,993	2,743,880	2,923,903	3,408,486	3,084,336
2,768,072	2,845,292	3,537,778	3,122,561	2,859,393	3,225,050
5,162,026	5,833,680	5,926,426	6,250,845	5,699,345	5,547,494
156,313	416,320	878,022	488,412	895,540	764,396
795,210	1,028,990	1,180,646	1,017,633	1,409,359	2,273,013
-	-	-	-	46,929	49,665
6,930,000	7,080,000	7,405,000	9,800,000	7,465,000	9,475,000
4,431,992	4,314,393	3,988,043	5,952,851	11,472,361	13,634,668
117,577	2,826	3,250	722,198	3,500	348,352
3,904,206	2,770,873	1,356,304	44,927,608	42,175,208	76,658,188
68,513,500	68,946,652	75,527,475	82,235,185	90,029,741	96,834,257
347,744	353,011	355,288	382,923	-	-
-	-	3,000	3,000	3,000	13,032
-	-	-	-	577,056	609,065
<u>\$ 143,546,904</u>	<u>\$ 145,842,479</u>	<u>\$ 156,464,505</u>	<u>\$ 211,517,034</u>	<u>\$ 220,009,926</u>	<u>\$ 267,116,479</u>
<u>8.2%</u>	<u>8.0%</u>	<u>7.4%</u>	<u>9.5%</u>	<u>10.7%</u>	<u>12.2%</u>

Highland Park Independent School District

Governmental Funds, Other Financing Sources and Uses,
and Net Change in Fund Balance
Last Ten Fiscal Years (Unaudited)
(Modified Accrual Basis of Accounting)

	2009	2010	2011	2012
Excess of revenues over (under) expenditures	\$ (33,000,713)	\$ (36,361,867)	\$ (4,945,899)	\$ 204,131
Other financing sources (uses)				
Transfer In	416,020	508,775	5,017,170	480,000
Transfer Out	-	-	(7,600,000)	(480,000)
Issuance of Bonds	5,400,000	-	3,045,000	-
Payment to bond refunding escrow agent	-	-	-	-
Premium or Discount on Issuance of Bonds	55,080	-	11,320	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	5,871,100	508,775	473,490	-
Net change in fund balance	\$ (27,129,613)	\$ (35,853,092)	\$ (4,472,409)	\$ 204,131

Source: Current and prior District Annual Financial Reports

2013	2014	2015	2016	2017	2018
\$ (3,991,448)	\$ (1,823,233)	\$ (4,578,604)	\$ (51,402,818)	\$ (39,475,522)	\$ (72,007,049)
995,000	1,383,410	3,900,000	4,549,297	3,544,368	400,000
(595,000)	(653,000)	(3,900,000)	(4,549,297)	(1,058,347)	-
22,285,000	-	-	258,605,000	-	122,050,000
(24,714,331)	-	-	(58,629,197)	-	-
2,062,217	-	-	30,846,097	-	17,210,992
-	-	-	-	-	724,921
32,886	730,410	-	230,821,900	2,486,021	140,385,913
\$ (3,958,562)	\$ (1,092,823)	\$ (4,578,604)	\$ 179,419,082	\$ (36,989,501)	\$ 68,378,864

Highland Park Independent School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

Exhibit S-7

Fiscal Year	Residential Property	Commercial Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2009	12,760,335,810	2,412,478,510	201,268,010	4,126,177,696	11,247,904,634	1.0950
2010	13,128,818,630	2,151,919,380	182,576,320	3,771,838,104	11,691,476,226	1.1100
2011	12,249,505,320	2,357,163,870	209,206,560	3,581,524,926	11,234,350,824	1.1150
2012	11,962,716,480	2,428,404,920	201,288,880	3,523,092,876	11,069,317,404	1.1342
2013	11,953,046,950	2,590,164,500	210,340,800	3,575,921,623	11,177,630,627	1.1342
2014	12,493,761,050	2,768,530,200	226,550,750	3,755,043,612	11,733,798,388	1.1267
2015	13,533,524,440	3,089,012,350	248,026,740	4,197,757,233	12,672,806,297	1.1181
2016	14,719,442,320	3,223,015,490	249,543,160	4,575,862,154	13,616,138,816	1.1119
2017	16,086,067,140	3,573,327,030	266,951,760	5,130,568,298	14,795,777,632	1.1527
2018	16,117,322,750	3,712,497,810	272,493,530	5,039,175,366	15,063,138,724	1.2032

Source: Dallas Central Appraisal District. Property in the district is reassessed every 3 years. Property is assessed at actual value; therefore, the assessed values are equal to actual values. Tax rates are per \$100 of assessed value.

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Highland Park Independent School District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years (Unaudited)

Years Ended August 31,	District Direct Tax Rates		
	Maintenance & Operations	Debt Service	Total
2009	0.9950	0.0950	1.0900
2010	1.0125	0.0975	1.1100
2011	1.0125	0.1025	1.1150
2012	1.0267	0.1075	1.1342
2013	1.0267	0.1075	1.1342
2014	1.0267	0.1000	1.1267
2015	1.0267	0.0914	1.1181
2016	1.0267	0.0852	1.1119
2017	1.0267	0.1260	1.1527
2018	1.0400	0.1632	1.2032

Source: Dallas County Tax Office

Note:

⁽¹⁾ Includes both Maintenance & Operations and Debt Service rates.

Overlapping Tax Rates ⁽¹⁾

Years Ended August 31,	Town of Highland Park	City of University Park	City of Dallas	County of Dallas	Dallas County Hospital District	Dallas County	Dallas County
						Community College District	School Equalization District
2009	0.2200	0.26548	0.7479	0.2281	0.25400	0.094900	0.004928
2010	0.2200	0.26548	0.7479	0.2281	0.27100	0.099230	0.010000
2011	0.2200	0.27845	0.7970	0.2431	0.27100	0.099670	0.010000
2012	0.2200	0.27845	0.7970	0.2431	0.27100	0.119375	0.009370
2013	0.2200	0.27432	0.7970	0.2431	0.27600	0.124700	0.010000
2014	0.2200	0.26970	0.7970	0.2431	0.28600	0.124775	0.010000
2015	0.2200	0.26979	0.7970	0.2431	0.28600	0.124775	0.010000
2016	0.2200	0.25893	0.7970	0.2431	0.28600	0.123650	0.010000
2017	0.2200	0.24876	0.7825	0.2431	0.27940	0.122933	0.009271
2018	0.2200	0.24876	0.7804	0.2431	0.27940	0.124238	0.010000

Source: Dallas County Tax Office

Note:

⁽¹⁾ Includes both Maintenance & Operations and Debt Service rates.

Highland Park Independent School District
Principal Property Taxpayers
Current Year and Nine Years Ago (Unaudited)

Exhibit S-9

Taxpayer	Type of Property	2018			2009		
		Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
KBSIII Preston Commons LLC	Commercial	\$ 204,380,000	1	1.36%			
Highland Park Village Partners LP	Commercial	158,030,540	2	1.05%	\$ 150,000,000	1	1.33%
CFO DTIII LLC	Commercial	95,347,270	3	0.63%			
Sherry Realty Holdings	Commercial	89,000,000	4	0.59%	50,386,000	4	0.45%
Caruth Preston Road Associates	Commercial	85,575,880	5	0.57%	50,007,960	5	0.44%
Alphone Preston Center LLC	Commercial	59,000,000	6	0.39%			
BV CP Preston Center LP	Commercial	57,535,000	7	0.38%			
5950 Sherry Property LLC	Commercial	52,395,000	8	0.35%			
FHF I Berkshire Tower LLC	Commercial	51,510,000	9	0.34%			
CH Realty VI HC MF Dallas BRYA	Commercial	45,450,000	10	0.30%			
BF Preston Commons/Sterling Plaza LP	Commercial				128,097,670	2	1.14%
TR 8333 Douglas Corp.	Commercial				61,380,000	3	0.55%
USA Preston Center Pavilion	Commercial				50,000,002	6	0.44%
RM C PC Hotel LP	Commercial				47,244,440	7	0.42%
Peruna Holdings/Properties, Inc.	Commercial				47,021,360	8	0.42%
RREEF Sherry Lane LP	Commercial				36,763,870	9	0.33%
BPC CORP	Commercial				34,453,440	10	0.31%
Total		\$ 898,223,690		5.96%	\$ 655,354,742		5.83%

Source: Dallas County Tax Assessor

Highland Park Independent School District
Property Tax Levies and Collections
Last Ten Fiscal Years (Unaudited)

Exhibit S-10

Fiscal Year	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2009	113,494,073	112,754,006	99.35%	638,300	113,392,306	99.91%
2010	119,496,606	118,727,034	99.36%	623,722	119,350,756	99.88%
2011	116,694,954	116,056,204	99.45%	31,730	116,087,934	99.48%
2012	116,519,962	116,293,908	99.81%	18,800	116,312,708	99.82%
2013	118,120,098	117,708,874	99.65%	119,573	117,828,447	99.75%
2014	123,821,588	123,245,241	99.53%	73,811	123,319,052	99.59%
2015	132,421,480	131,944,897	99.64%	(135,026)	131,809,871	99.54%
2016	142,727,212	141,303,217	99.00%	41,911	141,345,128	99.03%
2017	159,424,797	157,732,114	98.94%	259,019	157,991,133	99.10%
2018	171,511,304	170,691,343	99.52%	-	170,691,343	99.52%

Source: Current and prior District Annual Financial Reports.

Note:

⁽¹⁾ Includes supplements and corrections to the original levy calculation for the fiscal year.

Highland Park Independent School District

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years (Unaudited)

Exhibit S-11

Fiscal Year	General Unlimited Tax Bonds ⁽¹⁾	Maintenance Tax Notes ⁽¹⁾	Total	Restricted for Debt Service	Net Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ⁽²⁾	Percentage of Personal Income ⁽³⁾	Estimated Population	Total Outstanding Debt Per Capita ⁽³⁾
2009	\$ 125,838,047	\$ -	\$ 125,838,047	\$ 2,188,818	\$ 123,649,229	1.10%	1.83%	32,000	\$ 3,864
2010	120,415,044	-	120,415,044	2,014,649	118,400,395	1.01%	1.59%	32,150	3,683
2011	114,429,339	3,045,000	117,474,339	1,768,943	115,705,396	1.03%	1.54%	31,540	3,669
2012	107,896,452	2,635,000	110,531,452	1,486,670	109,044,782	0.99%	1.29%	34,605	3,151
2013	102,017,431	2,210,000	104,227,431	1,370,673	102,856,758	0.92%	1.19%	34,600	2,973
2014	94,781,633	1,785,000	96,566,633	1,476,473	95,090,160	0.81%	1.17%	31,340	3,034
2015	87,338,214	1,350,000	88,688,214	1,344,147	87,344,067	0.68%	1.04%	31,280	2,792
2016	313,020,516	-	313,020,516	2,685,441	310,335,075	2.44%	3.64%	31,150	9,963
2017	303,438,087	-	303,438,087	1,250,829	302,187,258	2.21%	3.41%	31,330	9,645
2018	430,691,265	-	430,691,265	4,510,328	426,180,937	2.54%	4.69%	31,410	13,568

Source: District audited financial records.

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ General Unlimited Tax Bonds and Maintenance Tax Notes are from governmental activities. The District has no other debt.

⁽²⁾ See Exhibit S-7 for property value data.

⁽³⁾ See Exhibit S-14 for population data.

Highland Park Independent School District
Direct and Overlapping Governmental Activities Debt
August 31, 2018 (Unaudited)

Exhibit S-12

Name of Governmental Unit	Gross Outstanding	Percent Overlapping	Amount Overlapping Gross Debt
City of Dallas	\$ 1,822,867,437	1.29%	\$ 23,514,990
County of Dallas	172,265,000	6.88%	11,851,832
Dallas County Schools	36,600,000	7.14%	2,613,240
Dallas County Community College District	228,350,000	6.67%	15,230,945
Total Overlapping Debt	2,260,082,437		53,211,007
Highland Park Independent School District	430,691,265	100.00%	430,691,265
Total Direct and Overlapping Debt	\$ 2,690,773,702		\$ 483,902,272
Ratio of Total Direct and Overlapping Debt to Assessed Valuation			3.21%
Per Capita Overlapping Debt			\$ 11,904

Source: Gross Debt Outstanding and Percent Overlapping were obtained from the Municipal Advisory of Texas (Texas MAC). The methodology used in deriving Overlapping Percentages:

- ¹⁾ Determine the estimated shared assessed valuation of taxable property within both the overlapping taxing body(s) and our District;
- ²⁾ Divide that shared value by the total assessed value of taxable property within the overlapping taxing body.

Highland Park Independent School District
Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

Exhibit S-13

Fiscal Year	Debt Limit	Total Net Debt Applicable To Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2009	\$ 1,124,790,463	\$ 123,649,229	\$ 1,001,141,234	10.99
2010	1,169,147,623	118,400,395	1,050,747,228	10.13
2011	1,123,435,062	115,705,395	1,007,729,667	10.30
2012	1,106,931,740	109,044,782	997,886,958	9.85
2013	1,117,763,063	102,856,758	1,014,906,305	9.20
2014	1,173,379,839	95,090,160	1,078,289,679	8.10
2015	1,267,280,630	85,765,853	1,181,514,777	6.77
2016	1,361,613,882	332,837,703	1,028,776,179	24.44
2017	1,479,577,763	302,187,258	1,177,390,505	20.42
2018	1,506,313,872	426,180,937	1,080,132,935	28.29

Legal Debt Margin Calculation for Fiscal Year 2017

Taxable Assessed Value		\$ 15,063,138,724
Debt Limit (10% of assessed value)		1,506,313,872
Total Bonded Debt	\$ 430,691,265	
Less: Restricted for Debt Service	<u>4,510,328</u>	
Debt applicable to limit		<u>426,180,937</u>
Legal debt margin		<u>\$ 1,080,132,935</u>

Highland Park Independent School District
Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)

Exhibit S-14

Fiscal Year	Estimated Population ⁽¹⁾	Personal Income	Per Capita Personal Income ^(1,2)	Unemployment Rate ⁽³⁾
2009	32,000	\$ 6,755,042,989	\$ 211,095	8.1
2010	32,150	7,465,377,978	232,205	8.8
2011	31,540	7,492,179,034	237,545	8.7
2012	34,605	8,483,303,577	245,147	6.7
2013	34,600	8,660,201,478	250,295	6.5
2014	31,340	8,150,165,670	260,056	5.8
2015	31,280	8,403,002,845	268,638	4.4
2016	31,150	8,535,441,477	274,011	4.2
2017	31,330	8,859,475,881	282,779	4.1
2018	31,410	9,095,268,583	289,566	3.8

Source:

⁽¹⁾ North Central Texas Council of Governments Census (NCTCG) and Estimates.

⁽²⁾ US Census Bureau, 2000 census data. Years 2008 through 2017 were adjusted by the CPI.

⁽³⁾ Texas Workforce Commission. Unemployment rate is for Dallas County.

Highland Park Independent School District
Top Ten Principal Employers
Current Year and Nine Years Ago (Unaudited)

Exhibit S-15

Employer ⁽¹⁾	2018		Percentage of Total Employment	2009	
	Employees	Rank		Employees	Rank
Wal-Mart Stores, Inc.	34,000	1	2.72%	41,400	1
American Airlines Group, Inc.	27,000	2	2.16%	24,781	2
Texas Health Resources	22,296	3	1.78%	17,485	6
Dallas Independent School District	19,740	4	1.58%	20,000	3
AT&T Inc.	17,000	5	1.36%	14,400	8
Baylor Scott & White Health	16,500	6	1.32%	18,000	5
The Kroger Co.	15,397	7	1.23%		
Lockheed Martin Aeronautics Co.	14,350	8	1.15%	14,000	9
Medical City Healthcare	14,000	9	1.12%		
Bank of America	13,500	10	1.08%	19,000	4
City of Dallas				14,848	7
Verizon Communications, Inc.				14,000	9
HCA North Texas Division				12,000	10
	<u>193,783</u>		<u>15.50%</u>	<u>209,914</u>	
Estimated Employed Workforce in 2018	1,250,000				

Source: Dallas Business Journal Book of Lists, Dallas Economic Development Profile, Dallas County Financial Records

Note: ⁽¹⁾ The Highland Park Independent School District 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 Dallas County.

Highland Park Independent School District
Full-Time-Equivalent District Employees by Type
Last Ten Fiscal Years (Unaudited)

Exhibit S-16

	Fiscal Year										Percent Change 2009-2018
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Instruction											
Teachers	410.6	417.8	427.2	427.5	432.8	443.7	461.9	467.0	469.1	453.8	10.5
Librarians	8.1	7.1	8.0	5.9	5.8	6.0	4.7	6.0	6.8	6.9	(14.8)
Educational Aides	45.1	48.1	47.9	63.5	71.3	73.2	76.3	82.8	88.1	93.3	106.9
Other Professionals (instructional)	11.8	10.3	10.2	15.1	15.6	18.3	23.6	24.8	25.8	24.0	103.4
	<u>475.6</u>	<u>483.3</u>	<u>493.3</u>	<u>512.0</u>	<u>525.5</u>	<u>541.2</u>	<u>566.5</u>	<u>580.6</u>	<u>589.8</u>	<u>578.0</u>	<u>206.0</u>
Campus Administration											
Principal	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	-
Assistant Principal	7.0	7.0	7.0	5.4	5.5	5.3	5.4	5.7	6.7	7.5	7.1
Instructional Officer	0.1	-	-	-	-	-	-	-	-	1.0	900.0
Teacher Supervisor	3.5	1.5	3.0	7.3	7.0	6.1	6.2	7.1	6.4	9.2	162.9
Campus Support	26.0	26.5	26.0	26.0	26.0	26.0	26.0	23.0	-	-	(100.0)
	<u>42.6</u>	<u>41.0</u>	<u>42.0</u>	<u>44.7</u>	<u>44.5</u>	<u>43.4</u>	<u>43.6</u>	<u>41.8</u>	<u>19.1</u>	<u>23.7</u>	<u>970.0</u>
Student Services											
Counselor	15.0	14.3	15.0	14.1	13.8	14.1	15.1	16.1	16.1	12.9	(14.0)
Educational Diagnostician	4.5	4.5	3.0	3.0	3.0	3.0	3.0	4.0	3.9	3.0	(33.3)
School Nurse	8.0	8.0	8.0	7.0	7.0	8.0	8.0	9.0	8.0	7.4	(7.5)
LSSP/Psychologist/Therapist	11.0	12.0	15.1	15.1	20.5	18.8	19.4	20.0	20.5	21.0	90.9
	<u>38.5</u>	<u>38.8</u>	<u>41.1</u>	<u>39.2</u>	<u>44.3</u>	<u>43.9</u>	<u>45.5</u>	<u>49.1</u>	<u>48.5</u>	<u>44.3</u>	<u>36.1</u>
Support and Administration											
Superintendent and Asst Superintendent	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.6	3.0	-
Instructional Officer	1.5	2.3	1.5	0.5	0.5	1.5	1.5	1.0	1.0	2.5	66.7
Teacher Supervisor	5.0	4.0	4.0	5.0	3.0	3.0	3.0	3.0	3.0	-	(100.0)
Non-Campus Professionals	4.0	3.5	3.6	3.5	3.5	3.0	3.0	3.0	3.0	2.0	(50.0)
Auxiliary Staff	133.1	139.3	142.6	132.7	132.2	137.1	143.0	101.2	117.2	120.0	(9.8)
	<u>146.6</u>	<u>152.1</u>	<u>154.7</u>	<u>144.7</u>	<u>142.2</u>	<u>147.6</u>	<u>153.5</u>	<u>111.2</u>	<u>126.8</u>	<u>127.5</u>	<u>(93.2)</u>
Total	<u>703.3</u>	<u>715.2</u>	<u>731.1</u>	<u>740.6</u>	<u>756.5</u>	<u>776.1</u>	<u>809.1</u>	<u>782.7</u>	<u>784.2</u>	<u>773.5</u>	<u>10.0</u>

Source:

⁽¹⁾ Fall Public Education Information Management System (PEIMS) Submissions with full-time equivalent employees as of the last Friday in October.

Note:

Full-time instructional employees of the district are employed for 187 contract days. Campus Administrators and Student Services employees are primarily employed for 200 or 215 days. Central administrative and non-campus professional staff are employed for 226 days. Non-professional support staff are employed for 230 days. Auxiliary staff are employed on an hourly basis with daily hours ranging from 8 hours to 4 hours.

Highland Park Independent School District

Teacher Average Salary and FTE Counts

Last Ten Fiscal Years (Unaudited)

Exhibit S-17

Fiscal Year	Beginning Teacher		1 - 5 Years Experience		6 - 10 Years Experience		11 - 20 Years Experience		Over 20 Years Experience		District Total Teachers		State-wide Average Salary
	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	
2009	\$ 47,281	6.3	\$ 47,516	105.8	\$ 50,072	99.5	\$ 53,657	91.1	\$ 64,499	107.9	\$ 53,957	410.6	47,159
2010	49,562	13.8	48,348	94.9	50,840	90.7	54,770	111.4	65,983	107.0	55,168	417.8	48,263
2011	46,994	7.3	48,968	90.2	51,448	103.5	55,589	117.1	66,792	109.1	55,894	427.2	48,639
2012	47,456	10.8	48,873	82.8	50,667	104.1	50,667	126.0	65,554	103.8	55,043	427.5	48,868
2013	47,368	11.6	48,511	99.1	51,105	103.9	55,489	121.3	66,185	96.9	55,018	432.8	48,375
2014	50,072	10.2	49,679	94.0	51,827	120.3	55,875	131.2	66,967	87.9	55,521	443.7	48,821
2015	50,609	9.0	50,329	104.2	52,559	113.4	56,664	149.9	67,029	85.4	56,026	461.9	50,715
2016	47,282	11.0	52,586	96.5	54,567	119.1	58,000	157.7	69,675	82.6	57,799	467.0	51,891
2017	47,596	7.5	50,916	90.0	52,285	126.3	55,606	157.4	64,360	87.9	55,319	469.1	52,525
2018	48,950	4.5	50,614	94.4	52,393	110.4	55,463	153.8	63,863	90.7	55,319	453.8	53,334

Sources: Data obtained from the Public Education Information System (PEIMS) data reported to Texas Education Agency annually. State-wide average salary was obtained from the Academic Excellence Indicator System Annual Report for State of Texas (AEIS)

Highland Park Independent School District
Operating Statistics
Last Ten Fiscal Years (Unaudited)

Exhibit S-18

Fiscal Year	Enrollment ⁽¹⁾	Operating Expenditures ⁽²⁾	Cost Per Pupil	Operating Expenditures Excluding Recapture ⁽²⁾	Cost Per Pupil	(FTEs) Teaching Staff ⁽³⁾	Pupil Teacher Ratio
2009	6,331	125,624,943	19,843	53,613,827	8,468	410.6	15.4
2010	6,448	127,470,727	19,769	54,922,475	8,518	417.8	15.4
2011	6,689	128,359,298	19,190	57,929,618	8,660	427.2	15.7
2012	6,804	128,896,597	18,944	59,642,737	8,766	427.5	15.9
2013	6,848	128,265,174	18,730	59,751,674	8,725	432.8	15.8
2014	7,037	131,768,906	18,725	62,822,254	8,927	443.7	15.9
2015	7,091	144,174,971	20,332	68,647,496	9,681	461.9	15.4
2016	7,081	150,342,319	21,232	68,107,134	9,618	467.1	15.2
2017	7,044	158,410,721	22,489	68,380,980	9,708	469.2	15.0
2018	6,991	166,098,145	23,759	69,263,888	9,908	453.8	15.4

Notes:

⁽¹⁾ Enrollment is as of the October reporting date to TEA through the Public Education Information System (PEIMS).

⁽²⁾ Operating expenditures are total governmental fund expenditures less debt service and capital projects.

⁽³⁾ Teachers (FTEs) are as of October reporting date to TEA through PEIMS and District records.

Highland Park Independent School District

School Building Information

Last Ten Fiscal Years (Unaudited)

Exhibit S-19

Schools	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
John S. Armstrong Elementary School (Constructed 1953)										
Square feet	63,039	79,885	79,885	79,885	79,885	79,885	79,885	79,885	79,885	79,885
Capacity	526	633	633	633	633	594	594	594	594	594
Enrollment	535	558	556	598	569	581	577	581	552	531
John S. Bradfield Elementary School (Constructed 1926)										
Square feet	73,887	86,603	86,603	86,603	86,603	86,535	86,535	86,535	86,535	86,535
Capacity	576	697	697	697	697	669	668	668	668	668
Enrollment	650	643	651	703	701	718	747	747	726	692
Robert S. Hyer Elementary School (Constructed 1947)										
Square feet	72,542	78,211	78,211	78,211	78,211	78,211	78,211	78,211	78,211	78,211
Capacity	535	657	657	657	657	704	704	704	704	704
Enrollment	621	654	691	693	700	726	736	717	697	697
University Park Elementary School (Constructed 1928)										
Square feet	70,997	86,287	86,287	83,287	83,287	86,287	86,287	86,287	86,287	86,287
Capacity	614	655	655	655	655	683	682	682	682	682
Enrollment	649	677	679	705	696	705	706	689	648	652
Arch H. McCulloch Intermediate School (Constructed 1995)										
Square feet	108,500	112,186	112,186	112,186	112,186	112,186	112,186	112,186	112,186	112,186
Capacity	1,000	1,072	1,072	1,072	1,107	1,107	1,107	1,107	1,107	1,107
Enrollment	967	980	1,063	1,043	1,030	1,103	1,096	1,106	1,145	1,133
Highland Park Middle School (Constructed 1995)										
Square feet	108,500	166,544	166,544	166,544	166,544	166,544	166,544	166,544	166,544	166,544
Capacity	1,000	1,205	1,205	1,205	1,205	1,205	1,205	1,205	1,205	1,205
Enrollment	975	1,032	1,032	1,036	1,107	1,098	1,089	1,127	1,116	1,106
Highland Park High School (Constructed 1937)										
Square feet	376,890	376,890	376,890	376,890	376,890	385,693	385,693	385,693	385,693	385,693
Capacity	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Enrollment	1,934	1,904	2,017	2,026	2,045	2,106	2,140	2,114	2,160	2,180
Multi-Purpose Activity Building	n/a	60,000	60,000	60,000	60,000	60,307	60,307	60,307	60,307	60,307

Source:

⁽¹⁾ Square feet and functional capacity data for 2008 through 2017 was obtained from a Facility Study performed by SHW Group LLP in June 2014.

⁽²⁾ Enrollment is as of the October reporting date to TEA through the Public Education Information System.

Reports on Internal Control, Compliance, and Federal Awards

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**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Highland Park Independent School District (the District), as of and for the year ended August 31, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 27, 2018. Our report includes a reference to other auditors who audited the financial statements of the Highland Park I.S.D. Education Foundation as described in our report on the District's financial statements. The financial statements of the Highland Park I.S.D. Education Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Board of Trustees
Highland Park Independent School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
December 27, 2018

**Independent Auditor's Report on Compliance for Each
Major Federal Program and Report on Internal Control over Compliance
in Accordance with the Uniform Guidance**

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

Report on Compliance for Each Major Federal Program

We have audited Highland Park Independent School District's (the District) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2018.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.
WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
December 27, 2018

Highland Park Independent School District

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended August 31, 2018

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through State Department of Education			
Title IV IDEA - Part B, Formula	84.027A	176600010579116600	\$ 870,382
Title IV IDEA - Part B, Preschool	84.173A	176610010579116610	15,844
Total Special Education Cluster			886,226
Total Passed through State Department of Education			886,226
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 886,226

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

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Highland Park Independent School District

Notes to the Schedule of Expenditures of Federal Awards

The District utilizes the fund types specified in the Texas Education Agency Financial Accountability System Resource Guide.

Special Revenue Funds are used to account for resources restricted to, or committed for, specific purposes by a grantor. Federal and state awards generally are accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified grant periods.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

The District did not elect to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance, Section 414 for the year ended August 31, 2018.

Highland Park Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2018

Section 1. Summary of the Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weakness(es)? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weakness(es)? _____ Yes X None reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, or State of Texas Uniform Grant Management Standards? _____ Yes X No

Identification of major programs:

84.027A, 84.173A Special Education Cluster

Dollar threshold use to distinguish between type A and type B programs? \$750,000 – Federal

Auditee qualified as low-risk auditee? X Yes _____ No

Highland Park Independent School District

Summary of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2018

Section 2. Financial Statement Findings

None

Section 3. Federal Awards Findings

None

Section 4. Schedule of Prior Audit Findings and Questioned Costs

None

Highland Park Independent School District
7015 Westchester Drive, Dallas, Texas 75205
214-780-3000 / www.hpisd.org

Exhibit L

HIGHLAND PARK INDEPENDENT SCHOOL DISTRICT DALLAS, TEXAS



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED AUG. 31, 2019**

Elise Neuhoff

Grade 6

McCulloch Intermediate School

Deep in The Heart of Texas

**Highland Park
Independent School District
Dallas, Texas**

Comprehensive Annual Financial Report
For the Fiscal Year Ended August 31, 2019



Prepared by:

Business Services Department & Finance

Chase Park
Director of Finance

Mr. Mike White, RTSBA
Assistant Superintendent
For Business Services

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Highland Park Independent School District
Comprehensive Annual Financial Report
Fiscal Year Ended August 31, 2019
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Highland Park Independent School District
Comprehensive Annual Financial Report
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Highland Park Independent School District
Comprehensive Annual Financial Report
Fiscal Year Ended August 31, 2019
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Introductory Section

Certificate of Board

Highland Park Independent School District

Dallas

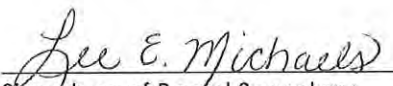
057-911

Name of School District

County

Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended August 31, 2019 at the meeting of the Board of Trustees of such school district on the 21 day of January, 2020.



Signature of Board Secretary
Lee E. Michaels



Signature of Board President
Jim Hitzelberger

HIGHLAND PARK INDEPENDENT SCHOOL DISTRICT



7015 Westchester Drive, Dallas Texas 75205
(214) 780-3000 Fax (214) 780-4019
www.hpisd.org

January 3, 2020

Board of Trustees and the Taxpayers of the Highland Park Independent School District:

The Texas Education Code (TEC) requires all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with general accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with generally accepted auditing standards. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Highland Park Independent School District (District) for the fiscal year ended August 31, 2019.

This report consists of management's representations concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the information presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the District as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Weaver and Tidwell, LLP, Dallas, Texas, a firm of licensed certified public accountants, have audited the financial statements of the District. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2019 are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended August 31, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the District

The District opened its first campus, John S. Armstrong School in 1914 with ninety-five students, three teachers and a principal. The residents of the District elect a seven-member Board of Trustees (the Board). The seven members of the Board serve, without compensation, a three-year term of office. On a rotating basis, two or three places are filled during annual elections held in May. In 2019, the election was held on May 4. Vacancies may be filled by appointment until the next election. Candidates must be qualified voters of the District.

Regular meetings are scheduled the second Tuesday of every month with the exception of the month of July when there is no Board meeting. Special meetings and study sessions are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, by the courts, and by the will of the people as expressed in school board elections. Board decisions are based on a majority vote of those present.

In general, the Board adopts policies, sets direction for curriculum, and employs the Superintendent, who oversees the operations of the District and its schools. Along with general Board business, Trustees are charged with numerous statutory regulations that include calling trustee and other school elections, canvassing the results, organizing the Board, and electing its officers. The Board is also responsible for setting the tax rate, setting salary schedules, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions, and adopting and amending annual budgets for the General Fund and the Debt Service Fund.

The District serves parts of three communities within a six square mile area located in north central Dallas County and is surrounded by the Dallas Independent School District. The Town of Highland Park, City of University Park and City of Dallas are the three different municipalities served by the District. The small community is known as the “Park Cities.” There is no raw land for residential, commercial, or industrial development. Southern Methodist University is located in the District.

The District provides a quality public education program for children from kindergarten through grade 12. In addition to the basic instructional programs, the District offers special education, gifted and talented, bilingual/ESL, remedial, college preparatory, and career and technical programs. The District is fully accredited by the Texas Education Agency.

Since the opening of the first campus in 1914, it has become apparent that the preservation of a quality education is a priority in the community. The District has attained a national standing for excellence due to the hard work of the parents’ generous support of the community and the deep commitment of faculty and staff. This affiliation, paralleled with an atmosphere set upon high expectations, results in a phenomenal educational environment.

The District currently has four elementary schools (grades K-4), an intermediate school (grades 5-6), a middle school (grades 7-8), and one high school (grades 9-12). Enrollment for the 2018-19 year is 6,839, a decrease of 152 students from the previous year. Highland Park High School graduated 508 seniors in 2019.

The District's mission statement is as follows: "Highland Park ISD, grounded in tradition and with an unyielding commitment to excellence, academics, integrity, citizenship, and service, empowers each and every student to achieve post-secondary success."

To accomplish its mission, the District attracts highly qualified personnel to teach an individualized educational program in all grade levels. A student-centered approach to learning through the use of a widely diversified curriculum is the educational philosophy of the District. A high degree of professionalism exists among District employees, and an on-going recognition of student and staff excellence contributes to this environment. The HPISD schools have long been committed to excellence in education. The District's students continue to win academic and co-curricular honors in district, state and national competitions. District staff, likewise, is recognized as outstanding educators and professionals by their peers in Texas and throughout the nation.

Long Range Planning

Much of the District's instructional program planning is done using the District and Campus Improvement Plans. The plans demonstrate the commitment to increase student achievement for all students. Campus Improvement Plans address specific needs of students at individual campuses. The District and Campus Improvement Plans include annual goals for improving student achievement and objective evaluation criteria for measuring success.

The annual budget serves as the foundation for the District's financial planning and control. This process begins in January. The District's Finance Committee serves in an advisory capacity and provides oversight for the budget development process. In addition, multi-year budget targets are established so that future finance challenges can be addressed and met. The Finance Committee is comprised of district administrators, all members of the Board, and community members.

Based on the parameters set forth, all district budget managers are required to submit to the District's Business Services Department their requests for appropriations for the next school year. The requests are compiled, summarized, and reviewed by Administration. A draft budget is developed by Administration based on district needs and available resources and presented to the Finance Committee for their review. Upon approval of the Finance Committee, a preliminary budget is then presented and discussed with the Board at one or more public budget workshops. The proposed budget is prepared by August 20th for the September 1 fiscal year start date. The Board president calls a board meeting for the purpose of discussing and adopting the budget and the tax rate. A notice of this meeting is required to be published at least 10 days, but not more than 30 days before the public meeting. The budget is adopted prior to August 31st for a September 1 fiscal year start date.

Internal Controls

Management of the District is responsible for establishing and maintaining an internal control structure. In addition, management is to ensure that the District's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles.

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

- The cost of a control should not exceed the benefits likely to be derived.
- The valuation of costs and benefits requires estimates and judgments by Management.

As a recipient of state and federal financial assistance, the District's internal control structure is designed to ensure District compliance with applicable laws and regulations related to this assistance. This internal control structure is subject to periodic evaluation by Management and independent auditors.

The District's internal control structure includes budgetary, as well as accounting controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the official budget adopted by the Board. The Board adopts an official budget for the *general fund* and the *debt service fund*. In accordance with procedures prescribed by the State Board of Education, the Board must approve budget amendments that affect the total amount in a fund or functional spending category prior to the expenditure of the funds. The functional level is specified by the Board policy as the legal level of budgetary control. Budgetary control is maintained at the organizational level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Outstanding encumbrances at the end of the fiscal year are a reserve of fund balance and are treated as expenditures in the subsequent year upon receipt of the goods or services.

Factors Affecting Financial Condition

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

Introduction. The District is located in the Park Cities community, north central Dallas County, approximately three miles north of downtown Dallas. The Park Cities community is considered one of the finest communities in which to live in Dallas County because of the outstanding public schools, distinguished homes and excellent public service departments. In addition, the Park Cities community is one of the wealthiest communities in Texas.

Population. The North Central Texas Council of Governments estimates the population in Dallas County at 2,554,770 for 2019. The estimated population for the Park Cities is 31,410.

Local economy. Dallas has established a national reputation as an economic force. The economic stability of the Park Cities provides a solid tax base for the District. The largest employers in the Park Cities are Southern Methodist University, the District, and the municipalities. In the Dallas Area, major employers include Baylor Scott & White Health, Lockheed Martin Aeronautics, UT Southwestern Medical Center, AT&T Inc., JP Morgan Chase, and Southwest Airlines.

There are many other major employers in Dallas County providing products or services in the industries of telecommunications, retail, health services, financial services, military aircraft design, restaurants, and many other areas. The diverse economy and highly skilled work force contributes to the strengths of the Dallas Area.

The District's tax base has grown 10 percent over the previous year. For tax year 2019, the Dallas County Appraisal District certified that, as of July 2018, the total market value of all real and business personal property, before qualified exemptions, was \$22,565,606,470. The taxable value for the same property was \$16,772,358,278. Residential property makes up 80 percent of the taxable value on the tax roll. The District is required to provide a \$25,000 homestead exemption for qualified homeowners. In addition to State required exemptions, the District offers the maximum local homestead exemption of twenty percent, thereby reducing the taxable value of the average home to approximately \$1,554,299.

Major Accomplishments and Initiatives

As reflected in the District's mission statement, activities of the District focus on learning opportunities for students. The following information reflects the degree of success that both the District and its students have accomplished in both academics, extra and co-curricular activities:

- Highland Park High School (HPS) won its 11th UIL Lone Star Cup, more than any other school in UIL history.
- 12 HPS seniors were named National Merit Semifinalists by the National Merit Scholarship Corporation.
- 35 students were named National Merit Commended Students and three were named National Hispanic Scholars.
- 483 HPS students earned 552 Advanced Placement Scholar Awards, and 62 students were recognized as National AP Scholars.
- In 2019, HPS students earned a composite score of 27.5 on the ACT exam, 7 points above the state average.
- HPS students earned an average composite score of 1296 on the SAT exam, exceeding the state and national averages of 1022 and 1059, respectively.
- HPS Academic Decathlon won its third state title in four years at the 2019 Medium Division State Championship in Frisco, TX.
- HPS Math and Science teams earned won the 5A Sweepstakes Award and first place in Number Sense and Mathematics and Science from the Texas Math and Science Coaches Association State Championship Meet in San Antonio, TX.
- The Highlander Band, which included eight All-State band members, was named Grand Champion in both the Mansfield Preview of Champions and Midlothian Marching Showcase.
- In addition to the eight students selected to the Texas Music Educators Association All-State Band, three HPS students were selected to the All-State Choir and two to the All-State Orchestra.
- The HPS Yearbook, The Highlander, was named a NSPA Pacemaker Finalist.
- During the 2018-19 school year, HPS won UIL State Championships in football, team tennis, golf, and girls' soccer.
- The graduating class of 2019 completed more than 64,000 hours of community service in four years.

District Facilities. Highland Park ISD voters approved a \$361.4 million bond issue in November 2015. Through the bond, the District was able to build its first new elementary school since the 1940s, rebuild Bradfield and University Park Elementary Schools, renovate Armstrong Elementary, McCulloch Intermediate/Highland Park Middle School and Highland Park High School, and will be able to rebuild Hyer Elementary. In addition, the District was able to relocate and rebuild the Seay Tennis Center and build a new Multi-Use Facility with room for professional development training space.

Construction on the new elementary school begin in June 2016 and the school opened in August 2017. University Park Elementary School students and staff transitioned to the new campus during the rebuild of University Park Elementary School during the 2017-18 school year, and transitioned back to their newly rebuilt campus for the 2018-19 school year. Bradfield Elementary School students and staff transitioned to the Hyer campus during the rebuild of Bradfield Elementary School during the 2018-19 school year, and will transition back to their newly rebuilt campus for the 2019-20 school year. Hyer Elementary School students and staff transitioned to the new campus where they will be for both the 2018-19 and 2019-20 school years, and will transition back to their newly rebuilt campus for the 2020-21 school year.

Component Unit. The Government-wide financial statements for the District include one component unit, the Highland Park Education Foundation. The entity is a separate 501(c)(3) entity that has the sole purpose of raising funds for the District. The component unit has its own Board of Trustees that is separate from the District's Board of Trustees. The financial information provided has been audited by a separate audit firm than the Districts' but has provided their financial data to Weaver and Tidwell, LLP for review and inclusion into the District's financial statements.

Awards and Acknowledgments

GFOA Certificate of Achievement. The Governmental Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Highland Park Independent School District for its comprehensive annual financial report for the fiscal year ended August 31, 2018. This was the 20th consecutive year that the District has achieved this prestigious award. 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 satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence. The Association of School Business Officials (ASBO) awarded the Certificate of Excellence in Financial Reporting to the District for the fiscal year ended August 31, 2018. This was the 20th consecutive year that the District has achieved this award. This award is for school districts whose comprehensive annual financial reports substantially conform to the recommended principles and standards of financial reporting adopted by that organization. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. Management believes that the CAFR for the fiscal year ended August 31, 2019, which will be submitted to ASBO for review, also conforms to their principles and standards.

FIRST (Financial Integrity Rating System of Texas). Highland Park Independent School District received a rating of "Superior" under Texas' Schools FIRST financial accountability rating system. The Superior rating is the state's highest, demonstrating the quality of the Highland Park ISD's financial management and reporting system.

Schools FIRST (Financial Integrity Rating System of Texas) is a financial accountability system for Texas school districts developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999. The primary goal of Schools FIRST is to achieve quality performance in the management of school districts' financial resources, a goal made more significant due to the complexity of accounting associated with Texas' school finance system. The accountability system was established in 2003.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Business Services Department. We want to express our appreciation to all members who assisted and contributed to the preparation of this report. We would also like to thank the members of the Board of Trustees for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

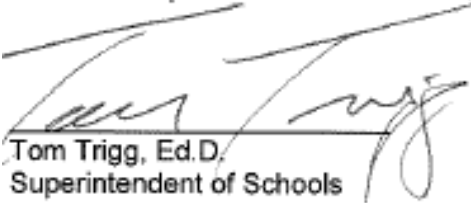
Respectfully submitted,



Chase Park, CPA
Director of Finance



Mike White, RTSBA
Assistant Superintendent for Business Services



Tom Trigg, Ed.D.
Superintendent of Schools

Highland Park Independent School District
School Administration

Elected Officials

Board of Trustees

Jim Hitzelberger	President
Kelly Walker	Vice-President
Lee E. Michaels	Secretary
Jae Ellis	TASB Delegate
Edward Herring	Finance Officer
Stacy Kelly	Member
Tom Sharpe	Member

Appointed Officials

Superintendent of Schools

Dr. Tom Trigg

Assistant Superintendent for Business Services

Mike White

Assistant Superintendent for Education Services

Lisa Wilson

Highland Park Independent School District

Consultants and Advisors

Architects

Stantec Architecture Inc.
5717 Legacy Drive
Suite 250
Plano, Texas 75024

Auditors

Weaver and Tidwell, L.L.P.
2300 N. Field St.
Suite 1000
Dallas, Texas 75251

Bond Counsel

Bracewell & Giuliani
1445 Ross Avenue
Suite 3800
Dallas, Texas 75202-2724

Depository Bank

PlainsCapital Bank
8200 Douglas Avenue
Suite 200
Dallas, Texas 75225

Financial Advisors

RBC Capital Markets
200 Crescent Court
Suite 1500
Dallas, Texas 75201

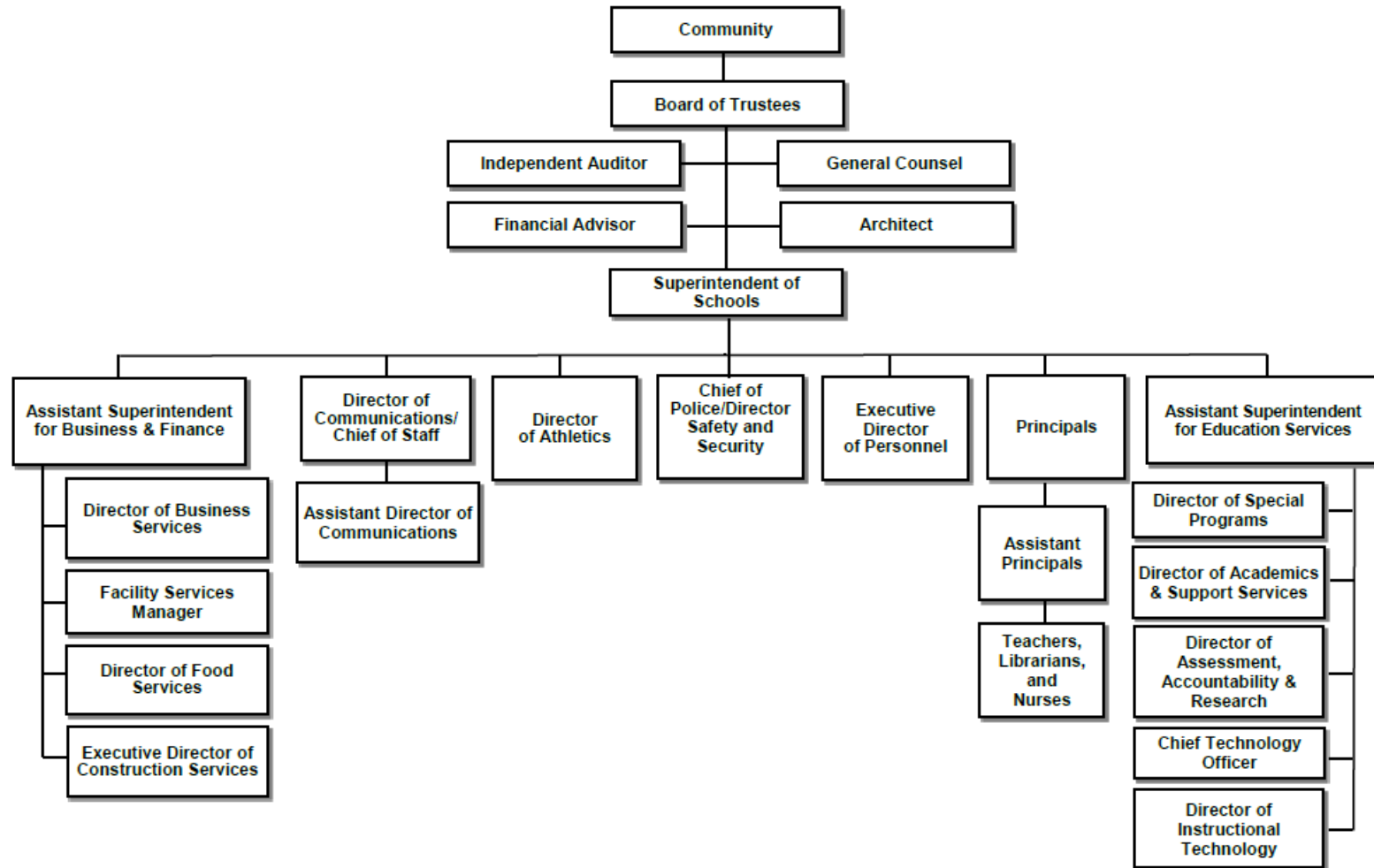
General Counsel

Thompson & Knight, L.L.P.
One Arts Plaza
1722 Routh Street
Suite 1500
Dallas, Texas 75201-2533

Fiscal Agent

The Bank of New York Mellon Trust Company, N.A.
600 North Pearl Street
Suite 420
Dallas, Texas 75201

Highland Park Independent School District Organization Chart





Government Finance Officers Association

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

Presented to

**Highland Park Independent School
District, Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

August 31, 2018

Christopher P. Morill

Executive Director/CEO



**The Certificate of Excellence in Financial Reporting
is presented to**

Highland Park Independent School District

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended August 31, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



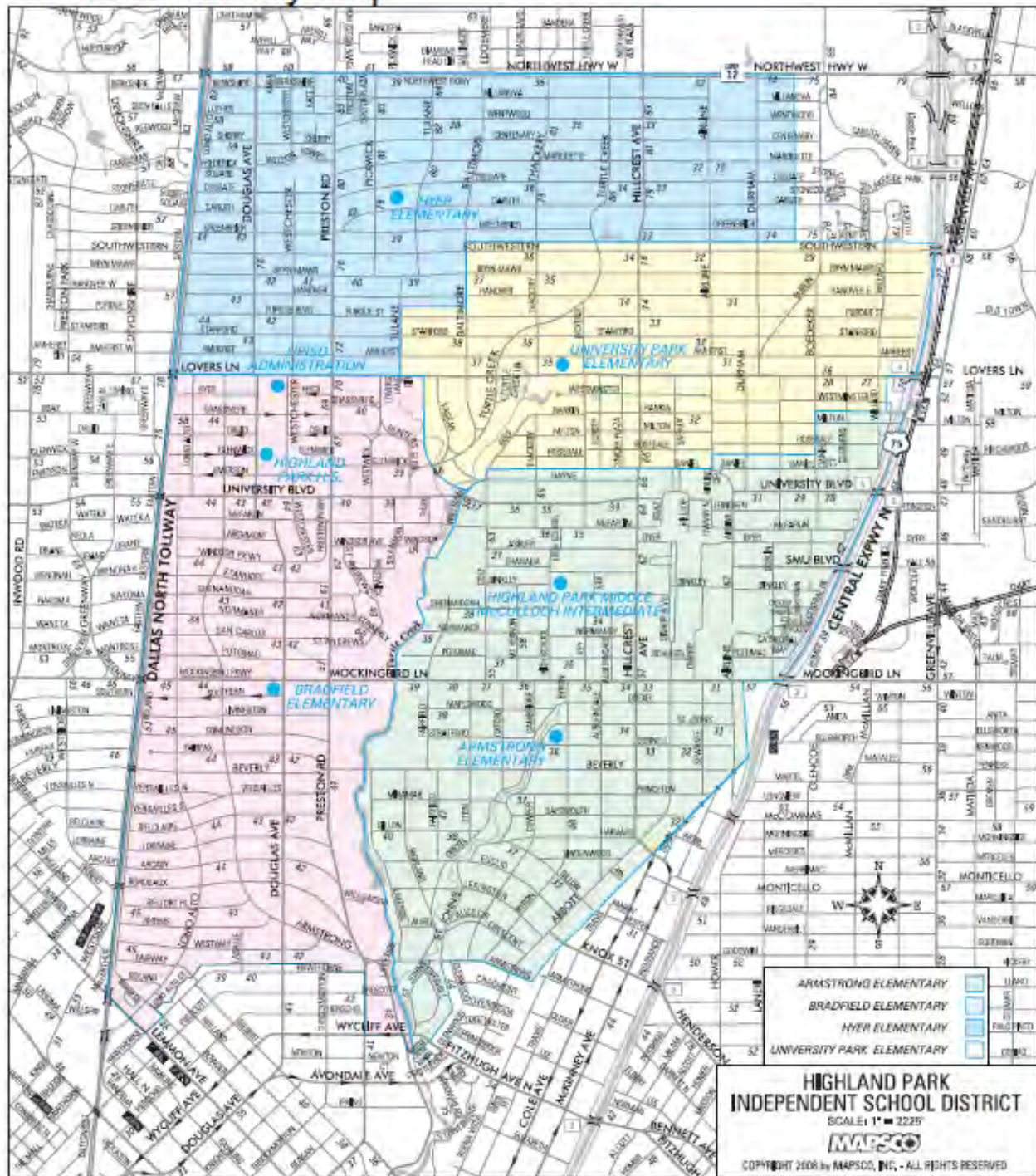
A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

HPISD Boundary Map



Administration Building
 7015 Westchester
 Dallas, Texas 75205
 (214) 780-3030

Highland Park High School
 4220 Emerson
 Dallas, Texas 75205
 (214) 780-3700

Highland Park Middle School
 3555 Granada
 Dallas, Texas 75205
 (214) 780-3500

Arch H. McCulloch Intermediate School
 3555 Granada
 Dallas, Texas 75205
 (214) 780-3500

John S. Armstrong Elementary School
 3800 Canale
 Dallas, Texas 75205
 (214) 780-3100

John S. Bradfield Elementary School
 4300 Southern
 Dallas, Texas 75205
 (214) 780-3200

Robert S. Hyer Elementary School
 3820 Canale
 Dallas, Texas 75205
 (214) 780-3300

University Park Elementary School
 3505 Amherst
 Dallas, Texas 75225
 (214) 780-3400

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Financial Section

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Independent Auditor's Report

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

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 Highland Park Independent School District (the District), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District'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 Highland Park I.S.D. Education Foundation, the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Highland Park I.S.D. Education Foundation, are 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 the Highland Park I.S.D. Education Foundation 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.

The Board of Trustees
Highland Park Independent School District

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 District, as of August 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 7-14) and budgetary comparison information, schedules of the District's proportionate share of the net pension liability and the net OPEB liability, and schedules of District pension and OPEB contributions (pages 60-65), 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund statements and schedules, required Texas Education Agency schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, required Texas Education Agency schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Board of Trustees
Highland Park Independent School District

The introductory and statistical sections 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 January 3, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2020

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Management's Discussion and Analysis

The business management team of Highland Park Independent School District has prepared this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2019. Readers are encouraged to review the information furnished in the letter of transmittal, found at the front of this report, as well as the District's financial statements, which follow this section.

Financial Highlights

- The net position of the District at the close of the fiscal year was \$72,387,219. The District's net position includes a deficit in unrestricted net position of \$14,415,659 which is primarily due to net pension and other post-employment benefits liabilities.
- As of the close of the fiscal year, the District's governmental funds reported combined ending fund balances of \$154,580,600. Of this amount, \$22,234,936 (approximately 14.4 percent) is unassigned; and therefore, is available for spending at the government's discretion.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$22,234,936, which approximated 13.1 percent of the total general fund expenditures.

Overview of the Financial Statements

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

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

The statement of net position presents information on all of the District's assets, liabilities and deferred inflows/outflows of resources, with the net of these amounts 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 District is improving or deteriorating.

The statement of activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The business-type activities of the District include a community education program and a community tennis center. The government-wide financial statements can be found at Exhibits A-1 and B-1.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds not the District as a whole.

Some funds are required by State law and/or bond covenants. Other funds may be established by the District to control and manage money for particular purposes or to evidence appropriate use of certain taxes, grants and other special revenues.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Because the focus on governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's short-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances. These reconciliations facilitate the comparison between governmental funds and governmental activities.

The District maintained 20 governmental funds in fiscal year 2018-2019. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the general fund, capital projects fund and debt service fund, which are considered to be the District's major funds. Financial data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements found elsewhere in this report. The District adopts an annual appropriated budget for its general fund and debt service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found at Exhibit C-1 and C-3.

Proprietary funds. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As mentioned above in the government-wide definition, the District has two business-type activities or enterprise funds. The second type of proprietary fund is the internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District uses the internal service fund to report activities for its self-funded insurance program. The basic proprietary fund financial statements are at Exhibits D-1, D-2 and D-3 in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets are at Exhibits E-1 and E-2 in this report.

Notes to the financial statements. The notes provide additional information that is essential to having a complete understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found at Exhibits F-1 through F-5 in this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual statements and schedules start at Exhibit G-1 in this report and continue through Exhibit G-9. A required TEA schedule is located at Exhibit H-1.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Exhibited below in Table I, is the District's net position summarized for both the governmental activities and the business-type activities. Exhibited in Table II, is the change in the District's net position.

Table I
District's Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 184,050,698	\$ 256,426,619	\$2,166,967	\$1,942,748	\$ 186,217,665	\$258,369,367
Capital assets	371,064,312	292,657,840	140,257	183,666	371,204,569	292,841,506
Total assets	555,115,010	549,084,459	2,307,224	2,126,414	557,422,234	551,210,873
Deferred outflows of resources	17,238,063	8,916,644	-	-	17,238,063	8,916,644
Current liabilities	27,746,410	25,102,013	18,353	43,392	27,764,763	25,145,405
Noncurrent liabilities	464,857,340	466,616,271	-	-	464,857,340	466,616,271
Total liabilities	492,603,750	491,718,284	18,353	43,392	492,622,103	491,761,676
Deferred inflows of resources	9,650,975	11,502,235	-	-	9,650,975	11,502,235
Net position						
Net investment in capital assets	77,337,201	64,726,393	140,257	183,666	77,477,458	64,910,059
Restricted	9,325,420	7,780,979	-	-	9,325,420	7,780,979
Unrestricted	(16,564,273)	(17,726,788)	2,148,614	1,899,356	(14,415,659)	(15,827,432)
Total net position	\$ 70,098,348	\$ 54,780,584	\$2,288,871	\$2,083,022	\$ 72,387,219	\$ 56,863,606

Government-Wide Activities. As of August 31, 2019, the sum of the District's assets and deferred outflows of resources exceeded its liabilities by \$72,387,219, an increase of \$15,523,613 from the previous year-end. The total cost of all government-wide activities for the fiscal year was \$205,065,039. Funding for these government-wide activities is from specific program revenues, property taxes, grants and contributions, and other general revenues. The following is a summary of the government-wide activities:

- The total cost of government-wide activities for fiscal year 2018-19 was \$205,065,039.
- Specific program revenues received in the amount of \$24,145,090 were used to offset the cost of activities.
- The remaining cost of government-wide activities not directly funded by program revenues was \$180,919,949.

Total District's investment in capital assets (e.g., land, buildings and improvements, and furniture and equipment) less any outstanding debt used to acquire those assets is \$77,477,458. The District uses the capital assets within the governmental activities to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A small portion of the District's net position, \$9,325,420 (12.9 percent), represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$14,415,659 is not an indication that the District does not have significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are more than currently available resources.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 4,708,846	\$ 4,314,486	\$1,745,395	\$1,665,699	\$ 6,454,241	\$ 5,980,185
Operating grants and contributions	17,690,849	(1,086,229)	-	-	17,690,849	(1,086,229)
Capital grants and contributions	-	17,917	-	-	-	17,917
General revenues:						
Property taxes	185,658,736	172,061,221	-	-	185,658,736	172,061,221
State aid - formula grants	4,233,372	2,305,436	-	-	4,233,372	2,305,436
Investment earnings	6,549,148	3,927,524	2,306	14,466	6,551,454	3,941,990
Misc. local and intermediate revenue	-	774,261	-	-	-	774,261
Total revenues	218,840,951	182,314,616	1,747,701	1,680,165	220,588,652	183,994,781
Expenses						
Instruction & instructional-related services	\$ 52,781,502	\$34,365,849	\$ -	\$ -	\$ 52,781,502	\$34,365,849
Instructional and School Leadership	6,040,985	3,507,683	-	-	6,040,985	3,507,683
Support services – student	10,775,744	6,620,072	-	-	10,775,744	6,620,072
Administrative support services	4,076,896	3,113,128	-	-	4,076,896	3,113,128
Support Services – nonstudent based	8,957,598	7,146,368	-	-	8,957,598	7,146,368
Debt service	14,562,143	11,837,373	-	-	14,562,143	11,837,373
Facilities acquisition and construction	30,559	11,998	-	-	30,559	11,998
Intergovernmental charges	106,697,760	97,456,354	-	-	106,697,760	97,456,354
Seay Tennis Center	-	-	585,928	581,574	585,928	581,574
Academy for Lifelong Learning	-	-	555,924	539,537	555,924	539,537
Total expenses	203,923,187	164,058,825	1,141,852	1,121,111	205,065,039	165,179,936
Change in net position before transfers	14,917,764	18,255,791	605,849	559,054	15,523,613	18,814,845
Transfers	400,000	400,000	(400,000)	(400,000)	-	-
Change in net position	15,317,764	18,655,791	205,849	159,054	15,523,613	18,814,845
Net position - beginning	54,780,584	75,820,203	2,083,022	1,923,968	56,863,606	77,744,171
Cumulative effect of change in accounting principle ^(a)	-	(39,695,410)	-	-	-	(39,695,410)
Net position - ending	\$ 70,098,348	\$54,780,584	\$2,288,871	\$2,083,022	\$ 72,387,219	\$56,863,606

^(a) The restatement of the beginning net position is the result of the District implementing GASB Statement No. 75 in fiscal year 2018.

Governmental Activities. For the 2018-19 fiscal year, net position from governmental activities, increased by \$15,317,764. The cost of governmental activities for the year was \$203,923,187. The amount paid by taxpayers for these activities through property taxes was \$185,658,736. However, of the total amount of property taxes collected, the District was required to send \$106,041,400 to the State as required under the recapture provisions of Chapter 41 in the Texas Education Code. This amount represents approximately 57.1 percent of all property tax revenue collected for operations and debt service combined. The District's Chapter 41 recapture payments to the State are shown on Exhibit B-1 of the financial statements under the expense line item "Contracted Instructional Services between Schools." When excluding Chapter 41 recaptured payments to the State, the cost of governmental activities for the District was \$97,881,787, an increase of 32.0 percent from the previous year due to an increase in OPEB expenses paid by the State.

Business-Type Activities. Net position for business-type activities as of August 31, 2019 was \$2,288,871, an increase from prior year of \$205,849. Charges for services were \$1,745,395 for the year, an increase of \$79,696. Total cost of operations for business-type activities were \$1,141,852, which was consistent with the previous year. Both enterprises were profitable for the year. As previously mentioned *business-type activities* consist of two for-profit operations, the Seay Tennis Center and the Academy for Life-long Learning.

Financial Analysis of the District's Funds

As stated earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

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

As of August 31, 2019, the District's governmental funds reported combined ending fund balances of \$154,580,600, a decrease of \$74,839,165 from the previous year. Of the combined ending fund balances approximately 14.4 percent, or \$22,234,936 of this total amount constitutes unassigned fund balance. Table III illustrates the fund balances of the governmental funds.

Table A-3
Governmental Funds - Fund Balance as of August 31, 2019

	General Fund	Debt Service	Capital Projects	Non major Governmental Funds	Total Governmental Funds
Fund balances					
Nonspendable:					
Prepays	\$ 173,038	\$ -	\$ -	\$ -	\$ 173,038
Long-term receivables	1,100,000	-	-	-	1,100,000
Restricted for:					
Advanced placement initiative:	-	-	-	54,043	54,043
State funded special revenue	-	-	-	234,359	234,359
Debt service	-	5,845,164	-	-	5,845,164
Local special revenue	-	-	-	3,667,387	3,667,387
Capital expenditures	-	-	118,993,660	-	118,993,660
Committed for:					
Capital expenditures	-	-	241,620	-	241,620
Campus activities	-	-	-	2,036,393	2,036,393
Unassigned:	22,234,936	-	-	-	22,234,936
Total fund balance	\$ 23,507,974	\$ 5,845,164	\$ 119,235,280	\$ 5,992,182	\$ 154,580,600

At the end of the current fiscal year, the ending fund balance for the General Fund totaled \$23,507,974, of which \$22,234,936 was unassigned. The total fund balance represents 13.9 percent of total general fund expenditures. The fund balance increased by \$3,195,203 during the current fiscal year. The increase is due to revenues exceeding expenditures by \$2,795,203 and transfers in of \$400,000.

Property taxes are the primary source of revenue for the General Fund, representing 90.34 percent of the total revenue for the fund. Property tax collections totaled \$155,399,135 for the current fiscal year, an increase of \$7,351,973 from the previous year which is primarily due to an increase in property values and tax rates. Total revenues for the General Fund equaled \$172,007,016.

Total General Fund expenditures for the year ended August 31, 2019 were \$169,211,813, an increase of \$10,555,409 over 2018. The increase is primarily related to increased recapture costs of \$9.2 million.

For the 2018-19 fiscal year, the Capital Projects Fund and Debt Service Fund are reported as major funds. This is reflected on Exhibits C-1 and C-3. Fund balance as of August 31, 2019, is \$119,235,280 for the Capital Projects Fund and \$5,845,164 for the Debt Service Fund. The Capital Projects Fund decreased by \$80,002,848 primarily due to current year spending of bond proceeds issued in prior years. The Debt Service Fund had revenues of \$29,672,748 for the 2018-19 year. Debt service expenditures were \$28,401,317 resulting in net revenues over expenditures in the amount of \$1,271,431. The increase in debt service fund balance of \$1,334,836 also includes proceeds from the current year issuance of \$3,355,000 of refunding bonds.

The non-major governmental funds column is comprised 17 Special Revenue Funds. The significant funds are discussed below.

The District maintained 17 special revenue funds in the current fiscal year. The total ending fund balance for all special revenue funds combined was \$5,992,182, an increase of \$633,644 from the previous year. The campus activity fund and the PTA gift fund are the two largest special revenue funds. Together the two funds represent \$5,129,130 (85.6 percent) of the total ending fund balance of all special revenue funds.

Proprietary funds. As mentioned earlier, the District's proprietary funds statements provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position for the enterprise funds as of August 31, 2019, totaled \$2,288,871, an increase of \$205,849 from the previous year. Total income for the year was \$1,747,701, an increase of \$67,536 from last year. Expenditures for the year were \$1,141,852 which was consistent with prior year. Detail schedules can be reviewed for each fund at Exhibits G-4, G-5 and G-6.

Total net position for the internal service fund as of August 31, 2019, totaled \$617,537, a decrease of \$37,416 from the prior year. Workers' compensation costs exceeded revenues by this amount.

General Fund Budgetary Highlights

For the General Fund, the final budgeted amount for revenues was \$171,284,358. This was \$5,139,000 higher than the original budget. The increase in budgeted revenue was primarily the result of increases in certified taxable values.

On February 1, 2017, the Texas Education Agency addressed a change in practice which impacted the calculation of recapture amounts owed under Chapter 41, Texas Education Code (TEC). Previously TEA only recognized 50 percent of the value loss due to the Local Optional Homestead Exemption (LOHE) for purposes of calculating recapture under Chapter 41 when there was an appropriation or surplus in the FSP. Starting with the 2016-17 school year (and state FY2017), TEA recognizes 50 percent of the value loss due to the LOHE for purposes of calculating recapture under Chapter 41, regardless of the existence of an appropriation or surplus in the FSP.

TEA recalculated recapture amounts owed for the 2016-17 school year (and state FY2017), which saved HPISD approximately \$3.1 million in recapture. This change was effective for only the 2016-17 school year (and state FY2017) and forward, but will not be applied retroactively for prior fiscal years.

In August 2019, the District amended its appropriations budget to \$171,442,250, an increase of \$4,995,000 over the original adopted budget. The most significant appropriation budget amendment was an increase in Recapture in the amount of \$2,100,000.

Capital Asset and Debt Administration

Capital assets. At August 31, 2019, the District had invested \$371,204,569 in a broad range of capital assets, including land, buildings and improvements, furniture and equipment and construction in progress. (See Table IV below).

Table A-4
District's Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total Activities		Increase (Decrease)
	2019	2018	2019	2018	2019	2018	Percentage %
Land	\$ 67,576	\$ 67,576	\$ -	\$ -	\$ 67,576	\$ 67,576	(0.0)
Buildings and improvements	183,284	139,975	82	106	183,366	140,081	30.9
Furniture and equipment	1,434	2,996	58	78	1,492	3,074	(51.5)
Construction in progress	118,771	82,111	-	-	118,771	82,111	45.0
Totals at historical cost	\$ 371,064	\$ 292,658	\$ 140	\$ 184	\$ 371,205	\$ 292,842	26.8

During fiscal year, the District's capital assets balance increased by \$78,363,063 (net of depreciation). Additional information about the District's capital assets is presented in Note 5 of the financial statements.

Long-term Liabilities. As of August 31, 2019, the District had total bonded debt outstanding of \$416,101,751, a decrease of \$14,589,514 from the prior year. More detailed information about the District's long-term liabilities is presented in Note 8 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

The District experienced a 3.2 percent increase in certified taxable values for tax year 2019. The total appraised local taxable value for the 2019-20 budget year was certified by the Dallas Central Appraisal District at \$16,772,358,278, an increase of \$525,097,020 from the previous year. The District's weighted average daily attendance (WADA) used for the 2019-20 fiscal budget is 6,516.

The total tax rate for fiscal year 2019-20 is \$1.1655 per \$100 of value, \$.97 for maintenance and operations (General Fund) and \$0.1955 for interest and sinking (Debt Service Fund). This is a decrease in the rate of 1.7% when combining the Debt Service and General Fund tax rates. The Dallas County Tax Office certified adjusted tax collection for both the General Fund and the Debt Service Fund at \$182,703,481, a decrease of 2.6 percent over the previous year.

For the 2019-20 fiscal year, the District budgeted total revenues for the General Fund at \$165,265,996 of which \$149,447,135 will come from property tax collections. \$8,020,503 will come from State aid, and the remaining \$7,798,358 will come from other local resources. Parent Teacher Organizations, Highland Park Education Foundation and the Highland Park Sports Club have committed \$2,968,000 to the District's General Fund budget.

The General Fund appropriations budget for 2019-20 is \$165,562,026, which is a decrease from the prior year adopted budget of \$1,181,254, or a .7 percent decrease. Recapture is \$99,469,121, a decrease of 6 percent from the previous year revised budget amount. When eliminating that payment to the State, the District's expenditure budget for the 2019-20 year is \$66,093,405, a 5% increase from the prior year.

The 2018-19 General Fund ending fund balance is \$23,547,870 which is adequate to fund 4.2 months of General Fund operating expenditures when Chapter 41 is eliminated from the equation.

Debt Service Fund revenues are budgeted at \$28,800,000 for the 2019-20 fiscal year. Appropriations are budgeted at \$28,800,000, to include principal, interest and fees payments towards the District's outstanding bonded debt. The Debt Service ending fund balance is estimated at \$5,845,164.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances. In addition, it provides evidence of accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's Administration Office, Business Services Department, Highland Park I.S.D., 7015 Westchester Drive, Dallas, Texas 75205.

Basic Financial Statements

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Highland Park Independent School District
Statement of Net Position
August 31, 2019

Exhibit A-1

Data Control Codes		1	2	3	Component Unit
		Primary Government			
		Governmental Activities	Business-type Activities	Total	
	ASSETS				HPISD Education Foundation
1110	Cash and cash equivalents	\$ 181,020,908	\$ 53,012	\$ 181,073,920	\$ 3,514,989
1120	Current investments	-	-	-	3,072,425
1220	Delinquent property taxes receivables	2,140,830	-	2,140,830	-
1230	Allowance for uncollectible taxes (credit)	(321,125)	-	(321,125)	-
1240	Due from other governments	437,395	-	437,395	-
1260	Internal balances	(2,113,955)	2,113,955	-	-
1290	Other receivables (net)	2,713,607	-	2,713,607	386,121
1300	Inventories	-	-	-	-
1410	Prepaid expenses	173,038	-	173,038	-
1490	Other current assets	-	-	-	29,659
	Capital assets:				
1510	Land	67,575,979	-	67,575,979	-
1520	Buildings and building improvements	268,205,088	407,001	268,612,089	-
1530	Furniture and equipment	17,591,187	201,456	17,792,643	-
1570	Accumulated depreciation	(101,078,871)	(468,200)	(101,547,071)	-
1580	Construction in progress	118,770,929	-	118,770,929	-
1810	Restricted cash and investments	-	-	-	28,190,584
1000	Total assets	555,115,010	2,307,224	557,422,234	35,193,778
	DEFERRED OUTFLOWS OF RESOURCES				
1701	Deferred refunding amount	3,380,980	-	3,380,980	-
1705	Deferred outflows of resources-pension	11,392,399	-	11,392,399	-
1706	Deferred outflows of resources - OPEB	2,464,684	-	2,464,684	-
1700	Total deferred outflows of resources	17,238,063	-	17,238,063	-
	LIABILITIES				
2110	Accounts payable	20,492,741	5,687	20,498,428	1,441,671
2140	Interest payable	713,555	-	713,555	-
2160	Accrued wages payable	2,217,753	11,661	2,229,414	-
2180	Due to other governments	2,422,756	-	2,422,756	-
2300	Unearned revenue	1,899,605	1,005	1,900,610	55,460
	Noncurrent liabilities:				
2501	Due within one year	12,530,000	-	12,530,000	-
2502	Due in more than one year	403,571,751	-	403,571,751	-
2540	Net pension liability	22,613,728	-	22,613,728	-
2545	Net OPEB liability	26,141,861	-	26,141,861	-
2000	Total liabilities	492,603,750	18,353	492,622,103	1,497,131
	DEFERRED INFLOWS OF RESOURCES				
2605	Deferred inflows of resources- pension	1,384,289	-	1,384,289	-
2606	Deferred inflows of resources - OPEB	8,266,686	-	8,266,686	-
2600	Total deferred inflows of resources	9,650,975	-	9,650,975	-
	NET POSITION				
3200	Net investment in capital assets	77,337,201	140,257	77,477,458	-
	Restricted for:				
3820	State programs	288,402	-	288,402	-
3850	Debt service	5,369,631	-	5,369,631	-
3890	Donor stipulations	3,667,387	-	3,667,387	32,115,958
3900	Unrestricted net position	(16,564,273)	2,148,614	(14,415,659)	1,580,689
3000	Total net position	\$ 70,098,348	\$ 2,288,871	\$ 72,387,219	\$ 33,696,647

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Activities
For the Fiscal Year Ended August 31, 2019

Data Control Codes		1	Program Revenues	
			3	4
		Expenses	Charges for Services	Operating Grants and Contributions
	GOVERNMENTAL ACTIVITIES			
11	Instruction	\$ 50,505,040	\$ 2,416,108	\$ 11,392,186
12	Instructional resources and media services	1,200,654	152,964	93,252
13	Curriculum and staff development	1,075,808	24,352	836,927
21	Instructional leadership	1,878,396	21,032	1,306,570
23	School leadership	4,162,589	85,977	301,885
31	Guidance, counseling, and evaluation services	3,919,175	76,153	278,509
33	Health services	684,083	11,070	47,166
34	Student transportation	694,323	-	-
35	Food service	1,935,223	33,209	1,385,568
36	Extracurricular activities	3,542,940	1,240,754	376,398
41	General administration	4,076,896	43,172	201,002
51	Plant maintenance and operations	6,167,174	581,915	1,371,011
52	Security and monitoring services	1,086,461	4,428	17,093
53	Data processing services	1,613,765	17,712	71,081
61	Community services	90,198	-	9,288
72	Interest on long-term debt	14,520,201	-	-
73	Debt Service - bond issuance costs and fees	41,942	-	-
81	Other facility costs	30,559	-	2,913
91	Contracted instructional services between schools	106,041,400	-	-
99	Other intergovernmental charge	656,360	-	-
[TG]	TOTAL GOVERNMENTAL ACTIVITIES	203,923,187	4,708,846	17,690,849
	BUSINESS-TYPE ACTIVITIES			
01	Seay Tennis Center	585,928	940,001	-
02	Academy for Lifelong Learning	555,924	805,394	-
[TB]	TOTAL BUSINESS-TYPE ACTIVITIES	1,141,852	1,745,395	-
[TP]	TOTAL PRIMARY GOVERNMENT	\$ 205,065,039	\$ 6,454,241	\$ 17,690,849
	COMPONENT UNIT			
03	Highland Park I.S.D. Education Foundation	\$ 5,883,939	\$ -	\$ 4,419,015

Data Control Codes	
	General revenues and transfers
	Taxes
MT	Property taxes, levied for general purposes
DT	Property taxes, levied for debt service
GC	Grants & contributions not restricted
IE	Investment earnings
FR	Transfers
TR	Total general revenues and transfers
CN	Change in net position
NB	Net position - beginning
NE	Net position-ending

The Notes to the Basic Financial Statements are an integral part of this statement.

Exhibit B-1

Program Revenues	Net (Expense) Revenue and Changes in Net Position			Component Unit
5	6	7	8	
Capital Grants and Contributions	Primary Government			HPISD Education Foundation
	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (36,696,746)	\$ -	\$ (36,696,746)	\$ -
-	(954,438)	-	(954,438)	-
-	(214,529)	-	(214,529)	-
-	(550,794)	-	(550,794)	-
-	(3,774,727)	-	(3,774,727)	-
-	(3,564,513)	-	(3,564,513)	-
-	(625,847)	-	(625,847)	-
-	(694,323)	-	(694,323)	-
-	(516,446)	-	(516,446)	-
-	(1,925,788)	-	(1,925,788)	-
-	(3,832,722)	-	(3,832,722)	-
-	(4,214,248)	-	(4,214,248)	-
-	(1,064,940)	-	(1,064,940)	-
-	(1,524,972)	-	(1,524,972)	-
-	(80,910)	-	(80,910)	-
-	(14,520,201)	-	(14,520,201)	-
-	(41,942)	-	(41,942)	-
-	(27,646)	-	(27,646)	-
-	(106,041,400)	-	(106,041,400)	-
-	(656,360)	-	(656,360)	-
-	(181,523,492)	-	(181,523,492)	-
-	-	354,073	354,073	-
-	-	249,470	249,470	-
-	-	603,543	603,543	-
\$ -	(181,523,492)	603,543	(180,919,949)	-
\$ -	-	-	-	(1,464,924)
	156,297,472	-	156,297,472	-
	29,361,264	-	29,361,264	-
	4,233,372	-	4,233,372	-
	6,549,148	2,306	6,551,454	2,206,341
	400,000	(400,000)	-	-
	196,841,256	(397,694)	196,443,562	2,206,341
	15,317,764	205,849	15,523,613	741,417
	54,780,584	2,083,022	56,863,606	32,955,230
	\$ 70,098,348	\$ 2,288,871	\$ 72,387,219	\$ 33,696,647

Highland Park Independent School District
Balance Sheet
Governmental Funds
August 31, 2019

Exhibit C-1

Data Control Codes	10 General Fund	50 Debt Service	60 Capital Projects	Non-major Governmental Funds	Total Governmental Funds
ASSETS					
1110 Cash and cash equivalents	\$ 34,716,024	\$ 5,628,539	\$ 139,328,317	\$ 775,288	\$ 180,448,168
1220 Property taxes-delinquent	1,860,805	280,025	-	-	2,140,830
1230 Allowance for uncollectible taxes (credit)	(279,121)	(42,004)	-	-	(321,125)
1240 Due from other governments	-	-	-	437,395	437,395
1260 Due from other funds	7,806,229	216,405	-	7,286,491	15,309,125
1290 Other receivables	1,112,406	221	-	1,551,935	2,664,562
1410 Prepaid expenditures	173,038	-	-	-	173,038
1000 Total assets	<u>\$ 45,389,381</u>	<u>\$ 6,083,186</u>	<u>\$ 139,328,317</u>	<u>\$ 10,051,109</u>	<u>\$ 200,851,993</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
2110 Accounts payable	\$ 765,261	\$ -	\$ 13,274,972	\$ 2,244,555	\$ 16,284,788
2160 Accrued wages payable	2,161,849	-	-	55,904	2,217,753
2170 Due to other funds	13,817,518	-	6,818,065	991,202	21,626,785
2180 Due to other governments	2,422,756	-	-	-	2,422,756
2300 Unearned revenue	1,132,339	-	-	767,266	1,899,605
2000 Total liabilities	<u>20,299,723</u>	<u>-</u>	<u>20,093,037</u>	<u>4,058,927</u>	<u>44,451,687</u>
DEFERRED INFLOWS OF RESOURCES					
2601 Unavailable revenue	<u>1,581,684</u>	<u>238,022</u>	<u>-</u>	<u>-</u>	<u>1,819,706</u>
2600 Total deferred inflows of resources	<u>1,581,684</u>	<u>238,022</u>	<u>-</u>	<u>-</u>	<u>1,819,706</u>
FUND BALANCES					
Nonspendable:					
3430 Prepaid expenditures	173,038	-	-	-	173,038
3445 Long-term receivables	1,100,000	-	-	-	1,100,000
Restricted for:					
3450 Advanced Placement Initiatives	-	-	-	54,043	54,043
3450 State funded special revenue	-	-	-	234,359	234,359
3480 Debt service	-	5,845,164	-	-	5,845,164
3490 Donor stipulations	-	-	-	3,667,387	3,667,387
3510 Capital expenditure	-	-	118,993,660	-	118,993,660
Committed for:					
3510 Capital expenditure	-	-	241,620	-	241,620
3545 Campus activities	-	-	-	2,036,393	2,036,393
3600 Unassigned	<u>22,234,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,234,936</u>
3000 Total fund balances	<u>23,507,974</u>	<u>5,845,164</u>	<u>119,235,280</u>	<u>5,992,182</u>	<u>154,580,600</u>
4000 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 45,389,381</u>	<u>\$ 6,083,186</u>	<u>\$ 139,328,317</u>	<u>\$ 10,051,109</u>	<u>\$ 200,851,993</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
August 31, 2019

Exhibit C-2

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 154,580,600
1 The District uses internal services funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	617,537
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental fund financial statements.	472,143,183
3 Accumulated depreciation is not reported in the governmental fund financial statements.	(101,078,871)
4 Long-term debt is not reported in the governmental fund financial statements.	(416,101,751)
5 Property taxes and donations reported as deferred inflows in the governmental fund financial statements are recognized as revenue in the government-wide financial statements.	1,819,706
6 Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.	(713,555)
7 The following pension-related items are not reported in the governmental funds financial statements: the District's proportionate share of the TRS net pension liability of (\$22,613,728), a deferred resource inflow of (\$1,384,289) and a deferred resource outflow of \$11,392,399. The net effect is a decrease of net position.	(12,605,618)
8 Deferred loss on refunding amount is reflected in the statement of net position of the government-wide financial statements, net of amortization; but, it is not reported in the governmental funds financial statements.	3,380,980
9 The following OPEB-related items are not reported in the governmental funds financial statements: the District's proportionate share of the TRS net OPEB liability of (\$26,141,861), a deferred resource inflow of (\$8,266,686) and a deferred resource outflow of \$2,464,684. The net effect is a decrease of net position.	<u>(31,943,863)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 70,098,348</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Revenues, Expenditures, and Changes in
Fund Balance
Governmental Funds
For the Fiscal Year Ended August 31, 2019

Exhibit C-3

Data Control Codes		10 General Fund	50 Debt Service	60 Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
	REVENUES					
5700	Total local and intermediate sources	\$ 164,816,732	\$ 29,615,350	\$ 4,355,530	\$ 8,557,548	\$ 207,345,160
5800	State program revenues	7,190,284	57,398	-	1,079,320	8,327,002
5900	Federal program revenues	-	-	-	1,056,819	1,056,819
5020	Total revenues	172,007,016	29,672,748	4,355,530	10,693,687	216,728,981
	EXPENDITURES					
	Current					
0011	Instruction	36,454,284	-	-	5,946,130	42,400,414
0012	Instructional resources & media services	856,137	-	-	175,314	1,031,451
0013	Curriculum & instructional staff development	403,617	-	-	611,530	1,015,147
0021	Instructional leadership	1,258,240	-	-	339,299	1,597,539
0023	School leadership	3,319,770	-	-	80,619	3,400,389
0031	Guidance, counseling, and evaluation services	3,187,126	-	-	15,098	3,202,224
0033	Health services	559,096	-	-	6,158	565,254
0034	Student (pupil) transportation	115,261	-	-	579,062	694,323
0035	Food service	1,593,405	-	-	28,069	1,621,474
0036	Cocurricular/extracurricular activities	2,899,085	-	-	406,797	3,305,882
0041	General administration	3,600,349	-	-	3,127	3,603,476
0051	Plant maintenance and operations	5,759,322	-	-	496	5,759,818
0052	Security and monitoring services	1,020,331	-	-	15,790	1,036,121
0053	Data processing services	1,415,190	-	1,139,665	17,945	2,572,800
0061	Community services	55,255	-	-	-	55,255
	DEBT SERVICE					
0071	Debt service - Principal on long-term debt	-	11,685,000	-	-	11,685,000
0072	Debt service - Interest on long-term debt	-	16,674,375	-	-	16,674,375
0073	Debt service - Bond issuance costs and fees	-	41,942	-	-	41,942
	CAPITAL OUTLAY					
0081	Facilities acquisition and construction	17,585	-	83,218,713	1,834,609	85,070,907
	INTERGOVERNMENTAL					
0091	Contracted instructional services between schools	106,041,400	-	-	-	106,041,400
0099	Other intergovernmental charges	656,360	-	-	-	656,360
6030	Total expenditures	169,211,813	28,401,317	84,358,378	10,060,043	292,031,551
1100	Excess (deficiency) of revenues over (under) expenditures	2,795,203	1,271,431	(80,002,848)	633,644	(75,302,570)
	OTHER FINANCING SOURCES (USES)					
7901	Refunding bonds issued	-	3,355,000	-	-	3,355,000
7915	Transfers in	400,000	-	-	-	400,000
7916	Premium or discount on issuance of bonds	-	309,027	-	-	309,027
8940	Payment to bond refunding escrow agent (use)	-	(3,600,622)	-	-	(3,600,622)
7080	Total other financing sources and (uses)	400,000	63,405	-	-	463,405
1200	Net change in fund balances	3,195,203	1,334,836	(80,002,848)	633,644	(74,839,165)
0100	Fund balances - beginning	20,312,771	4,510,328	199,238,128	5,358,538	229,419,765
3000	FUND BALANCES - ending	\$ 23,507,974	\$ 5,845,164	\$ 119,235,280	\$ 5,992,182	\$ 154,580,600

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures and Changes in Fund Balances to the
Government-Wide Statement of Activities
For the Fiscal Year Ended August 31, 2019

Exhibit C-4

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		\$ (74,839,165)
1 The District uses internal service funds to charge the costs of certain activities such as self-insurance to appropriate functions in other funds. The net loss of internal service funds is reported with government activities. The net effect of this consolidation is to decrease net position.		(37,416)
2 Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements.		86,851,842
3 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position in the government-wide financial statements.		(8,445,370)
4 The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of discounts, premiums, and deferred losses on refunding when debt is first issued; however the amounts are deferred and amortized in the government-wide financial statements. This amount represents the net effect of the following items:		
Repayments	\$ 11,685,000	
Bonds Issued	(3,355,000)	
Premium on issuance of bonds	(309,027)	
Refunded debt	3,590,000	
Amortization of premium on bonds of \$2,967,919 and premium refunded of \$10,622	2,978,541	
Amortization of deferred refunding amount	(575,240)	14,014,274
5 Current year changes in accrued interest payable do not require the use of current financial resources; and therefore, are not reported as expenditures in governmental funds.		(238,505)
6 Changes in pension liability, and related deferred inflows and outflows not recognized on the fund financial statements under the modified accrual bases are recognized on the accrual basis in the government-wide financial statements. The net effect of pension liability, deferred inflows, and outflows are as follows:		
Changes in pension liability	(9,328,038)	
Changes in pension deferred inflows	647,877	
Changes in pension deferred outflows	6,830,759	(1,849,402)
7 The net change in net OPEB liability, deferred outflows and deferred inflows is reported in the statement of activities, but does not require the use of current financial resources and, therefore, is not reported as revenue or expenditures in the governmental funds. The net change consists of the following:		
Changes in net OPEB liability	(3,502,545)	
Changes in OPEB deferred inflows	1,203,383	
Changes in OPEB deferred outflows	2,065,900	(233,262)
8 Revenue from property taxes and donations is deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed, net of an allowance for uncollectible accounts, in the government-wide statements.		94,768
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 15,317,764

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Net Position
Proprietary Funds
August 31, 2019

Exhibit D-1

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS		
Current assets		
Cash and cash equivalents	\$ 53,012	\$ 572,740
Due from other funds	2,115,895	169,841
Total current assets	2,168,907	742,581
NON CURRENT ASSETS		
Capital assets		
Buildings and improvements	407,001	-
Accumulated depreciation on buildings and improvements	(325,216)	-
Furniture and equipment	201,456	-
Accumulated depreciation on furniture and equipment	(142,984)	-
Total noncurrent assets	140,257	-
Total assets	2,309,164	742,581
LIABILITIES		
Current liabilities		
Accounts payable	5,687	125,044
Due to other funds	1,940	-
Accrued wages payable	11,661	-
Unearned revenue	1,005	-
Total liabilities	20,293	125,044
NET POSITION		
Net investment in capital assets	140,257	-
Unrestricted	2,148,614	617,537
TOTAL NET POSITION	\$ 2,288,871	\$ 617,537

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Revenues, Expenses, and Changes in
Fund Net Position
Proprietary Funds
For the Fiscal Year Ended August 31, 2019

Exhibit D-2

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Local and intermediate sources	\$ 1,745,395	\$ 47,582
Total operating revenues	1,745,395	47,582
OPERATING EXPENSES		
Payroll costs	875,522	-
Professional and contractual services	113,689	47,208
Supplies and materials	38,037	-
Depreciation expense	43,409	-
Other operating costs	71,195	51,689
Total operating expenses	1,141,852	98,897
Operating income (loss)	603,543	(51,315)
NONOPERATING REVENUES		
Earnings from temporary deposits and investments	2,306	13,899
Total nonoperating revenues	2,306	13,899
Income (loss) before transfers	605,849	(37,416)
TRANSFERS		
Transfers out	(400,000)	-
Total transfers	(400,000)	-
Change in net position	205,849	(37,416)
Total net position - beginning	2,083,022	654,953
TOTAL NET POSITION - ending	\$ 2,288,871	\$ 617,537

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended August 31, 2019

Exhibit D-3

	Business-Type Activities Enterprise Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 766,987	\$ 47,582
Payments to employees for services	(884,250)	468,870
Payments to suppliers	(223,067)	(516,452)
Net cash used by operating activities	(340,330)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investment securities	735,427	-
Investment earnings	6,192	13,899
Net cash provided by investing activities	741,619	13,899
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers out	(400,000)	-
Net cash used by non-capital financing activities	(400,000)	-
Net increase in cash and cash equivalents	1,289	13,899
Cash and cash equivalents at the beginning of year	51,723	558,841
Cash and cash equivalents at the end of year	\$ 53,012	\$ 572,740
Reconciliation of operating income (loss) to net cash used in operating activities:		
Operating income (loss)	\$ 603,543	\$ (51,315)
Adjustments to reconcile operating income (loss) to net cash used in operating activities		
Depreciation	43,409	-
Effect of increases and decreases in current assets and liabilities:		
(Increase) decrease in receivables	(8,550)	
(Increase) in interfund balances	(953,693)	468,870
Increase (decrease) in accounts payable	(9,048)	(417,555)
Increase (decrease) in accrued wages payable	174	-
Increase (decrease) in unearned revenue	(16,165)	-
NET CASH USED IN OPERATING ACTIVITIES	\$ (340,330)	\$ -

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Fiduciary Net Position
Fiduciary Funds
August 31, 2019

Exhibit E-1

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 23,458	\$ 77,104
Other receivables	-	54,245
Due from other funds	16,894	4,066,865
Restricted assets	107,295	-
Total assets	147,647	4,198,214
LIABILITIES		
Accounts payable	-	108,272
Due to other funds	8,304	41,591
Due to other organizations	-	3,709,572
Due to student groups	-	338,779
Total liabilities	8,304	\$ 4,198,214
NET POSITION		
Held in trust for other purposes	139,343	
TOTAL NET POSITION		
	\$ 139,343	

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended August 31, 2019

Exhibit E-2

	Private Purpose Trust Funds
ADDITIONS	
Local and intermediate sources	\$ 6,305
Total additions	6,305
DEDUCTIONS	
Other operating costs	44,197
Total deductions	44,197
Change in net position	(37,892)
Total net position - beginning	177,235
TOTAL NET POSITION - ENDING	\$ 139,343

The Notes to the Basic Financial Statements are an integral part of this statement.

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 1. Significant Accounting Policies

Highland Park Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven member Board of Trustees (the Board) elected by registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and other authoritative sources identified in Statement on Auditing Standards No. 69 of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version of Texas Education Agency's Financial Accountability System Resource Guide (the Resource Guide) and the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity

In defining the scope of the District for financial reporting purposes, the District conforms with the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB No. 61, *The Financial Reporting Entity: Omnibus*. This report includes the financial statements of the District's primary government, which covers all funds or organizations that are part of the District's legal entity.

Additionally, the District's reporting entity also includes the accounts of the Highland Park I.S.D. Education Foundation, (the Foundation) as a discretely presented component unit, a legally separate, tax exempt entity. The Foundation was organized to receive and distribute funds, property and gift of any kind exclusively for the benefit of Highland Park Independent School District, its students, and personnel in furtherance of the education objectives of the Foundation. Separate financial statements are issued by the Foundation and can be obtained from: Highland Park I.S.D. Education Foundation, 4201 Grassmere, Dallas, Texas 75205. Contributions from the Foundation to the District were approximately \$3,083,763 for the year ending August 31, 2019.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The governmental activities are supported by tax revenues and intergovernmental revenues. Business-type activities include operations that rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Interfund activities between governmental funds and between governmental and proprietary funds appear as due to/due from on the governmental fund balance sheet and proprietary fund statement of net position and as other financing sources and uses on the governmental fund statement of revenues, expenditures and changes in fund balance and on the proprietary fund statement of revenues, expenses, and changes in net position. All interfund transactions between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide statement of net position as internal balances and on the statement of activities as interfund transfers. Interfund services provided and used are not eliminated in the process of consolidation.

Highland Park Independent School District

Notes to the Basic Financial Statements

The fund financial statements provide reports on the financial condition and results of operations for three fund categories – governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers some governmental funds major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are nonoperating.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is the accounting convention, which determines which assets and liabilities are included on the balance sheet of a fund type and whether a fund type's operating statement presents "financial flow" or capital maintenance information.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, as do the proprietary fund and fiduciary fund financial statements (with the exception of Agency funds which are custodial in nature and, thus, do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available, and it recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due. The expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year end.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible to accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as deferred revenues until related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

Highland Park Independent School District

Notes to the Basic Financial Statements

The Proprietary Fund types and Fiduciary Fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The District applies all GASB pronouncements. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The fund equity is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

Fund Accounting

The District's accounting system is organized and operated on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The District reports the following major governmental funds:

General Fund is the general operating fund of the District. It is utilized to account for all revenues and expenditures except those required to be accounted for in another fund. Major sources include local property taxes, state funding under the minimum Foundation Program and interest earnings. Expenditures include all costs associated with the daily operations of the schools.

Debt Service Fund is utilized to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs arising from general obligation bonds.

Capital Projects Fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived from proceeds of general obligation bonds and interest earned on such monies and local sources committed for such purposes.

Additionally, the District reports the following fund types:

Nonmajor Governmental Funds

Special Revenue Funds are utilized to account for the proceeds of specific revenue sources that are legally restricted or committed for specified purposes.

Capital Projects Fund is utilized to account for the Moody Innovation STEAM Grant, a grant from the Moody Foundation to the District, which in 2019 consisted primarily of funding for construction of the Moody Advanced Professional Studies (MAPS) Center.

Proprietary Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed through user charges.

Seay Tennis Center is used to account for the operations of the tennis center that provides services to the residents of the District and to the District's athletic teams.

Academy for Lifelong Learning is used to account for the operations of the continuing education school that provides services to the residents of the District.

Internal Service Funds are used to account for the financing of goods or services by one department to another on a cost reimbursement basis.

Highland Park Independent School District

Notes to the Basic Financial Statements

Insurance Fund is used to account for the District's partially self-insured workers' compensation plan.

Fiduciary Funds

Private Purpose Trust Funds consist of various scholarship funds held in a trustee capacity.

Agency Funds are used to account for assets held by the District in a trustee or agency capacity for student and employee activities, as well as other organizations.

Budgets and Budgetary Accounting

The District facilitates budgeting and budgetary control by preparing annual budgets for the General Fund and Debt Service Fund and appropriately amending the budgets as circumstances dictate; the annual budgets as amended are an integral part of the accounting system, providing appropriate budgetary control over revenues, expenditures and transfers through comparison of actual data and encumbrances to budgetary data.

The Superintendent of Schools is designated as the budget officer of the District and is responsible for preparing, or causing to be prepared, a budget for the next succeeding fiscal year.

The budget is required to be prepared no later than August 20 at a meeting of the Board of Trustees called for the purpose of adopting such budget after ten days public notice of the meeting has been given.

The administration performs semi-annual budget reviews by which budget requirements are re-evaluated and revisions recommended to the Board of Trustees. The Board of Trustees may approve amendments to the budget, which are required when a change is made to any one of the functional expenditure categories or revenue object accounts defined by the Texas Education Agency. Such amendments must be reflected in the official minutes of the Board, and may not, by law, occur after August 31. Therefore, the legal level of budgetary control is at the function level within each budgeted fund. Management may transfer appropriations between objects, sub-objects, organizations, programs, and projects without approval from the Board of Trustees, as long as appropriations are not increased at the function level.

The Texas Education Agency (TEA) requires the budgets to be filed with the Texas Education Agency through regular submissions to the Public Education Information Management System (PEIMS). The budget should not be exceeded in any functional expenditure category under TEA requirements. The final amended versions of these budgets are used in this report.

Unused appropriations lapse at the end of each fiscal year; however, the District increases the subsequent year appropriations by an amount equal to outstanding encumbrances. Supplemental appropriations were not significant to the original adopted budget for the fiscal year ended August 31, 2019.

Budgets for the General and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Investments

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments, which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes.

Highland Park Independent School District
Notes to the Basic Financial Statements

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. Prepaid expenditures are accounted for under the consumption method.

Local Tax Revenues and Receivables

Ad valorem taxes are levied from valuations assessed as of January 1 and are recognized as revenue beginning on the date of levy, October 1, when they become available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay current liabilities. Taxes not expected to be collected within sixty days of the fiscal year end are recorded as deferred revenues and are recognized when they become available. Taxes collected prior to the levy date to which they apply are recorded as deferred revenues and recognized as revenue of the period to which they apply.

Current taxes are due on October 1 and become delinquent if unpaid on February 1. Pursuant to Subtitle E of the Texas Property Tax Code, penalties and interest on unpaid taxes are calculated at the rate of 1% per month of delinquency. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed.

Allowance for Uncollectible Taxes

An allowance for uncollectible taxes is provided based upon an analysis of historical trends.

Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing-off real property taxes without specific authority from the Texas legislature.

The District expects to receive all significant receivables within one year of August 31, 2019.

Capital Assets

Capital assets which include land, buildings, furniture 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 District as assets with an initial, individual cost of more than \$5,000 and an estimated life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets are capitalized as projects are constructed.

Buildings, furniture, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

	Years
Buildings	10 - 40
Building improvements	10 - 20
Vehicles	5 - 11
Office equipment	5 - 7
Computer equipment	5 - 7

Compensated Absences

This District does not compensate its employees for unused leave; therefore no accrual for compensated absences is required.

Highland Park Independent School District

Notes to the Basic Financial Statements

Long-Term Debt

In the government-wide financial statements bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, in the period the debt is issued. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows / Inflows of Resources

In addition to assets and liabilities, the government-wide statement of net position and governmental fund balance sheet report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent the acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to deferred losses on debt refunding transactions, which are reported as deferred outflows of resources, the District reports certain deferred inflows and outflows related to pensions and OPEB on the government-wide statement of net position. At the governmental fund level, earned but unavailable tax revenue and donations are reported as a deferred inflows of resources.

Governmental Fund Financial Statements

The District has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The 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 funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

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

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

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

Highland Park Independent School District

Notes to the Basic Financial Statements

Committed -- includes fund balance amounts that are constrained for specific purposes that are internally imposed by the District through formal action of the highest level of decision making authority. Committed fund balance is reported pursuant to resolution passed by the District's Board of Trustees. This classification includes campus activity funds, and various other construction funds.

Assigned -- includes fund balance amounts that are self-imposed by the District to be used for a particular purpose. According to District policy, fund balance can be assigned by the Superintendent or the Superintendent's designee.

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

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Pension

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Debt Service

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. The full amount estimated to be required for general obligation bond retirement is provided by the debt service tax together with interest earned within the Debt Service Fund.

Accounting Estimates

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

Highland Park Independent School District

Notes to the Basic Financial Statements

The amount of state foundation revenue a school district earns for a year may vary until the time when final values for all factors in the state and formula become available. Availability can be as late as midway into the next fiscal year. It is at least reasonably possible that the foundation revenue estimate for the year ended August 31, 2019 will change.

Cash Flow Presentation

For the purpose of presenting the statement of cash flows, the District considers all highly liquid investments with an original maturity or initial maturity of less than three months to be cash equivalents.

Interfund Transactions

During the course of normal operations, it is necessary for the District to enter into transactions among its various funds. These transactions consist of one or more of the following types:

- Reimbursements to a fund, which are generally reflected through the allocation of pooled cash accounts, for expenditures or expenses initially made from it that are properly applicable to another fund. All interfund receivable / payable balances at August 31, 2019 were the result of these types of reimbursements and are expected to be repaid within one year.
- Transfers in and out, as appropriate, which are shown as other financing sources or uses in the fund financial statements.
- All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements.

Account Code Reporting

The Data Control Codes refer to the account code structure prescribed by TEA in the Financial Accountability Resource Guide. The Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to insure accuracy in building a statewide data base for policy development and funding plans.

Note 2. Cash and Investments

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At August 31, 2019, the carrying amount of the District's deposits (cash and interest-bearing savings accounts included in temporary investments) was \$4,008,150 and bank balance was \$5,765,715. The District's cash deposits at August 31, 2019 and during the year then ended were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

Highland Park Independent School District

Notes to the Basic Financial Statements

The following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Depository: Plains Capital Bank
2. The market value of securities pledged as of the date of the highest combined balance on deposit was \$19,538,602.
3. The highest combined balances of cash, savings, and time deposit accounts amounted to \$12,346,572 on August 17, 2019.

Total amount of FDIC coverage at the time of the highest combined balance was \$250,000.

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes and the District's investment policy authorized the District to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	1 year	None	None
U.S. Agency Securities	1 year	None	None
State of Texas securities	1 year	None	None
Certificates of deposit	1 year	None	None
Money market	-	None	None
Fully collateralized repurchase agreements	-	None	None
Repurchase agreements	90 days	15%	None
Mutual funds	-	15%	None
Investment pools	-	None	None
Guaranteed investment contracts	1 year	None	None
Commercial paper	270 days	None	None

The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Highland Park Independent School District

Notes to the Basic Financial Statements

Cash and investments as of August 31, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position

Primary government

Cash and cash equivalents	\$ 181,073,920

Fiduciary funds

Cash and cash equivalents	100,562

Restricted assets	107,295

Total cash and investments	\$ 181,281,777

Cash and investments as of August 31, 2019 consist of the following:

Cash on hand	\$ 5,994

Deposits with financial institutions	4,008,150

Investments	177,267,633

Total cash and investments	\$ 181,281,777

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. By policy the District shall use final and weighted-average maturity limits and diversification to reduce exposure to changes in interest rates. One of the ways that the District manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days thus reducing the interest rate risk. The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

As of August 31, 2019, the District had the following investments:

Investment Type	Amount	Average Maturity	Legal Rating	of Year End
Lone Star Investment Pool	\$ 177,160,338	22 days	N/A	AAA
Common stock - Exxon	107,295	N/A	N/A	AA+
Total investments	\$ 177,267,633			

As of August 31, 2019 the District did not invest in any securities which are highly sensitive to interest rate fluctuations.

Highland Park Independent School District

Notes to the Basic Financial Statements

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The table in the previous section lists the minimum rating required by (where applicable) the Public Funds Investment Act, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of August 31, 2019, other than external investment pools and the flexible repurchase agreement, the District did not have 5% or more of its investments with one issuer.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

As of August 31, 2019 the District deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Highland Park Independent School District

Notes to the Basic Financial Statements

The District has recurring fair value measurements as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

	Fair Value at August 31, 2019	Fair Value Measurements Using			Percent of Total Investments	Weighted Average Maturity (Days)
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Investments not subject to fair value						
Investment Pools						
Lone Star	\$177,160,338	\$ -	\$ -	\$ -	99.94%	22
Investments by fair value level						
Marketable equity securities						
Common stock	107,295	107,295	-	-	0.06%	N/A
Total value	\$177,267,633	\$ 107,295	\$ -	\$ -		

The Lone Star Investment Pool (the Pool) is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Pool is governed by an 11 member Board of Trustees, consisting of individuals representing entities participating in the Pool. The fair value of the District's position in the Pool is the same as the value of the Pool shares.

Fair value of marketable equity securities reported as level 1 is determined by reference to quoted market prices for investments listed on an exchange or over-the-counter market. These securities were donated to the District and are held in a trustee capacity as part of the Gage Trust Fund.

Highland Park I.S.D. Education Foundation

The Foundation records financial instruments at estimated fair value. Fair value accounting defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities as of the reporting date;

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices in active markets for similar assets or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets;

Level 3 – Unobservable inputs that are supported by little or no market activity and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Highland Park Independent School District

Notes to the Basic Financial Statements

The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Corporate Bonds: The investment grade bonds held by the Foundation generally do not trade in active market on the measurement date. Therefore, bonds are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market quotations (where observable), bond spreads, and fundamental data relating to the issuer.

The following table sets forth the Foundation's investments at fair value at August 31, 2019:

	Level 1	Level 2	Level 3	Total
Investments at fair value				
Common stock	\$ 21,901,566	\$ -	\$ -	\$ 21,901,566
Corporate bonds	-	9,361,443	-	9,361,443
	<u>\$ 21,901,566</u>	<u>\$ 9,361,443</u>	<u>\$ -</u>	<u>\$ 31,263,009</u>

For the year ended August 31, 2019, net investment earnings, including earnings from cash equivalents, were as follows:

Interest and dividends	\$ 548,769
Unrealized gain	1,236,198
Realized gain	576,210
Investment expenses	<u>(154,836)</u>
	<u>\$ 2,206,341</u>

Note 3. Receivables

Due from Other Governments: The District participates in a variety of state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from state governments as of August 31, 2019 are as follows:

Fund	Due from State
Non-major governmental IDEA-B Formula	<u>\$ 437,395</u>
Total	<u>\$ 437,395</u>

Highland Park Independent School District

Notes to the Basic Financial Statements

Other Receivables: As of August 31, 2019 other receivables consisted of the following:

	General Fund	Debt Service	Non-Major Funds	Total
Long-term loan	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000
Miscellaneous	12,406	221	1,551,935	1,564,562
	<u>\$ 1,112,406</u>	<u>\$ 221</u>	<u>\$ 1,551,935</u>	<u>\$ 2,664,562</u>

The long-term loan consists of a zero-interest loan to the District Superintendent. Under terms of the agreement, the loan balance is not expected to be collected within the next year and, therefore, an equal amount of fund balance has been reported as nonspendable.

Note 4. Interfund Receivables/Payables

Schedule of Interfund receivables and payables at August 31, 2019, is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Capital Projects Fund	\$ 6,817,613	Operational
General Fund	Non-Major Funds	956,826	Operational
General Fund	Private Purpose Trust Fund	8,304 ⁽²⁾	Operational
General Fund	Agency Funds	23,486 ⁽²⁾	Operational
Non-Major Funds	Non-Major Funds	19,616	Operational
Non-Major Funds	Agency Funds	17,255 ⁽²⁾	Operational
Non-Major Funds	General Fund	7,249,620	Operational
Enterprise	General Fund	2,115,895	Operational
Internal Service Fund	General Fund	163,818	Operational
Internal Service Fund	Non-Major Funds	3,631	Operational
Internal Service Fund	Capital Projects Fund	452	Operational
Internal Service Fund	Enterprise	1,940	Operational
Agency Funds	General Fund	4,054,886 ⁽¹⁾	Operational
Agency Funds	Non-Major Funds	11,129 ⁽¹⁾	Operational
Debt Service Fund	General Fund	216,405	Operational
Private Purpose Trust Fund	General Fund	16,894 ⁽¹⁾	Operational
Agency Funds	Agency Funds	850	Operational
		<u>\$ 21,678,620</u>	

⁽¹⁾ Reclassified to accounts payable in the Government-wide Statement of Net Position

⁽²⁾ Reclassified to other receivables in the Government-wide Statement of Net Position

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 5. Capital Asset Activity

Capital asset activity for the District for the year ended August 31, 2019, was as follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental activities				
Capital assets, not depreciated				
Land	\$ 67,575,979	\$ -	\$ -	\$ 67,575,979
Construction in progress	82,110,854	84,503,948	(47,843,873)	118,770,929
Total capital assets not depreciated	149,686,833	84,503,948	(47,843,873)	186,346,908
Capital assets being depreciated				
Buildings and improvements	218,651,071	1,867,144	47,686,873	268,205,088
Furniture, equipment and other	17,110,437	480,750	-	17,591,187
Total capital assets being depreciated	235,761,508	2,347,894	47,686,873	285,796,275
Less accumulated depreciation for				
Buildings and improvements	(78,676,224)	(6,402,100)	157,000	(84,921,324)
Furniture, equipment and other	(14,114,277)	(2,043,270)	-	(16,157,547)
Total accumulated depreciation	(92,790,501)	(8,445,370)	157,000	(101,078,871)
Total capital assets, being depreciated, net	142,971,007	(6,097,476)	47,843,873	184,717,404
Governmental activities capital assets, net	\$ 292,657,840	\$ 78,406,472	\$ -	\$ 371,064,312
Business-Type activities				
Capital assets, being depreciated				
Buildings and improvements	\$ 407,001	\$ -	\$ -	\$ 407,001
Furniture and equipment	201,456	-	-	201,456
Total capital assets being depreciated	608,457	-	-	608,457
Less accumulated depreciation for				
Buildings and improvements	(301,298)	(23,918)	-	(325,216)
Furniture and equipment	(123,493)	(19,491)	-	(142,984)
Total accumulated depreciation	(424,791)	(43,409)	-	(468,200)
Total capital assets, being depreciated, net	183,666	(43,409)	-	140,257
Business-Type activities capital assets, net	\$ 183,666	\$ (43,409)	\$ -	\$ 140,257

Highland Park Independent School District

Notes to the Basic Financial Statements

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 5,604,774
Instructional resources and media services	126,014
Curriculum and instructional staff development	40,459
Instructional leadership	163,232
School leadership	520,417
Guidance, counseling and evaluation services	464,987
Health services	81,303
Food services	250,251
Cocurricular/ Extracurricular activities	251,700
General administration	328,045
Plant maintenance and operations	430,189
Security and monitoring services	36,882
Data processing services	135,650
Community services	8,699
Facilities and acquisition	2,768
Total depreciation expense	<u>\$ 8,445,370</u>

The District has outstanding active construction commitments of \$124,927,797 as of August 31, 2019.

Note 6. Unearned Revenue / Deferred Inflows of Resources

Governmental funds report *deferred inflows of resources* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned (*unearned revenue*). At the end of the current fiscal year, the various components of *unearned revenue* and *deferred inflows of resources* were as follows:

	General Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Deferred inflows of resources				
Net tax revenue	<u>\$ 1,581,684</u>	<u>\$ 238,022</u>	<u>\$ -</u>	<u>\$ 1,819,706</u>
Total	<u>\$ 1,581,684</u>	<u>\$ 238,022</u>	<u>\$ -</u>	<u>\$ 1,819,706</u>
Unearned revenue				
Student fees	<u>\$ 316,525</u>	<u>\$ -</u>	<u>\$ 767,266</u>	<u>\$ 1,083,791</u>
Athletic receipts	<u>815,814</u>	<u>-</u>	<u>-</u>	<u>815,814</u>
Total	<u>\$ 1,132,339</u>	<u>\$ -</u>	<u>\$ 767,266</u>	<u>\$ 1,899,605</u>

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 7. Risk Management

The District is exposed to various risk of loss related to torts, theft or damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

As of August 31, 2011, the District discontinued all of the self-funded medical plans. At that time, employees became eligible to purchase health insurance through TRS-Active Care which is the statewide health plan for public education employees established by the 77th Texas Legislature and is a fully insured plan administered by Aetna. Additionally, the District maintains a self-insured worker's compensation plan administered by the Texas Association of School Boards (TASB), under TASB Risk Management Fund Workers' Compensation Aggregate Deductible Program.

Self-insurance fund revenues and expenses are recognized on the accrual basis. Unpaid claims filed prior to August 31 and subsequently approved by the administrator of the plan are recorded as a liability.

	2019	2018
Workers' Compensation		
Claims payable, beginning of year	\$ 126,362	\$ 49,583
Claims incurred for and changes in estimates	48,526	259,261
Claim payments	(49,844)	(182,482)
Claims payable, end of year	\$ 125,044	\$ 126,362

End-of-year claims payable for Workers' Compensation includes an estimate of incurred but unreported claims reserve loss. This liability is based on requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability has been incurred as of the date of the financial statements and the amount of loss can be reasonably estimated.

Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount. The liability booked was the discounted actuarial estimate at the mean funding level. The District does not provide any post-retirement health benefits to its employees.

Note 8. Changes in Long-Term Liabilities

A summary of changes in general long-term debt follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental activities					
Bonds payable					
General obligation bonds	\$ 387,485,000	\$ 3,355,000	\$(15,275,000)	\$ 375,565,000	\$ 12,530,000
Premium on bonds	43,206,265	309,027	(2,978,541)	40,536,751	-
Total bonded debt	430,691,265	3,664,027	(18,253,541)	416,101,751	12,530,000
Net pension liability	13,285,690	9,328,038	-	22,613,728	-
Net OPEB liability	22,639,316	3,502,545	-	26,141,861	-
Total governmental activities					
Long-term liabilities	\$ 466,616,271	\$ 16,494,610	\$(18,253,541)	\$ 464,857,340	\$ 12,530,000

Highland Park Independent School District

Notes to the Basic Financial Statements

The General Fund has typically been used to liquidate the liabilities for net pension and OPEB.

Note 9. Bonds Payable

General long-term debt of the District consists of Unlimited Tax School Building Bonds payable. Debt service requirements are payable solely from future revenues of the Debt Service Fund which consist principally of property taxes collected by the District and investment income.

General obligation bonds payable at August 31, 2019, are summarized as follows:

Description	Interest Rate Payable	Final Maturity	Amounts Original Issue	Payable Amounts Outstanding September 1, 2018	Issued	Retired	Outstanding August 31, 2019
Unlimited Tax School Building Bonds, Series 2009	3.50% to 5.00%	2028	\$ 5,400,000	\$ 3,920,000	\$ -	\$ 3,920,000	\$ -
Unlimited Tax Refunding Bonds, Series 2013	2.00% to 4.00%	2019	22,285,000	5,875,000	-	5,875,000	-
Unlimited Tax Refunding Bonds, Series 2015	2.00% to 5.00%	2028	51,945,000	50,695,000	-	1,725,000	48,970,000
Unlimited Tax Building Bonds, Series 2016	3.00% to 5.00%	2036	206,660,000	204,945,000	-	1,945,000	203,000,000
Unlimited Tax Building Bonds, Series 2018	3.25% to 5.25%	2039	122,050,000	122,050,000	-	1,810,000	120,240,000
Unlimited Tax Refunding Bonds, Series 2019	3.00% to 4.00%	2039	3,355,000	-	3,355,000	-	3,355,000
Total				<u>\$ 387,485,000</u>	<u>\$ 3,355,000</u>	<u>\$ 15,275,000</u>	<u>\$ 375,565,000</u>

Debt service requirements are as follows:

Years Ended August 31,	General Obligations		Total Requirements
	Principal	Interest	
2020	\$ 12,530,000	\$ 16,120,150	\$ 28,650,150
2021	13,125,000	15,524,531	28,649,531
2022	13,775,000	14,876,475	28,651,475
2023	14,480,000	14,168,913	28,648,913
2024	15,200,000	13,450,906	28,650,906
2025-2029	87,470,000	55,819,525	143,289,525
2030-2034	108,755,000	34,667,588	143,422,588
2035-2039	110,230,000	12,559,206	122,789,206
	<u>\$ 375,565,000</u>	<u>\$ 177,187,294</u>	<u>\$ 552,752,294</u>

Highland Park Independent School District

Notes to the Basic Financial Statements

During the year, the District issued \$3,355,000 Unlimited Tax Refunding Bonds, Series 2019. Total proceeds of the issuance were \$3,664,027 (including \$309,027 of premium). Of these proceeds, \$3,600,622 were paid into an escrow to refund the remaining \$3,590,000 of 2009 Series Bonds. The difference between the debt service of the old and new debt service is \$310,178, resulting in an economic gain of \$274,583.

Note 10. Local, Intermediate and Out-of-State Revenues

During the current year, revenues from local and intermediate sources in the fund level financial statements consisted of the following:

	General Fund	Capital Projects Funds	Debt Service Fund	Non-Major Special Revenue Funds	Total Governmental Funds
Property taxes	\$ 155,423,513	\$ -	\$ 29,176,664	\$ -	\$ 184,600,177
Penalties and interest	826,106	-	137,685	-	963,791
Tuition and fees	793,915	-	-	435,214	1,229,129
Investment earnings	1,859,211	4,355,530	301,001	19,507	6,535,249
Rent	525,459	-	-	-	525,459
Parking garage fees	406,735	-	-	-	406,735
Gifts	3,880,793	-	-	6,656,304	10,537,097
Athletic activities	787,941	-	-	-	787,941
Co-curricular activities	-	-	-	1,446,523	1,446,523
Other	313,059	-	-	-	313,059
Total	\$ 164,816,732	\$ 4,355,530	\$ 29,615,350	\$ 8,557,548	\$ 207,345,160

Note 11. Employees' Retirement Plan

Plan Description

The District participates in a cost-sharing multiple-employer defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). TRS's defined benefit pension plan is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard work load and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/TRS%20Documents/cafr_2016.pdf; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Highland Park Independent School District

Notes to the Basic Financial Statements

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years.

Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Texas Government Code section 821.006 prohibits benefit improvements, if as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Employee contribution rates are set in state statute, Texas Government Code 825.402. Senate Bill 1458 of the 83rd Texas Legislature amended Texas Government Code 825.402 for member contributions and established employee contribution rates for fiscal years 2014 thru 2018. The 83rd Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2015 and 2016. The 84th Texas Legislature, General Appropriations Act (GAA) established the employer contribution rates for fiscal years 2018 and 2019.

	Contribution Rates	
	2019	2018
Member	7.7%	7.7%
Non-employer contributing entity (State)	6.8%	6.8%
Employers	6.8%	6.8%
2019 employer contributions	\$ 1,256,207	
2019 member contributions	1,380,746	
2019 NECE on-behalf contributions	2,159,457	

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

Highland Park Independent School District

Notes to the Basic Financial Statements

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. The District is required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

In addition to the employer contributions listed above there are two additional surcharges an employer is subject to:

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

Actuarial Assumptions

The total pension liability in the August 31, 2017 actuarial valuation rolled forward to August 31, 2018 was determined using the following actuarial assumptions:

Valuation date	August 31, 2017 rolled forward to August 31, 2018
Actuarial cost method	Individual entry age normal
Asset valuation method	Market value
Single discount rate	6.907%
Long-term expected investment rate of return	7.25%
Municipal Bond Rate as of August 2019	3.69%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 years)	2116
Inflation	2.30%
Salary increases, including inflation	3.05% to 9.05% including inflation
Payroll growth rate	2.50%
Benefit changes during the year	None
Ad-hod post-employment benefit changes	None

Highland Park Independent School District

Notes to the Basic Financial Statements

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ending August 31, 2017 and adopted in July 2018.

Discount Rate

The single discount rate used to measure the total pension liability was 6.907%. The Discount Rate can be found in the 2018 TRS CAFR on page 77. The single discount rate was based on the expected rate of return on pension plan investments of 7.25 percent and a municipal bond rate of 3.69 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was sufficient to finance the benefit payments until the year 2069. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2069, and the municipal bond rate was applied to all benefit payments after that date.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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. Best estimates of arithmetic real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2018 are summarized below:

Asset Class	Target Allocation	Real Return Geometric Basis	Long-term Expected Portfolio Real Rate of Return*
Global Equity			
U.S.	18.00%	5.70%	1.04%
Non - U.S. Developed	13.00%	6.90%	0.90%
Emerging Markets	9.00%	8.95%	0.80%
Directional Hedge Funds	4.00%	3.53%	0.14%
Private Equity	13.00%	10.18%	1.32%
Stable Value			
U.S. Treasuries	11.00%	1.11%	0.12%
Absolute Return	0.00%	0.00%	0.00%
Stable Value Hedge Funds	4.00%	3.09%	0.12%
Cash	1.00%	-0.30%	0.00%
Real Return			
Global Inflation Linked Bonds	3.00%	0.70%	0.02%
Real Assets	14.00%	5.21%	0.73%
Energy and Natural Resources	5.00%	7.48%	0.37%
Commodities	0.00%	0.00%	0.00%
Risk Parity			
Risk Parity	5.00%	3.70%	0.18%
Alpha			2.30%
Inflation Expectation			-0.79%
Total	100%		7.25%

* The expected contribution to returns incorporates the volatility drag resulting from the conversion between Arithmetic and Geometric mean returns.

Highland Park Independent School District

Notes to the Basic Financial Statements

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (6.907%) in measuring the Net Pension Liability.

	1% Decrease in Discount Rate (5.907%)	Discount Rate (6.907%)	1% Increase in Discount Rate (7.907%)
District's proportionate share of the net pension liability	\$ 34,129,539	\$ 22,613,728	\$ 13,290,997

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

At August 31, 2019, the District reported a liability of \$22,613,728 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 22,613,728
State's proportionate share that is associated with District	35,305,647
Total	<u>\$ 57,919,375</u>

The net pension liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2017 through August 31, 2018.

At August 31, 2018 the employer's proportion of the collective net pension liability was 0.0410841775% which was a decrease of 0.04665693% from its proportion measured as of August 31, 2017.

Changes since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total pension liability since the prior measurement period.

- The total pension liability as of August 31, 2018 was developed using a roll-forward method for the August 31, 2017 valuation
- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement were updated based on the experience study performed for TRS for the period ending August 31, 2017.
- Economic assumptions including rates of salary increase for individual participants was updated based on the experience study.
- The discount rate changed from 8.0% as of August 31, 2017 to 6.907% as of August 31, 2018.
- The long-term assumed rate of return changed from 8.0% to 7.25%.
- The change in the long-term assumed rate of return combined with the change in single discount rate was the primary reason for the increase in the Net Pension Liability.

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

For the year ended August 31, 2019, the District recognized pension expense of \$1,849,402 and revenue of \$3,494,318 for support provided by the State.

Highland Park Independent School District

Notes to the Basic Financial Statements

At August 31, 2019, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 140,955	\$ 554,852
Changes in actuarial assumptions	8,153,337	254,792
Difference between projected and actual investment earnings	-	429,080
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	1,841,900	145,565
Contributions paid to TRS subsequent to the measurement date	1,256,207	-
Total	\$ 11,392,399	\$ 1,384,289

\$1,256,207 reported as a deferred outflow of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending August 31, 2020.

The other amounts of the deferred outflows and inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Years Ended August 31,	Pension Expense (Income)
2020	\$ 2,359,978
2021	1,457,012
2022	1,214,805
2023	1,486,167
2024	1,356,334
Thereafter	877,607
Total	\$ 8,751,903

Note 12. Defined Other Post-Employment Benefit Plan

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <http://www.trs.state.tx.us/about/documents/cafr.pdf#CAFR>; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Highland Park Independent School District

Notes to the Basic Financial Statements

Benefits Provided

TRS-Care provides a basic health insurance coverage (TRS-Care 1), at no cost to all retirees from public schools, charter schools, regional education service centers and other educational districts who are members of the TRS pension plan. Optional dependent coverage is available for an additional fee.

Eligible retirees and their dependents not enrolled in Medicare may pay premiums to participate in one of two optional insurance plans with more comprehensive benefits (TRS-Care 2 and TRS-Care 3). Eligible retirees and dependents enrolled in Medicare may elect to participate in one of the two Medicare health plans for an additional fee. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. There are no automatic post-employment benefit changes; including automatic COLAs.

The premium rates for the optional health insurance are based on years of service of the member. The schedule below shows the monthly rates for the average retiree with Medicare Parts A&B coverage, with 20 to 29 years of service for the basic plan and the two optional plans.

TRS-Care Plan Premium Rates
January 1, 2018 thru December 31, 2018

	Medicare	Non-Medicare
Retiree*	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree* and children	468	408
Retiree and family	1,020	999

* or surviving spouse

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and school districts based upon public school district payroll. The TRS Board of trustees does not have the authority to set or amend contribution rates.

Highland Park Independent School District

Notes to the Basic Financial Statements

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is .75% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	2019	2018
Active employee	0.65%	0.65%
Non-employer contribution entity (state)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding remitted by Employers	1.25%	1.25%

The contribution amounts for the District's fiscal year 2019 are as follows:

District contributions	\$ 475,478
Member contributions	115,877
NECE on-behalf contributions (state)	556,010

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether or not they participate in the TRS Care OPEB program*). When employers hire a TRS retiree, they are required to pay to TRS Care, a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$182.6 million in fiscal year 2018. The 85th Texas Legislature, House Bill 30 provided an additional \$212 million in one-time, supplemental funding for the fiscal year 2018-2019 biennium to continue to support the program. This was also received in fiscal year 2018 bringing the total appropriations received in fiscal year 2018 to \$394.6 million.

Actuarial Assumptions

A change was made in the measurement date of the total OPEB liability for this fiscal year. The actuarial valuation was performed as of August 31, 2017. Update procedures were used to roll forward the total OPEB liability to August 31, 2018. This is the first year using the roll forward procedures.

The actuarial valuation of TRS-Care is similar to the actuarial valuations performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including mortality and most of the economic assumptions used in this OPEB valuation were identical to those used in the respective TRS pension valuation.

The active mortality rates were based on 90% of the RP-2014 Employee Mortality Tables for males and females, with full generational mortality using Scale BB. The Post-retirement mortality rates were based on the 2018 TRS of Texas Healthy Pensioner Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published scale (U-MP).

Highland Park Independent School District

Notes to the Basic Financial Statements

The total OPEB liability in the August 31, 2017 was rolled forward to August 31, 2018, the actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2017 rolled forward to August 31, 2018
Actuarial cost method	Individual entry age normal
Inflation	2.30%
Discount rate	3.69%. Sourced from fixed income municipal bonds with 20 years to maturity that include only federal tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2018.
Aging factors	Based on plan specific experience Normal Retirement: 70% participation prior to age 65 and 75% after age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age adjusted claims costs.
Health Care Trend Rates	Initial medical trend rates of 107.74% and 9.00% for Medicare retirees and initial medical trendrate of 6.75% for non-Medicare retirees. Initial prescription drug trend rate of 11.00% for all retirees. The first year medical trend for Medicare retirees (107.74%) reflects the anticipated return of the Health Insurer Fee (HIF) in 2020. Initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 9 years.
Projected salary increases	3.05% to 9.05% including inflation
Election Rates	Normal retirement 70% participation prior to age 65 and 75% participation after age 65
Ad hoc post-employment benefit changes	None

In this valuation, the impact of the Cadillac Tax has been calculated as a portion of the trend assumption. Assumptions and methods used to determine the impact of the Cadillac Tax include:

- 2018 thresholds of \$850/\$2,292 were indexed annually by 2.50%.
- Premium data submitted was not adjusted for permissible exclusions to the Cadillac Tax.
- There were no special adjustments to the dollar limit other than those permissible for non-medicare retirees over 55.

Results indicate that the value of the excise tax would be reasonably represented by a 25 basis point addition to the long-term trend rate assumption.

Highland Park Independent School District

Notes to the Basic Financial Statements

Discount Rate

A single discount rate of 3.69% was used to measure the total OPEB liability. There was a change of .27 percent in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to *not be able* to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

Discount Rate Sensitivity Analysis The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.69%) in measuring the Net OPEB Liability.

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
District's proportionate share of the net OPEB liability	\$ 31,117,796	\$ 26,141,861	\$ 22,205,575

Healthcare Cost Trend Rates Sensitivity Analysis. The following presents the net OPEB liability of using the assumed healthcare cost trend rate, as well as that the net OPEB liability would be if it were calculated using a trend rate that is one-percentage point lower or one-percentage point higher than the assumed healthcare cost trend rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability to the healthcare cost trend rate			
Assumptions current healthcare cost	\$ 21,711,241	\$ 26,141,861	\$ 31,977,083

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2019, the District reported a liability of \$26,141,861 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 26,141,861
State's proportionate share of the net OPEB liability associated with the District	40,300,656
Total	\$ 66,442,517

The Net OPEB Liability was measured as of August 31, 2017 and rolled forward to August 31, 2018 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2017 thru August 31, 2018.

At August 31, 2018 the employer's proportion of the collective net pension liability was 0.0523561% which was an increase of 0.0000002952% from its proportion measured as of August 31, 2017.

Highland Park Independent School District

Notes to the Basic Financial Statements

Changes Since the Prior Actuarial Valuation – The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability since the prior measurement period:

1. Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018. This change increased the Total OPEB Liability.
2. The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020. This change increased the Total OPEB Liability.
3. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. This change increased the Total OPEB Liability.
4. The discount rate was changed from 3.42 percent as of August 31, 2017 to 3.69 percent as of August 31, 2018. This change lowered the Total OPEB Liability \$2.3 billion.
5. Change of Benefit Terms Since the Prior Measurement Date – Please see the 2018 TRS CAFR, page 68, section B. for a list of changes made effective September 1, 2017 by the 85th Texas Legislature.

For the year ended August 31, 2019, the District recognized OPEB expense of \$233,262 and revenue of \$1,465,896 for support provided by the State.

At August 31, 2019, the District reported the District's contribution after the measurement date and its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,387,251	\$ 412,557
Changes of assumptions	436,237	7,854,129
Net difference between projected and actual earnings on OPEB investments	4,572	-
Changes in proportion and differences between district contributions and proportionate share of contributions (cost-sharing plan)	161,141	-
District contributions after measurement date	475,483	-
Totals	\$ 2,464,684	\$ 8,266,686

\$475,483 reported as deferred outflow of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2020. The net amounts of the employer's balances of the deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense (income) as follows:

Years Ending June 30,	OPEB Expense (Income)
2020	\$ (1,008,833)
2021	(1,008,833)
2022	(1,008,833)
2023	(1,009,697)
2024	(1,010,192)
Thereafter	(1,231,097)
	\$ (6,277,485)

Highland Park Independent School District

Notes to the Basic Financial Statements

Note 13. Interfund Transfers

All interfund transfers between various funds are approved supplements to the operations of those funds. Individual fund transfers for fiscal year 2019 were as follows:

Transfer In	Transfer Out	Amount	Purpose
General Fund	Enterprise fund	\$ 175,000	Support general operations
General Fund	Enterprise fund	225,000	Support general operations
		<u>\$ 400,000</u>	

Note 14. New Accounting Pronouncements

The GASB issued Statement No. 84, Fiduciary Activities, in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. This standard becomes effective for the District in fiscal year 2020. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 87, Leases, in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. This standard becomes effective for the District in fiscal year 2021. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period, in June 2018. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This standard becomes effective for the District in fiscal year 2021. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 90, Majority Equity Interests- an amendment of GASB Statements No. 14 and 61, in August 2018. This Statement's objective is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component unit. This standard becomes effective for the District in fiscal year 2021. The District has not yet determined the impact of this statement.

The GASB issued Statement No. 91, Conduit Debt Obligations, in May 2019 2018. This Statement's objective is 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 standard becomes effective for the District in fiscal year 2022. The District has not yet determined the impact of this statement.

Required Supplementary Information

Highland Park Independent School District
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended August 31, 2019

Exhibit F-1

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance with Final Budget Positive or (Negative)
		Original	Final		
	REVENUES				
5700	Total local and intermediate sources	\$ 159,373,358	\$ 164,512,358	\$ 164,816,732	\$ 304,374
5800	State program revenues	6,772,000	6,772,000	7,190,284	418,284
5020	Total revenues	166,145,358	171,284,358	172,007,016	722,658
	EXPENDITURES				
	Current				
0011	Instruction	37,142,999	37,344,548	36,454,284	890,264
0012	Instructional resources and media services	889,942	942,942	856,137	86,805
0013	Curriculum and instructional staff development	532,438	543,835	403,617	140,218
0021	Instructional leadership	1,110,256	1,173,256	1,258,240	(84,984)
0023	School leadership	3,281,110	3,413,110	3,319,770	93,340
0031	Guidance, counseling, and evaluation services	3,120,568	3,251,568	3,187,126	64,442
0033	Health services	621,520	662,123	559,096	103,027
0034	Student (pupil) transportation	-	225,000	115,261	109,739
0035	Food service	1,498,137	1,577,137	1,593,405	(16,268)
0036	Cocurricular/extracurricular activities	2,853,286	3,008,286	2,899,085	109,201
0041	General administration	2,931,665	3,903,665	3,600,349	303,316
0051	Plant maintenance and operations	5,774,833	6,218,833	5,759,322	459,511
0052	Security and monitoring services	861,859	1,146,859	1,020,331	126,528
0053	Data processing services	1,376,431	1,459,431	1,415,190	44,241
0061	Community services	59,996	75,000	55,255	19,745
0081	Facilities acquisition and construction	10,553	15,000	17,585	(2,585)
0091	Contracted instructional services between schools	103,707,657	105,807,657	106,041,400	(233,743)
0095	Juvenile Justice Education Program	14,000	14,000	-	14,000
0099	Other intergovernmental charges	660,000	660,000	656,360	3,640
6030	Total expenditures	166,447,250	171,442,250	169,211,813	2,230,437
1100	Excess (deficiency) of revenues over (under) expenditures	(301,892)	(157,892)	2,795,203	2,953,095
	OTHER FINANCING SOURCES				
7915	Transfers in	-	-	400,000	400,000
7080	Total other financing sources	-	-	400,000	400,000
1200	Net change in fund balances	(301,892)	(157,892)	3,195,203	3,353,095
0100	Fund balances - September 1 (beginning)	20,312,771	20,312,771	20,312,771	-
3000	FUND BALANCES - ending	\$ 20,010,879	\$ 20,154,879	\$ 23,507,974	\$ 3,353,095

The Notes to the Budgetary Comparison Schedule are an integral part of this statement.

Highland Park Independent School District

Notes to the Budgetary Comparison Schedule

Note 1. Summary of Significant Accounting Policies

Official Budget

The District is required by state law to adopt annual budgets for its General and Debt Service Fund. Each budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles (GAAP).

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given. Prior to September 1, the Board of Trustees legally enacts the budget through passage of a resolution.
- The approved budget is filed with the Texas Education Agency.

Once a budget is approved, it can be amended at the function and fund level only by approval of a majority of the members of the Board of Trustees. Amendments are presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Expenditures in excess of appropriations for the year ended August 31, 2019 were:

General Fund:

Instructional leadership	(\$84,984)
Food Service	(\$16,268)
Facilities Acquisition and construction	(\$2,585)
Contracted Instructional services between schools	(\$233,743)

Highland Park Independent School District
Schedule of the District's Proportionate Share of the
Net Pension Liability –
Teacher Retirement System
For the Last Five Plan Years

Exhibit F-2

	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0410842%	0.0415507%	0.0407724%	0.0403275%	0.0288519%
District's proportionate share of net pension liability	\$ 22,613,728	\$ 13,285,690	\$ 15,407,279	\$ 14,255,236	\$ 7,706,744
State's proportionate share of net pension liability associated with the District	35,305,647	21,445,658	26,015,076	25,527,410	21,370,696
Total	\$ 57,919,375	\$ 34,731,348	\$ 41,422,355	\$ 39,782,646	\$ 29,077,440
District's covered payroll	\$ 46,161,758	\$ 44,612,240	\$ 43,220,174	\$ 42,350,080	\$ 39,764,732
District's proportionate share of net pension liability as a percentage of its covered payroll	48.99%	29.78%	35.65%	33.66%	19.38%
Plan fiduciary net position as a percentage of the total pension liability	73.74%	82.17%	78.00%	78.43%	83.25%

Note: Only five years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this statement."

Highland Park Independent School District
Schedule of the District's Pension Contributions –
Teacher Retirement System
For The Last Five Fiscal Years

Exhibit F-3

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,256,207	\$ 1,339,831	\$ 1,335,748	\$ 1,295,442	\$ 1,167,875
Contribution in relation to contractually required contribution	(1,256,207)	(1,339,831)	(1,335,748)	(1,295,442)	(1,167,875)
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 46,393,618	\$ 46,161,758	\$ 44,612,240	\$ 43,220,174	\$ 42,350,080
Contributions as a percentage of covered payroll	2.71%	2.90%	2.99%	3.00%	2.76%

Note: GASB 68, Paragraph 81.2.b requires that the data in this schedule be presented as of the District's current fiscal year as opposed to the time period covered by the measurement date of September 1 - August 31.

Note: Only five years of data is presented in accordance with GASB #68, paragraph 138. "The information for all periods for the ten year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

Highland Park Independent School District
Schedule of the District's Proportionate Share of the
Net OPEB Liability – TRS-Care Plan
Teacher Retirement System
Last Two Plan Years*

Exhibit F-4

	2018	2017
District's proportion of the net OPEB liability	0.0523561%	0.0520609%
District's proportionate share of the net OPEB liability	\$ 26,141,861	\$ 22,639,316
State's proportionate share of net OPEB liability associated with the District	40,300,656	36,654,055
Total	\$ 66,442,517	\$ 59,293,371
District's covered payroll	46,161,758	44,612,240
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	56.63%	50.75%
Plan fiduciary net position as a percentage of the total OPEB liability	1.57%	0.91%

*The amounts presented were determined as of the Plan's fiscal year end, August 31 of the prior year.
Ten years of data is not yet available.

Highland Park Independent School District**Exhibit F-5**

Schedule of the District's OPEB Contributions – TRS-Care Plan
Teacher Retirement System
Last Two Fiscal Years*

	2019	2018
TRS		
Contractually required contributions	\$ 475,478	\$ 395,242
Contributions in relation to the contractually required contributions	(475,478)	(395,242)
CONTRIBUTION DEFICIENCY (EXCESS)	\$ -	\$ -
District's covered payroll	\$ 46,393,618	\$ 46,161,758
Contributions as a percentage of covered payroll	1.02%	0.86%

*The amounts presented were determined as of the District's fiscal year end August 31.

Ten years of data is not yet available

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Combining and Individual Fund Statements and Schedules

Highland Park Independent School District
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended August 31, 2019

Exhibit G-1

Data Control Codes		Budgeted Amounts		Actual Amounts (GAAP Basis)	Variances with Final Budget Positive or (Negative)
		Original	Final		
	REVENUE				
5700	Total local and intermediate sources	\$ 28,307,000	\$ 28,307,000	\$ 29,615,350	\$ 1,308,350
5800	State program revenues	60,000	60,000	57,398	(2,602)
5020	Total revenue	28,367,000	28,367,000	29,672,748	1,305,748
	EXPENDITURES				
0071	Debt service - principal on long-term debt	11,685,000	11,685,000	11,685,000	-
0072	Debt service - interest on long-term debt	16,671,274	16,702,679	16,674,375	28,304
0073	Debt service - bond issuance cost and fees	10,726	42,726	41,942	784
6030	Total expenditures	28,367,000	28,430,405	28,401,317	29,088
	Excess (deficiency) of revenues over (under) expenditures	-	(63,405)	1,271,431	1,334,836
	OTHER FINANCING SOURCES (USES)				
7901	Refunding bonds issued	-	3,355,000	3,355,000	-
7916	Premium or discount on issuance of bonds	-	309,027	309,027	-
8940	Payment to bond refunding escrow agent (use)	-	(3,600,622)	(3,600,622)	-
7080	Total other financing sources (uses)	-	63,405	63,405	-
1200	Net change in fund balances	-	-	1,334,836	1,334,836
0100	Fund balances - beginning	4,510,328	4,510,328	4,510,328	-
3000	FUND BALANCES - ending	\$ 4,510,328	\$ 4,510,328	\$ 5,845,164	\$ 1,334,836

Highland Park Independent School District

Nonmajor Governmental Funds

Nonmajor Special Revenue and Capital Projects Funds

The Special Revenue Funds account for the proceeds of specific revenue sources that have been restricted or committed to expenditures for specific purposes other than expendable trusts or for major capital projects. All nonmajor funds are special revenue funds except for the Moody Innovation STEAM Grant Fund which is a capital project. The programs included within these funds are as follows:

IDEA-B Formula Fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing special education and related services to children with disabilities, ages 3-21.

IDEA-B Preschool Fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of providing special education and related services to children with disabilities, ages 3-5.

Education Jobs Act fund is funded by the U.S. Department of Education, as passed through the State of Texas, for the purpose of educating adults with disabilities for jobs.

Advanced Placement Incentives Fund receives State Program Revenue to support professional development of teachers teaching advanced classes.

Textbook Allotment Fund is for funds awarded to school districts under the textbook allotment.

License Plate Royalties Fund is used to account for revenue received under the State's License Plate Royalties program.

Special Education Needs Fund is for the purpose of benefitting children with disabilities in the District by building staff capacity and providing for exceptional expenditures beyond the budget, such as specialized training, assistive technology, and other educational services to benefit students with disabilities.

State Funded Special Revenue Fund is used to account for activities related to the Read to Succeed license plate program designed to help generate money for public libraries and strengthen the campus reading program.

Campus Activity Funds - each campus has an activity fund and the campus principal is accountable for all aspects of the fund at that campus. Revenues are generated by sales and fund raising events at the campus locations.

Summer Camps Fund is used to account for fees received by the District for summer camps and their related expenditures.

Technology Fund is used to account for activities related to the back to school sign up.

Abydos Gifts Fund is used to account for donations received by the District from Abydos with donor imposed restrictions.

Education Foundation Gifts is used to account for donations received by the District from the Education Foundation for specific purposes.

PC Tag Gifts is used to account for donations received by the District from Park Cities Talented and Gifted organization with donor imposed restrictions.

Other and PTA Gifts Funds are used to account for donations received from organizations with donor imposed restrictions for special defined purposes and facility acquisition for small equipment.

Moody Innovation STEAM Grant Fund is a grant from the Moody Foundation to the Highland Park Education Foundation which will work to advance teacher professional development and a cross-disciplinary alignment of STEAM curricula in grades K-12, enhancing the focus of textbooks to including experiential learning that engages students in hands-on collaborative, problem solving activities. It also helped fund construction of the Moody Advanced Professional Studies (MAPS) Center in 2019.

Highland Park Independent School District

Combining Balance Sheet Nonmajor Governmental Funds August 31, 2019

		224 IDEA-B Formula Fund	225 IDEA-B Preschool Fund	289 Education Jobs Act Fund	397 Advanced Placement Incentives	410 Textbook Allotment	418 License Plate Royalties
ASSETS							
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	-	\$ -
1240	Due from other governments	424,537	12,858	-	-	-	-
1260	Due from other funds	31,054	10,316	-	70,106	898,903	1,277
1290	Other receivables	-	-	-	-	-	-
	Total assets	<u>\$ 455,591</u>	<u>\$ 23,174</u>	<u>-</u>	<u>\$ 70,106</u>	<u>\$ 898,903</u>	<u>\$ 1,277</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
2110	Accounts payable	\$ 42,419	\$ -	-	\$ -	\$ 657,374	\$ -
2160	Accrued wages payable	20,934	-	-	-	-	-
2170	Due to other funds	392,238	23,174	-	16,063	9,550	-
2300	Unearned revenue	-	-	-	-	-	-
	Total liabilities	<u>455,591</u>	<u>23,174</u>	<u>-</u>	<u>16,063</u>	<u>666,924</u>	<u>-</u>
FUND BALANCES							
Restricted for:							
3450	Advanced Placement Initiatives	-	-	-	54,043	-	-
3450	State funded special revenue	-	-	-	-	231,979	-
3490	Donor stipulations	-	-	-	-	-	-
Committed for:							
3545	Campus activities	-	-	-	-	-	1,277
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,043</u>	<u>231,979</u>	<u>1,277</u>
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 455,591</u>	<u>\$ 23,174</u>	<u>-</u>	<u>\$ 70,106</u>	<u>\$ 898,903</u>	<u>\$ 1,277</u>

428 Special Education Needs Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	480 Summer Camps Fund	490 Technology Fund	494 Abydos Gifts	496 Education Foundation Gifts
\$ -	\$ -	\$ 735,392	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
40,211	2,380	2,007,698	48,474	132,422	20,233	16,445
-	-	-	-	-	-	-
<u>\$ 40,211</u>	<u>\$ 2,380</u>	<u>\$ 2,743,090</u>	<u>\$ 48,474</u>	<u>\$ 132,422</u>	<u>\$ 20,233</u>	<u>\$ 16,445</u>
\$ (2)	\$ -	\$ 16,570	\$ -	\$ 220	\$ -	\$ -
-	-	-	-	-	-	-
40,213	-	11,147	15,400	144	2,450	5,600
-	-	713,331	-	53,935	-	-
<u>40,211</u>	<u>-</u>	<u>741,048</u>	<u>15,400</u>	<u>54,299</u>	<u>2,450</u>	<u>5,600</u>
-	-	-	-	-	-	-
-	2,380	-	-	-	-	-
-	-	-	-	78,123	17,783	10,845
-	-	2,002,042	33,074	-	-	-
-	2,380	2,002,042	33,074	78,123	17,783	10,845
<u>\$ 40,211</u>	<u>\$ 2,380</u>	<u>\$ 2,743,090</u>	<u>\$ 48,474</u>	<u>\$ 132,422</u>	<u>\$ 20,233</u>	<u>\$ 16,445</u>

Highland Park Independent School District
Combining Balance Sheet – Continued
Nonmajor Governmental Funds
August 31, 2019

Exhibit G-2
Page 2 of 2

	497	498	499	Total	485	Total
	PC Tag	Other Gifts	PTA	Nonmajor	Moody	Nonmajor
	Gifts		Gifts	Special	Innovation	Governmental
				Revenue Funds	STEAM Grants	Funds
ASSETS						
1110 Cash and cash equivalents	\$ 39,896	\$ -	\$ -	\$ 775,288	\$ -	\$ 775,288
1240 Due from other governments	-	-	-	437,395	-	437,395
1260 Due from other funds	10,845	481,317	3,472,575	7,244,256	42,235	7,286,491
1290 Other receivables	-	-	-	-	1,551,935	1,551,935
Total assets	<u>\$ 50,741</u>	<u>\$ 481,317</u>	<u>\$ 3,472,575</u>	<u>\$ 8,456,939</u>	<u>\$ 1,594,170</u>	<u>\$ 10,051,109</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
2110 Accounts payable	\$ -	\$ 45,976	\$ 310,589	\$ 1,073,146	\$ 1,171,409	\$ 2,244,555
2160 Accrued wages payable	-	1,786	24,847	47,567	8,337	55,904
2170 Due to other funds	50,741	7	10,051	576,778	414,424	991,202
2300 Unearned revenue	-	-	-	767,266	-	767,266
Total liabilities	<u>50,741</u>	<u>47,769</u>	<u>345,487</u>	<u>2,464,757</u>	<u>1,594,170</u>	<u>4,058,927</u>
FUND BALANCES						
Restricted for:						
3450 Advanced Placement Initiatives	-	-	-	54,043	-	54,043
3450 State funded special revenue	-	-	-	234,359	-	234,359
3490 Donor stipulations	-	433,548	3,127,088	3,667,387	-	3,667,387
Committed for:						
3545 Campus activities	-	-	-	2,036,393	-	2,036,393
3000 Total fund balances	<u>-</u>	<u>433,548</u>	<u>3,127,088</u>	<u>5,992,182</u>	<u>-</u>	<u>5,992,182</u>
4000 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 50,741</u>	<u>\$ 481,317</u>	<u>\$ 3,472,575</u>	<u>\$ 8,456,939</u>	<u>\$ 1,594,170</u>	<u>\$ 10,051,109</u>

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Highland Park Independent School District
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended August 31, 2019

		224	225	289	397	410	418
		IDEA-B	IDEA-B	Education	Advanced	Textbook	License
		Formula	Preschool	Jobs Act	Placement	Allotment	Plate
		Fund	Fund	Fund	Incentives		Royalties
REVENUES							
5700	Total local and intermediate sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	3,600	1,075,659	-
5900	Federal program revenues	1,042,709	12,858	1,252	-	-	-
5020	Total revenues	1,042,709	12,858	1,252	3,600	1,075,659	-
EXPENDITURES							
Current:							
0011	Instruction	463,647	12,858	1,252	-	885,494	-
0012	Instructional resources and media services	-	-	-	-	-	-
0013	Curriculum and staff development	-	-	-	-	-	-
0021	Instructional leadership	-	-	-	-	-	-
0023	School leadership	-	-	-	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-	-	-	-
0033	Health services	-	-	-	-	-	-
0034	Student Pupil Transportation	579,062	-	-	-	-	-
0035	Food service	-	-	-	-	-	-
0036	Cocurricular / Extracurricular activities	-	-	-	-	-	-
0041	General administration	-	-	-	-	-	-
0051	Plant maintenance and operations	-	-	-	-	-	-
0052	Security and monitoring services	-	-	-	-	-	-
0053	Data processing services	-	-	-	-	-	-
Capital Outlay:							
0081	Facilities Acquisition and Construction	-	-	-	-	-	-
6030	Total expenditures	1,042,709	12,858	1,252	-	885,494	-
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	-	3,600	190,165	-
0100	Fund balance - beginning	-	-	-	50,443	41,814	1,277
3000	FUND BALANCE - ending	\$ -	\$ -	\$ -	\$ 54,043	\$ 231,979	\$ 1,277

428 Special Education Needs Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	480 Summer Camps Fund	490 Technology Fund	494 Abydos Gifts	496 Education Foundation Gifts
\$ -	\$ -	\$ 1,719,396	\$ 295,556	\$ 180	\$ -	\$ -
-	61	-	-	-	-	-
-	-	-	-	-	-	-
-	61	1,719,396	295,556	180	-	-
-	-	1,205,404	-	-	-	-
-	-	128,983	-	-	-	-
-	-	17,799	-	-	569	5,600
-	-	-	-	-	-	-
-	-	16,406	-	-	-	-
-	-	14,444	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	117,337	282,130	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	17,945	-	-
-	-	-	-	-	-	-
-	-	1,500,373	282,130	17,945	569	5,600
-	61	219,023	13,426	(17,765)	(569)	(5,600)
-	2,319	1,783,019	19,648	95,888	18,352	16,445
\$ -	\$ 2,380	\$ 2,002,042	\$ 33,074	\$ 78,123	\$ 17,783	\$ 10,845

Highland Park Independent School District
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – Continued
Nonmajor Governmental Funds
For the Fiscal Year Ended August 31, 2019

Exhibit G-3
Page 2 of 2

		497	498	499	Total Nonmajor Special Revenue Funds	485 Moody Innovation STEAM Grants	Total Nonmajor Governmental Funds
		PC Tag Gifts	Other Gifts	PTA Gifts			
REVENUES							
5700	Total local and intermediate sources	\$ 7,463	\$ 637,991	\$ 3,724,296	\$ 6,384,882	\$ 2,172,666	\$ 8,557,548
5800	State program revenues	-	-	-	1,079,320	-	1,079,320
5900	Federal program revenues	-	-	-	1,056,819	-	1,056,819
5020	Total revenues	7,463	637,991	3,724,296	8,526,041	2,172,666	10,693,687
EXPENDITURES							
	Current:						
0011	Instruction	6,138	254,572	2,987,793	5,817,158	128,972	5,946,130
0012	Instructional resources and media services	-	6,487	39,844	175,314	-	175,314
0013	Curriculum and staff development	1,325	181,252	262,971	469,516	142,014	611,530
0021	Instructional leadership	-	9,380	-	9,380	329,919	339,299
0023	School leadership	-	13,770	50,443	80,619	-	80,619
0031	Guidance, counseling, and evaluation services	-	409	245	15,098	-	15,098
0033	Health services	-	-	6,158	6,158	-	6,158
0034	Student Pupil Transportation	-	-	-	579,062	-	579,062
0035	Food service	-	-	28,069	28,069	-	28,069
0036	Cocurricular / Extracurricular activities	-	6,966	364	406,797	-	406,797
0041	General administration	-	3,127	-	3,127	-	3,127
0051	Plant maintenance and operations	-	-	496	496	-	496
0052	Security and monitoring services	-	9,640	6,150	15,790	-	15,790
0053	Data processing services	-	-	-	17,945	-	17,945
	Capital Outlay:						
0081	Facilities Acquisition and Construction	-	-	259,234	259,234	1,575,375	1,834,609
6030	Total expenditures	7,463	485,603	3,641,767	7,883,763	2,176,280	10,060,043
1100	Excess (deficiency) of revenues over (under) expenditures	-	152,388	82,529	637,258	(3,614)	633,644
0100	Fund balance - beginning	-	281,160	3,044,559	5,354,924	3,614	5,358,538
3000	FUND BALANCE - ending	\$ -	\$ 433,548	\$ 3,127,088	\$ 5,992,182	\$ -	\$ 5,992,182

Highland Park Independent School District

Nonmajor Enterprise Funds

Enterprise Funds

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the District is that of costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed through user charges. The Fund is comprised of the following individual funds:

Seay Tennis Center is used to account for the operations of the tennis center that provides services to the residents of the District and to the District's athletic teams.

Academy for Lifelong Learning is used to account for the operations of the continuing education school that provides services to the residents of the District.

Highland Park Independent School District
Combining Statement of Net Position
Nonmajor Enterprise Funds
August 31, 2019

Exhibit G-4

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
ASSETS			
Current assets			
Cash and cash equivalents	\$ 53,009	\$ 3	\$ 53,012
Due from other funds	752,813	1,363,082	2,115,895
Total current assets	805,822	1,363,085	2,168,907
Noncurrent assets			
Capital assets:			
Buildings and improvements	407,001	-	407,001
Accumulated depreciation on buildings and improvements	(325,216)	-	(325,216)
Furniture and equipment	201,456	-	201,456
Accumulated depreciation on furniture and equipment	(142,984)	-	(142,984)
Total noncurrent assets	140,257	-	140,257
Total assets	946,079	1,363,085	2,309,164
LIABILITIES			
Current liabilities			
Accounts payable	3,593	2,094	5,687
Due to other funds	1,005	935	1,940
Accrued wages payable	11,661	-	11,661
Unearned revenue	-	1,005	1,005
Total liabilities	16,259	4,034	20,293
NET POSITION			
Net investment in capital assets	140,257	-	140,257
Unrestricted net position	789,563	1,359,051	2,148,614
Total net position	\$ 929,820	\$ 1,359,051	\$ 2,288,871

Highland Park Independent School District
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended August 31, 2019

Exhibit G-5

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Local and intermediate sources	\$ 940,001	\$ 805,394	\$ 1,745,395
Total operating revenues	940,001	805,394	1,745,395
OPERATING EXPENSES			
Payroll costs	462,630	412,892	875,522
Professional and contractual services	39,724	73,965	113,689
Supplies and materials	31,937	6,100	38,037
Depreciation expense	43,409	-	43,409
Other operating costs	8,228	62,967	71,195
Total operating expenses	585,928	555,924	1,141,852
Operating income	354,073	249,470	603,543
NONOPERATING REVENUES			
Earnings from temporary deposits and investments	2,306	-	2,306
Total nonoperating revenues	2,306	-	2,306
Income before transfers	356,379	249,470	605,849
Transfers out	(175,000)	(225,000)	(400,000)
Change in net position	181,379	24,470	205,849
Total net position - beginning	748,441	1,334,581	2,083,022
TOTAL NET POSITION - ENDING	\$ 929,820	\$ 1,359,051	\$ 2,288,871

Highland Park Independent School District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended August 31, 2019

Exhibit G-6

	700 Seay Tennis Center	711 Academy For Lifelong Learning	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from user charges	\$ (14,086)	\$ 781,073	\$ 766,987
Cash payments to employees for services	(471,358)	(412,892)	(884,250)
Cash payments to suppliers	(79,889)	(143,178)	(223,067)
Net cash provided by (used in) operating activities	(565,333)	225,003	(340,330)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Net) purchase of investment securities	735,427	-	735,427
Interest and dividends on investments	6,192	-	6,192
Net cash provided by investing activities	741,619	-	741,619
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers out	(175,000)	(225,000)	(400,000)
Net cash used by non-capital financing activities	(175,000)	(225,000)	(400,000)
Net increase in cash and cash equivalents	1,286	3	1,289
Cash and cash equivalents at beginning of the year	51,723	-	51,723
Cash and cash equivalents at end of the year	\$ 53,009	\$ 3	\$ 53,012
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income:	\$ 354,073	\$ 249,470	\$ 603,543
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	43,409	-	43,409
Effect of increases and decreases in current assets and liabilities:			
(Increase) decrease in receivables	-	(8,550)	(8,550)
(Increase) decrease in interfund balances	(954,087)	394	(953,693)
Increase (decrease) in accounts payable	(8,902)	(146)	(9,048)
Increase (decrease) in accrued wages payable	174	-	174
Increase (decrease) in unearned revenue	-	(16,165)	(16,165)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (565,333)	\$ 225,003	\$ (340,330)

Highland Park Independent School District

Private Purpose Trust Funds

Private Purpose Trust Funds

The Private Purpose Trust Funds are utilized to account for assets held by the District in a trustee capacity. The various trust funds consist of memorial donations and bequests for student scholarships, for which the District serves as the trustee.

Highland Park Independent School District

Combining Statement of Net Position

Private Purpose Trust Funds

August 31, 2019

	809	810	812	813
	Gage Art Trust	Bradfield Scholarship	Martin Memorial	Jordan Memorial
ASSETS				
Current assets				
Cash and cash equivalents	\$ 4,269	\$ 10,185	\$ 9	\$ 2,402
Due from other funds	14,113	2,000	26	-
Total current assets	18,382	12,185	35	2,402
Noncurrent assets				
Restricted assets	107,295	-	-	-
Total noncurrent assets	107,295	-	-	-
Total assets	125,677	12,185	35	2,402
LIABILITIES				
Current liabilities				
Due to other funds	-	4,500	-	1,000
Total liabilities	-	4,500	-	1,000
NET POSITION				
Held in trust for other purposes	125,677	7,685	35	1,402
TOTAL NET POSITION	\$ 125,677	\$ 7,685	\$ 35	\$ 1,402

Exhibit G-7

814	815	816	817	818	Total Private Purpose Trust Funds
Mclean Memorial	Varner Memorial	Park Cities Memorial	Goodloe Trust	Other Trusts	
\$ 2,907	\$ 3,475	\$ 163	\$ 46	\$ 2	\$ 23,458
-	-	-	755	-	16,894
2,907	3,475	163	801	2	40,352
-	-	-	-	-	107,295
-	-	-	-	-	107,295
2,907	3,475	163	801	2	147,647
1,650	1,000	154	-	-	8,304
1,650	1,000	154	-	-	8,304
1,257	2,475	9	801	2	139,343
\$ 1,257	\$ 2,475	\$ 9	\$ 801	\$ 2	\$ 139,343

Highland Park Independent School District
Combining Statement of Changes In Fiduciary Fund
Net Position
Private Purpose Trust Funds
For the Fiscal Year Ended August 31, 2019

	809	810	812	813
	Gage Art Trust	Bradfield Scholarship	Martin Memorial	Jordan Memorial
ADDITIONS				
Local and intermediate sources	\$ 5,697	\$ 258	\$ 106	\$ 58
Total additions	5,697	258	106	58
DEDUCTIONS				
Other operating costs	28,608	500	13,839	-
Total deductions	28,608	500	13,839	-
Change in net position	(22,911)	(242)	(13,733)	58
Total net position - beginning	148,588	7,927	13,768	1,344
TOTAL NET POSITION - ending	\$ 125,677	\$ 7,685	\$ 35	\$ 1,402

Exhibit G-8

814	815	816	817	818	Total Private Purpose Trust Funds
Mclean Memorial	Varner Memorial	Park Cities Memorial	Goodloe Trust	Other Trusts	
\$ 86	\$ 95	\$ 4	\$ 1	\$ -	\$ 6,305
86	95	4	1	-	6,305
750	500	-	-	-	44,197
750	500	-	-	-	44,197
(664)	(405)	4	1	-	(37,892)
1,921	2,880	5	800	2	177,235
\$ 1,257	\$ 2,475	\$ 9	\$ 801	\$ 2	\$ 139,343

Highland Park Independent School District

Agency Funds

Agency Funds

The District accounts for resources held for others in a custodial capacity in agency funds. The District's agency funds are as follows:

Student Activities Fund – accounts for the receipt and disbursement of monies for student activity organizations.

Employee Activities – accounts for the receipt of money from District vending machines used for employee activities.

District Support Organizations – accounts for receipt of monies collected on behalf of other organizations.

Highland Park Independent School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended August 31, 2019

Exhibit G-9

	Balance September 1, 2018	Additions	Deductions	Balance August 31, 2019
Student Activities				
Assets:				
Cash and temporary investments	\$ 75,096	\$ 359,315	363,941	\$ 70,470
Current investments	124,351	-	124,351	-
Accrued interest	213	-	213	-
Due from other funds	100,182	203,746	-	303,928
Total assets	<u>\$ 299,842</u>	<u>\$ 563,061</u>	<u>\$ 488,505</u>	<u>\$ 374,398</u>
Liabilities:				
Accounts payable	\$ 292	\$ 300,880	\$ 284,170	\$ 17,002
Due to other funds	28,170	1,863	-	30,033
Due to student groups	271,380	460,850	404,867	327,363
Total liabilities	<u>\$ 299,842</u>	<u>\$ 763,593</u>	<u>\$ 689,037</u>	<u>\$ 374,398</u>
Employee Activities				
Assets:				
Cash and temporary investments	\$ 143	\$ 33,890	\$ 27,399	\$ 6,634
Due from other funds	13,340	-	-	13,340
	<u>\$ 13,483</u>	<u>\$ 33,890</u>	<u>\$ 27,399</u>	<u>\$ 19,974</u>
Liabilities:				
Accounts payable	\$ 196	\$ 26,922	\$ 27,118	\$ -
Due to other funds	8,558	-	-	8,558
Due to employees	4,729	33,890	27,203	11,416
	<u>\$ 13,483</u>	<u>\$ 60,812</u>	<u>\$ 54,321</u>	<u>\$ 19,974</u>
District Support Organizations				
Assets:				
Cash and temporary investments	\$ -	\$ 11,867,276	\$ 11,867,276	\$ -
Other receivables	30,696	177,279	153,730	54,245
Due from other funds	3,303,830	445,767	-	3,749,597
Total assets	<u>\$ 3,334,526</u>	<u>\$ 12,490,322</u>	<u>\$ 12,021,006</u>	<u>\$ 3,803,842</u>
Liabilities:				
Accounts payable	\$ 54,936	\$ 3,634,181	\$ 3,597,847	\$ 91,270
Due to other funds	3,000	-	-	3,000
Due to other organizations	3,276,590	11,103,520	10,670,538	3,709,572
Total liabilities	<u>\$ 3,334,526</u>	<u>\$ 14,737,701</u>	<u>\$ 14,268,385</u>	<u>\$ 3,803,842</u>
Total Agency Funds				
Assets:				
Cash and temporary investments	\$ 75,239	\$ 12,260,481	\$ 12,258,616	\$ 77,104
Current investments	124,351	-	124,351	-
Accrued interest	213	-	213	-
Other receivables	30,696	177,279	153,730	54,245
Due from other funds	3,417,352	649,513	-	4,066,865
Total assets	<u>\$ 3,647,851</u>	<u>\$ 13,087,273</u>	<u>\$ 12,536,910</u>	<u>\$ 4,198,214</u>
Liabilities:				
Accounts payable	\$ 55,424	\$ 3,961,983	\$ 3,909,135	\$ 108,272
Due to other funds	39,728	1,863	-	41,591
Due to other organizations	3,276,590	11,103,520	10,670,538	3,709,572
Due to student groups	276,109	494,740	432,070	338,779
Total liabilities	<u>\$ 3,647,851</u>	<u>\$ 15,562,106</u>	<u>\$ 15,011,743</u>	<u>\$ 4,198,214</u>

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Required Texas Education Agency Schedule

Highland Park Independent School District

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended August 31, 2019

Last Ten Years Ended August 31,	(1)	(2)	(3)	(10)
	Maintenance	Debt Service	Net Assessed / Appraised Value For School Tax Purposes	Beginning Balance September 1, 2018
2010 and prior years	Various	Various	Various	\$ 263,943
2011	1.0125	0.1025	\$ 11,234,350,824	90,436
2012	1.0267	0.1075	11,069,317,404	78,165
2013	1.0267	0.1075	11,177,630,627	74,413
2014	1.0267	0.1000	11,733,798,388	105,279
2015	1.0267	0.0914	12,672,806,297	110,371
2016	1.0267	0.0852	13,616,138,816	144,935
2017	1.0267	0.1260	14,795,777,632	341,834
2018	1.0400	0.1632	15,063,138,724	819,962
2019 (School year under audit)	1.0400	0.1955	16,247,261,258	-
Total				\$ 2,029,338

(20)	(31)	(32)	(40)	(50)
Current Year's Total Levy	Maintenance Total Collections	Debt Service Total Collections	Entire Year's Adjustments	Ending Balance August 31, 2019
\$ -	\$ 72,560	\$ 5,151	\$ (34,840)	\$ 151,392
-	28,486	2,884	-	59,066
-	14,074	1,474	-	62,617
-	11,222	1,175	-	62,016
-	9,711	946	(2,935)	91,687
-	18,723	1,667	4,761	94,742
-	29,204	2,423	3,567	116,875
-	99,806	12,249	(41,594)	188,185
-	322,286	50,574	(179,728)	267,374
185,663,753	154,793,063	29,098,121	(725,693)	1,046,876
<u>\$ 185,663,753</u>	<u>\$ 155,399,135</u>	<u>\$ 29,176,664</u>	<u>\$ (976,462)</u>	<u>\$ 2,140,830</u>

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Highland Park Independent School District
Statistical Section (Unaudited)

This part of the District's statistical comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Contents:

Financial Trends Information 94

These schedules contain trend information on how the District's financial performance and well-being have changed over time.

Revenue Capacity 108

These schedules contain information on the District's most significant local revenue source, the property tax.

Debt Capacity 114

These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information 117

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

Operating Information 121

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Highland Park Independent School District
Net Position By Component
Last Ten Years (Unaudited)
(Accrual Basis of Accounting)

	2010	2011	2012	2013
Governmental Activities				
Net investment in capital assets	\$ 35,895,983	\$ 37,686,728	\$ 40,044,080	\$ 46,259,243
Restricted	3,492,623	3,356,530	3,154,823	3,099,431
Unrestricted	27,858,029	25,892,817	26,779,772	23,597,681
Total Governmental Activities	\$ 67,246,635	\$ 66,936,075	\$ 69,978,675	\$ 72,956,355
Business-Type Activities				
Net investment in capital assets	\$ 126,749	\$ 115,525	\$ 256,191	\$ 268,475
Unrestricted	1,257,673	1,699,887	2,079,988	2,169,808
Total Business-Type Activities	\$ 1,384,422	\$ 1,815,412	\$ 2,336,179	\$ 2,438,283
Total Primary Government				
Net investment in capital assets	\$ 36,022,732	\$ 37,802,253	\$ 40,300,271	\$ 46,527,718
Restricted	3,492,623	3,356,530	3,154,823	3,099,431
Unrestricted	29,115,702	27,592,704	28,859,760	25,767,489
Total Primary Government	\$ 68,631,057	\$ 68,751,487	\$ 72,314,854	\$ 75,394,638

Source: Current and prior District Annual Financial Reports

Exhibit S-1

2014	2015	2016	2017	2018	2019
\$ 50,465,828	\$ 55,580,304	\$ 54,822,579	\$ 60,322,924	\$ 64,726,393	\$ 77,337,201
3,677,109	3,233,365	5,074,178	4,160,279	7,780,979	9,325,420
22,677,129	9,885,887	7,504,454	11,337,000	(17,726,788)	(16,564,273)
\$ 76,820,066	\$ 68,699,556	\$ 67,401,211	\$ 75,820,203	\$ 54,780,584	\$ 70,098,348
\$ 237,751	\$ 261,782	\$ 270,482	\$ 227,074	\$ 183,666	\$ 140,257
2,045,492	2,721,179	3,257,501	1,696,894	1,899,356	2,148,614
\$ 2,283,243	\$ 2,982,961	\$ 3,527,983	\$ 1,923,968	\$ 2,083,022	\$ 2,288,871
\$ 50,703,579	\$ 55,842,086	\$ 55,093,061	\$ 60,549,998	\$ 64,910,059	\$ 77,477,458
3,677,109	3,233,365	5,074,178	4,160,279	7,780,979	9,325,420
24,722,621	12,607,066	10,761,955	13,033,894	(15,827,432)	(14,415,659)
\$ 79,103,309	\$ 71,682,517	\$ 70,929,194	\$ 77,744,171	\$ 56,863,606	\$ 72,387,219

Highland Park Independent School District
Change in Net Position
Last Ten Years (Unaudited)
(Accrual Basis of Accounting)

	2010	2011	2012	2013
EXPENSES				
Governmental activities				
Instruction	\$ 38,187,936	\$ 40,644,171	\$ 39,294,695	\$ 39,949,333
Instructional Resources & Media Services	926,867	1,007,883	914,754	1,004,711
Curriculum & Instructional Staff Development	1,704,046	1,764,722	1,959,277	1,650,436
Instructional Leadership	955,592	1,164,601	1,051,758	1,076,148
School Leadership	2,971,682	3,095,222	2,869,891	3,044,317
Guidance, Counseling & Evaluation Services	2,719,804	2,970,773	2,835,728	2,975,043
Health Services	593,606	626,080	545,288	560,365
Student (Pupil) Transportation	156,223	205,651	209,000	185,584
Food Services	1,404,474	1,368,215	1,339,042	1,412,509
Cocurricular/Extracurricular Activities	2,278,055	2,697,688	2,670,120	2,787,706
General Administration	2,370,326	2,850,506	2,768,530	2,996,012
Plant Maintenance and Operations	5,886,997	5,986,822	5,933,301	5,399,657
Security and Monitoring Services	267,966	265,219	66,373	122,336
Data Processing Services	1,210,774	927,484	916,950	825,956
Community Services	-	-	-	-
Debt Service - Interest on Long Term Debt	5,522,347	5,270,149	5,098,781	4,343,604
Debt Service - Bond Issuance Cost and Fees	27,396	61,519	32,477	13,246
Facilities Acquisition and Construction	577,333	150,984	99,170	-
Contracted Instructional Services Between Schools	72,548,252	70,429,680	69,253,860	68,513,500
Incremental Costs Associated with Chapter 41	370,881	305,184	346,393	347,744
Juvenile and justice education programs	-	-	-	-
Other intergovernmental charges	-	-	-	-
Total governmental activities expenses	140,680,557	141,792,553	138,205,388	137,208,207
Business-type activities:				
Seay Tennis Center	348,521	366,013	445,749	450,476
Academy for Lifelong Learning	544,284	608,424	625,018	666,550
Total business-type activities expenses	892,805	974,437	1,070,767	1,117,026
Total Primary Government expenses	\$ 141,573,362	\$ 142,766,990	\$ 139,276,155	\$ 138,325,233
PROGRAM REVENUES				
Governmental activities:				
Charges for Services				
Instruction	\$ 1,336,747	\$ 1,168,549	\$ 1,503,657	\$ 1,711,648
Instructional Resources and Media Services	76,569	74,163	95,536	123,606
School Leadership	79,120	63,562	74,201	89,303
Cocurricular/Extracurricular Activities	844,370	1,043,515	1,215,390	795,834
Plant Maintenance and Operations	106,671	107,573	162,873	223,748
Other	13,289	12,043	16,573	94,463
Operating Grants and Contributions	7,542,095	9,277,376	9,807,850	8,810,448
Capital Grants and Contributions	114,297	831,015	80,323	422,311
Total governmental activities program revenues	10,113,158	12,577,796	12,956,403	12,271,361
Business-type activities				
Charges for services:				
Seay Tennis Center	347,958	474,091	634,381	631,562
Academy for Lifelong Learning	744,381	894,915	915,686	942,050
Operating Grants and Contributions	27,065	33,862	37,668	40,827
Total business-type activities program revenues	1,119,404	1,402,868	1,587,735	1,614,439
Total primary government program revenues	\$ 11,232,562	\$ 13,980,664	\$ 14,544,138	\$ 13,885,800
Net (Expense) Revenue				
Governmental activities	\$(130,567,399)	\$(129,214,757)	\$(125,248,985)	\$(124,936,846)
Business-type activities	226,599	428,431	516,968	497,413
Total Primary Government net expense	\$(130,340,800)	\$(128,786,326)	\$(124,732,017)	\$(124,439,433)

Source: Current and prior District Annual Financial Reports

2014	2015	2016	2017	2018	2019
\$ 41,366,775	\$ 44,669,537	\$ 46,091,573	\$ 45,446,242	\$ 32,342,308	\$ 50,505,040
983,306	1,015,861	915,397	1,011,547	903,019	1,200,654
1,976,924	1,868,684	2,101,803	2,065,757	1,120,522	1,075,808
1,129,916	1,111,930	1,228,973	1,363,197	973,269	1,878,396
3,131,884	3,198,644	3,332,683	3,268,768	2,534,414	4,162,589
3,030,497	3,272,752	3,417,617	3,537,367	2,145,130	3,919,175
581,804	585,523	638,889	607,526	427,141	684,083
270,605	354,058	303,478	290,031	195,572	694,323
1,480,071	1,527,889	1,667,056	1,613,755	1,348,393	1,935,223
3,001,557	2,773,443	2,946,855	3,409,906	2,503,836	3,542,940
3,034,219	3,400,180	3,918,025	3,073,258	3,113,128	4,076,896
5,792,350	5,590,203	5,745,647	5,786,020	5,069,885	6,167,174
420,663	512,287	567,814	834,871	771,910	1,086,461
1,030,909	1,221,814	1,058,409	1,255,244	1,263,599	1,613,765
-	-	8,615	54,370	40,974	90,198
4,247,254	3,940,575	5,383,189	10,094,549	11,837,373	14,520,201
2,826	3,250	162,260	3,500	-	41,942
146,745	10,946	156,183	6,360	11,998	30,559
68,946,652	75,527,475	82,235,185	90,029,741	96,834,257	106,041,400
353,011	355,288	382,923	-	-	-
-	3,000	3,000	3,000	13,032	-
-	-	-	577,056	609,065	656,360
140,927,968	150,943,339	162,265,574	174,332,065	164,058,825	203,923,187
482,623	491,648	541,822	529,808	581,574	585,928
607,952	631,963	641,063	588,750	539,537	555,924
1,090,575	1,123,611	1,182,885	1,118,558	1,121,111	1,141,852
\$ 142,018,543	\$ 152,066,950	\$ 163,448,459	\$ 175,450,623	\$ 165,179,936	\$ 205,065,039
\$ 1,787,503	\$ 1,961,946	\$ 2,099,417	\$ 2,316,390	\$ 2,297,276	\$ 2,416,108
121,235	117,531	144,368	137,935	140,458	152,964
97,662	83,039	85,184	81,628	71,021	85,977
965,944	966,125	1,054,560	1,203,372	1,077,507	1,240,754
225,635	184,488	278,074	223,322	512,369	581,915
109,473	128,962	136,971	234,348	215,855	231,128
10,592,649	10,714,734	12,005,770	12,101,570	(1,086,229)	17,690,849
857,671	446,654	155,334	90,056	17,917	-
14,757,772	14,603,479	15,959,678	16,388,621	3,246,174	22,399,695
698,086	743,025	726,267	718,742	852,433	940,001
924,849	1,033,093	949,606	874,602	813,266	805,394
39,385	43,868	47,393	-	-	-
1,662,320	1,819,986	1,723,266	1,593,344	1,665,699	1,745,395
\$ 16,420,092	\$ 16,423,465	\$ 17,682,944	\$ 17,981,965	\$ 4,911,873	\$ 24,145,090
\$(126,170,196)	\$(136,339,860)	\$(146,305,896)	\$(157,943,444)	\$(160,812,651)	\$(181,523,492)
571,745	696,375	540,381	474,786	544,588	603,543
\$(125,598,451)	\$(135,643,485)	\$(145,765,515)	\$(157,468,658)	\$(160,268,063)	\$(180,919,949)

Highland Park Independent School District

Change in Net Position – Continued

Last Ten Years (Unaudited)

(Accrual Basis of Accounting)

	2010	2011	2012	2013
Net (Expense) Revenue				
Governmental activities	\$ (130,567,399)	\$ (129,214,757)	\$ (125,248,985)	\$ (124,936,846)
Business-type activities	226,599	428,431	516,968	497,413
Total primary government net expense	(130,340,800)	(128,786,326)	(124,732,017)	(124,439,433)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes levied for general purposes	109,544,185	106,576,800	105,959,270	107,217,132
Property taxes levied for debt service	10,542,707	10,783,360	11,089,679	11,224,689
Unrestricted grants and contributions	11,498,361	11,137,280	10,894,879	8,775,795
Investment earnings	230,079	156,930	304,777	296,910
Miscellaneous local and intermediate revenue	36,178	249,827	42,980	-
Transfers in	508,775	-	-	400,000
Total governmental activities	132,360,285	128,904,197	128,291,585	127,914,526
Business-type activities:				
Investment earnings	3,065	2,559	3,799	4,691
Transfer (out)	(508,775)	-	-	(400,000)
Total business-type activities	(505,710)	2,559	3,799	(395,309)
Total primary government	<u>\$ 131,854,575</u>	<u>\$ 128,906,756</u>	<u>\$ 128,295,384</u>	<u>\$ 127,519,217</u>
Change in Net Position				
Governmental activities	\$ 1,792,886	\$ (310,560)	\$ 3,042,600	\$ 2,977,680
Business-type activities	(279,111)	430,990	520,767	102,104
Total Primary Government	<u><u>\$ 1,513,775</u></u>	<u><u>\$ 120,430</u></u>	<u><u>\$ 3,563,367</u></u>	<u><u>\$ 3,079,784</u></u>

2014	2015	2016	2017	2018	2019
\$ (126,170,196)	\$ (136,339,860)	\$ (146,305,896)	\$ (157,943,444)	\$ (160,812,651)	\$ (181,523,492)
571,745	696,375	540,381	474,786	544,588	603,543
(125,598,451)	(135,643,485)	(145,765,515)	(157,468,658)	(160,268,063)	(180,919,949)
113,135,475	121,261,084	130,806,769	141,487,391	148,731,800	156,297,472
11,018,357	10,777,171	10,861,522	17,371,158	23,329,421	29,361,264
5,119,410	4,694,961	2,491,882	3,487,360	2,305,436	4,233,372
236,120	216,643	847,378	1,928,687	3,927,524	6,549,148
-	1,263	-	10,236	774,261	-
400,000	730,410	-	2,086,021	400,000	400,000
129,909,362	137,681,532	145,007,551	166,370,853	179,468,442	196,841,256
3,625	3,343	4,641	7,220	14,466	2,306
(400,000)	(730,410)	-	(2,086,021)	(400,000)	(400,000)
(396,375)	(727,067)	4,641	(2,078,801)	(385,534)	(397,694)
\$ 129,512,987	\$ 136,954,465	\$ 145,012,192	\$ 164,292,052	\$ 179,082,908	\$ 196,443,562
\$ 3,739,166	\$ 1,341,672	\$ (1,298,345)	\$ 8,427,409	\$ 18,655,791	\$ 15,317,764
175,370	(30,692)	545,022	(1,604,015)	159,054	205,849
\$ 3,914,536	\$ 1,310,980	\$ (753,323)	\$ 6,823,394	\$ 18,814,845	\$ 15,523,613

Highland Park Independent School District

Fund Balances, Governmental Funds

Last Ten Years (Unaudited)

(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013
General Fund				
Unreserved	\$ 22,739,637	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-
Unassigned	-	16,516,949	17,369,574	16,730,139
Total General Fund	22,739,637	16,516,949	17,369,574	16,730,139
All Other Governmental Funds				
Reserved for retirement of debt	2,115,516	-	-	-
Reserved for other - Special Revenue	1,473,335	-	-	-
Unreserved designated - Capital Projects	5,050,508	-	-	-
Unreserved reported in Special Revenue	1,130,591	-	-	-
Nonspendable	-	-	-	-
Restricted	-	3,461,449	3,265,693	3,161,700
Committed	-	8,058,780	7,606,042	4,402,920
Unassigned	-	-	-	(12,012)
Total all Other Governmental Funds	9,769,950	11,520,229	10,871,735	7,552,608
Total Governmental Funds	\$ 32,509,587	\$ 28,037,178	\$ 28,241,309	\$ 24,282,747

Note:

In 2011, the District implemented GASB statement 54 which changed the classifications of fund balance.

Source: Current and prior District Annual Financial Reports

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,503	2,218,473	1,244,128	1,367,825	1,267,816	1,273,038
16,315,075	8,301,439	9,595,031	15,658,895	19,044,955	22,234,936
16,321,578	10,519,912	10,839,159	17,026,720	20,312,771	23,507,974
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	5,500	-	-
3,705,966	3,289,033	5,466,033	4,497,774	8,064,922	128,794,613
3,178,050	4,839,155	181,670,754	139,510,907	201,042,072	2,278,013
(15,670)	(36,780)	54,456	-	-	-
6,868,346	8,091,408	187,191,243	144,014,181	209,106,994	131,072,626
\$ 23,189,924	\$ 18,611,320	\$ 198,030,402	\$ 161,040,901	\$ 229,419,765	\$ 154,580,600

Highland Park Independent School District
Governmental Funds Revenues
Last Ten Fiscal Years (Unaudited)
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013
Local Source Revenues				
Local Maintenance and Debt Service Tax	\$ 119,445,087	\$ 116,903,847	\$ 117,227,386	\$ 118,216,386
Investment earnings	224,063	153,032	302,482	291,914
Charitable donations	5,656,871	5,534,263	5,304,348	5,738,252
Tuition from Patrons	463,438	529,063	747,671	1,512,989
Co-curricular athletic gate receipts	488,734	593,656	586,152	474,929
Other Revenue from Local Sources	2,387,024	2,034,204	1,777,387	1,050,684
Total Local Sources	128,665,217	125,748,065	125,945,426	127,285,154
State Programs Revenues				
Per Capita and Foundation	9,619,126	10,994,746	10,845,587	8,775,795
Other Revenue from State	223,164	336,337	606,836	204,056
On-behalf Payments	1,884,293	2,446,658	2,406,633	2,492,384
Total State Programs	11,726,583	13,777,741	13,859,056	11,472,235
Federal Program Revenues				
Federal grants	1,771,299	1,933,667	1,619,648	798,067
Total Federal Revenues	1,771,299	1,933,667	1,619,648	798,067
Total Revenues	\$ 142,163,099	\$ 141,459,473	\$ 141,424,130	\$ 139,555,456

Source: Current and prior District Annual Financial Reports

2014	2015	2016	2017	2018	2019
\$ 123,937,019	\$ 132,338,812	\$ 141,703,220	\$ 158,656,428	\$ 172,064,202	\$ 185,864,969
235,457	215,940	845,183	1,923,733	3,918,150	6,549,148
7,288,907	6,661,087	7,316,756	8,268,579	8,571,291	10,423,389
1,586,372	1,140,217	1,132,944	1,192,921	1,142,794	1,229,129
648,077	654,103	746,430	796,506	674,875	1,446,523
1,072,988	1,680,609	1,919,200	2,209,387	2,546,157	1,832,002
134,768,820	142,690,768	153,663,733	173,047,554	188,917,469	207,345,160
5,088,998	4,726,407	2,490,884	3,487,212	2,305,436	4,208,381
394,161	209,991	295,443	204,128	103,803	1,161,709
2,767,618	3,010,160	2,704,105	2,776,188	2,896,496	2,956,912
8,250,777	7,946,558	5,490,432	6,467,528	5,305,735	8,327,002
999,649	1,248,575	960,051	1,019,322	886,226	1,056,819
999,649	1,248,575	960,051	1,019,322	886,226	1,056,819
\$ 144,019,246	\$ 151,885,901	\$ 160,114,216	\$ 180,534,404	\$ 195,109,430	\$ 216,728,981

Highland Park Independent School District
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years (Unaudited)
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013
Instruction	\$ 33,944,196	\$ 36,093,682	\$ 36,332,567	\$ 36,747,118
Instructional Resources and Media Services	831,964	901,786	843,191	948,463
Curriculum Development & Staff Development	1,636,652	1,616,782	1,836,332	1,554,192
Instructional Leadership	846,291	1,044,859	964,449	978,053
School Leadership	2,601,724	2,694,444	2,612,516	2,767,785
Guidance, Counseling and Evaluation Services	2,411,910	2,605,008	2,579,018	2,714,327
Health Services	521,420	544,743	495,732	508,762
Student (Pupil) Transportation	156,223	260,381	209,000	185,584
Food Services	1,230,614	1,192,633	1,246,655	1,323,300
Co-curricular/Extracurricular Activities	2,117,223	2,504,398	2,660,784	2,692,680
General Administration	2,458,180	2,559,563	2,576,420	2,768,072
Plant Maintenance and Operations	5,404,061	5,656,988	5,660,916	5,162,026
Security and Monitoring Services	114,133	84,736	118,888	156,313
Data Processing Services	1,286,342	926,414	971,384	795,210
Community Services	-	-	-	-
Debt Service - Principal on long-term debt	5,060,000	5,630,000	6,630,000	6,930,000
Debt Service - Interest on long-term debt	5,678,686	5,425,224	5,223,085	4,431,992
Debt Service - Bond fees	2,501	28,995	3,000	117,577
Facilities Acquisition and Construction	39,303,713	5,899,872	655,809	3,904,206
Contracted Instructional Services Between Public Schools ⁽²⁾	72,548,252	70,429,680	69,253,860	68,513,500
Incremental Cost Associated with Chapter 41	370,881	305,184	346,393	347,744
Juvenile and justice education programs	-	-	-	-
Other intergovernmental charges	-	-	-	-
Total Expenditures ⁽¹⁾	\$ 178,524,966	\$ 146,405,372	\$ 141,219,999	\$ 143,546,904
Debt service as a percentage of noncapital expenditures	7.7%	7.9%	8.5%	8.2%

Note:

⁽¹⁾ Includes General Fund, Special Revenue Fund, Debt Service Fund, and Capital Projects Fund. Expenditures have been grouped by function category which is consistent with the Financial Accountability System Resource Guide.

Source: Current and prior District Annual Financial Reports

2014	2015	2016	2017	2018	2019
\$ 37,826,896	\$ 41,354,674	\$ 41,424,824	\$ 41,352,323	\$ 41,937,155	42,400,414
919,680	1,145,372	939,601	937,944	1,449,765	1,031,451
1,867,952	1,776,147	1,923,286	1,927,306	1,188,017	1,015,147
1,026,298	1,022,212	1,097,923	1,243,824	1,451,825	1,597,539
2,843,259	2,935,555	2,917,389	2,938,123	3,309,898	3,400,389
2,759,029	3,016,211	3,047,206	3,189,737	3,023,879	3,202,224
527,427	536,401	558,596	546,193	545,800	565,254
270,605	354,058	303,478	290,031	195,572	694,323
1,342,303	1,418,763	1,477,612	1,539,527	1,498,052	1,621,474
2,866,993	2,743,880	2,923,903	3,408,486	3,084,336	3,305,882
2,845,292	3,537,778	3,122,561	2,859,393	3,225,050	3,603,476
5,833,680	5,926,426	6,250,845	5,699,345	5,547,494	5,759,818
416,320	878,022	488,412	895,540	764,396	1,036,121
1,028,990	1,180,646	1,017,633	1,409,359	2,273,013	2,572,800
-	-	-	46,929	49,665	55,255
7,080,000	7,405,000	9,800,000	7,465,000	9,475,000	11,685,000
4,314,393	3,988,043	5,952,851	11,472,361	13,634,668	16,674,375
2,826	3,250	722,198	3,500	348,352	41,942
2,770,873	1,356,304	44,927,608	42,175,208	76,658,188	85,070,907
68,946,652	75,527,475	82,235,185	90,029,741	96,834,257	106,041,400
353,011	355,288	382,923	-	-	-
-	3,000	3,000	3,000	13,032	-
-	-	-	577,056	609,065	656,360
<u>\$ 145,842,479</u>	<u>\$ 156,464,505</u>	<u>\$ 211,517,034</u>	<u>\$ 220,009,926</u>	<u>\$ 267,116,479</u>	<u>\$ 292,031,551</u>
<u>8.0%</u>	<u>7.4%</u>	<u>9.5%</u>	<u>10.7%</u>	<u>12.2%</u>	<u>13.8%</u>

Highland Park Independent School District

Governmental Funds, Other Financing Sources and Uses,
and Net Change in Fund Balance
Last Ten Fiscal Years (Unaudited)
(Modified Accrual Basis of Accounting)

	2010	2011	2012	2013
Excess of revenues over (under) expenditures	\$ (36,361,867)	\$ (4,945,899)	\$ 204,131	\$ (3,991,448)
Other financing sources (uses)				
Transfer In	508,775	5,017,170	480,000	995,000
Transfer Out	-	(7,600,000)	(480,000)	(595,000)
Issuance of Bonds	-	3,045,000	-	22,285,000
Payment to bond refunding escrow agent	-	-	-	(24,714,331)
Premium or Discount on Issuance of Bonds	-	11,320	-	2,062,217
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	508,775	473,490	-	32,886
Net change in fund balance	\$ (35,853,092)	\$ (4,472,409)	\$ 204,131	\$ (3,958,562)

Source: Current and prior District Annual Financial Reports

2014	2015	2016	2017	2018	2019
\$ (1,823,233)	\$ (4,578,604)	\$ (51,402,818)	\$ (39,475,522)	\$ (72,007,049)	\$ (75,302,570)
1,383,410	3,900,000	4,549,297	3,544,368	400,000	400,000
(653,000)	(3,900,000)	(4,549,297)	(1,058,347)	-	-
-	-	258,605,000	-	122,050,000	3,355,000
-	-	(58,629,197)	-	-	(3,600,622)
-	-	30,846,097	-	17,210,992	309,027
-	-	-	-	724,921	-
730,410	-	230,821,900	2,486,021	140,385,913	463,405
\$ (1,092,823)	\$ (4,578,604)	\$ 179,419,082	\$ (36,989,501)	\$ 68,378,864	\$ (74,839,165)

Highland Park Independent School District
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

Exhibit S-7

Fiscal Year	Residential Property	Commercial Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2010	13,128,818,630	2,151,919,380	182,576,320	3,771,838,104	11,691,476,226	1.1100
2011	12,249,505,320	2,357,163,870	209,206,560	3,581,524,926	11,234,350,824	1.1150
2012	11,962,716,480	2,428,404,920	201,288,880	3,523,092,876	11,069,317,404	1.1342
2013	11,953,046,950	2,590,164,500	210,340,800	3,575,921,623	11,177,630,627	1.1342
2014	12,493,761,050	2,768,530,200	226,550,750	3,755,043,612	11,733,798,388	1.1267
2015	13,533,524,440	3,089,012,350	248,026,740	4,197,757,233	12,672,806,297	1.1181
2016	14,719,442,320	3,223,015,490	249,543,160	4,575,862,154	13,616,138,816	1.1119
2017	16,086,067,140	3,573,327,030	266,951,760	5,130,568,298	14,795,777,632	1.1527
2018	16,117,322,750	3,712,497,810	272,493,530	5,039,175,366	15,063,138,724	1.2032
2019	17,424,635,940	3,966,152,450	286,810,710	5,430,337,941	16,247,261,258	1.2355

Source: Dallas Central Appraisal District. Property in the district is reassessed every 3 years. Property is assessed at actual value; therefore, the assessed values are equal to actual values. Tax rates are per \$100 of assessed value.

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Highland Park Independent School District

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years (Unaudited)

Years Ended August 31,	District Direct Tax Rates		
	Maintenance & Operations	Debt Service	Total
2010	1.0125	0.0975	1.1100
2011	1.0125	0.1025	1.1150
2012	1.0267	0.1075	1.1342
2013	1.0267	0.1075	1.1342
2014	1.0267	0.1000	1.1267
2015	1.0267	0.0914	1.1181
2016	1.0267	0.0852	1.1119
2017	1.0267	0.1260	1.1527
2018	1.0400	0.1632	1.2032
2019	1.0400	0.1955	1.2355

Source: Dallas County Tax Office

Note:

⁽¹⁾ Includes both Maintenance & Operations and Debt Service rates.

Overlapping Tax Rates ⁽¹⁾

Years Ended August 31,	Town of Highland Park	City of University Park	City of Dallas	County of Dallas	Dallas County Hospital District	Dallas County Community College District	Dallas County School Equalization District
2010	0.2200	0.26548	0.7479	0.2281	0.27100	0.099230	0.010000
2011	0.2200	0.27845	0.7970	0.2431	0.27100	0.099670	0.010000
2012	0.2200	0.27845	0.7970	0.2431	0.27100	0.119375	0.009370
2013	0.2200	0.27432	0.7970	0.2431	0.27600	0.124700	0.010000
2014	0.2200	0.26970	0.7970	0.2431	0.28600	0.124775	0.010000
2015	0.2200	0.26979	0.7970	0.2431	0.28600	0.124775	0.010000
2016	0.2200	0.25893	0.7970	0.2431	0.28600	0.123650	0.010000
2017	0.2200	0.24876	0.7825	0.2431	0.27940	0.122933	0.009271
2018	0.2200	0.24876	0.7804	0.2431	0.27940	0.124238	0.010000
2019	0.2200	0.24538	0.7767	0.2431	0.27940	0.124	0.010000

Source: Dallas County Tax Office

Note:

⁽¹⁾ Includes both Maintenance & Operations and Debt Service rates.

Highland Park Independent School District
Principal Property Taxpayers
Current Year and Nine Years Ago (Unaudited)

Exhibit S-9

Taxpayer	Type of Property	2019			2010		
		Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
KBSIII Preston Commons LLC	Commercial	\$ 207,515,000	1	1.28 %			
Highland Park Village Partners LP	Commercial	173,069,230	2	1.07	\$ 105,008,030	1	0.90
CFO DT III LLC	Commercial	105,075,000	3	0.65			
Sherry Realty Holdings	Commercial	88,650,000	4	0.55	50,386,000	4	0.43
Caruth Preston Road Associates	Commercial	87,674,280	5	0.54	47,006,990	5	0.40
Alpine Preston Center LLC	Commercial	72,243,420	6	0.44			
BV CP Preston Center LP	Commercial	59,950,000	7	0.37			
5950 Sherry Property LLC	Commercial	55,900,000	8	0.34			
FHF I Berkshire Tower LLC	Commercial	54,500,000	9	0.34			
CFO DT IV LLC	Commercial	53,900,000	10	0.33			
BF Preston Commons/Sterling Plaza LP	Commercial				111,518,670	2	0.95
TR 8333 Douglas Corp.	Commercial				65,000,000	3	0.56
USA Preston Center Pavilion	Commercial				44,560,000	6	0.38
RREEF Sherry Lane LP	Commercial				35,931,000	7	0.31
BPC CORP	Commercial				31,829,840	8	0.27
Southern Methodist	Commercial				27,184,590	9	0.23
Intercity Investments INC	Commercial				25,200,000	10	0.22
Total		\$ 958,476,930		589.93%	\$ 543,625,120		464.98%

Source: Dallas County Tax Assessor

Highland Park Independent School District
Property Tax Levies and Collections
Last Ten Fiscal Years (Unaudited)

Exhibit S-10

Fiscal Year	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2010	119,496,606	118,727,034	99.36%	623,722	119,350,756	99.88%
2011	116,694,954	116,056,204	99.45%	31,730	116,087,934	99.48%
2012	116,519,962	116,293,908	99.81%	18,800	116,312,708	99.82%
2013	118,120,098	117,708,874	99.65%	119,573	117,828,447	99.75%
2014	123,821,588	123,245,241	99.53%	73,811	123,319,052	99.59%
2015	132,421,480	131,944,897	99.64%	(135,026)	131,809,871	99.54%
2016	142,727,212	141,303,217	99.00%	41,911	141,345,128	99.03%
2017	159,424,797	157,732,114	98.94%	259,019	157,991,133	99.10%
2018	171,511,304	170,691,343	99.52%	-	170,691,343	99.52%
2019	184,938,061	184,016,234	99.50%	-	184,016,234	99.50%

Source: Current and prior District Annual Financial Reports.

Note:

⁽¹⁾ Includes supplements and corrections to the original levy calculation for the fiscal year.

Highland Park Independent School District
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years (Unaudited)

Exhibit S-11

Fiscal Year	General Unlimited Tax Bonds ⁽¹⁾	Maintenance Tax Notes ⁽¹⁾	Total	Restricted for Debt Service	Net Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property ⁽²⁾	Percentage of Personal Income ⁽³⁾	Estimated Population	Total Outstanding Debt Per Capita ⁽³⁾
2010	120,415,044	-	120,415,044	2,014,649	118,400,395	1.01%	1.59%	32,150	3,683
2011	114,429,339	3,045,000	117,474,339	1,768,943	115,705,396	1.03%	1.54%	31,540	3,669
2012	107,896,452	2,635,000	110,531,452	1,486,670	109,044,782	0.99%	1.29%	34,605	3,151
2013	102,017,431	2,210,000	104,227,431	1,370,673	102,856,758	0.92%	1.19%	34,600	2,973
2014	94,781,633	1,785,000	96,566,633	1,476,473	95,090,160	0.81%	1.17%	31,340	3,034
2015	87,338,214	1,350,000	88,688,214	1,344,147	87,344,067	0.69%	1.04%	31,280	2,792
2016	313,020,516	-	313,020,516	2,685,441	310,335,075	2.28%	3.64%	31,150	9,963
2017	303,438,087	-	303,438,087	1,250,829	302,187,258	2.04%	3.41%	31,330	9,645
2018	430,691,265	-	430,691,265	4,510,328	426,180,937	2.83%	4.69%	31,410	13,568
2019	416,101,751	-	416,101,751	5,845,164	410,256,587	2.53%	4.41%	31,410	13,061

Source: District audited financial records.

Notes: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

⁽¹⁾ General Unlimited Tax Bonds and Maintenance Tax Notes are from governmental activities. The District has no other debt.

⁽²⁾ See Exhibit S-7 for property value data.

⁽³⁾ See Exhibit S-14 for population data.

Highland Park Independent School District
Direct and Overlapping Governmental Activities Debt
August 31, 2019 (Unaudited)

Exhibit S-12

Name of Governmental Unit	Gross Outstanding	Percent Overlapping	Amount Overlapping Gross Debt
County of Dallas	\$ 151,495,000	6.67	\$ 10,104,717
Dallas County Community College District	182,800,000	6.67	12,192,760
Dallas County Hospital District	671,290,000	6.67	44,775,043
Dallas County Schools	36,801,240	6.67	2,454,643
City of Dallas	2,060,812,115	12.57	259,044,083
Total Overlapping Debt	3,103,198,355		328,571,246
Highland Park Independent School District	416,101,751	100.00%	416,101,751
Total Direct and Overlapping Debt	\$ 3,519,300,106		\$ 744,672,997
Ratio of Total Direct and Overlapping Debt to Assessed Valuation			4.58%
Per Capita Overlapping Debt			\$ 23,708

Source: Gross Debt Outstanding and Percent Overlapping were obtained from the Municipal Advisory of Texas (Texas MAC). The methodology used in deriving Overlapping Percentages:

- ¹⁾ Determine the estimated shared assessed valuation of taxable property within both the overlapping taxing body(s) and our District;
- ²⁾ Divide that shared value by the total assessed value of taxable property within the overlapping taxing body.

Highland Park Independent School District**Exhibit S-13**Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Debt Limit	Total Net Debt Applicable To Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2010	1,169,147,623	118,400,395	1,050,747,228	10.13
2011	1,123,435,062	115,705,395	1,007,729,667	10.30
2012	1,106,931,740	109,044,782	997,886,958	9.85
2013	1,117,763,063	102,856,758	1,014,906,305	9.20
2014	1,173,379,839	95,090,160	1,078,289,679	8.10
2015	1,267,280,630	85,765,853	1,181,514,777	6.77
2016	1,361,613,882	332,837,703	1,028,776,179	24.44
2017	1,479,577,763	302,187,258	1,177,390,505	20.42
2018	1,506,313,872	426,180,937	1,080,132,935	28.29
2019	1,624,726,126	410,256,587	1,214,469,539	25.25

Legal Debt Margin Calculation for Fiscal Year 2019

Taxable Assessed Value		\$16,247,261,258
Debt Limit (10% of assessed value)		1,624,726,126
Total Bonded Debt	\$ 416,101,751	
Less: Restricted for Debt Service	5,845,164	
Debt applicable to limit		410,256,587
Legal debt margin		\$ 1,214,469,539

Highland Park Independent School District
Demographic and Economic Statistics
Last Ten Fiscal Years (Unaudited)

Exhibit S-14

Fiscal Year	Estimated Population ⁽¹⁾	Personal Income	Per Capita Personal Income ^(1,2)	Unemployment Rate ⁽³⁾
2010	32,150	7,465,377,978	232,205	8.8
2011	31,540	7,492,179,034	237,545	8.7
2012	34,605	8,483,303,577	245,147	6.7
2013	34,600	8,660,201,478	250,295	6.5
2014	31,340	8,150,165,670	260,056	5.8
2015	31,280	8,403,002,845	268,638	4.4
2016	31,150	8,535,441,477	274,011	4.2
2017	31,330	8,859,475,881	282,779	4.1
2018	31,410	9,095,268,583	289,566	3.8
2019	31,410	9,295,364,493	295,936	3.4

Source:

⁽¹⁾ North Central Texas Council of Governments Census (NCTCG) and Estimates.

⁽²⁾ US Bureau of Labor Statistics for DFW. Years 2010 through 2019 were adjusted by the CPI. 2.2% for 2019

⁽³⁾ Texas Workforce Commission. Unemployment rate is for Dallas County.

Highland Park Independent School District**Exhibit S-15****Top Ten Principal Employers****Current Year and Nine Years Ago (Unaudited)**

Employer ⁽¹⁾	2019		Percentage of Total Employment	2010	
	Employees	Rank		Employees	Rank
Wal-Mart Stores	34,000	1	0.87%	37,100	1
American Airlines	27,000	2	0.69%	31,935	2
Baylor Scott & White Health	24,088	3	0.62%	18,000	4
Texas Health Resources	22,296	4	0.57%	17,485	5
Dallas Independent School District	22,222	5	0.57%	20,076	3
Lockheed Martin Aeronautics Co.	20,500	6	0.53%	14,100	7
University of Texas Southwestern Medical Center	18,666	7	0.48%		
Medical City Healthcare	17,000	8	0.44%		
The Kroger Co.	15,397	9	0.39%		
AT&T Inc.	15,000	10	0.38%	14,400	6
City of Dallas				12,592	9
Verizon Communications				14,000	8
HCA North Texas Division				12,300	10
	<u>216,169</u>		<u>5.54%</u>	<u>191,988</u>	
Estimated Employed Workforce in 2019	3,900,000				

Source: Dallas Business Journal Book of Lists, Dallas Economic Development Profile, Dallas County Financial F

Note: ⁽¹⁾ The Highland Park Independent School District 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 Dallas County.

Highland Park Independent School District
Full-Time-Equivalent District Employees by Type
Last Ten Fiscal Years (Unaudited)

Exhibit S-16

	Fiscal Year										Percent Change 2010-2019
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Instruction											
Teachers	417.8	427.2	427.5	432.8	443.7	461.9	467.0	469.1	453.8	440.4	5.4
Librarians	7.1	8.0	5.9	5.8	6.0	4.7	6.0	6.8	6.9	6.8	(4.5)
Educational Aides	48.1	47.9	63.5	71.3	73.2	76.3	82.8	88.1	93.3	96.4	100.4
Other Professionals (instructional)	10.3	10.2	15.1	15.6	18.3	23.6	24.8	25.8	24.0	28.7	178.5
	<u>483.3</u>	<u>493.3</u>	<u>512.0</u>	<u>525.5</u>	<u>541.2</u>	<u>566.5</u>	<u>580.6</u>	<u>589.8</u>	<u>578.0</u>	<u>572.3</u>	<u>18.41</u>
Campus Administration											
Principal	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	7.0	16.7
Assistant Principal	7.0	7.0	5.4	5.5	5.3	5.4	5.7	6.7	7.5	7.7	10.3
Instructional Officer	-	-	-	-	-	-	-	-	1.0	-	-
Teacher Supervisor	1.5	3.0	7.3	7.0	6.1	6.2	7.1	6.4	9.2	8.7	482.7
Campus Support	26.5	26.0	26.0	26.0	26.0	26.0	23.0	-	-	-	(100.0)
	<u>41.0</u>	<u>42.0</u>	<u>44.7</u>	<u>44.5</u>	<u>43.4</u>	<u>43.6</u>	<u>41.8</u>	<u>19.1</u>	<u>23.7</u>	<u>23.5</u>	<u>(42.78)</u>
Student Services											
Counselor	14.3	15.0	14.1	13.8	14.1	15.1	16.1	16.1	12.9	16.0	11.9
Educational Diagnostician	4.5	3.0	3.0	3.0	3.0	3.0	4.0	3.9	3.0	2.3	(48.4)
School Nurse	8.0	8.0	7.0	7.0	8.0	8.0	9.0	8.0	7.4	7.9	(1.1)
LSSP/Psychologist/Therapist	12.0	15.1	15.1	20.5	18.8	19.4	20.0	20.5	21.0	21.7	80.7
	<u>38.8</u>	<u>41.1</u>	<u>39.2</u>	<u>44.3</u>	<u>43.9</u>	<u>45.5</u>	<u>49.1</u>	<u>48.5</u>	<u>44.3</u>	<u>47.9</u>	<u>23.48</u>
Support and Administration											
Superintendent and Asst Superintendent	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.6	3.0	3.0	-
Instructional Officer	2.3	1.5	0.5	0.5	1.5	1.5	1.0	1.0	2.5	6.0	160.9
Teacher Supervisor	4.0	4.0	5.0	3.0	3.0	3.0	3.0	3.0	-	-	(100.0)
Non-Campus Professionals	3.5	3.6	3.5	3.5	3.0	3.0	3.0	3.0	2.0	2.0	(42.9)
Auxiliary Staff	139.3	142.6	132.7	132.2	137.1	143.0	101.2	117.2	120.0	164.1	17.8
	<u>152.1</u>	<u>154.7</u>	<u>144.7</u>	<u>142.2</u>	<u>147.6</u>	<u>153.5</u>	<u>111.2</u>	<u>126.8</u>	<u>127.5</u>	<u>175.1</u>	<u>15.10</u>
Total	<u>715.2</u>	<u>731.1</u>	<u>740.6</u>	<u>756.5</u>	<u>776.1</u>	<u>809.1</u>	<u>782.7</u>	<u>784.2</u>	<u>773.5</u>	<u>818.7</u>	<u>10.0</u>

Source:

⁽¹⁾ Fall Public Education Information Management System (PEIMS) Submissions with full-time equivalent employees as of the last Friday in October.

Note:

Full-time instructional employees of the district are employed for 187 contract days. Campus Administrators and Student Services employees are primarily employed for 200 or 215 days. Central administrative and non-campus professional staff are employed for 226 days. Non-professional support staff are employed for 230 days. Auxiliary staff are employed on an hourly basis with daily hours ranging from 8 hours to 4 hours.

Highland Park Independent School District
Teacher Average Salary and FTE Counts
Last Ten Fiscal Years (Unaudited)

Exhibit S-17

Fiscal Year	Beginning Teacher		1 - 5 Years Experience		6 - 10 Years Experience		11 - 20 Years Experience		Over 20 Years Experience		District Total Teachers		State-wide Average Salary
	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	Average Salary	FTE	
2010	49,562	13.8	48,348	94.9	50,840	90.7	54,770	111.4	65,983	107.0	55,168	417.8	48,263
2011	46,994	7.3	48,968	90.2	51,448	103.5	55,589	117.1	66,792	109.1	55,894	427.2	48,639
2012	47,456	10.8	48,873	82.8	50,667	104.1	50,667	126.0	65,554	103.8	55,043	427.5	48,868
2013	47,368	11.6	48,511	99.1	51,105	103.9	55,489	121.3	66,185	96.9	55,018	432.8	48,375
2014	50,072	10.2	49,679	94.0	51,827	120.3	55,875	131.2	66,967	87.9	55,521	443.7	48,821
2015	50,609	9.0	50,329	104.2	52,559	113.4	56,664	149.9	67,029	85.4	56,026	461.9	50,715
2016	47,282	11.0	52,586	96.5	54,567	119.1	58,000	157.7	69,675	82.6	57,799	467.0	51,891
2017	47,596	7.5	50,916	90.0	52,285	126.3	55,606	157.4	64,360	87.9	55,319	469.1	52,525
2018	48,950	4.5	50,614	94.4	52,393	110.4	55,463	153.8	63,863	90.7	55,319	453.8	53,334
2019	49,425	10.6	51,005	83.5	52,632	103.1	55,691	148.4	63,217	94.9	55,557	440.4	54,122

Sources: Data obtained from the Public Education Information System (PEIMS) data reported to Texas Education Agency annually. State-wide average salary was obtained from the Academic Excellence Indicator System Annual Report for State of Texas (AEIS)

Highland Park Independent School District
Operating Statistics
Last Ten Fiscal Years (Unaudited)

Exhibit S-18

Fiscal Year	Enrollment ⁽¹⁾	Operating Expenditures ⁽²⁾	Cost Per Pupil	Operating Expenditures Excluding Recapture ⁽²⁾	Cost Per Pupil	(FTEs) Teaching Staff ⁽³⁾	Pupil Teacher Ratio
2010	6,448	127,470,727	19,769	54,922,475	8,518	417.8	15.4
2011	6,689	128,359,298	19,190	57,929,618	8,660	427.2	15.7
2012	6,804	128,896,597	18,944	59,642,737	8,766	427.5	15.9
2013	6,848	128,265,174	18,730	59,751,674	8,725	432.8	15.8
2014	7,037	131,768,906	18,725	62,822,254	8,927	443.7	15.9
2015	7,091	144,174,971	20,332	68,647,496	9,681	461.9	15.4
2016	7,081	150,342,319	21,232	68,107,134	9,618	467.1	15.2
2017	7,044	158,410,721	22,489	68,380,980	9,708	469.2	15.0
2018	6,991	166,098,145	23,759	69,263,888	9,908	453.8	15.4
2019	6,801	178,890,097	26,303	72,848,697	10,711	440.4	15.4

Notes:

⁽¹⁾ Enrollment is as of the October reporting date to TEA through the Public Education Information System (PEIMS).

⁽²⁾ Operating expenditures are total governmental fund expenditures less debt service, capital projects, fiduciary, and proprietary funds.

⁽³⁾ Teachers (FTEs) are as of October reporting date to TEA through PEIMS and District records.

Highland Park Independent School District
School Building Information
Last Ten Fiscal Years (Unaudited)

Exhibit S-19

Schools	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
John S. Armstrong Elementary School										
(Constructed 1953)										
Square feet	79,885	79,885	79,885	79,885	79,885	79,885	79,885	79,885	79,885	89,048
Capacity	633	633	633	633	594	594	594	594	594	550
Enrollment	558	556	598	569	581	577	581	552	531	509
John S. Bradfield Elementary School										
(Constructed 1926)										
Square feet	86,603	86,603	86,603	86,603	86,535	86,535	86,535	86,535	86,535	86,535
Capacity	697	697	697	697	669	668	668	668	668	668
Enrollment	643	651	703	701	718	747	747	726	692	651
Robert S. Hyer Elementary School										
(Constructed 1947)										
Square feet	78,211	78,211	78,211	78,211	78,211	78,211	78,211	78,211	78,211	78,211
Capacity	657	657	657	657	704	704	704	704	704	704
Enrollment	654	691	693	700	726	736	717	697	697	663
University Park Elementary School										
(Constructed 1928)										
Square feet	86,287	86,287	83,287	83,287	86,287	86,287	86,287	86,287	86,287	111,035
Capacity	655	655	655	655	683	682	682	682	682	770
Enrollment	677	679	705	696	705	706	689	648	652	661
Arch H. McCulloch Intermediate School										
(Constructed 1995)										
Square feet	112,186	112,186	112,186	112,186	112,186	112,186	112,186	112,186	112,186	193,668
Capacity	1,072	1,072	1,072	1,107	1,107	1,107	1,107	1,107	1,107	1,401
Enrollment	980	1,063	1,043	1,030	1,103	1,096	1,106	1,145	1,133	1,084
Highland Park Middle School										
(Constructed 1995)										
Square feet	166,544	166,544	166,544	166,544	166,544	166,544	166,544	166,544	166,544	193,668
Capacity	1,205	1,205	1,205	1,205	1,205	1,205	1,205	1,205	1,205	1,499
Enrollment	1,032	1,032	1,036	1,107	1,098	1,089	1,127	1,116	1,106	1,133
Highland Park High School										
(Constructed 1937)										
Square feet	376,890	376,890	376,890	376,890	385,693	385,693	385,693	385,693	385,693	385,693
Capacity	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Enrollment	1,904	2,017	2,026	2,045	2,106	2,140	2,114	2,160	2,180	2,118
Multi-Purpose Activity Building	60,000	60,000	60,000	60,000	60,307	60,307	60,307	60,307	60,307	60,307

Source:

⁽¹⁾ Square feet and functional capacity data for 2010 through 2019 was obtained from a Facility Study performed by SHW Group LLP in June 2014.

⁽²⁾ Enrollment is as of the October reporting date to TEA through the Public Education Information System.

Reports on Internal Control, Compliance, and Federal Awards

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**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Highland Park Independent School District (the District), as of and for the year ended August 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 3, 2020. Our report includes a reference to other auditors who audited the financial statements of the Highland Park I.S.D. Education Foundation as described in our report on the District's financial statements. The financial statements of the Highland Park I.S.D. Education Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Board of Trustees
Highland Park Independent School District

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2020

**Independent Auditor's Report on Compliance for Each
Major Federal Program and Report on Internal Control over Compliance
in Accordance with the Uniform Guidance**

To the Board of Trustees
Highland Park Independent School District
7015 Westchester Drive
Dallas, Texas 75205

Report on Compliance for Each Major Federal Program

We have audited Highland Park Independent School District's (the District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 3, 2020

Highland Park Independent School District
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2019

Exhibit K-1

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed through State Department of Education			
Title IV IDEA - Part B, Formula	84.027A	196600010579116600	\$ 1,042,709
Title IV IDEA - Part B, Preschool	84.173A	196610010579116610	12,858
Total Special Education Cluster			1,055,567
Education Jobs Fund	84.410A	S410A100044	1,252
Total Passed through State Department of Education			1,056,819
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,056,819

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

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Highland Park Independent School District

Notes to the Schedule of Expenditures of Federal Awards

The District utilizes the fund types specified in the Texas Education Agency Financial Accountability System Resource Guide.

Special Revenue Funds are used to account for resources restricted to, or committed for, specific purposes by a grantor. Federal and state awards generally are accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified grant periods.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund which is a Governmental Fund type. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

The District did not elect to use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance, Section 414 for the year ended August 31, 2019.

Highland Park Independent School District

Schedule of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2019

Section 1. Summary of the Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weakness(es)? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified that are not considered to be material weakness(es)? _____ Yes X None reported

An unmodified opinion was issued on compliance for major programs.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? _____ Yes X No

Identification of major programs:

84.027A, 84.173A

Special Education Cluster

Dollar threshold use to distinguish between type A and type B programs?

\$750,000 – Federal

Auditee qualified as low-risk auditee?

 X Yes _____ No

Highland Park Independent School District

Summary of Findings and Questioned Costs

For the Fiscal Year Ended August 31, 2019

Section 2. Financial Statement Findings

None

Section 3. Federal Awards Findings

None

Section 4. Summary of Prior Year Audit Findings

None

Highland Park Independent School District
7015 Westchester Drive, Dallas, Texas 75205
214-780-3000 / www.hpsd.org

Exhibit M

Bryan Neal

PARTNER



Bryan.Neal@hklaw.com

Dallas

214.969.1762

PRACTICES

Labor, Employment and Benefits

Appellate

Civil Rights, Discrimination and Retaliation

Labor and Employment Class Actions

OSHA, Workplace Safety and Whistleblower Claims

Education

Litigation and Dispute Resolution

Freight Rail

Oil and Gas

Overview

Bryan Neal is an attorney in Holland & Knight's Dallas office and serves as a co-leader of the firm's Labor, Employment and Benefits Practice Group.

Mr. Neal has extensive experience defending management and corporate clients in litigation of employment discrimination claims before federal and state courts around the country as well as before federal and state agencies. His practice includes representing employers in class action and similar litigation and systemic discrimination U.S. Equal Employment Opportunity Commission (EEOC) investigations. Mr. Neal also has significant experience in handling disability-discrimination claims under the Americans with Disabilities Act (ADA), including employment-related claims under Title I of the ADA as well as claims under Title III of the ADA dealing with public-accommodation issues arising in various non-employment contexts such as healthcare, construction and hospitality.

Mr. Neal also maintains a robust appellate practice. He has filed briefs and presented oral arguments in approximately half of the U.S. Courts of Appeals in the country as well as in three state supreme courts. His appellate experience includes cases arising from trials, summary judgment rulings and motions to dismiss as well as from federal or state agency proceedings. He is routinely called upon to prosecute or defend appeals both in cases handled at the lower level by the firm as well as cases handled at the lower level by another firm.

In addition to his employment and appellate practices, Mr. Neal also advises public and private clients on matters involving the Texas Public Information Act (PIA) (formerly, the Open Records Act), including counseling private entities whose information is sought through open-records or similar requests.

Mr. Neal is Board Certified in both Labor and Employment Law and Civil Appellate Law by the Texas Board of Legal Specialization. He served as a member of the Civil Appellate Law Advisory Commission for the Texas Board of Legal Specialization, Civil Appellate Law Advisory Commission, from 2012 to 2021.

Representative Experience

Recent Litigation Matters



Credentials

EDUCATION

- Southern Methodist University Dedman School of Law, J.D., *cum laude*
 - The University of Texas at Dallas, B.A., *magna cum laude*
-

BAR ADMISSIONS/LICENSES

- Texas
-

COURT ADMISSIONS

- U.S. Supreme Court
 - U.S. Court of Appeals for the Fifth Circuit
 - U.S. Court of Appeals for the Sixth Circuit
 - U.S. Court of Appeals for the Seventh Circuit
 - U.S. Court of Appeals for the Eighth Circuit
 - U.S. Court of Appeals for the Ninth Circuit
 - U.S. Court of Appeals for the Tenth Circuit
 - U.S. District Court for the District of Colorado
 - U.S. District Court for the Central District of Illinois
 - U.S. District Court for the Northern District of Illinois
 - U.S. District Court for the District of Nebraska
 - U.S. District Court for the District of North Dakota
 - U.S. District Court for the Western District of Tennessee
 - U.S. District Court for the Eastern District of Texas
 - U.S. District Court for the Northern District of Texas
 - U.S. District Court for the Southern District of Texas
 - U.S. District Court for the Western District of Texas
-

MEMBERSHIPS

- National Association of Railroad Trial Counsel (NARTC), 2021
- State Bar of Texas, Appellate Section; Labor and Employment Law Section
- Dallas Bar Association, Appellate Law Section; Labor & Employment Law Section

HONORS & AWARDS

- *The Best Lawyers in America* guide, Appellate Practice, Litigation-Labor & Employment Law, 2012-2023
- *Texas Super Lawyers* magazine, Employment Litigation, 2008-2022
- *The Legal 500 USA*, Labor and Employment: Labor and Employment Disputes (Including Collective Actions): Defense, 2016
- *Lexology*, Client Choice Winner, Employment & Benefits – Texas, 2015

Publications



Texas Legislature Revises Sexual Harassment Laws to Benefit Employees

Holland & Knight Alert

AUGUST 23, 2021

🕒 3 Minutes

OSHA Issues Revised COVID-19 Guidance and COVID-19 Emergency Temporary Standard

Client Alert

JUNE 14, 2021

EEOC Greenlights COVID-19 Vaccination Incentives

Client Alert

JUNE 3, 2021

DOL Drops Trump Administration's Independent Contractor Rule

Client Alert

MAY 11, 2021

American Rescue Plan Act: Key Provisions Affecting Employers,

Employees, and Benefit Plans

Client Alert

MARCH 31, 2021

Mask on, Mask Off: Should Texas Employers Revise Their Policies in Light of Governor Abbott's Recent Executive Order?

Client Alert

MARCH 5, 2021

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PRESS RELEASE / SEPTEMBER 26, 2022

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488 Holland & Knight Attorneys Recognized in Best Lawyers in America 2022

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What Must Be Proven in a Systemic Discrimination Lawsuit

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