Town of Highland Park, Texas
TOWN COUNCIL STUDY SESSION
AGENDA

8:00 AM
December 2, 2025

4700 Drexel Drive, Highland Park, TX 75205
Executive Conference Room, Second Floor

I. CALL TO ORDER

II. PUBLIC COMMENT

This portion of the agenda is the public's opportunity to address the Town Council about any item listed on the agenda, except public hearings. Comments related to public hearings will be heard when the specific hearing begins. Public comments are limited to three (3) minutes per speaker, unless otherwise required by law. Per the Texas Open Meetings Act, the Town Council is not permitted to take action on or discuss any item not listed on the agenda. Items suggested for action may be placed on a future agenda at the Town Council's sole discretion.

III. FUTURE AGENDA DISCUSSION

A. Review and discuss proposed amendments to the Town's Statement of Financial Management Policies.

B. Review, discuss, and consider the opportunity for a Town Council Member to request an item to be placed on a future Town Council Meeting agenda.

IV. REPORTS

A. Review and discuss the monthly Financial and Investment Report for the fiscal year ending September 30, 2025.

B. Review and discuss a presentation providing an overview of preservation ordinances.

V. CLOSED SESSION

In accordance with Texas Government Code, Section 551.001, et seq., the Town Council will recess into Executive Session (closed meeting) to discuss the following:

A. In accordance with the Texas Government Code, Chapter 551, Subchapter D, Section 551.072 – REAL ESTATE – the Town Council will convene into closed session to deliberate the purchase, exchange, lease, or value of real property.

B. In accordance with the Texas Government Code, Chapter 551, Subchapter D, Section 551.071 – CONSULTATION WITH ATTORNEY – the Town Council will convene in closed session for consultation with and to receive legal advice from the Town Attorney regarding pending or contemplated litigation or settlement offer or regarding a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with this chapter re: (i) DART withdrawal election; (ii) Brandon Simpson v. Town of Highland Park.

VI. OPEN SESSION

A. Pursuant to Section 551.102 of the Texas Government Code, the final action, decision, or vote regarding Closed Session Item A. and B. above, shall be made, if any.

VII. ADJOURNMENT

Any item on this posted agenda could be discussed in closed session as long as it is within one of the permitted categories under Sections 551.071 through 551.076 and 551.087 of the Texas Government Code.

A member of the public may address the governing body regarding an item on the agenda either before or during the body's consideration of the item, upon being recognized by the presiding officer or the consent of the body.

SPECIAL ACCOMMODATIONS FOR TOWN COUNCIL MEETINGS: Let us know if you need special assistance of any kind.

Please contact the Town of Highland Park Administrative staff at (214) 521-4161 from 7:30 a.m. - 4:30 p.m., Monday through Friday.

Town of Highland Park
Town Council Study Session
Tuesday, December 2, 2025

Item Coversheet

Review and discuss proposed amendments to the Town's Statement of Financial Management Policies.

PRESENTED BY: John Samford, Director of Finance

BACKGROUND:

The Town maintains a comprehensive set of Financial Management Policies ("FMP") that serve as critical guidelines for the effective management of day-to-day financial operations. These policies encompass a wide range of areas, including accounting, auditing, financial reporting, internal controls, budgeting (both operating and capital), revenue management, treasury operations, and expenditure control.

The proposed amendments reflect a recent change in state law regarding the competitive bidding threshold. Effective September 1, 2025, legislation enacted by the 89th Texas Legislature raised the competitive bidding threshold from $50,000 to $100,000. As a result, purchases below $100,000 no longer require formal competitive bidding, although municipalities may still opt to use informal quotes or alternative procurement methods. Corresponding updates to approval thresholds have been made throughout the FMP to align with this legislative change.

Additional amendments include the introduction of Subsection G under Section V, which establishes guidelines and approval thresholds for executing contracts that do not require Town Council approval. Clarifications have also been made to capital project appropriations and the accounting treatment of capital assets to improve operational efficiency and recordkeeping.

Lastly, updates to the policy glossary have been incorporated to enhance clarity and consistency throughout the FMP document. Other formatting, grammatical, and non-substantive revisions have been made, where appropriate, to improve the clarity and effectiveness of this policy document.

A redlined version and a clean copy of the revised policy are included with this agenda item, along with a memorandum outlining each proposed amendment and its rationale.

RECOMMENDATION

This agenda item is presented for discussion. Any follow-up action on this item would occur at a future Town Council meeting.

FINANCIAL IMPACT

This item has no financial impact.

ATTACHMENTS

FMP FY26 Update_Redline, FMP FY26 Update_Clean, Memo re FMPS Proposed Amendments_FY26 Update_11.13.25

TOWN OF HIGHLAND PARK, TEXAS

STATEMENT

OF

FINANCIAL MANAGEMENT POLICIES

MISSION STATEMENT

The mission of the Town of Highland Park is to provide personal, caring services in a prompt and efficient manner for our community in order to enhance the quality of life and preserve the heritage that is Highland Park.

December 2012

As Amended ~~January 2025~~January 2026

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I. PURPOSE STATEMENT

The purpose of this Statement of Financial Management Policies is to provide guidelines, in accordance with the applicable Texas Statutes and the Town of Highland Park Charter, Ordinances and Resolutions, for the Director of Finance, hereinafter called Director, in planning and directing the Town of Highland Park, hereinafter called Town, in its day-to-day financial affairs and in developing recommendations to the Town Administrator and Town Council, hereinafter called Administrator and Council, respectively.

The scope of these policies generally spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control and debt management, all to make it possible both: (a) to present fairly and with full disclosure the financial position and results of financial operations of the Town in conformity to generally accepted accounting principles (GAAP), and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

It is the goal of the Statement of Financial Management Policies to enable the Town to adhere to the principles of sound municipal finance and to continue its long-term stable and positive financial condition. The watchwords of the management of the Town's financial affairs shall, at all times, include integrity, prudent stewardship, planning, accountability, and full disclosure.

II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

A. **ACCOUNTING** - The Director shall be responsible for establishing and maintaining a chart of accounts and for the proper recording of financial transactions in accordance with GAAP. Additionally, the Town is solely responsible for its reporting of its financial affairs, both internally and externally.

B. **AUDITING** - The Town's Charter, in accordance with Chapter 103 of the Local

Government Code of Texas, as amended, requires that its financial affairs be audited annually by outside independent accountants (auditors), selected and appointed by the Council under contract. The auditor selected shall be a CPA firm, registered as a partnership or corporation of certified public accountants, holding a license under Article 41a-1, Section 9, of the Civil Statutes of Texas, capable of demonstrating that it has sufficient staff which will enable it to conduct the Town's audit in accordance with generally accepted auditing standards as required by Town Charter and applicable state and federal laws. The auditor's written report of the Town's financial affairs shall be completed by no later than January 15th following the Town's fiscal year-end. The auditor's report, together with its management letter shall be presented to the Administrator, the Director and Council within the aforesaid 120 day period. Thereafter, the Administrator, the Director and auditor shall jointly review the auditor's report and management letter with the Council's Administrative Committee within 30 calendar days after their receipt by the Town.

Within fifteen (15) days of this joint review, the Director shall respond in writing to the Administrator and Administrative Committee regarding the auditor's management letter, addressing the issues contained therein. The Council shall schedule its formal acceptance of the auditor's report upon the resolution of any issues resulting from the joint review.

C. AUDITORS RESPONSIBLE TO THE COUNCIL -Auditors for the Town shall be responsible to the Council and shall have access to direct communication with the Mayor and Council at such times as the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

D. SELECTION/AUDITOR ROTATION - The Council shall select the auditors for the Town each fiscal year. The selection may be by means of approving an engagement proposal from the incumbent firm or the Council may direct the Administrator and Director to obtain proposals from qualified CPA firms. As a benchmark, the Council may award a three (3) year engagement to the selected

firm with two (2) one (1) year extensions. The Council shall, however, retain authority to review audit performance annually and act accordingly in regards to replacement and extensions.

E. EXTERNAL FINANCIAL REPORTING - Upon the completion and acceptance of the annual audit by the Town's auditors, the Town shall prepare a written or electronic representation of an Annual Comprehensive Financial Report (ACFR) which shall be presented to the Council within 180 calendar days after the Town's fiscal year end. The ACFR shall be prepared in accordance with generally accepted accounting principles (GAAP) and shall be presented annually to the Government Finance Officers Association (GFOA) for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting. If this time requirement cannot be met, the Director shall report to the Administrator and the Council of the delay and the reasons for same.

F. INTERNAL FINANCIAL REPORTING - The Director shall prepare monthly, a written or electronic representation of a summary of the Town's financial affairs and submit same to the Administrator and Council within thirty (30) calendar days following the end of each calendar month. Each such report shall accurately reflect the Town's current cash position, revenue and expenditure/expense performance as well as any additional information that reflects the Town's fiscal position.

III. OPERATING BUDGET

A. PREPARATION - Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The Town's annual operating budget, hereinafter called budget, is the Town's annual financial operating plan. It is comprised of governmental, capital projects, proprietary, internal service and special revenue funds. Budgets for the General Fund, Capital Projects Funds and Special Revenue Funds are prepared on the modified accrual basis of accounting. The budgets for the Utility (Proprietary) Fund and Internal Service Funds are prepared on a basis consistent with GAAP, except that capital

purchases and depreciation are not considered until year-end when adjustments are made for financial reporting purposes.

1. Proposed Budget - A proposed budget shall be prepared by the Administrator and the Director with the participation of all of the Town's Department Directors/Heads, covering the operational and capital expenditures of the Town in accordance with the provisions of the Town Charter.

   The budget shall include four (4) basic segments for review and evaluation. These segments are: 1) personnel costs, 2) operations and maintenance costs, 3) capital and (non-capital) project maintenance costs, and 4) revenues. Capital project costs shall reflect the approved Capital Improvement Plan ("CIP") which shall be updated and approved in conjunction with the adoption of the annual budget.

   The budget review process shall include Council participation in the development of each of the four (4) segments of the proposed budget and a called Public Hearing to allow for citizen participation in the budget preparation.

   The budget process shall span sufficient time to allow for ample time to address policy and fiscal issues by the Council and shall include a designated time and place for soliciting citizen input.

   A copy of the proposed budget shall be filed with the Town Secretary not less than thirty (30) days prior to the end of the fiscal year in accordance with the provisions of the Town Charter.

2. Adoption - Upon the presentation of both a proposed operating budget and a CIP acceptable to the Council, the Council shall call and publicize a public hearing and adopt, by Ordinance, said budget as the Town's Official

Budget effective for the fiscal year beginning October 1st.

3. Amending the Official Budget - Amendments to the Official Budget shall be made at regularly scheduled Council meetings with a notice of the proposed amendment posted and publicized at least three (3) days prior to the meeting.

The Official Budget shall be submitted to the GFOA annually for evaluation and consideration for the Award for Distinguished Budget Presentation.

The Town's Utility (Proprietary) Fund, as set forth in the Town's budget, shall bear the applicable personnel and operating costs of the Town's general administration, information technology services, non-departmental specific expenditures, municipal building office space and other related costs plus the Town's Service Center operation based upon annual reviews of actual staff time allocation and facility use.

In addition to the aforesaid, the service rates for the sale of water, sanitary sewer services, solid waste collection/disposal services and recycling services shall include an amount equal to 5% of revenues for each respective service as street rental fees. These collected funds shall be transferred to the Capital Projects Fund toward funding of the Town's annual street resurfacing program.

All other direct expenses associated with the provision of utility services by the Town shall be expensed directly to the appropriate Department.

B. BALANCED BUDGET - It is desirable that the budget provide sufficient current revenues to fund that year's budgeted non-capital expenditures/expenses. Regardless of this objective, the budget shall be balanced with sources of working capital (revenues, cash surplus) equal to or greater than uses of working capital (expenditures/ expenses, capital outlays).

C. **BUDGET MANAGEMENT & PERFORMANCE** - The Director shall prepare and distribute monthly financial reports to enable the Department Directors to best manage their department budgets and to enable the Director to monitor and control the budget as authorized by the Administrator. Written summaries of the monthly financial reports shall be presented to the Council in accordance with Section II, Paragraph F, of this policy statement. Such reports shall be in a form which will enable the Council to be fully informed of the overall budget performance of the Town.

D. **END OF YEAR APPROPRIATIONS –** For all Town funds for which a budget is required and/or prepared, ~~excluding the Capital Projects Fund~~with the exception of capital project budgets, unencumbered appropriations expire at the close of each fiscal year. Budgets for operating funds are prepared on a fiscal year basis. Capital projects, on the other hand, may span two or more years. Accordingly, ~~individual projects are budgeted in the Capital Projects Fund and~~ appropriations for individual capital projects expire at project closure.

E. **PERFORMANCE MEASURES AND PRODUCTIVITY INDICATORS** Where appropriate, performance measures and productivity indicators shall be included in the annual budget. This information shall also be reported by the Administrator to the Council on a quarterly basis.

IV. REVENUE MANAGEMENT

A. **SIMPLICITY** - The Town, where possible and without sacrificing accuracy, shall strive to keep the Town's revenue system uncomplicated so as to reduce compliance costs for the taxpayer or service recipient and a corresponding decrease in the Town's costs of collection.

The criteria shall always be that the benefits of a revenue collected exceed the cost of producing that revenue.

B. **CERTAINTY** – An understanding of the revenue source increases the reliability

of the Town's revenue system. The Director shall make every effort to determine its revenue sources and enact consistent collection policies in order that the revenues will occur to support the budget.

C. **EQUITY** - The Town shall make every effort to maintain equity in its revenue system structure; i.e., the Town shall endeavor, wherever possible, to minimize or eliminate all forms of subsidization between entities, funds, services, utilities and the Town's customers.

D. **REVENUE ADEQUACY** - The Town shall require that there be a balance in the its revenue system; i.e., the revenue base shall be fair as it applies to cost of service and ability to pay.

E. **DIVERSIFICATION AND STABILITY** - Wherever possible, the Town shall make every effort to maintain a diversified revenue system which provides a stable source of income to the Town which will protect it against fluctuations in the economy and variations in weather (related to the sale of treated water and sanitary sewer services).

F. **NON-RECURRING REVENUES** - It is desirable that non-recurring revenues not be used to finance the Town's current operations. Non-recurring Town revenues should be used only for one-time Town expenditures such as long-lived capital needs and not for budget balancing purposes.

G. **PROPERTY TAX REVENUES** - All real and business personal property located within the Town shall be valued at 100% of the fair market value for any given year based on the current appraisal supplied to the Town by the Dallas Central Appraisal District. A 99% collection rate shall serve each year as a goal for tax collections. The Town Council shall determine whether the Town collects its levied property taxes or contract with another governmental agency for same. The Town Council shall further decide upon a property tax attorney or firm for the collection of delinquent property taxes in accordance with the Texas Property

Tax Code, as amended.

H. **USER-BASED FEE** - As a part of the Town's budget process, the Council shall review and adopt, where possible, service fees sufficient to offset the cost of services rendered by the Town. User charges shall be classified by the Council as "Full Cost Recovery" and "Partial Cost Recovery".

I. **UTILITY RATES** - As a part of the Town's budget process, the Council shall review and adopt utility service rates annually that, where possible, will generate revenues to fully cover the Town's operating expenses and to provide the Town with an adequate level of working capital.

J. **INTEREST INCOME** - The Director shall ensure, at all times, that the interest earned from the investment of Town money shall be distributed to the appropriate fund in accordance to the equity balance of the particular fund from which the money was provided for investment.

K. **REVENUE MONITORING** - All revenues actually received by the Town shall be regularly compared to budgeted revenues by the Director and where variances exist, these shall be audited by the Director. The results of such audits shall be summarized by the Director in the monthly financial report provided to the Council.

V. EXPENDITURE/EXPENSE CONTROL

A. **APPROPRIATIONS** - The Town's budget shall be a line- item budget. Overall budgetary control shall be the responsibility of the Administrator with each respective Department Director being responsible for the administration of his or her departmental budget.

B. **AMENDMENTS TO THE BUDGET -** In accordance with Town Charter, all budget amendments shall be approved by the Council.

C. **CENTRAL CONTROL** - No recognized salary or capital budgetary savings in any Department shall be spent by the Department Director without the prior authorization of the Administrator.

D. **PURCHASING** - All Town purchases and contracts ~~over $3,000~~ shall conform to Chapter 252, Subchapter B of the Local Government Code of Texas, as amended. Purchases of goods or services subject to the competitive bid process and purchases of goods or services by contract, in excess of the threshold established for competitive bidding within Chapter 252 of the Local Government Code, shall be submitted to the Council by the Administrator for Council approval. The adoption of the annual budget gives the Administrator the authority to approve all other purchases for goods or services in accordance with each department's approved budget. Contracts entered into by the Town for the purchase of goods or services will be reviewed by the Town Attorney prior to execution.

The purchase of goods or services at a total cost of $3,000 or more must be made through the Town's purchase order system. An electronic representation of a written purchase order shall also be used for vendors requiring formal Town authorization regardless of the dollar amount. All purchase orders require the approval of the Department Director or Department Director Designee (as defined in section XI. Financial Glossary) and the Director of Finance. Purchase orders greater than $~~45,~~50,000 require the approval of the Department Director, Director of Finance, and Town Administrator or Town Administrator designee.

In an emergency procurement situation (as defined in section XI. Financial Glossary) where a purchase order could not have been obtained prior to making a purchase, a department must obtain a purchase order as soon as practicable after making the purchase. An emergency purchase order requestion must be accompanied by a memo signed by the appropriate department head that describes the nature of the emergency and reason(s) why a purchase order could not have been obtained in advance of making the emergency purchase. A substantiated

emergency procurement made without a valid purchase order is not considered a violation of this policy.

Any payment for the purchase of goods or services by the Town at a total cost of less than $3,000 may be made via an electronic representation of a written Accounts Payable Voucher, signed and submitted by the applicable Department Director or Department Director Designee to the Town's Finance Department. The following approval thresholds shall apply to all disbursement of funds:

Approval Threshold*	Approval Requirement
Accounts Payable Vouchers and Disbursements Less than or Equal to $51,000	Department Director or Department Director Designee Finance Department Accounting Supervisor
Accounts Payable Vouchers and Disbursements More than $51,000 but Less than or Equal to $5045,000	Department Director or Department Director Designee Director of Finance
Disbursements More than $5045,000	Department Director Director of Finance Town Administrator or Town Administrator Designee**

* Approval thresholds apply to disbursements on an individual basis, not in the aggregate.

** Town Administrator or Town Administrator Designee approval only applies to disbursements that require original signature as defined in Section VI. B. of this policy.

In accordance with Section 252.0415 of the Texas Local Government Code, the Town is authorized to receive sealed bids or proposals electronically. To ensure the identification, security and confidentiality and prevent the opening of submittals prior to the advertised opening date and time, these submittals shall be received password protected digital account only accessible at the date and time advertised for the opening. The information technology department, or third party used to collect the submittals, will certify that the submittals were not opened until the advertised date and time. Any bids submitted after the advertised date and time will not be considered. If any submitted bids are opened prior to the advertised opening date and time, all bids will be considered rejected and the process will be redone.

E. PROMPT PAYMENT - All invoices approved for payment by the proper Town authorities shall be paid by the Finance Department within thirty (30) calendar days

of receipt in accordance with the provisions of Article 601f, Section 2 of the State of Texas Civil Statutes.

The Director shall establish and maintain proper procedures which will enable the Town to take advantage of all purchase discounts, when possible, except in the instance where payments can be reasonably and legally delayed in order to maximize the amount of cash available for investing.

F. EQUIPMENT FINANCING - The applicable Town Department Director, the Administrator and the Director, when possible, shall evaluate the Town's option of equipment leasing in instances of Town equipment acquisitions of $10,000 or more or in instances when the equipment has a useful life of five (5) or more years as an alternative for Council consideration in the acquisition of assets.

G. CONTRACTS FOR GOODS AND SERVICES

This section is provided to address the development and execution of contracts that are not required to be presented to the Town Council for approval. For the purposes of this policy, the terms contracts and agreements are considered synonymous.

1. Any contract for goods and/or services does not require Town Council approval will be executed by the Town Administrator or his/her designee.

2. Contracts for goods and/or services will be written in a standard form provided by the Town Attorney.

3. Any deviations or modifications to the Town's standard form agreement must be approved by the Town Attorney to prior execution.

4. In the event a contract being considered by Town Staff is not on the Town's standard form agreement, the Town Attorney will review and approve the form of the agreement prior to execution.

5. While circumstances of a procurement typically dictate the necessity of a contract, Town Staff should consider using a contract for the purchase of goods and services in the following instances:

    a. Work is being performed by a third party on Town Property.
    b. Services being procured are set out by a specific scope of work.

c. Specific details regarding specifications, delivery terms or payment options are negotiated.

d. The product being procured includes a warranty from the vendor.

e. The procurement being made carries risk to the Town that needs to be mitigated through indemnification and subrogation clauses.

6. Designees of the Town Administrator for the purposes of developing and executing contracts are as follows:

a. Contracts valued at less than $100,000 but more than $50,000 must receive the approval of the Town Administrator.

b. Contracts valued between $25,000 and $49,999 can be executed by the department director with a copy provided to the Town Administrator.

c. Contracts valued between $0 and $24,999 can be executed by the Department Director Designee with a copy provided to the department director.

d. In all cases, directors have the authority to sign any contract that does not require the Town Administrator's signature.

The Town Administrator may approve a contract valued below $50,000, which satisfies all subordinate approvals.

VI. ASSET MANAGEMENT

A. INVESTMENTS - The Director shall promptly invest all Town funds in accordance with the Town's Statement of Investment Policies as adopted by the Town Council.

B. CASH MANAGEMENT - The Town's cash flow shall be managed by the Director to maximize the cash available for investment. The Finance Department shall, as authorized by Council, affix, via mechanical or electronic means, a facsimile, bearing the joint signatures of the Town's Administrator and the Director, for the disbursement of Town issued checks for:

1. Payroll;

2. Federal income tax and social security tax transfers;
3. Texas Municipal Retirement System deposits;
4. Unemployment compensation claim reimbursements;
5. Payments of money held in trust where the Town acts as a collecting agent;
6. Utility services;
7. Employee benefits programs;
8. Installment payments approved by Council on contracts or projects;
9. Payments for expenditures/expenses for which the Council has specifically authorized payment;
10. Individual (non- aggregate) ~~D~~disbursements less than $50~~3~~,000

All other Town issued checks not meeting the above criteria shall be signed, in original, by two (2) authorized signatories. Payment authorization shall be in accordance with the pay authorization criteria as defined in the current Bank Depository Agreement, approved by Council, stipulating the conditions and control procedures on such activity.

The Director may transfer funds, via electronic transfer, through verbal instructions to the Town's Depository only for payment of any obligation of the Town under the conditions applicable to the use of the facsimile signature under Paragraph B, this Section.

C. ~~FIXED~~ CAPITAL ASSETS ACCOUNTING AND INVENTORY -

The Town's ~~fixed~~ capital assets shall be reasonably safeguarded and properly accounted for and sufficiently insured. Responsibility for the safeguarding of the Town's ~~fixed~~ capital assets lies with the Department Director in whose department the ~~fixed~~ capital asset

is assigned. The Finance Department shall ~~supervise the marking of fixed assets with numbered Town property tags~~ assign an asset number in the Town's capital

asset data base and shall maintain the permanent records of the Town's ~~fixed~~ capital assets including description, cost, department of responsibility, date of acquisition, depreciation and expected useful life.

The recording of the cost or value of capitalized ~~fixed~~ capital assets into the Town's financial records and ~~fixed~~ capital asset database shall be consistent with the definition of capitalized ~~fixed~~ assets. A~~with two (2) exceptions: 1) a~~ccessioned Library materials can be capitalized on a lump-sum basis rather than on a per item basis. A~~shall be capitalized annually on a lump-sum basis rather than on a per-item basis and 2) an asset accounted for in the~~ssets purchased from the Town's Equipment or Technology Replacement ~~Replacement Fund~~Funds (Internal Service Funds) that are individually below the capitalized asset threshold can be capitalized annually on a lump-sum basis rather than on a per-item basis. Refer to the definition of "Capitalized Asset" in the glossary of this policy.~~shall be recorded regardless of cost or value and marked with numbered Town property tags to allow for inventory tracking.~~

Rehabilitations, renovations, remodels, and repairs to Town's capital assets are capitalized to extent the total cost of the rehabilitation, renovation, remodel, and repair exceeds ~~—~~$25,000 and extends the underlying assets useful life~~—~~. Rehabilitations, renovations, repairs and remodels below this threshold are considered routine repair and maintenance expenditures.

~~Non-capitalized fixed assets shall be recorded in the Town's fixed asset data base at a financial reporting cost or value of $0.~~

The Finance Department shall also perform an annual inventory of capital assets using random sampling at the department level. Such inventory shall be performed by the Director or his or her designated agent in the presence of designated department personnel from the department of responsibility.

D. COMPUTER SYSTEM/DATA SECURITY - The Town shall provide security of its computer system and data files through:

1. Physical security - computer systems infrastructure shall be in a location inaccessible to unauthorized personnel. Only authorized external access to the system via telephone, microwave or radio frequency shall be installed.

2. Password security - All users of the Town's financial management system shall be assigned his/her personal password for access into the system. Each user shall be given access permissions to only those data files and functions necessary to perform assigned duties. The Town Administrator shall designate the Information Technology Manager as the Master Security Officer on the Town's computer ~~system~~ networks. The Master Security Officer may appoint other Town employees to serve as Security Officers. The Town shall take all precautions necessary to protect the integrity and safety of its information technology.

VII. FINANCIAL CONDITION

A. NO OPERATING DEFICITS - It is desirable that the Town's current expenditures/expenses be paid with current revenues of the Town. Deferrals, short-term loans or use of one-time sources should be avoided as budget balancing techniques. The Town's cash reserves should be used only for emergencies or for the payment of non-recurring expenditures as approved by the Council, except when balances can be reduced due to their levels exceeding guideline minimums as stated in Section VII, Paragraph B., hereof.

B. FUND BALANCE - GOVERNMENTAL FUNDS

1. *Committed Fund Balance* - The Town Council is the Town's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by Council action. The Council action must either be approved or rescinded,

as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period. The Council action may take the form of the Annual Budget or a separate ordinance or resolution. Examples of Committed Fund Balance include the Storm Water Drainage Utility Fund and the Employees' Christmas Fund (contributions committed for employee distribution).

The Town shall maintain a committed fund balance in the Capital Projects Fund of $2,000,000.00 as conditions warrant. The Town Council shall have sole authority for the use of any portion, or all of, the committed fund balance in the Capital Projects Funds. Such decision to use the Capital Projects Fund's committed fund balance should include a plan for replenishing the committed fund balance of the Capital Projects Fund to its desired level.

2. *Assigned Fund Balance* - The Town Council has authorized the Town's Director of Fiscal and Human Resources to assign fund balance to a specific purpose in accordance to Generally Accepted Accounting Principles and in the normal conduct of business. An example is resources to be used to liquidate encumbrances related to purchase orders payable from assigned resources and any fund balance to be used in a subsequent fiscal year to "balance" the budget.

3. *Minimum Unassigned Fund Balance*

The Town shall maintain an unassigned fund balance in the General Fund equal to 17% of non-capital expenditures as approved by the Town Council in current Annual Budget.

If Unassigned Fund Balance exceeds the target set by policy, the Town may use surpluses for onetime expenditures. If unassigned fund balance

falls below the target, the Town will reduce recurring expenditures to eliminate any structural deficit for such period as necessary until the unassigned fund balance meets the minimum balance as required by this policy.

4. *Order of Expenditure of Funds*

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Town Council, and Unassigned Fund Balance), the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

At the close of each fiscal year, any operating surplus (revenues less expenditures less encumbrances) shall be transferred, by Council action, from the General Fund to the Capital Projects Fund.

C. NET WORKING CAPITAL - UTILITY FUND

The Town shall maintain Net Working Capital at an amount equal to not less than twenty-five percent (25%) of non-capital expenditures as approved by the Town Council in the Annual Budget.

D. RISK MANAGEMENT - The Town shall provide, where possible, for the safety of the public and the Town's employees in order to minimize the Town's risk of loss of resources through liability claims.

E. RISK FINANCING - All reasonable options shall be investigated by the Director to finance risks. Such options may include risk transfer, insurance and risk retention.

VIII. INTERNAL CONTROLS

A. **WRITTEN PROCEDURES** - Wherever possible, written procedures shall be established and maintained by the Director for all activities involving cash handling and/or accounting throughout the Town. These procedures shall embrace the general concepts of fiscal responsibility outlined in this statement.

B. **DEPARTMENT DIRECTORS RESPONSIBLE** - Each Department Director shall be responsible to ensure that good internal controls are followed at all times throughout his or her department, that all approved, written Finance Department directives on internal controls are implemented and that all independent auditor internal control recommendations, as embraced by the Council and furnished by the Finance Department, are met.

IX. DEBT MANAGEMENT

A. **LONG-TERM DEBT** - Long-term debt shall not be used for operating purposes and the life of any Town issued debt shall not exceed the useful life of the asset or project financed with same.

B. **FINANCING ALTERNATIVES** - The Director shall be responsible for the evaluation, from time to time, of all financing alternatives permitted by State law in addition to long-term debt including leasing, current revenues and available reserves.

C. **RATINGS** - The Director shall make full disclosure of the Town's operations to both nationally recognized rating agencies, Standard & Poors and Moody's.

X. ANNUAL REVIEW OF POLICIES

The Town's Financial Management Policies shall be reviewed by the Director and Administrator at least annually and any proposed revisions shall be presented to the Council for approval.

XI. FINANCIAL GLOSSARY

The following definitions form a part of this policy statement in order to clarify certain terminology used.

Appropriation - a legal authorization granted by the Council to make or incur expenditures/expenses for specific purposes.

Bank Depository Agreement - the Council approved current contract, pursuant to the provisions of Section 105 of the Local Government Code of Texas providing for banking

Budget - a plan, approved by the Council, of financial operation embodying an estimate of proposed expenditures/expenses for the fiscal year and the proposed means of financing them (revenue estimates).

Capital/Major Project Expenditure/Expense - an expenditure/expense which results in the acquisition or addition of a ~~fixed~~ capital asset or the improvement to an existing ~~fixed~~ capital asset.

Capital Projects Fund - a fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Capitalized ~~Fixed~~ Asset – A purchased or otherwise acquired piece of equipment, vehicle, furniture, fixture, capital improvement, addition to existing capital investments, land, buildings or accessioned Library materials with a useful life greater than two (2) years and a ~~fixed~~n ~~asset acquired prior to October 1, 2000, having an acquisition cost or value of $1,000 or more or a fixed asset acquired after September 30, 2000, having an~~original acquisition cost or value of $15~~5~~,000 or more.

Chart of Accounts - a chart detailing the system of numbering or otherwise designating general ledger accounts.

Combined Budget – the combination and presentation of the Operating Budget and the

Capital ~~Projects Fund~~Improvement Plan budget.

Competitive Bidding Process ~~–~~ a competitive procurement process that satisfies the requirements of Chapter 252 of the Local Government Code of Texas, as amended. ~~the process following State law requiring that on purchases of $25,000 and more, the Town must advertise, solicit, and publicly open sealed bids from prospective vendors. After a review period the Council then awards the bid to the successful bidder.~~

Current Assets - assets of the Town consisting of cash, investments and other assets that can or will be converted to cash within a twelve (12) month period.

Current Expense - an obligation of the Town as a result of an incurred expenditure/expense that is due for payment within a twelve (12) month period.

Current Liabilities - obligations of the Town that will require satisfaction within a twelve (12) month period.

Current Revenue - Town revenues or resources convertible to cash within a ~~a~~ twelve (12) month period~~s~~.

Department Director Designee – an Assistant Director or equivalent, or a person reporting directly to the Department Director that is a supervisor/manager by title or job function.

Director of Finance - the person appointed by the Town Administrator who is responsible for the recording and reporting of the financial activities of the Town.

Electronic signature – electronically imprinted signature facsimiles generated through the Town's computer equipment upon vouchers or Town issued checks, rendering them as negotiable instruments.

Emergency - an unexpected occurrence, i.e. damaging weather conditions, that requires the unplanned use of Town funds.

Emergency Procurement – An unforeseen procurement that was necessary to:

- Preserve the property of the municipality
- Preserve or protect the public health or safety of the municipality's residents or employees
- Prevent unforeseen damage to public machinery, equipment, or other property

Encumbrance - see Appropriation

Equity - see Fund Balance and Retained Earnings

Expenditure/Expense - decreases in net financial resources for the purpose of acquiring goods or services. The General Fund recognizes expenditures and the Utility (Proprietary) Fund recognizes expenses.

~~Facsimile Signature Machine - a mechanical device used to imprint signature facsimiles upon Town vouchers rendering them as negotiable instruments.~~

Fiscal Year (FY) - the period of October 1st through the following September 30th. (e.g. FY 2013 or FY13 refers to the fiscal year from October 1, 2012 through September 30, 2013)

~~Fixed Assets - Purchased or otherwise acquired piece of equipment, vehicle, furniture, fixture, capital improvement, addition to existing capital investments, land, buildings or accessioned Library materials with a useful life greater than one (1) year.~~

Fund - an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance – an accounting distinction is made between the portions of fund equity that spendable and non-spendable. These are broken up into five categories:

1. **Non-spendable fund balance –** includes amounts that are not in a spendable form or are required to be maintained intact. Examples are resources in the form of inventory or permanent funds.
2. **Restricted fund balance –** includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include resources from grants and child safety fees.
3. **Committed fund balance –** includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council. Commitments may be changed or lifted only by the Town Council taking the same formal action that imposed the constraint originally.
4. **Assigned fund balance –** comprises amounts *intended* to be used by the Town for specific purposes. Intent can be expressed by Town Council or by an official or body to which the Town Council has delegated the authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. Examples include resources to be used to liquidate encumbrances related to purchase orders payable from assigned resources and any fund balance to be used in a subsequent fiscal year to "balance" the budget.
5. **Unassigned fund balance –** is the residual classification of the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Fund Equity - the excess of fund assets over liabilities in a governmental fund.

GAAP - see Generally Accepted Accounting Principles

General Administrative Costs - costs associated with the administration of Town services; costs incurred by the Town that relate to the Town's general operations rather than to the providing of specific services.

General Fund - the Town fund used to account for all financial resources and expenditures of the Town except those required to be accounted for in another fund.

General Ledger - the collection of accounts reflecting the financial position and results of operations for the Town.

Generally Accepted Accounting Principles (GAAP) - uniform minimum standards of and guidelines to financial accounting and reporting as set forth by the Governmental Accounting Standards Board (GASB).

GFOA - Government Finance Officers Association of the United States and Canada

Governmental Accounting Standards Board - the authoritative accounting and financial reporting standard-setting body for government agencies.

Governmental Funds – funds generally used to account for tax-supported activities. The Town utilizes three different types of governmental funds: the General Fund, Capital Projects Fund, and Special Revenue Funds.

Internal Service Fund - a fund used to account for the financing of goods or services provided by one department to other department on a cost reimbursement basis.

Investments - securities held for the production of revenues in the form of interest.

Line-Item Budget - the presentation of the Town's adopted Budget in a format presenting each Department's approved expenditure/expense by specific account.

Long-Term Debt - obligations of the Town with a maturity of more than one (1) year.

Management Letter - a written report from the independent auditors to the Council reflecting observations and suggestions as a result of the audit process.

Net Working Capital - current assets less current liabilities.

~~Non-Capitalized Fixed Asset – a fixed asset acquired prior to October 1, 2000, having an~~

~~acquisition cost or value of $1,000 or less or a fixed asset acquired after September 30, 2000, having an acquisition cost or value of $1,000 or more but less than $5,000.~~

Non-Recurring Revenues - resources recognized by the Town that are unique and occur one-~~-~~time.

Official Budget - the budget as adopted by the Council.

One-Time Revenues - see Non-Recurring Revenues.

Operating Budget - a plan, approved by the Council, of financial operation embodying an estimate of proposed expenditures/expenses for the fiscal year and the proposed means of financing them (revenue estimates) for all funds excluding the Capital Projects Fund and individual capital projects, which can span multiple fiscal years.

Proprietary Fund - see Utility Fund

Purchase Order System - the Town's system of using documents authorizing the delivery of specified merchandise or services and making a charge for them.

Retained Earnings - the equity account reflecting the accumulated earnings of the Utility Fund.

Revenues (Resources) - the term designating an increase to the Town's assets which:

- does not increase a liability (i.e. proceeds from a loan);
- does not represent a repayment of an expenditure/ expense already made;
- does not represent a cancellation of certain liabilities; and
- does not represent an increase in capital.

Risk - the liability, either realized or potential, related to the Town's daily operations.

Special Revenue Funds - funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. Examples include Court Technology Fund, Forfeited Property Fund, and Court Security Fund.

Street Rental Fees – An annual amount equal to 5% of combined water, sanitary sewer, solid waste collection/disposal and recycling charges billed to the Town's utility customers to pay for the use/access of Town right-of-way.

Tax Levy - the total amount of taxes imposed by the Town on taxable property, as determined by the Dallas Central Appraisal District, within the Town's corporate limits.

Town Council - the current elected officials of the Town as set forth in the Town's Charter.

Town Administrator - that individual appointed by the Town Council who is responsible for the administration of the affairs of the Town.

User Based Fee/Charge - a monetary fee or charge placed upon the user of services by the Town.

Utility Fund - the fund used to account for operations of the Town's water and sanitary sewer activities.

Utility Sales - sales of treated water and sanitary sewer service.

TOWN OF HIGHLAND PARK, TEXAS

STATEMENT

OF

FINANCIAL MANAGEMENT POLICIES

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MISSION STATEMENT

The mission of the Town of Highland Park is to provide personal, caring services in a prompt and efficient manner for our community in order to enhance the quality of life and preserve the heritage that is Highland Park.

December 2012

As Amended January 2026

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I. PURPOSE STATEMENT

The purpose of this Statement of Financial Management Policies is to provide guidelines, in accordance with the applicable Texas Statutes and the Town of Highland Park Charter, Ordinances and Resolutions, for the Director of Finance, hereinafter called Director, in planning and directing the Town of Highland Park, hereinafter called Town, in its day-to-day financial affairs and in developing recommendations to the Town Administrator and Town Council, hereinafter called Administrator and Council, respectively.

The scope of these policies generally spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash and investment management, expenditure control and debt management, all to make it possible both: (a) to present fairly and with full disclosure the financial position and results of financial operations of the Town in conformity to generally accepted accounting principles (GAAP), and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

It is the goal of the Statement of Financial Management Policies to enable the Town to adhere to the principles of sound municipal finance and to continue its long-term stable and positive financial condition. The watchwords of the management of the Town's financial affairs shall, at all times, include integrity, prudent stewardship, planning, accountability, and full disclosure.

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II. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

A. ACCOUNTING - The Director shall be responsible for establishing and maintaining a chart of accounts and for the proper recording of financial transactions in accordance with GAAP. Additionally, the Town is solely responsible for its reporting of its financial affairs, both internally and externally.

B. AUDITING - The Town's Charter, in accordance with Chapter 103 of the Local

Government Code of Texas, as amended, requires that its financial affairs be audited annually by outside independent accountants (auditors), selected and appointed by the Council under contract. The auditor selected shall be a CPA firm, registered as a partnership or corporation of certified public accountants, holding a license under Article 41a-1, Section 9, of the Civil Statutes of Texas, capable of demonstrating that it has sufficient staff which will enable it to conduct the Town's audit in accordance with generally accepted auditing standards as required by Town Charter and applicable state and federal laws. The auditor's written report of the Town's financial affairs shall be completed by no later than January 15th following the Town's fiscal year-end. The auditor's report, together with its management letter shall be presented to the Administrator, the Director and Council within the aforesaid 120 day period. Thereafter, the Administrator, the Director and auditor shall jointly review the auditor's report and management letter with the Council's Administrative Committee within 30 calendar days after their receipt by the Town.

Within fifteen (15) days of this joint review, the Director shall respond in writing to the Administrator and Administrative Committee regarding the auditor's management letter, addressing the issues contained therein. The Council shall schedule its formal acceptance of the auditor's report upon the resolution of any issues resulting from the joint review.

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C. AUDITORS RESPONSIBLE TO THE COUNCIL -Auditors for the Town shall be responsible to the Council and shall have access to direct communication with the Mayor and Council at such times as the auditors consider such communication necessary to fulfill their legal and professional responsibilities.

D. SELECTION/AUDITOR ROTATION - The Council shall select the auditors for the Town each fiscal year. The selection may be by means of approving an engagement proposal from the incumbent firm or the Council may direct the Administrator and Director to obtain proposals from qualified CPA firms. As a benchmark, the Council may award a three (3) year engagement to the selected

firm with two (2) one (1) year extensions. The Council shall, however, retain authority to review audit performance annually and act accordingly in regards to replacement and extensions.

E. EXTERNAL FINANCIAL REPORTING - Upon the completion and acceptance of the annual audit by the Town's auditors, the Town shall prepare a written or electronic representation of an Annual Comprehensive Financial Report (ACFR) which shall be presented to the Council within 180 calendar days after the Town's fiscal year end. The ACFR shall be prepared in accordance with generally accepted accounting principles (GAAP) and shall be presented annually to the Government Finance Officers Association (GFOA) for evaluation and consideration for the Certificate of Achievement for Excellence in Financial Reporting. If this time requirement cannot be met, the Director shall report to the Administrator and the Council of the delay and the reasons for same.

F. INTERNAL FINANCIAL REPORTING - The Director shall prepare monthly, a written or electronic representation of a summary of the Town's financial affairs and submit same to the Administrator and Council within thirty (30) calendar days following the end of each calendar month. Each such report shall accurately reflect the Town's current cash position, revenue and expenditure/expense performance as well as any additional information that reflects the Town's fiscal position.

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III. OPERATING BUDGET

A. PREPARATION - Budgeting is an essential element of the financial planning, control, and evaluation process of municipal government. The Town's annual operating budget, hereinafter called budget, is the Town's annual financial operating plan. It is comprised of governmental, capital projects, proprietary, internal service and special revenue funds. Budgets for the General Fund, Capital Projects Funds and Special Revenue Funds are prepared on the modified accrual basis of accounting. The budgets for the Utility (Proprietary) Fund and Internal Service Funds are prepared on a basis consistent with GAAP, except that capital

purchases and depreciation are not considered until year-end when adjustments are made for financial reporting purposes.

1. Proposed Budget - A proposed budget shall be prepared by the Administrator and the Director with the participation of all of the Town's Department Directors/Heads, covering the operational and capital expenditures of the Town in accordance with the provisions of the Town Charter.

   The budget shall include four (4) basic segments for review and evaluation. These segments are: 1) personnel costs, 2) operations and maintenance costs, 3) capital and (non-capital) project maintenance costs, and 4) revenues. Capital project costs shall reflect the approved Capital Improvement Plan ("CIP") which shall be updated and approved in conjunction with the adoption of the annual budget.

   The budget review process shall include Council participation in the development of each of the four (4) segments of the proposed budget and a called Public Hearing to allow for citizen participation in the budget preparation.

   The budget process shall span sufficient time to allow for ample time to address policy and fiscal issues by the Council and shall include a designated time and place for soliciting citizen input.

   A copy of the proposed budget shall be filed with the Town Secretary not less than thirty (30) days prior to the end of the fiscal year in accordance with the provisions of the Town Charter.

2. Adoption - Upon the presentation of both a proposed operating budget and a CIP acceptable to the Council, the Council shall call and publicize a public hearing and adopt, by Ordinance, said budget as the Town's Official

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Budget effective for the fiscal year beginning October 1st.

3. Amending the Official Budget - Amendments to the Official Budget shall be made at regularly scheduled Council meetings with a notice of the proposed amendment posted and publicized at least three (3) days prior to the meeting.

The Official Budget shall be submitted to the GFOA annually for evaluation and consideration for the Award for Distinguished Budget Presentation.

The Town's Utility (Proprietary) Fund, as set forth in the Town's budget, shall bear the applicable personnel and operating costs of the Town's general administration, information technology services, non-departmental specific expenditures, municipal building office space and other related costs plus the Town's Service Center operation based upon annual reviews of actual staff time allocation and facility use.

In addition to the aforesaid, the service rates for the sale of water, sanitary sewer services, solid waste collection/disposal services and recycling services shall include an amount equal to 5% of revenues for each respective service as street rental fees. These collected funds shall be transferred to the Capital Projects Fund toward funding of the Town's annual street resurfacing program.

All other direct expenses associated with the provision of utility services by the Town shall be expensed directly to the appropriate Department.

B. BALANCED BUDGET - It is desirable that the budget provide sufficient current revenues to fund that year's budgeted non-capital expenditures/expenses. Regardless of this objective, the budget shall be balanced with sources of working capital (revenues, cash surplus) equal to or greater than uses of working capital (expenditures/ expenses, capital outlays).

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C. BUDGET MANAGEMENT & PERFORMANCE - The Director shall prepare and distribute monthly financial reports to enable the Department Directors to best manage their department budgets and to enable the Director to monitor and control the budget as authorized by the Administrator. Written summaries of the monthly financial reports shall be presented to the Council in accordance with Section II, Paragraph F, of this policy statement. Such reports shall be in a form which will enable the Council to be fully informed of the overall budget performance of the Town.

D. END OF YEAR APPROPRIATIONS – For all Town funds for which a budget is required and/or prepared, with the exception of capital project budgets, unencumbered appropriations expire at the close of each fiscal year. Budgets for operating funds are prepared on a fiscal year basis. Capital projects, on the other hand, may span two or more years. Accordingly, appropriations for individual capital projects expire at project closure.

E. PERFORMANCE MEASURES AND PRODUCTIVITY INDICATORS Where appropriate, performance measures and productivity indicators shall be included in the annual budget. This information shall also be reported by the Administrator to the Council on a quarterly basis.

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IV. REVENUE MANAGEMENT

A. SIMPLICITY - The Town, where possible and without sacrificing accuracy, shall strive to keep the Town's revenue system uncomplicated so as to reduce compliance costs for the taxpayer or service recipient and a corresponding decrease in the Town's costs of collection.

The criteria shall always be that the benefits of a revenue collected exceed the cost of producing that revenue.

B. CERTAINTY – An understanding of the revenue source increases the reliability

of the Town's revenue system. The Director shall make every effort to determine its revenue sources and enact consistent collection policies in order that the revenues will occur to support the budget.

C. EQUITY - The Town shall make every effort to maintain equity in its revenue system structure; i.e., the Town shall endeavor, wherever possible, to minimize or eliminate all forms of subsidization between entities, funds, services, utilities and the Town's customers.

D. REVENUE ADEQUACY - The Town shall require that there be a balance in the its revenue system; i.e., the revenue base shall be fair as it applies to cost of service and ability to pay.

E. DIVERSIFICATION AND STABILITY - Wherever possible, the Town shall make every effort to maintain a diversified revenue system which provides a stable source of income to the Town which will protect it against fluctuations in the economy and variations in weather (related to the sale of treated water and sanitary sewer services).

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F. NON-RECURRING REVENUES - It is desirable that non-recurring revenues not be used to finance the Town's current operations. Non-recurring Town revenues should be used only for one-time Town expenditures such as long-lived capital needs and not for budget balancing purposes.

G. PROPERTY TAX REVENUES - All real and business personal property located within the Town shall be valued at 100% of the fair market value for any given year based on the current appraisal supplied to the Town by the Dallas Central Appraisal District. A 99% collection rate shall serve each year as a goal for tax collections. The Town Council shall determine whether the Town collects its levied property taxes or contract with another governmental agency for same. The Town Council shall further decide upon a property tax attorney or firm for the collection of delinquent property taxes in accordance with the Texas Property

Tax Code, as amended.

H. USER-BASED FEE - As a part of the Town's budget process, the Council shall review and adopt, where possible, service fees sufficient to offset the cost of services rendered by the Town. User charges shall be classified by the Council as "Full Cost Recovery" and "Partial Cost Recovery".

I. UTILITY RATES - As a part of the Town's budget process, the Council shall review and adopt utility service rates annually that, where possible, will generate revenues to fully cover the Town's operating expenses and to provide the Town with an adequate level of working capital.

J. INTEREST INCOME - The Director shall ensure, at all times, that the interest earned from the investment of Town money shall be distributed to the appropriate fund in accordance to the equity balance of the particular fund from which the money was provided for investment.

K. REVENUE MONITORING - All revenues actually received by the Town shall be regularly compared to budgeted revenues by the Director and where variances exist, these shall be audited by the Director. The results of such audits shall be summarized by the Director in the monthly financial report provided to the Council.

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V. EXPENDITURE/EXPENSE CONTROL

A. APPROPRIATIONS - The Town's budget shall be a line- item budget. Overall budgetary control shall be the responsibility of the Administrator with each respective Department Director being responsible for the administration of his or her departmental budget.

B. AMENDMENTS TO THE BUDGET - In accordance with Town Charter, all budget amendments shall be approved by the Council.

C. CENTRAL CONTROL - No recognized salary or capital budgetary savings in any Department shall be spent by the Department Director without the prior authorization of the Administrator.

D. PURCHASING - All Town purchases and contracts shall conform to Chapter 252, Subchapter B of the Local Government Code of Texas, as amended. Purchases of goods or services subject to the competitive bid process and purchases of goods or services by contract, in excess of the threshold established for competitive bidding within Chapter 252 of the Local Government Code, shall be submitted to the Council by the Administrator for Council approval. The adoption of the annual budget gives the Administrator the authority to approve all other purchases for goods or services in accordance with each department's approved budget. Contracts entered into by the Town for the purchase of goods or services will be reviewed by the Town Attorney prior to execution.

The purchase of goods or services at a total cost of $3,000 or more must be made through the Town's purchase order system. An electronic representation of a written purchase order shall also be used for vendors requiring formal Town authorization regardless of the dollar amount. All purchase orders require the approval of the Department Director or Department Director Designee (as defined in section XI. Financial Glossary) and the Director of Finance. Purchase orders greater than $50,000 require the approval of the Department Director, Director of Finance, and Town Administrator or Town Administrator designee.

In an emergency procurement situation (as defined in section XI. Financial Glossary) where a purchase order could not have been obtained prior to making a purchase, a department must obtain a purchase order as soon as practicable after making the purchase. An emergency purchase order requestion must be accompanied by a memo signed by the appropriate department head that describes the nature of the emergency and reason(s) why a purchase order could not have been obtained in advance of making the emergency purchase. A substantiated

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emergency procurement made without a valid purchase order is not considered a violation of this policy.

Any payment for the purchase of goods or services by the Town at a total cost of less than $3,000 may be made via an electronic representation of a written Accounts Payable Voucher, signed and submitted by the applicable Department Director or Department Director Designee to the Town's Finance Department. The following approval thresholds shall apply to all disbursement of funds:

Approval Threshold*	Approval Requirement
Accounts Payable Vouchers and Disbursements Less than or Equal to $5,000	Department Director or Department Director Designee Finance Department Accounting Supervisor
Accounts Payable Vouchers and Disbursements More than $5,000 but Less than or Equal to $50,000	Department Director or Department Director Designee Director of Finance
Disbursements More than $50,000	Department Director Director of Finance Town Administrator or Town Administrator Designee**

* Approval thresholds apply to disbursements on an individual basis, not in the aggregate.

** Town Administrator or Town Administrator Designee approval only applies to disbursements that require original signature as defined in Section VI. B. of this policy.

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In accordance with Section 252.0415 of the Texas Local Government Code, the Town is authorized to receive sealed bids or proposals electronically. To ensure the identification, security and confidentiality and prevent the opening of submittals prior to the advertised opening date and time, these submittals shall be received password protected digital account only accessible at the date and time advertised for the opening. The information technology department, or third party used to collect the submittals, will certify that the submittals were not opened until the advertised date and time. Any bids submitted after the advertised date and time will not be considered. If any submitted bids are opened prior to the advertised opening date and time, all bids will be considered rejected and the process will be redone.

E. PROMPT PAYMENT - All invoices approved for payment by the proper Town authorities shall be paid by the Finance Department within thirty (30) calendar days

of receipt in accordance with the provisions of Article 601f, Section 2 of the State of Texas Civil Statutes.

The Director shall establish and maintain proper procedures which will enable the Town to take advantage of all purchase discounts, when possible, except in the instance where payments can be reasonably and legally delayed in order to maximize the amount of cash available for investing.

F. EQUIPMENT FINANCING - The applicable Town Department Director, the Administrator and the Director, when possible, shall evaluate the Town's option of equipment leasing in instances of Town equipment acquisitions of $10,000 or more or in instances when the equipment has a useful life of five (5) or more years as an alternative for Council consideration in the acquisition of assets.

G. CONTRACTS FOR GOODS AND SERVICES

This section is provided to address the development and execution of contracts that are not required to be presented to the Town Council for approval. For the purposes of this policy, the terms contracts and agreements are considered synonymous.

1. Any contract for goods and/or services does not require Town Council approval will be executed by the Town Administrator or his/her designee.

2. Contracts for goods and/or services will be written in a standard form provided by the Town Attorney.

3. Any deviations or modifications to the Town's standard form agreement must be approved by the Town Attorney to prior execution.

4. In the event a contract being considered by Town Staff is not on the Town's standard form agreement, the Town Attorney will review and approve the form of the agreement prior to execution.

5. While circumstances of a procurement typically dictate the necessity of a contract, Town Staff should consider using a contract for the purchase of goods and services in the following instances:

    a. Work is being performed by a third party on Town Property.
    b. Services being procured are set out by a specific scope of work.

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c. Specific details regarding specifications, delivery terms or payment options are negotiated.
d. The product being procured includes a warranty from the vendor.
e. The procurement being made carries risk to the Town that needs to be mitigated through indemnification and subrogation clauses.

6. Designees of the Town Administrator for the purposes of developing and executing contracts are as follows:
   a. Contracts valued at less than $100,000 but more than $50,000 must receive the approval of the Town Administrator.
   b. Contracts valued between $25,000 and $49,999 can be executed by the department director with a copy provided to the Town Administrator.
   c. Contracts valued between $0 and $24,999 can be executed by the Department Director Designee with a copy provided to the department director.
   d. In all cases, directors have the authority to sign any contract that does not require the Town Administrator's signature.

The Town Administrator may approve a contract valued below $50,000, which satisfies all subordinate approvals.

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VI. ASSET MANAGEMENT

A. INVESTMENTS - The Director shall promptly invest all Town funds in accordance with the Town's Statement of Investment Policies as adopted by the Town Council.

B. CASH MANAGEMENT - The Town's cash flow shall be managed by the Director to maximize the cash available for investment. The Finance Department

shall, as authorized by Council, affix, via mechanical or electronic means, a facsimile, bearing the joint signatures of the Town's Administrator and the Director, for the disbursement of Town issued checks for:

1. Payroll;

2. Federal income tax and social security tax transfers;
3. Texas Municipal Retirement System deposits;
4. Unemployment compensation claim reimbursements;
5. Payments of money held in trust where the Town acts as a collecting agent;
6. Utility services;
7. Employee benefits programs;
8. Installment payments approved by Council on contracts or projects;
9. Payments for expenditures/expenses for which the Council has specifically authorized payment;
10. Individual (non- aggregate) disbursements less than $50,000

All other Town issued checks not meeting the above criteria shall be signed, in original, by two (2) authorized signatories. Payment authorization shall be in accordance with the pay authorization criteria as defined in the current Bank Depository Agreement, approved by Council, stipulating the conditions and control procedures on such activity.

The Director may transfer funds, via electronic transfer, through verbal instructions to the Town's Depository only for payment of any obligation of the Town under the conditions applicable to the use of the facsimile signature under Paragraph B, this Section.

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C. CAPITAL ASSETS ACCOUNTING AND INVENTORY -

The Town's capital assets shall be reasonably safeguarded and properly accounted for and sufficiently insured. Responsibility for the safeguarding of the Town's capital assets lies with the Department Director in whose department the capital asset is assigned. The Finance Department shall assign an asset number in the Town’s capital asset database and shall maintain the permanent records of the Town's capital assets including description, cost, department of responsibility, date of acquisition, depreciation and expected useful life.

The recording of the cost or value of capitalized capital assets into the Town's financial records and capital asset database shall be consistent with the definition of capitalized assets. Accessioned Library materials can be capitalized on a lump-sum basis rather than on a per item basis. Assets purchased from the Town's Equipment or Technology Replacement Funds (Internal Service Funds) that are individually below the capitalized asset threshold can be capitalized annually on a lump-sum basis rather than on a per-item basis. Refer to the definition of "Capitalized Asset" in the glossary of this policy.

Rehabilitations, renovations, remodels, and repairs to Town's capital assets are capitalized to extent the total cost of the rehabilitation, renovation, remodel, and repair exceeds $25,000 and extends the underlying assets useful life. Rehabilitations, renovations, repairs and remodels below this threshold are considered routine repair and maintenance expenditures.

The Finance Department shall also perform an annual inventory of capital assets using random sampling at the department level. Such inventory shall be performed by the Director or his or her designated agent in the presence of designated department personnel from the department of responsibility.

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D. COMPUTER SYSTEM/DATA SECURITY - The Town shall provide security of its computer system and data files through:

1. Physical security - computer systems infrastructure shall be in a location inaccessible to unauthorized personnel. Only authorized external access to the system via telephone, microwave or radio frequency shall be installed.

2. Password security - All users of the Town's financial management system shall be assigned his/her personal password for access into the system. Each user shall be given access permission to only those data files and functions necessary to perform assigned duties. The Town Administrator shall designate the Information Technology Manager as the

Master Security Officer on the Town's computer ~~system~~ networks. The Master Security Officer may appoint other Town employees to serve as Security Officers. The Town shall take all precautions necessary to protect the integrity and safety of its information technology.

VII. FINANCIAL CONDITION

A. NO OPERATING DEFICITS - It is desirable that the Town's current expenditures/expenses be paid with current revenues of the Town. Deferrals, short-term loans or use of one-time sources should be avoided as budget balancing techniques. The Town's cash reserves should be used only for emergencies or for the payment of non-recurring expenditures as approved by the Council, except when balances can be reduced due to their levels exceeding guideline minimums as stated in Section VII, Paragraph B., hereof.

B. FUND BALANCE - GOVERNMENTAL FUNDS

1. *Committed Fund Balance* - The Town Council is the Town's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is by Council action. The Council action must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period. The Council action may take the form of the Annual Budget or a separate ordinance or resolution. Examples of Committed Fund Balance include the Storm Water Drainage Utility Fund and the Employees' Christmas Fund (contributions committed for employee distribution).

   The Town shall maintain a committed fund balance in the Capital Projects Fund of $2,000,000.00 as conditions warrant. The Town Council shall have sole authority for the use of any portion, or all of, the committed fund balance in the Capital Projects Funds. Such decision to use the Capital

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Projects Fund's committed fund balance should include a plan for replenishing the committed fund balance of the Capital Projects Fund to its desired level.

2. *Assigned Fund Balance* - The Town Council has authorized the Town's Director of Fiscal and Human Resources to assign fund balance to a specific purpose in accordance to Generally Accepted Accounting Principles and in the normal conduct of business. An example is resources to be used to liquidate encumbrances related to purchase orders payable from assigned resources and any fund balance to be used in a subsequent fiscal year to "balance" the budget.

3. *Minimum Unassigned Fund Balance*

The Town shall maintain an unassigned fund balance in the General Fund equal to 17% of non-capital expenditures as approved by the Town Council in current Annual Budget.

If Unassigned Fund Balance exceeds the target set by policy, the Town may use surpluses for onetime expenditures. If unassigned fund balance falls below the target, the Town will reduce recurring expenditures to eliminate any structural deficit for such period as necessary until the unassigned fund balance meets the minimum balance as required by this policy.

4. *Order of Expenditure of Funds*

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the Town Council, and Unassigned Fund Balance), the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

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At the close of each fiscal year, any operating surplus (revenues less expenditures less encumbrances) shall be transferred, by Council action, from the General Fund to the Capital Projects Fund.

C. NET WORKING CAPITAL - UTILITY FUND

The Town shall maintain Net Working Capital at an amount equal to not less than twenty-five percent (25%) of non-capital expenditures as approved by the Town Council in the Annual Budget.

D. RISK MANAGEMENT - The Town shall provide, where possible, for the safety of the public and the Town's employees in order to minimize the Town's risk of loss of resources through liability claims.

E. RISK FINANCING - All reasonable options shall be investigated by the Director to finance risks. Such options may include risk transfer, insurance and risk retention.

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VIII. INTERNAL CONTROLS

A. WRITTEN PROCEDURES - Wherever possible, written procedures shall be established and maintained by the Director for all activities involving cash handling and/or accounting throughout the Town. These procedures shall embrace the general concepts of fiscal responsibility outlined in this statement.

B. DEPARTMENT DIRECTORS RESPONSIBLE - Each Department Director shall be responsible to ensure that good internal controls are followed at all times throughout his or her department, that all approved, written Finance Department directives on internal controls are implemented and that all independent auditor internal control recommendations, as embraced by the Council and furnished by the Finance Department, are met.

IX. DEBT MANAGEMENT

A. LONG-TERM DEBT - Long-term debt shall not be used for operating purposes and the life of any Town issued debt shall not exceed the useful life of the asset or project financed with same.

B. FINANCING ALTERNATIVES - The Director shall be responsible for the evaluation, from time to time, of all financing alternatives permitted by State law in addition to long-term debt including leasing, current revenues and available reserves.

C. RATINGS - The Director shall make full disclosure of the Town's operations to both nationally recognized rating agencies, Standard & Poors and Moody's.

X. ANNUAL REVIEW OF POLICIES

The Town's Financial Management Policies shall be reviewed by the Director and Administrator at least annually and any proposed revisions shall be presented to the Council for approval.

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XI. FINANCIAL GLOSSARY

The following definitions form a part of this policy statement in order to clarify certain terminology used.

Appropriation - a legal authorization granted by the Council to make or incur expenditures/expenses for specific purposes.

Bank Depository Agreement - the Council approved current contract, pursuant to the provisions of Section 105 of the Local Government Code of Texas providing for banking

Budget - a plan, approved by the Council, of financial operation embodying an estimate of proposed expenditures/expenses for the fiscal year and the proposed means of financing them (revenue estimates).

Capital/Major Project Expenditure/Expense - an expenditure/expense which results in the acquisition or addition of a capital asset or the improvement to an existing capital asset.

Capital Projects Fund - a fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Capitalized Asset – A purchased or otherwise acquired piece of equipment, vehicle, furniture, fixture, capital improvement, addition to existing capital investments, land, buildings or accessioned Library materials with a useful life greater than two (2) years and an original acquisition cost or value of $15,000 or more.

Chart of Accounts - a chart detailing the system of numbering or otherwise designating general ledger accounts.

Combined Budget – the combination and presentation of the Operating Budget and the Capital Improvement Plan budget.

Competitive Bidding Process – a competitive procurement process that satisfies the requirements of Chapter 252 of the Local Government Code of Texas, as amended.

Current Assets - assets of the Town consisting of cash, investments and other assets that can or will be converted to cash within a twelve (12) month period.

Current Expense - an obligation of the Town as a result of an incurred expenditure/expense that is due for payment within a twelve (12) month period.

Current Liabilities - obligations of the Town that will require satisfaction within a twelve (12) month period.

Current Revenue - Town revenues or resources convertible to cash within a twelve (12) month period.

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Department Director Designee – an Assistant Director or equivalent, or a person reporting directly to the Department Director that is a supervisor/manager by title or job function.

Director of Finance - the person appointed by the Town Administrator who is responsible for the recording and reporting of the financial activities of the Town.

Electronic signature – electronically imprinted signature facsimiles generated through the Town's computer equipment upon vouchers or Town issued checks, rendering them as negotiable instruments.

Emergency - an unexpected occurrence, i.e. damaging weather conditions, that requires the unplanned use of Town funds.

Emergency Procurement – An unforeseen procurement that was necessary to:

- Preserve the property of the municipality
- Preserve or protect the public health or safety of the municipality's residents or employees
- Prevent unforeseen damage to public machinery, equipment, or other property

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Encumbrance - see Appropriation

Equity - see Fund Balance and Retained Earnings

Expenditure/Expense - decreases in net financial resources for the purpose of acquiring goods or services. The General Fund recognizes expenditures and the Utility (Proprietary) Fund recognizes expenses.

Fiscal Year (FY) - the period of October 1st through the following September 30th. (e.g. FY 2013 or FY13 refers to the fiscal year from October 1, 2012 through September 30, 2013)

Fund - an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations,

reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance – an accounting distinction is made between the portions of fund equity that spendable and non-spendable. These are broken up into five categories:

1. **Non-spendable fund balance –** includes amounts that are not in a spendable form or are required to be maintained intact. Examples are resources in the form of inventory or permanent funds.
2. **Restricted fund balance –** includes amounts that can be spent only for the specific purposes stipulated by external resource providers either constitutionally or through enabling legislation. Examples include resources from grants and child safety fees.
3. **Committed fund balance –** includes amounts that can be used only for the specific purposes determined by a formal action of the Town Council. Commitments may be changed or lifted only by the Town Council taking the same formal action that imposed the constraint originally.
4. **Assigned fund balance –** comprises amounts *intended* to be used by the Town for specific purposes. Intent can be expressed by Town Council or by an official or body to which the Town Council has delegated the authority. In governmental funds other than the General Fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund. Examples include resources to be used to liquidate encumbrances related to purchase orders payable from assigned resources and any fund balance to be used in a subsequent fiscal year to "balance" the budget.
5. **Unassigned fund balance –** is the residual classification of the General Fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

Fund Equity - the excess of fund assets over liabilities in a governmental fund.

GAAP - see Generally Accepted Accounting Principles

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General Administrative Costs - costs associated with the administration of Town services; costs incurred by the Town that relate to the Town's general operations rather than to the providing of specific services.

General Fund - the Town fund used to account for all financial resources and expenditures of the Town except those required to be accounted for in another fund.

General Ledger - the collection of accounts reflecting the financial position and results of operations for the Town.

Generally Accepted Accounting Principles (GAAP) - uniform minimum standards of and guidelines to financial accounting and reporting as set forth by the Governmental Accounting Standards Board (GASB).

GFOA - Government Finance Officers Association of the United States and Canada

Governmental Accounting Standards Board - the authoritative accounting and financial reporting standard-setting body for government agencies.

Governmental Funds – funds generally used to account for tax-supported activities. The Town utilizes three different types of governmental funds: the General Fund, Capital Projects Fund, and Special Revenue Funds.

Internal Service Fund - a fund used to account for the financing of goods or services provided by one department to other department on a cost reimbursement basis.

Investments - securities held for the production of revenues in the form of interest.

Line-Item Budget - the presentation of the Town's adopted Budget in a format presenting each Department's approved expenditure/expense by specific account.

Long-Term Debt - obligations of the Town with a maturity of more than one (1) year.

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Management Letter - a written report from the independent auditors to the Council reflecting observations and suggestions as a result of the audit process.

Net Working Capital - current assets less current liabilities.

Non-Recurring Revenues - resources recognized by the Town that are unique and occur one-time.

Official Budget - the budget as adopted by the Council.

One-Time Revenues - see Non-Recurring Revenues.

Operating Budget - a plan, approved by the Council, of financial operation embodying an estimate of proposed expenditures/expenses for the fiscal year and the proposed means of financing them (revenue estimates) for all funds excluding the Capital Projects Fund and individual capital projects, which can span multiple fiscal years.

Proprietary Fund - see Utility Fund

Purchase Order System - the Town's system of using documents authorizing the delivery of specified merchandise or services and making a charge for them.

Retained Earnings - the equity account reflecting the accumulated earnings of the Utility Fund.

Revenues (Resources) - the term designating an increase to the Town's assets which:

- does not increase a liability (i.e. proceeds from a loan);
- does not represent a repayment of an expenditure/ expense already made;
- does not represent a cancellation of certain liabilities; and
- does not represent an increase in capital.

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Risk - the liability, either realized or potential, related to the Town's daily operations.

Special Revenue Funds - funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specific purposes. Examples include Court Technology Fund, Forfeited Property Fund, and Court Security Fund.

Street Rental Fees – An annual amount equal to 5% of combined water, sanitary sewer, solid waste collection/disposal and recycling charges billed to the Town's utility customers to pay for the use/access of Town right-of-way.

Tax Levy - the total amount of taxes imposed by the Town on taxable property, as determined by the Dallas Central Appraisal District, within the Town's corporate limits.

Town Council - the current elected officials of the Town as set forth in the Town's Charter.

Town Administrator - that individual appointed by the Town Council who is responsible for the administration of the affairs of the Town.

User Based Fee/Charge - a monetary fee or charge placed upon the user of services by the Town.

Utility Fund - the fund used to account for operations of the Town's water and sanitary sewer activities.

Utility Sales - sales of treated water and sanitary sewer service.

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Memorandum

To: Members of the Finance and Audit Advisory Committee

From: John Samford, CPA, CTP
Director of Finance

Date: November 13, 2025

Subject: Proposed Amendments to the Town's Financial Management Policies

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The purpose of this memo is to present proposed amendments to the Town's Statement of Financial Management Policies ("FMP").

Section III. Operating Budget

Proposed Policy Amendment: Clarify that appropriations for individual capital projects expire at project closure in subsection D. End of Year Appropriations.

Location in Policy: Subsection D - End of Year Appropriations, page 6

Rationale: Policy clarification.

Section V. Expenditure/Expense Control

Proposed Policy Amendment: Revise the opening paragraph to simply state that all purchases and contracts shall conform to Chapter 252, Subchapter B of the Local Government Code of Texas, as amended. Effective September 1, 2025, legislation enacted by the 89th Texas Legislature raised the competitive bidding threshold from $50,000 to $100,000.

Location in Policy: Subsection D - Purchasing, page 9

Rationale: Currently, the policy states that all Town purchases and contracts over $3,000 shall conform to Chapter 252, Subchapter B of the Local Government Code of Texas, as amended. All purchases should conform to State Law.

Proposed Policy Amendment: Increase threshold of Town Administrator or Town Administrator designee approval threshold for purchase orders greater than $45,000 to $50,000.

Location in Policy: Subsection D - Purchasing, page 10

Rationale: To align this approval threshold with other similar approval thresholds within the policy.

Proposed Policy Amendment: Increase the Accounting Supervisor approval threshold for Accounts Payable disbursements less than or equal to $1,000 to less than or equal to $5,000.

Location in Policy: Subsection D - Purchasing, page 10

Rationale: To enhance operational efficiency and streamline approvals at the Finance Director level for lower value purchases.

Proposed Policy Amendment: Increase the Department Director Designee approval threshold from up to $45,000 to up to $50,000. Department Director Designee is defined in the glossary as an Assistant Director or equivalent, or a person reporting directly to the Department Director that is a supervisor/manager by title or job function.

Location in Policy: Subsection D - Purchasing, page 10

Rationale: To enhance operational efficiency and streamline approvals at the department head level.

Proposed Policy Amendment: Increase the Town Administrator or designee approval threshold from more than $45,000 to more than $50,000.

Location in Policy: Subsection D - Purchasing, page 10

Rationale: To enhance operational efficiency and streamline approvals at the Town Administrator level.

Proposed Policy Amendment: Clarify that disbursement thresholds apply to disbursements on an individual basis, not in the aggregate.

Location in Policy: Subsection D - Purchasing, page 10

Rationale: Policy clarification.

Proposed Policy Amendment: Clarify that Town Administrator or Town Administrator Designee approval only applies to disbursements that require original signature as defined in Section VI. B. of this policy. Section VI. B. provides requirements for use of electronic signature on disbursements.

Location in Policy: Subsection D - Purchasing, page 10

Rationale: Policy clarification.

Proposed Policy Amendment: Added section G. Contracts for Goods and Services

Location in Policy: Subsection G - Contracts for Goods and Services, pages 11-12

Rationale: This section is provided to address the development and execution of contracts that are not required to be presented to the Town Council for approval (currently $100,000 and up according to State Law). Section 1.03.040 “Powers and duties as a Purchasing Agent” of the Town’s Code of Ordinances designates the Town Administrator as the Purchasing Agent of the Town. Further, this Code provision enables the Town Administrator to adopt rules and regulations governing requisitions and transaction of business between him/herself and the heads of the departments or officers and employees of the Town, as the Council may approve.

In summary, this section provides for the following contract approval thresholds:

- Contracts valued at less than $100,000 but more than $50,000 must receive the approval of the Town Administrator.
- Contracts valued between $25,000 and $49,999 can be executed by the department director with a copy provided to the Town Administrator.
- Contracts valued between $0 and $24,999 can be executed by the Department Director Designee (defined in the glossary) with a copy provided to the department director.

Section VI. Asset Management

Proposed Policy Amendment: Increase the threshold for mechanical or electronic signature on individual disbursements from $3,000 to $50,000 in Section B. Cash Management.

Location in Policy: Subsection B – Cash Management, pages 12-13

Rationale: To enhance operational efficiency and streamline approvals at the Town Administrator level by expanding the use of electronic signature. Note: This threshold increase does not nullify other required approvals for disbursements in this policy.

Proposed Policy Amendment: Replaced all instances of “Fixed Asset” with “Capital Asset” in this section and throughout the FMP to include the glossary and other sections of this policy.

Location in Policy: Subsection C – Capital Asset Accounting and Inventory, page 13

Rationale: Policy clarification. The term “fixed” is a misnomer as not every capital asset is “fixed” in nature. In addition, this change aligns terminology with the Town’s Annual Comprehensive Financial Report.

Proposed Policy Amendment: Modify Section C. Capital Assets Accounting and Inventory to specify that accessioned Library materials can be capitalized on a lump-sum basis rather than on a per item basis and assets purchased from the Town’s Equipment or Technology Replacement Funds (Internal Service Funds) that are individually below the capitalized asset threshold can be capitalized annually on a lump-sum basis rather than on a per-item basis. Refer to the definition of “Capitalized Asset” in the glossary of this policy.

Location in Policy: Subsection C – Capital Asset Accounting and Inventory, page 14

Rationale: To streamline capital asset record keeping where the cost of record keeping maintenance exceeds the benefit for lower value capital assets.

Proposed Policy Amendment: Modify Section C. Capital Assets Accounting and Inventory to add a paragraph that address capitalization of rehabilitations, renovations, repairs, and remodels of capital assets to read as follows: *Rehabilitations, renovations, remodels, and repairs to Town’s capital assets are capitalized to extent the total cost of the rehabilitation, renovation, remodel, and repair exceeds $25,000 and extends the underlying assets useful life. Rehabilitations, renovations, repairs, and remodels below this threshold are considered routine repair and maintenance expenditures as they do not significantly increase the useful life of the underlying capital asset.*

Location in Policy: Subsection C – Capital Asset Accounting and Inventory, page 14

Rationale: To streamline capital asset record keeping where the cost of record keeping maintenance exceeds the benefit for lower dollar capital assets.

Proposed Policy Amendment: Modify Section C. Capital Assets Accounting and Inventory to remove the record keeping requirement to record non-capitalized fixed assets in the Town’s fixed asset data base at a financial reporting cost or value of $0.

Location in Policy: Subsection C – Capital Asset Accounting and Inventory, page 14

Rationale: To streamline capital asset record keeping where the cost of record keeping maintenance exceeds the benefit for lower dollar capital assets. The Town's capital asset database within the Town's ERP system is designed to track and depreciate capital assets for financial accounting and reporting purposes. This database is not designed to be an inventory tracking system. Responsibility for the safeguarding of the Town's fixed assets lies with the Department Director in whose department the capital asset is assigned.

Section XI. Financial Glossary

Proposed Policy Amendment: Replaced all instances of "Fixed Asset" with "Capital Asset" in this section and throughout the FMP to include the glossary and other sections of this policy.

Location in Policy: Financial Glossary, page 19

Rationale: Policy clarification. The term "fixed" is a misnomer as not every capital asset is "fixed" in nature. In addition, this change aligns terminology with the Town's Annual Comprehensive Financial Report.

Proposed Policy Amendment: Increase capitalized fixed asset threshold from $5,000 to $15,000.

Location in Policy: Financial Glossary – Definition of Capitalized Asset, page 19

Rationale: To streamline capital asset record keeping where the cost of record keeping maintenance exceeds the benefit for lower dollar capital assets. Over the last several years, costs have increased substantially due to inflation; however, the Town's current capital asset threshold of $5,000 has been in place since October 1, 2000.

Proposed Policy Amendment: Revise the definition of **Competitive Bidding Process** to align with the requirements of Chapter 252 of the Local Government Code of Texas, as amended.

Location in Policy: Financial Glossary – Definition of Competitive Bid Process, page 19

Rationale: Policy clarification. This change also ensures the policy remains aligned with future amendments to State Law, maintaining consistency as legal requirements evolve.

Proposed Policy Amendment: Revise the definition of **Capital Assets** to specify that a capital asset is an asset with a useful life greater than two (2) years.

Location in Policy: Financial Glossary – Definition of Capitalized Asset, page 19

Rationale: To align with the definition of **Capital Asset** in the Town's Annual Comprehensive Financial Report.

Proposed Policy Amendment: Strike the definition of **Facsimile Signature Machine**.

Location in Policy: Financial Glossary, page 20

Rationale: This definition is outdated and unnecessary. **Electronic Signature** is already defined in the glossary.

Proposed Policy Amendment: Strike the definition of **Non-Capitalized Fixed Asset**.

Location in Policy: Financial Glossary, page 23

Rationale: This definition is unnecessary as any asset that does not meet the definition of a capitalized or capital asset is a non-capitalized asset.

Proposed Policy Amendment: Revise the definition of **Operating Budget** to specify that an individual capital project may have a budget that spans multiple fiscal years.

Location in Policy: Financial Glossary, page 23

Rationale: Policy clarification.

Other formatting, grammatical, and non-substantive revisions have been made, where appropriate, to improve the clarity and effectiveness of this policy document.

I believe these proposed amendments will provide necessary policy clarifications, improve business process/workflow efficiency and flexibility, while maintaining appropriate and effective internal controls.

These proposed policy amendments have been reviewed and approved by the Town Administrator.

In the spirit of continuous improvement, staff will continue to evaluate other technologies and opportunities for business process improvement aimed at streamlining operations and maximizing efficiency. Additional business process and technology improvement recommendations will follow as they are identified.

Please let me know if you have any questions or if you require any additional information.

Town of Highland Park
Town Council Study Session
Tuesday, December 2, 2025

Item Coversheet

Review, discuss, and consider the opportunity for a Town Council Member to request an item to be placed on a future Town Council Meeting agenda.

PRESENTED BY: Joanna Mekeal, Town Secretary

BACKGROUND:

This item is provided at the request of the Mayor for a member of the Town Council to request that an item be placed on a future Town Council study session agenda for discussion or consideration. Town Council discussion and consideration would be limited only to including a potential agenda item and scheduling such on a future agenda. The agenda item would be included as part of the study session agenda of regular Town Council meetings.

RECOMMENDATION

Staff recommends approval of the inclusion of the agenda item for future regular Town Council meetings (not special or emergency).

FINANCIAL IMPACT

This item has no financial impact.

ATTACHMENTS

None

Town of Highland Park
Town Council Study Session
Tuesday, December 2, 2025

Item Coversheet

Review and discuss the monthly Financial and Investment Report for the fiscal year ending September 30, 2025.

PRESENTED BY: John Samford, Director of Finance

BACKGROUND:

The attached Financial and Investment Report is for the fiscal year ended September 30, 2025. This is a preliminary, unaudited end-of-year financial report, as the financial year-end close and audit are still in process. This report contains an accurate presentation of the Town's financial records as of November 8, 2025.

As of that date, combined revenues for the General and Utility Funds total $49,823,479, representing 102.8% of the annual budgeted revenue for these two funds. Combined expenditures and encumbrances for the same funds amount to $50,056,088, or 90.6% of the total combined expenditure budget. A narrative summary is included within the report to provide context and analysis of account balances and financial trends.

Additionally, the Quarterly Investment Report for the quarter ending September 30, 2025, is presented for review. As of September 30, the total market value of the Town's cash and investment portfolio was $70,237,237, with a weighted average yield of 4.31% and an average maturity of 86 days.

RECOMMENDATION

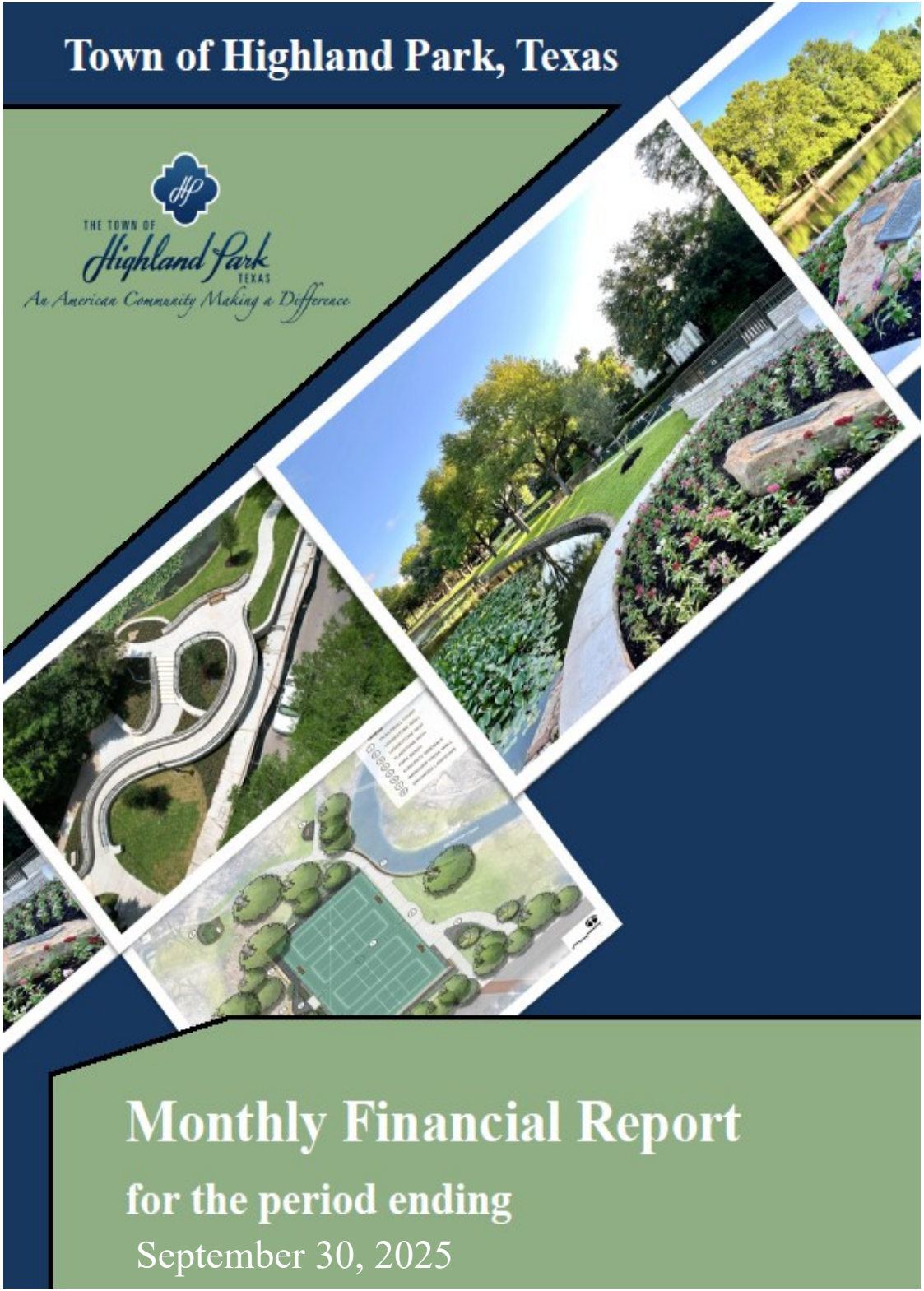
There is no recommended action associated with this agenda item as it is presented solely for informational and discussion purposes.

FINANCIAL IMPACT

There is no financial impact associated with this agenda item as it is presented solely for informational and discussion purposes.

ATTACHMENTS

Monthly Financial Report_092025_11.8.25, Quarterly Investment Report_QE 9.30.25



OVERVIEW

As of September 30, 2025, General and Utility Fund combined revenues are $49,823,479. This is 102.8% of the annual budgeted revenue amount.

Combined expenses and encumbrances of $50,056,088 are 90.6% of the annual budget. September 30 marks the end of the 2024-25 Budget Year. Therefore, the year to date budget percentage for budgetary comparison is 100.0%.

YEAR TO DATE (YTD) ACTIVITY

- ***Property Taxes*** are 100.1% of projection
- ***Sales Taxes*** are 128.3% of projection
- ***Building Permits*** are 89.1% of projection
- ***Water Sales*** are 98.4% of projection

COMPARISON TO LAST YEAR

- ***Property Taxes*** are 106.0% of prior year
- ***Sales Taxes*** are 106.7% of prior year
- ***Building Permits*** are 122.5% of prior year
- ***Water Sales*** are 103.8% of prior year

This is a preliminary and unaudited end of year financial report as the financial year end close and audit is till in process. This report contains an accurate presentation of the Town's financial records as of November 8, 2025.

Note: Certain columns and rows throughout this report may not sum due to the use of rounded numbers.

GENERAL FUND REVENUES

Revenue Signal Key
> 100% of Projected
95-100% of Projected
< 95% of Projected

	September 2025				Year To Date as of September 2025				Year To Date as of September 2025			Year To Date as of September 2024		
	Signal	Actual	Projected	%	Signal	Actual	Projected	%	Actual	Budget	%	Actual	Budget	%
Property Taxes		$ 34,181	$ 30,697	111.3%		$ 19,482,978	$ 19,463,027	100.1%	$ 19,482,978	$ 19,463,027	100.1%	$ 18,372,868	$ 18,515,422	99.2%
Sales Taxes		418,026	745,092	56.1%		9,388,670	7,319,252	128.3%	9,388,670	7,319,252	128.3%	8,801,419	6,944,270	126.7%
Mixed Beverage Taxes		35,779	38,117	93.9%		521,443	540,000	96.6%	521,443	540,000	96.6%	514,224	531,742	96.7%
Franchise Fees		5,293	7,216	73.4%		979,517	995,600	98.4%	979,517	995,600	98.4%	975,703	975,542	100.0%
Licenses and Permits		96,736	94,379	102.5%		1,549,980	1,726,725	89.8%	1,549,980	1,726,725	89.8%	1,296,207	1,581,300	82.0%
Charges for Services		63,133	108,479	58.2%		1,253,339	1,411,914	88.8%	1,253,339	1,411,914	88.8%	1,251,987	1,323,912	94.6%
Fines and Forfeitures		33,067	20,000	165.3%		335,079	239,500	139.9%	335,079	239,500	139.9%	338,742	237,717	142.5%
Earnings on Investments		61,961	52,318	118.4%		739,070	601,000	123.0%	739,070	601,000	123.0%	666,124	711,178	93.7%
Miscellaneous		23,398	31,350	74.6%		430,456	376,201	114.4%	430,456	376,201	114.4%	531,964	373,202	142.5%
Transfers	-	-	-	-		1,575,100	1,575,100	100.0%	1,575,100	1,575,100	100.0%	1,448,200	1,448,200	100.0%
Total Revenues		$ 771,574	$ 1,127,648	68.4%		$ 36,255,632	$ 34,248,319	105.9%	$ 36,255,632	$ 34,248,319	105.9%	$ 34,197,438	$ 32,642,485	104.8%

YEAR TO DATE OVERVIEW

Through September 30, General Fund non-property tax revenues of $16,772,654 are $1,987,362 above projection. Total revenues (including Property Taxes) are $2,007,313 above projection and are up 6.0% compared to the same period in the prior fiscal year.

PROPERTY TAXES

Property tax revenue is at 100.1% of the amount projected at this point in the fiscal year and 106.0% of the amount collected during this same period last fiscal year. The majority of Property Tax revenue is received during the months of December through February. Property taxes account for 57% of total General Fund budgeted revenue based on the original budget.

SALES TAXES

Sales tax revenue year to date is 128.3% of the amount projected at this point in the fiscal year and 106.7% of the amount collected during this same period last fiscal year for this revenue source driven by significant prior period collections earlier this fiscal year and continued strong revenue growth in current period revenue. Sales taxes account for 21% of total General Fund budgeted revenue based on the original budget.

MIXED BEVERAGE TAXES

Mixed Beverage Tax receipts are at 96.6% of the amount projected at this point in the fiscal year and 101.4% of the amount collected during this same period last fiscal year for this revenue source. Mixed Beverage Taxes are received monthly from the Texas Comptroller of Public Accounts.

FRANCHISE FEES

Franchise Fees are at 98.4% of the amount projected at this point in the fiscal year and 100.4% of the amount collected during this same period last fiscal year. Franchise Fees are received monthly and quarterly with the exception of the Natural Gas franchise fee, which is received annually in one payment.

LICENSES AND PERMITS

Licenses and permits revenue is at 89.8% of the amount projected at this point in the fiscal year and 119.6% of the amount collected during this same period last fiscal year for this revenue category. Licenses and permits accounts primarily for building permits, but also includes electrical and alarm permits, beverage and carriage service licenses.

CHARGES FOR SERVICES

Charges for services are at 88.8% of the amount projected at this point in the fiscal year and 100.1% of the amount collected during this same period last fiscal year for this revenue category. This category includes a variety of fees such as EMS, alarm monitoring, registration fees, and court related fees.

FINES AND FORFEITURES

Fines and forfeitures are at 139.9% of the amount projected at this point in the fiscal year and 98.9% of the amount collected during this same period last fiscal year for this revenue category. This category primarily consists of Municipal Court fines along with other miscellaneous fines.

EARNINGS ON INVESTMENTS

Earnings on investments are at 123.0% of the amount projected at this point in the fiscal year and 111.0% of the amount collected during this same period last fiscal year for this revenue category. When the original budget was developed last summer, there was a general sentiment that the Fed would incrementally lower the Fed Funds rate during the latter part of 2024 and into 2025. This did not happen, as anticipated, due to persistent elevated inflation above the Fed's 2% target.

MISCELLANEOUS REVENUES

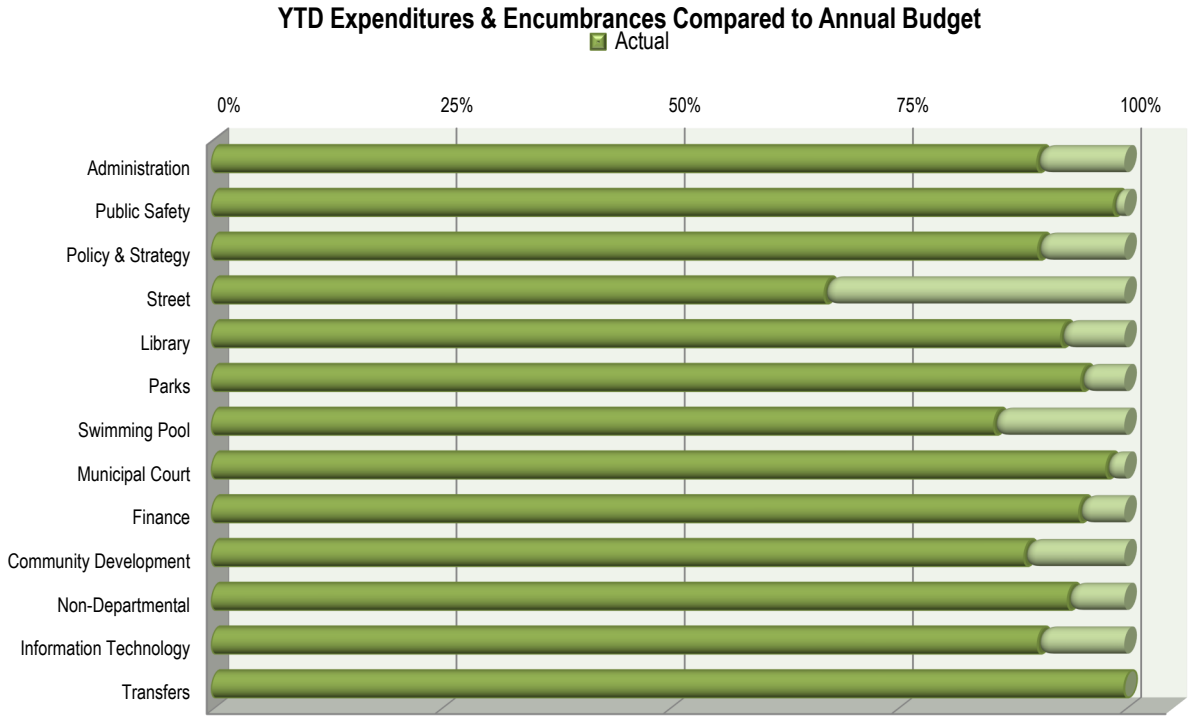
Miscellaneous revenues are at 114.4% of the amount projected at this point in the fiscal year. Miscellaneous revenues include penalties on delinquent property taxes, tower lease rental charges, donations, contributions, and other non-major revenues.

TRANSFERS

Biannual transfers consist of a cost allocation from the Utility Fund for the fund's share of G&A expenses and a transfer from the Court Security Fund to the General Fund for payroll related costs associated with court security. Transfers are recorded 50% in February and 50% in July.

GENERAL FUND EXPENDITURES

	Year To Date as of September 2025			Year To Date as of September 2024		
	Actual	Annual Budget	% of Budget	Actual	Annual Budget	% of Budget
Administration	$ 961,073	$ 1,062,509	90.5%	$ 762,789	$ 806,977	94.5%
Public Safety	17,260,329	17,468,509	98.8%	16,511,360	17,151,158	96.3%
Policy & Strategy	283,162	312,748	90.5%	278,714	333,225	83.6%
Street	323,701	482,001	67.2%	383,470	499,970	76.7%
Library	858,663	922,733	93.1%	871,419	911,196	95.6%
Parks	1,870,268	1,963,343	95.3%	1,901,397	1,904,783	99.8%
Swimming Pool	238,423	278,100	85.7%	270,397	280,084	96.5%
Municipal Court	626,306	638,991	98.0%	599,161	608,984	98.4%
Finance	1,138,139	1,197,450	95.0%	1,185,323	1,195,999	99.1%
Community Development	1,250,657	1,404,360	89.1%	832,408	917,500	90.7%
Non-Departmental	948,421	1,011,032	93.8%	988,680	1,021,088	96.8%
Information Technology	957,886	1,058,196	90.5%	791,234	842,613	93.9%
Transfers	10,179,125	10,179,125	100.0%	6,168,878	6,168,878	100.0%
Total Expenditures	$ 36,896,153	$ 37,979,097	97.1%	$ 31,545,230	$ 32,642,455	96.6%



YEAR TO DATE OVERVIEW

Total General Fund expenditures and encumbrances of $36,896,153 are 97.1% of the annual budget. All General Fund departments are expected to end the fiscal year within budget.

ADMINISTRATION

The Administration budget provides resources for general Town administrative functions. This budget includes consulting fees for various Town-wide initiatives.

STREET

The Street Department budget provides resources for general street maintenance and repair. This budget experienced higher than anticipated salary savings due to position vacancies as well as operational savings within the supplies and services budget categories.

TRANSFERS

Bi-annual transfers include a transfer to the CIP Fund for infrastructure maintenance / rehabilitation. Transfers to the Equipment and Technology Replacement Funds accumulate resources for future equipment and technology purchases. A transfer to the Building Maintenance Fund supports the operational and maintenance budgets of Town Hall and the Service Center. Transfers to the Internal Service Funds occur once per year in January. The other transfers are recorded 50% in February and 50% in July.

UTILITY FUND REVENUES

Revenue Signal Key
> 100% of Projected
95-100% of Projected
< 95% of Projected

	September 2025				Year To Date as of September 2025				Year To Date as of September 2025			Year To Date as of September 2024		
	Signal	Actual	Projected	%	Signal	Actual	Projected	%	Actual	Budget	%	Actual	Budget	%
Water Sales		$ 1,108,411	$ 1,331,317	83.3%		$ 9,155,305	$ 9,301,886	98.4%	$ 9,155,305	$ 9,301,886	98.4%	$ 8,817,872	$ 8,594,023	102.6%
Sanitary Sewer Charges		285,682	329,345	86.7%		3,134,075	3,265,533	96.0%	3,134,075	3,265,533	96.0%	2,977,122	3,064,870	97.1%
Other Charges for Service		11,580	3,167	365.6%		124,610	38,000	327.9%	124,610	38,000	327.9%	68,030	37,860	179.7%
Licenses and Permits		2,992	5,167	57.9%		47,985	62,000	77.4%	47,985	62,000	77.4%	62,260	63,006	98.8%
Fines and Forfeitures		2,553	11,963	21.3%		71,422	75,000	95.2%	71,422	75,000	95.2%	77,805	63,482	122.6%
Earnings on Investments		35,483	23,495	151.0%		482,355	286,000	168.7%	482,355	286,000	168.7%	1,116,752	503,713	221.7%
Miscellaneous		60	83	72.3%		48,295	1,000	4829.5%	48,295	674,125	7.2%	1,191	3,010	39.6%
Transfers		-	-	-		503,800	503,800	100.0%	503,800	503,800	100.0%	474,500	474,500	100.0%
Total Revenues		$ 1,446,761	$ 1,704,537	84.9%		$ 13,567,847	$ 13,533,219	100.3%	$ 13,567,847	$ 14,206,344	95.5%	$ 13,595,532	$ 12,804,464	106.2%

YEAR TO DATE OVERVIEW

Total Utility Fund operational revenues (excluding transfers) totaling $13,064,047 is 34,628 more than originally projected year to date and up –0.4% when compared to the amount received through the same period in the prior fiscal year. The FY25 budget reflects a 6.5% increase in water and sewer rates.

WATER SALES

Water sales revenue year to date is at 98.4% of the amount projected at this point in the fiscal year and 103.8% of the amount collected during this same period last fiscal year. Water sales are conservatively forecasted due to the large fluctuation in consumption that can occur from year to year given that the customer base is primarily residential. This revenue source accounts for 65% of total Utility Fund revenue based on the original budget.

SEWER CHARGES

Sanitary sewer revenue year to date is at 96.0% of the amount projected at this point in the fiscal year and 105.3% of the amount collected during this same period last fiscal year. Sanitary sewer revenue accounts for 23% of total Utility Fund revenue based on the original budget.

OTHER CHARGES FOR SERVICES

This revenue is at 327.9% of the amount projected at this point in the fiscal year and 183.2% of the amount collected during this same period last fiscal year. This revenue source is primarily driven by charges for meter installations, which are higher than anticipated.

LICENSES AND PERMITS

Licenses and permits revenue (Plumbing Permits) is at 77.4% of the amount projected at this point in the fiscal year and 77.1% of the amount collected during this same period last fiscal year.

FINES AND FORFEITURES

Revenue (penalties assessed on delinquent utility bills) is at 95.2% of the amount projected at this point in the fiscal year and 91.8% of the amount collected during this same period last fiscal year. Late payment penalty revenue is driven by payment timing and the size of the past due balance.

EARNINGS ON INVESTMENTS

Investment earnings are 168.7% of the amount projected at this point in the fiscal year and 43.2% of the amount collected during this same period last fiscal year. When the original budget was developed last summer, there was a general sentiment that the Fed would incrementally lower the Fed Funds rate during the latter part of 2024 and into 2025. This did not happen, as anticipated, due to persistent elevated inflation above the Fed's 2% target.

MISCELLANEOUS REVENUE

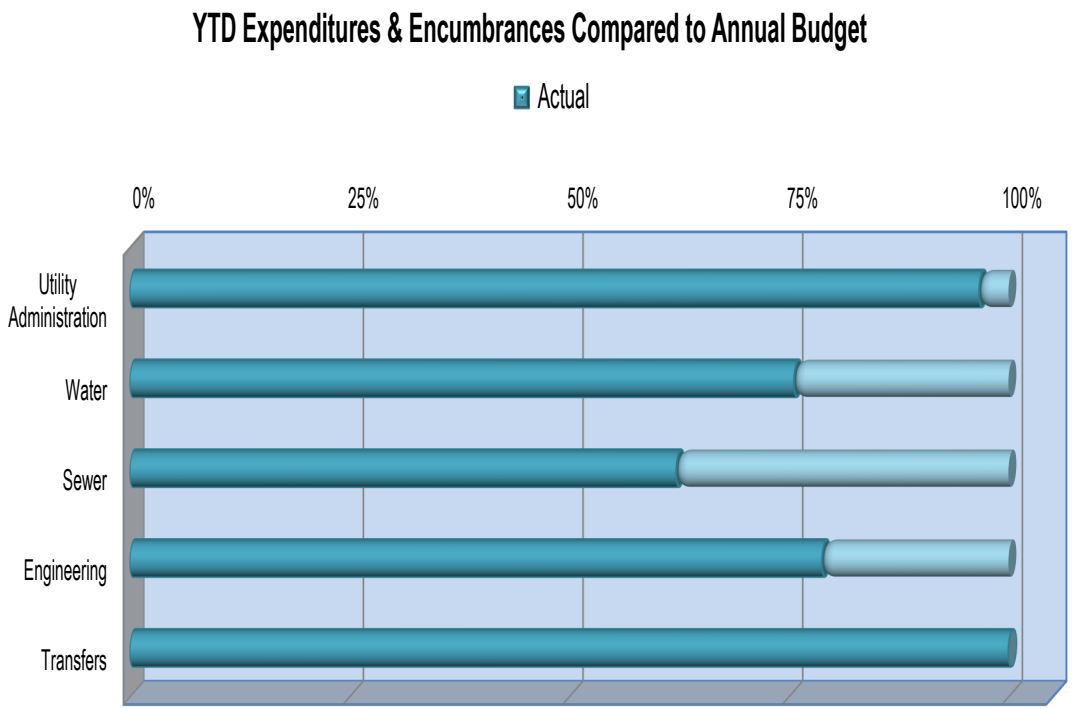
Miscellaneous Revenue accounts for contributions, cost sharing related to repairs, maintenance, and capital projects from outside organizations. Other non-significant revenue items are included in this category as well. A payment from ATMOS Energy (previously held as a deposit) in the amount of $46,631, recognized as contribution revenue relating to the Gillon/Lindenwood project in October 2024, accounts for the bulk of the miscellaneous revenue received to date.

TRANSFERS

Biannual transfers consist of a transfer from the Solid Waste Fund for the cost allocation of the Solid Waste Fund's share of Utility Fund admin costs. Additionally, transfers from the Capital Project and Storm Water Drainage Funds offset related Engineering services. Transfers are recorded 50% in February and 50% in July.

UTILITY FUND EXPENDITURES

	Year To Date as of September 2025			Year To Date as of September 2024		
	Actual	Annual Budget	% of Budget	Actual	Annual Budget	% of Budget
Utility Administration	$ 449,518	$ 465,029	96.7%	$ 451,614	$ 461,735	97.8%
Water	6,631,737	8,771,893	75.6%	12,835,676	12,709,638	101.0%
Sewer	2,744,457	4,412,146	62.2%	1,561,052	1,576,598	99.0%
Engineering	1,006,667	1,277,737	78.8%	850,112	864,949	98.3%
Transfers	2,327,556	2,327,556	100.0%	2,168,437	2,168,437	100.0%
Total Expenses	$ 13,159,935	$ 17,254,361	76.3%	$ 17,866,891	$ 17,781,357	100.5%



OVERVIEW

Year to date expenditures, plus encumbrances and less non-cash expenditures of depreciation and bad debts, total $13,159,935 or 76.3% of annual budget.

Capital spending fiscal year-to-date to date is primarily from prior year carryover encumbrances. Large capital projects can span multiple fiscal years. In the previous fiscal year, there were large encumbrances and expenditures relating to the Holland Elevated Storage Tank replacement project, driving up the previous year-to-date expenses and encumbrances amount relative to the annual budget within the Water Department cost center.

The Engineering Department has experienced higher than expected vacancy savings to date associated with the vacant Civil Engineer position.

Capital infrastructure improvement spending accounts for approximately 42% of the Utility Fund original budget (excluding transfers to other funds).

TRANSFERS

Biannual transfers to other funds include a transfer to the General Fund for the Utility Fund's share of General Fund G&A expenses and a transfer to the Capital Projects Fund based on 5% of water and sanitary sewer revenues. A transfer to the Building Maintenance Fund is made for the Utility Fund's share of building maintenance expenditures, and a transfer to the Equipment and Technology Replacement Funds is made to fund future equipment and technology purchases. Total transfers to the Internal Service Funds occur once per year, in the month of January.

WORKING CAPITAL SUMMARY

Fund	Working Capital (1)	Dedicated Funds (2)	Available Working Capital (3)	Outstanding Encumbrances
General Fund	$ 9,220,240	$ 4,970,557	$ 4,249,683	$ 774,387
Reserve Fund (4)	4,037,482	4,037,482	-	-
Utility Fund	10,746,677	2,610,694	8,135,984	3,663,848
Solid Waste Fund	494,647	494,647	-	9,882
Capital Projects Fund	25,416,289	25,416,289	-	4,591,225
Equipment Replacement Fund	5,030,696	5,030,696	-	21,485
Technology Replacement Fund	4,032,906	4,032,906	-	324,530
Storm Water Drainage Utility Fund	2,552,716	2,552,716	-	638,798
Building Maintenance Fund	1,628,710	1,628,710	-	17,197
Municipal Court Technology Fund	120,463	120,463	-	2,950
Municipal Court Security Fund	25,880	25,880	-	-
Other Funds	654,856	654,856	-	381
	$ 63,961,562	$ 51,575,896	$ 12,385,666	$ 10,044,683

(1) Working Capital is defined as current assets less current liabilities. The Working Capital totals have not been reduced by outstanding encumbrances because expenditures are recognized in the period the liability is incurred. As of September 30, the Town had a total of $10,044,683 in outstanding encumbrances.

(2) Dedicated funds represent the amount of Working Capital that has been reserved to comply with financial management policies, special purpose, or lawful requirements.

(3) Available Working Capital is the amount of Working Capital in excess of dedicated funds.

(4) The Reserve Fund holds proceeds from land sales completed by the Town.

CASH AND INVESTMENTS

The market value of the Town's investment portfolio at September 30, 2025 was $70,237,237. The Town's investment practice is to invest funds for specific maturity or call dates (passive investment management), rather than buy and sell based upon market conditions (active investment management). The total weighted average yield of the portfolio for the month is 4.31%.

/S/
_____
John R. Samford
Director of Finance

/S/
_____
Taylor S. Lough
Assistant Town Administrator

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

01 -GENERAL FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
31-TAXES	27,322,279.00	487,986.61	29,393,091.04	107.58	0.00	(2,070,812.04)
32-FRANCHISE FEES	995,600.00	5,293.19	979,516.40	98.38	0.00	16,083.60
33-LICENSES & PERMITS	1,726,725.00	96,735.28	1,549,979.60	89.76	0.00	176,745.40
34-CHARGES FOR SERVICE	1,411,914.00	63,132.90	1,253,337.94	88.77	0.00	158,576.06
35-FINES & FORFEITS	239,500.00	33,066.40	335,078.21	139.91	0.00	(95,578.21)
36-EARNINGS ON INVESTMENT	601,000.00	61,960.66	739,069.18	122.97	0.00	(138,069.18)
37-SALE OF ASSETS	0.00	0.00	10,000.00	0.00	0.00	(10,000.00)
38-MISCELLANEOUS	376,201.00	23,398.69	420,456.57	111.76	0.00	(44,255.57)
39-TRANSFERS	1,575,100.00	0.00	1,575,100.00	100.00	0.00	0.00
*** TOTAL REVENUES ***	34,248,319.00	771,573.73	36,255,628.94	105.86	0.00	(2,007,309.94)
EXPENDITURE SUMMARY						
01-ADMINISTRATION	1,062,508.50	98,579.66	913,775.42	90.45	47,298.47	101,434.61
02-PUBLIC SAFETY	17,468,509.00	1,617,823.85	17,224,838.30	98.81	35,491.31	208,179.39
04-POLICY & STRATEGY	312,748.00	23,663.45	284,268.16	90.54	(1,106.25)	29,586.09
05-STREET	482,001.00	10,812.45	340,537.02	67.16	(16,836.07)	158,300.05
07-LIBRARY	922,733.00	87,158.64	860,566.54	93.06	(1,904.20)	64,070.66
08-PARKS & RECREATION	1,963,343.00	147,194.04	1,867,672.13	95.26	2,596.20	93,074.67
09-SWIMMING POOL	278,100.00	14,617.00	238,728.57	85.73	(306.49)	39,677.92
10-MUNICIPAL COURT	638,991.00	62,333.23	626,306.16	98.01	0.00	12,684.84
11-FINANCE	1,197,450.00	73,030.83	1,137,600.78	95.05	537.97	59,311.25
12-COMMUNITY DEVELOPMENT	1,404,360.00	136,507.20	1,064,196.82	89.06	186,459.53	153,703.65
15-NON-DEPARTMENTAL	1,011,032.00	20,935.43	973,034.53	93.81	(24,614.14)	62,611.61
17-INFORMATION TECHNOLOG	1,058,195.78	80,560.22	885,549.32	90.52	72,337.00	100,309.46
50-INTERFUND TRANSFERS	10,179,125.00	4,000,000.00	10,179,125.00	100.00	0.00	0.00
*** TOTAL EXPENDITURES ***	37,979,096.28	6,373,216.00	36,596,198.75	97.15	299,953.33	1,082,944.20
REVENUE OVER/(UNDER) EXPENSES	(3,730,777.28)	(5,601,642.27)	(340,569.81)	17.17	(299,953.33)	(3,090,254.14)

REVENUE REPORT
AS OF: SEPTEMBER 30TH, 2025

01 -GENERAL FUND

100.00% OF FISCAL YEAR

REVENUES		ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
31-TAXES							
3110	PROPERTY TAXES-CY	19,408,009.00	25,452.49	19,437,617.85	100.15	0.00	(29,608.85)
3111	PROPERTY TAXES-PY	55,018.00	8,729.45	45,359.91	82.45	0.00	9,658.09
3113	SALES TAX REVENUE	7,319,252.00	418,026.15	9,388,670.24	128.27	0.00	(2,069,418.24)
3114	MIXED BEVERAGE	540,000.00	35,778.52	521,443.04	96.56	0.00	18,556.96
TOTAL 31-TAXES		27,322,279.00	487,986.61	29,393,091.04	107.58	0.00	(2,070,812.04)
32-FRANCHISE FEES							
3260	PEG FEES	15,455.00	0.00	11,541.54	74.68	0.00	3,913.46
3261	FRANCHISE FEE - ONCOR ELECTRIC	480,145.00	4,236.87	468,347.57	97.54	0.00	11,797.43
3262	FRANCHISE FEE - ATMOS ENERGY	307,000.00	0.00	337,234.74	109.85	0.00	(30,234.74)
3263	FRANCHISE FEE - TELECOM	35,000.00	(672.02)	31,262.08	89.32	0.00	3,737.92
3264	FRANCHISE FEE - CABLE TV	50,000.00	0.00	42,982.68	85.97	0.00	7,017.32
3265	FRANCHISE FEE - SOLID WASTE	61,000.00	1,728.34	40,021.38	65.61	0.00	20,978.62
3270	FRANCHISE FEE - CARRIAGES	47,000.00	0.00	48,126.41	102.40	0.00	(1,126.41)
TOTAL 32-FRANCHISE FEES		995,600.00	5,293.19	979,516.40	98.38	0.00	16,083.60
33-LICENSES & PERMITS							
3301	BEVERAGE LICENSES	6,100.00	0.00	0.00	0.00	0.00	6,100.00
3302	HEALTH PERMITS	6,900.00	0.00	10,090.00	146.23	0.00	(3,190.00)
3303	ALARM PERMITS	96,500.00	8,364.00	99,691.25	103.31	0.00	(3,191.25)
3310	BUILDING PERMITS	1,552,855.00	83,305.58	1,383,107.54	89.07	0.00	169,747.46
3312	ELECTRICAL PERMITS	56,800.00	5,045.70	47,305.81	83.28	0.00	9,494.19
3313	EXCAVATION PERMITS	245.00	0.00	135.00	55.10	0.00	110.00
3350.1000	CARRIAGE BUSINESS PERMITS	400.00	0.00	400.00	100.00	0.00	0.00
3350.2000	CARRIAGE PERMITS	3,000.00	0.00	3,275.00	109.17	0.00	(275.00)
3350.3000	CARRIAGE DRIVER PERMIT	1,925.00	0.00	2,025.00	105.19	0.00	(100.00)
3370	ANIMAL LICENSES	2,000.00	20.00	3,950.00	197.50	0.00	(1,950.00)
TOTAL 33-LICENSES & PERMITS		1,726,725.00	96,735.28	1,549,979.60	89.76	0.00	176,745.40
34-CHARGES FOR SERVICE							
3407	E911 MONTHLY FEES	60,000.00	3,698.92	50,865.55	84.78	0.00	9,134.45
3407.1000	911 WIRELESS MONTHLY FEES	49,790.00	3,865.06	50,220.39	100.86	0.00	(430.39)
3408	ALARM MONITORING FEES	614,224.00	51,245.04	609,507.84	99.23	0.00	4,716.16
3425	EMERGENCY MEDICAL FEES	205,000.00	(17,750.72)	190,151.78	92.76	0.00	14,848.22
3469	SWIMMING POOL CONCESSIONS	15,732.00	194.03	11,848.26	75.31	0.00	3,883.74
3470	BOARD/COMMISSION/REPLAT FEES	1,700.00	0.00	5,900.00	347.06	0.00	(4,200.00)
3471	SWIMMING POOL DAILY FEES	20,000.00	511.00	15,979.83	79.90	0.00	4,020.17
3471.1000	SWIMMING POOL EVENTS	8,000.00	0.00	4,500.00	56.25	0.00	3,500.00
3471.2000	SWIMMING POOL LESSONS	16,625.00	0.00	5,320.00	32.00	0.00	11,305.00
3472	SWIMMING POOL SEASON FEES	81,175.00	60.00	67,770.00	83.49	0.00	13,405.00
3473	TENNIS COURT FEES	28,539.00	2,000.00	27,840.00	97.55	0.00	699.00
3474	ANIMAL POUND FEES	700.00	0.00	900.00	128.57	0.00	(200.00)

REVENUE REPORT
AS OF: SEPTEMBER 30TH, 2025

01 -GENERAL FUND

100.00% OF FISCAL YEAR

REVENUES		ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
3475	CHILD SAFETY FEES-DALLAS COUNT	9,000.00	588.89	10,792.98	119.92	0.00	(1,792.98)
3476	LIBRARY FEES	3,600.00	1,025.00	5,118.00	142.17	0.00	(1,518.00)
3477	COURT ADMINISTRATION FEES	7,371.00	1,132.67	8,761.66	118.87	0.00	(1,390.66)
3478	COURT WARRANT FEES	21,000.00	1,581.87	26,025.82	123.93	0.00	(5,025.82)
3479	COURT FEES	22,250.00	2,541.29	22,201.70	99.78	0.00	48.30
3479.1000	ARREST FEES	17,914.00	1,828.81	16,666.46	93.04	0.00	1,247.54
3479.3000	CHILD SAFETY FEES	10,380.00	1,795.76	8,695.68	83.77	0.00	1,684.32
3479.4000	LOCAL TRAFFIC FEES	5,700.00	718.36	5,911.70	103.71	0.00	(211.70)
3479.5000	F T A FEES	1,500.00	80.00	1,448.98	96.60	0.00	51.02
3479.6000	TIME PAY	2,200.00	142.16	3,113.84	141.54	0.00	(913.84)
3479.7500	CIVIL JUSTICE FEE COURT	1.00	0.00	0.45	45.00	0.00	0.55
3479.8000	JUDICIAL FEE	85.00	(4.24)	0.22	0.26	0.00	84.78
3480.2000	IRRIGATION CONTRACTORS	4,000.00	0.00	500.00	12.50	0.00	3,500.00
3480.6000	GENERAL CONTRACTOR REG FEE	71,000.00	3,750.00	65,000.00	91.55	0.00	6,000.00
3481	PLAN REVIEW FEES	33,000.00	250.00	6,500.00	19.70	0.00	26,500.00
3485	DEFERRED ADJUDICATION	101,428.00	3,879.00	31,796.80	31.35	0.00	69,631.20
TOTAL 34-CHARGES FOR SERVICE		1,411,914.00	63,132.90	1,253,337.94	88.77	0.00	158,576.06
35-FINES & FORFEITS							
3511	MUNICIPAL COURT FINES	230,000.00	32,825.80	331,785.76	144.25	0.00	(101,785.76)
3512	CONSTRUCTION SITE MGMT FINES	6,000.00	0.00	0.00	0.00	0.00	6,000.00
3513	LIBRARY FINES	1,500.00	166.60	2,070.50	138.03	0.00	(570.50)
3515	LOST BOOK CHARGES	1,000.00	74.00	1,171.95	117.20	0.00	(171.95)
3516	INVALID ALARM FINE	1,000.00	0.00	50.00	5.00	0.00	950.00
TOTAL 35-FINES & FORFEITS		239,500.00	33,066.40	335,078.21	139.91	0.00	(95,578.21)
36-EARNINGS ON INVESTMENTS							
3610	INTEREST EARNED	600,000.00	54,111.10	731,219.62	121.87	0.00	(131,219.62)
3650	INTEREST EARNED-DALLAS COUNTY	1,000.00	7,849.56	7,849.56	784.96	0.00	(6,849.56)
TOTAL 36-EARNINGS ON INVESTMENTS		601,000.00	61,960.66	739,069.18	122.97	0.00	(138,069.18)
37-SALE OF ASSETS							
3746	SALE OF ASSETS	0.00	0.00	10,000.00	0.00	0.00	(10,000.00)
TOTAL 37-SALE OF ASSETS		0.00	0.00	10,000.00	0.00	0.00	(10,000.00)
38-MISCELLANEOUS							
3810	PENALTY & INTEREST, PROP TAXES	90,000.00	6,933.45	95,009.93	105.57	0.00	(5,009.93)
3820.1100	A T & T (CELL SITE)	80,036.00	0.00	73,037.42	91.26	0.00	6,998.58
3820.1200	T-MOBILE (CELL SITE)	80,035.00	9,377.74	129,476.96	161.78	0.00	(49,441.96)
3820.1400	VERIZON (CELL SITE)	70,380.00	5,864.73	70,350.80	99.96	0.00	29.20
3850	DONATIONS TO LIBRARY	3,000.00	189.90	3,743.15	124.77	0.00	(743.15)
3860	CONTRIBUTIONS	17,500.00	0.00	1,637.50	9.36	0.00	15,862.50
3866	CONTRIBS - OTHER GOVT	0.00	0.00	12,925.38	0.00	0.00	(12,925.38)
3890	MISCELLANEOUS	35,000.00	1,032.87	34,118.78	97.48	0.00	881.22

REVENUE REPORT
AS OF: SEPTEMBER 30TH, 2025

01 -GENERAL FUND

100.00% OF FISCAL YEAR

REVENUES	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
3890.9999 PURCHASE DISCOUNTS	250.00	0.00	156.65	62.66	0.00	93.35
TOTAL 38-MISCELLANEOUS	376,201.00	23,398.69	420,456.57	111.76	0.00	(44,255.57)
39-TRANSFERS						
3920 INTER FUND TRANSFER - UF	1,550,500.00	0.00	1,550,500.00	100.00	0.00	0.00
3933 INTER-FUND TRANSFER - CSF	24,600.00	0.00	24,600.00	100.00	0.00	0.00
TOTAL 39-TRANSFERS	1,575,100.00	0.00	1,575,100.00	100.00	0.00	0.00
*** TOTAL REVENUES ***	34,248,319.00	771,573.73	36,255,628.94	105.86	0.00	(2,007,309.94)

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

10 -CAPITAL PROJECTS FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
36-EARNINGS ON INVESTMENT	675,000.00	80,868.11	927,567.56	137.42	0.00	(252,567.56)
38-MISCELLANEOUS	16,326,414.00	11.81	4,783,544.97	29.30	0.00	11,542,869.03
39-TRANSFERS	9,455,046.00	4,000,000.00	9,455,046.00	100.00	0.00	0.00
*** TOTAL REVENUES ***	26,456,460.00	4,080,879.92	15,166,158.53	57.32	0.00	11,290,301.47
EXPENDITURE SUMMARY						
01-ADMINISTRATION	1,952,400.00	13,200.00	626,480.23	49.57	341,350.83	984,568.94
05-STREET	24,634,820.00	973,535.50	4,696,853.11	31.57	3,079,211.25	16,858,755.64
08-PARKS	259,509.00	0.00	230,574.52	88.68	(444.90)	29,379.38
50-INTERFUND TRANSFERS	986,000.00	0.00	986,000.00	100.00	0.00	0.00
*** TOTAL EXPENDITURES ***	27,832,729.00	986,735.50	6,539,907.86	35.79	3,420,117.18	17,872,703.96
REVENUE OVER/(UNDER) EXPENSES	(1,376,269.00)	3,094,144.42	8,626,250.67	378.28-	(3,420,117.18)	(6,582,402.49)

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

19 -SOLID WASTE FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
34-CHARGES FOR SERVICE	1,824,985.00	154,069.12	1,849,792.51	101.36	0.00	(24,807.51)
36-EARNINGS ON INVESTMENT	26,015.00	2,184.73	27,209.77	104.59	0.00	(1,194.77)
39-TRANSFERS	30,500.00	0.00	30,500.00	100.00	0.00	0.00
*** TOTAL REVENUES ***	1,881,500.00	156,253.85	1,907,502.28	101.38	0.00	(26,002.28)
EXPENDITURE SUMMARY						
16-SANITATION	1,739,254.00	137,989.63	1,685,001.82	96.87	(241.00)	54,493.18
50-INTERFUND TRANSFERS	154,800.00	0.00	154,800.00	100.00	0.00	0.00
*** TOTAL EXPENDITURES ***	1,894,054.00	137,989.63	1,839,801.82	97.12	(241.00)	54,493.18
REVENUE OVER/(UNDER) EXPENSES	(12,554.00)	18,264.22	67,700.46	541.19-	241.00	(80,495.46)

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

20 -UTILITY FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
33-LICENSES & PERMITS	62,000.00	2,992.00	47,985.00	77.40	0.00	14,015.00
34-CHARGES FOR SERVICE	12,605,419.00	1,405,672.98	12,413,990.15	98.48	0.00	191,428.85
35-FINES & FORFEITS	75,000.00	2,552.58	71,422.47	95.23	0.00	3,577.53
36-EARNINGS ON INVESTMENT	286,000.00	23,565.70	470,437.07	164.49	0.00	(184,437.07)
38-MISCELLANEOUS	674,125.00	59.53	48,294.79	7.16	0.00	625,830.21
39-TRANSFERS	503,800.00	0.00	503,800.00	100.00	0.00	0.00
*** TOTAL REVENUES ***	14,206,344.00	1,434,842.79	13,555,929.48	95.42	0.00	650,414.52
EXPENDITURE SUMMARY						
21-ADMINISTRATION	465,029.00	27,497.37	458,214.35	98.66	600.00	6,214.65
22-WATER	8,771,893.00	1,434,092.36	8,096,051.27	75.60	(1,464,314.41)	2,140,156.14
23-SEWER	4,412,146.00	212,698.98	1,762,757.09	62.20	981,700.06	1,667,688.85
25-ENGINEERING	1,277,737.00	79,201.55	910,032.72	78.79	96,634.46	271,069.82
50-INTERFUND TRANSFERS	2,327,556.00	0.00	2,327,556.00	100.00	0.00	0.00
*** TOTAL EXPENDITURES ***	17,254,361.00	1,753,490.26	13,554,611.43	76.32	(385,379.89)	4,085,129.46
REVENUE OVER/(UNDER) EXPENSES	(3,048,017.00)	(318,647.47)	1,318.05	12.69-	385,379.89	(3,434,714.94)

REVENUE REPORT
AS OF: SEPTEMBER 30TH, 2025

20 -UTILITY FUND

100.00% OF FISCAL YEAR

REVENUES	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
31-TAXES						
32-FRANCHISE FEES						
33-LICENSES & PERMITS						
3315 PLUMBING PERMITS	62,000.00	2,992.00	47,985.00	77.40	0.00	14,015.00
TOTAL 33-LICENSES & PERMITS	62,000.00	2,992.00	47,985.00	77.40	0.00	14,015.00
34-CHARGES FOR SERVICE						
3401 WATER SALES	9,073,886.00	1,072,787.40	8,928,273.20	98.40	0.00	145,612.80
3402 WATER SALES - TOWN	228,000.00	35,623.82	227,032.41	99.58	0.00	967.59
3403 SANITARY SEWER CHARGES	3,265,533.00	285,681.76	3,134,074.54	95.97	0.00	131,458.46
3460 METER INSTALLATION	32,000.00	11,550.00	120,255.00	375.80	0.00	(88,255.00)
3465 OTHER UTILITY CHARGES	6,000.00	30.00	4,355.00	72.58	0.00	1,645.00
TOTAL 34-CHARGES FOR SERVICE	12,605,419.00	1,405,672.98	12,413,990.15	98.48	0.00	191,428.85
35-FINES & FORFEITS						
3520 PENALTY CHARGES FOR LATE PMT	75,000.00	2,552.58	71,422.47	95.23	0.00	3,577.53
TOTAL 35-FINES & FORFEITS	75,000.00	2,552.58	71,422.47	95.23	0.00	3,577.53
36-EARNINGS ON INVESTMENTS						
3610 INTEREST EARNED	286,000.00	35,483.22	482,354.59	168.66	0.00	(196,354.59)
3619 GAIN/LOSS- SALE OF CAP ASSETS	0.00	(11,917.52)	(11,917.52)	0.00	0.00	11,917.52
TOTAL 36-EARNINGS ON INVESTMENTS	286,000.00	23,565.70	470,437.07	164.49	0.00	(184,437.07)
37-SALE OF ASSETS						
38-MISCELLANEOUS						
3867 CONTRIBS - OTHER ENTITIES	0.00	0.00	46,630.65	0.00	0.00	(46,630.65)
3870 INTERGOVERNMENTAL REVENUE	673,125.00	0.00	0.00	0.00	0.00	673,125.00
3890 MISCELLANEOUS	1,000.00	59.53	1,661.75	166.18	0.00	(661.75)
3890.9999 PURCHASE DISCOUNTS	0.00	0.00	2.39	0.00	0.00	(2.39)
TOTAL 38-MISCELLANEOUS	674,125.00	59.53	48,294.79	7.16	0.00	625,830.21
39-TRANSFERS						
3910 INTER-FUND TRANSFER CPF	286,000.00	0.00	286,000.00	100.00	0.00	0.00
3919 INTER FUND TRANSFER-SOLID WST	62,400.00	0.00	62,400.00	100.00	0.00	0.00
3923 TRANSFER FROM SWDUF	155,400.00	0.00	155,400.00	100.00	0.00	0.00
TOTAL 39-TRANSFERS	503,800.00	0.00	503,800.00	100.00	0.00	0.00
*** TOTAL REVENUES ***	14,206,344.00	1,434,842.79	13,555,929.48	95.42	0.00	650,414.52

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

21 -EQUIPMENT REPLACEMENT FND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
36-EARNINGS ON INVESTMENT	222,567.00	18,352.21	233,675.42	104.99	0.00	(11,108.42)
37-SALE OF ASSETS	10,000.00	10,650.00	10,650.00	106.50	0.00	(650.00)
39-TRANSFERS	551,650.00	0.00	551,650.00	100.00	0.00	0.00
*** TOTAL REVENUES ***	784,217.00	29,002.21	795,975.42	101.50	0.00	(11,758.42)
EXPENDITURE SUMMARY						
01-ADMINISTRATION	154,332.00	87,171.26	420,144.18	85.73	(287,837.69)	22,025.51
*** TOTAL EXPENDITURES ***	154,332.00	87,171.26	420,144.18	85.73	(287,837.69)	22,025.51
REVENUE OVER/(UNDER) EXPENSES	629,885.00	(58,169.05)	375,831.24	105.36	287,837.69	(33,783.93)

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

22 -TECHNOLOGY REPL. FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
36-EARNINGS ON INVESTMENT	148,000.00	13,370.88	182,414.81	123.25	0.00	(34,414.81)
37-SALE OF ASSETS	0.00	115.00	115.00	0.00	0.00	(115.00)
38-MISCELLANEOUS	871,673.00	79,013.93	994,380.98	114.08	0.00	(122,707.98)
39-TRANSFERS	321,785.00	0.00	321,785.00	100.00	0.00	0.00
*** TOTAL REVENUES ***	1,341,458.00	92,499.81	1,498,695.79	111.72	0.00	(157,237.79)
EXPENDITURE SUMMARY						
01-ADMINISTRATION	1,108,532.00	108,737.02	1,117,210.20	93.13	(84,839.83)	76,161.63
*** TOTAL EXPENDITURES ***	1,108,532.00	108,737.02	1,117,210.20	93.13	(84,839.83)	76,161.63
REVENUE OVER/(UNDER) EXPENSES	232,926.00	(16,237.21)	381,485.59	200.20	84,839.83	(233,399.42)

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

23 -STORMWATER DRAINAGE FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
34-CHARGES FOR SERVICE	1,129,560.00	95,117.53	1,142,517.91	101.15	0.00	(12,957.91)
36-EARNINGS ON INVESTMENT	137,000.00	22,776.49	297,616.30	217.24	0.00	(160,616.30)
38-MISCELLANEOUS	1,000,000.00	0.00	1,000,000.00	100.00	0.00	0.00
39-TRANSFERS	700,000.00	0.00	700,000.00	100.00	0.00	0.00
*** TOTAL REVENUES ***	2,966,560.00	117,894.02	3,140,134.21	105.85	0.00	(173,574.21)
EXPENDITURE SUMMARY						
01-ADMINISTRATION	5,006,285.00	515,519.57	2,919,741.83	42.77	(778,339.95)	2,864,883.12
50-INTERFUND TRANSFERS	155,400.00	0.00	155,400.00	100.00	0.00	0.00
*** TOTAL EXPENDITURES ***	5,161,685.00	515,519.57	3,075,141.83	44.50	(778,339.95)	2,864,883.12
REVENUE OVER/(UNDER) EXPENSES	(2,195,125.00)	(397,625.55)	64,992.38	38.42-	778,339.95	(3,038,457.33)

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

24 -BUILDING MAINTENANCE FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
36-EARNINGS ON INVESTMENT	70,000.00	6,137.89	79,791.26	113.99	0.00	(9,791.26)
38-MISCELLANEOUS	0.00	1,574.71	99,656.10	0.00	0.00	(99,656.10)
39-TRANSFERS	689,600.00	0.00	689,600.00	100.00	0.00	0.00
*** TOTAL REVENUES ***	759,600.00	7,712.60	869,047.36	114.41	0.00	(109,447.36)
EXPENDITURE SUMMARY						
13-SERVICE CENTER	56,379.00	3,419.35	51,671.49	95.73	2,300.00	2,407.51
14-MUNICIPAL BUILDING	845,856.00	39,067.28	827,552.79	93.70	(34,983.03)	53,286.24
*** TOTAL EXPENDITURES ***	902,235.00	42,486.63	879,224.28	93.83	(32,683.03)	55,693.75
REVENUE OVER/(UNDER) EXPENSES	(142,635.00)	(34,774.03)	(10,176.92)	15.78-	32,683.03	(165,141.11)

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

25 -LOCAL YTH DIVERSION FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
34-CHARGES FOR SERVICE	15,100.00	1,827.78	16,316.31	108.06	0.00	(1,216.31)
36-EARNINGS ON INVESTMENT	3,773.00	375.30	4,385.30	116.23	0.00	(612.30)
*** TOTAL REVENUES ***	18,873.00	2,203.08	20,701.61	109.69	0.00	(1,828.61)
EXPENDITURE SUMMARY						
REVENUE OVER/(UNDER) EXPENSES	18,873.00	2,203.08	20,701.61	109.69	0.00	(1,828.61)

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

26 -MUNICIPAL JURY FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
34-CHARGES FOR SERVICE	300.00	36.58	326.33	108.78	0.00	(26.33)
36-EARNINGS ON INVESTMENT	75.00	7.51	87.73	116.97	0.00	(12.73)
*** TOTAL REVENUES ***	375.00	44.09	414.06	110.42	0.00	(39.06)
EXPENDITURE SUMMARY						
REVENUE OVER/(UNDER) EXPENSES	375.00	44.09	414.06	110.42	0.00	(39.06)

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

27 -COURT S & T FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
34-CHARGES FOR SERVICE	0.00	18,010.89	18,010.89	0.00	0.00	(18,010.89)
*** TOTAL REVENUES ***	0.00	18,010.89	18,010.89	0.00	0.00	(18,010.89)
EXPENDITURE SUMMARY						
REVENUE OVER/(UNDER) EXPENSES	0.00	18,010.89	18,010.89	0.00	0.00	(18,010.89)

FINANCIAL STATEMENT
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31 -FORFEITED PROPERTY FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
36-EARNINGS ON INVESTMENT	6,877.00	(257.76)	5,004.33	72.77	0.00	1,872.67
37-SALE OF ASSETS	2,500.00	0.00	55,074.72	202.99	0.00	(52,574.72)
*** TOTAL REVENUES ***	9,377.00	(257.76)	60,079.05	640.71	0.00	(50,702.05)
EXPENDITURE SUMMARY						
01-ADMINISTRATION	0.00	0.00	348.00	0.00	0.00	(348.00)
*** TOTAL EXPENDITURES ***	0.00	0.00	348.00	0.00	0.00	(348.00)
REVENUE OVER/(UNDER) EXPENSES	9,377.00	(257.76)	59,731.05	637.00	0.00	(50,354.05)

FINANCIAL STATEMENT
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32 -COURT TECHNOLOGY FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
34-CHARGES FOR SERVICE	23,700.00	(6,271.36)	17,189.60	72.53	0.00	6,510.40
36-EARNINGS ON INVESTMENT	5,753.00	450.24	5,859.01	101.84	0.00	(106.01)
*** TOTAL REVENUES ***	29,453.00	(5,821.12)	23,048.61	78.26	0.00	6,404.39
EXPENDITURE SUMMARY						
01-ADMINISTRATION	24,927.00	82.37	36,077.00	100.00	(11,150.00)	0.00
*** TOTAL EXPENDITURES ***	24,927.00	82.37	36,077.00	100.00	(11,150.00)	0.00
REVENUE OVER/(UNDER) EXPENSES	4,526.00	(5,903.49)	(13,028.39)	41.50-	11,150.00	6,404.39

FINANCIAL STATEMENT
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33 -COURT SECURITY FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
34-CHARGES FOR SERVICE	23,300.00	(6,184.81)	16,916.62	72.60	0.00	6,383.38
36-EARNINGS ON INVESTMENT	1,478.00	111.49	1,557.88	105.40	0.00	(79.88)
*** TOTAL REVENUES ***	24,778.00	(6,073.32)	18,474.50	74.56	0.00	6,303.50
EXPENDITURE SUMMARY						
01-ADMINISTRATION	24,600.00	0.00	24,600.00	100.00	0.00	0.00
*** TOTAL EXPENDITURES ***	24,600.00	0.00	24,600.00	100.00	0.00	0.00
REVENUE OVER/(UNDER) EXPENSES	178.00	(6,073.32)	(6,125.50)	441.29-	0.00	6,303.50

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

35 -LIBRARY FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
36-EARNINGS ON INVESTMENT	18,200.00	1,471.22	18,567.58	102.02	0.00	(367.58)
38-MISCELLANEOUS	53,800.00	5,058.35	48,461.43	90.08	0.00	5,338.57
*** TOTAL REVENUES ***	72,000.00	6,529.57	67,029.01	93.10	0.00	4,970.99
EXPENDITURE SUMMARY						
01-ADMINISTRATIVE	44,407.00	2,022.00	40,250.64	86.76	(1,721.00)	5,877.36
*** TOTAL EXPENDITURES ***	44,407.00	2,022.00	40,250.64	86.76	(1,721.00)	5,877.36
REVENUE OVER/(UNDER) EXPENSES	27,593.00	4,507.57	26,778.37	103.28	1,721.00	(906.37)

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

38 -RESERVE FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
36-EARNINGS ON INVESTMENT	216,255.00	10,632.40	182,181.96	84.24	0.00	34,073.04
38-MISCELLANEOUS	7,900.00	0.00	7,859.42	99.49	0.00	40.58
*** TOTAL REVENUES ***	224,155.00	10,632.40	190,041.38	84.78	0.00	34,113.62
EXPENDITURE SUMMARY						
01-ADMINISTRATIVE	1,018,800.00	0.00	1,018,767.05	100.00	0.00	32.95
*** TOTAL EXPENDITURES ***	1,018,800.00	0.00	1,018,767.05	100.00	0.00	32.95
REVENUE OVER/(UNDER) EXPENSES	(794,645.00)	10,632.40	(828,725.67)	104.29	0.00	34,080.67

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

40 -GENERAL FIXED ASSETS

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
EXPENDITURE SUMMARY						

FINANCIAL STATEMENT
AS OF: SEPTEMBER 30TH, 2025

99 -CONSOLIDATED CASH FUND

100.00% OF FISCAL YEAR

	ANNUAL BUDGET	CURRENT PERIOD	Y-T-D ACTUAL	% OF BUDGET	Y-T-D ENCUMB.	BUDGET BALANCE
REVENUE SUMMARY						
EXPENDITURE SUMMARY						

Town of Highland Park

MONTHLY INVESTMENT REPORT

For the Month Ended

September 30, 2025

Prepared by

Valley View Consulting, L.L.C.

Disclaimer: These reports were compiled using information provided by the Town. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields, and do not account for investment advisor fees.

Strategy Summary

Month End Results by Investment Category:

Asset Type	August 31, 2025 Book Value	August 31, 2025 Market Value	September 30, 2025 Book Value	September 30, 2025 Market Value	Ave. Yield
Cash & Cash Equivalents	$ 54,317,975	$ 54,317,975	$ 46,629,961	$ 46,629,961	4.29%
Securities	5,981,115	5,993,797	5,982,876	5,997,817	4.56%
CDs	10,516,599	10,516,599	17,609,459	17,609,459	4.27%
Totals	**$ 70,815,688**	**$ 70,828,371**	**$ 70,222,295**	**$ 70,237,237**	4.31%

Current Month Weighted Average Yield (1)	
Total Portfolio	4.31%
Rolling Three Month Treasury	4.24%
Rolling Six Month Treasury	4.17%
TexPool	4.25%

Fiscal Year-to-Date Weighted Average Yield (2)	
Total Portfolio	4.54%
Rolling Three Month Treasury	4.46%
Rolling Six Month Treasury	4.43%
Average Monthly TexPool	4.42%

Interest Earnings (Approximate)	
Monthly Interest Income	$ 246,790
Year-to-date Interest Income	$ 3,180,208

(1) **Current Month Weighted Average Yield** - calculated using month end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees. The yield for the reporting month is used for bank and money market balances.
(2) **Fiscal Year-to-Date Weighted Average Yield -** calculated using month end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

Investment Holdings

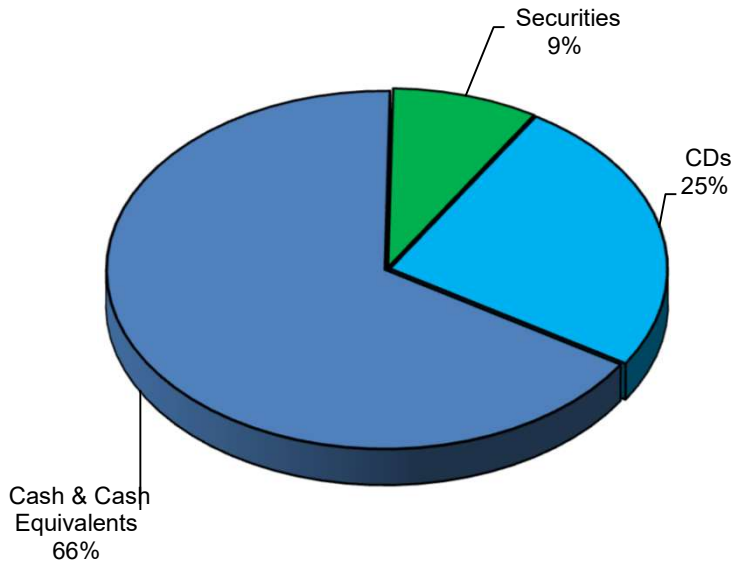
September 30, 2025

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
PlainsCapital Bank - Cash		4.31%	10/01/25	09/30/25	$ 34,211,197	$ 34,211,197	1.00	$ 34,211,197	1	4.31%
NexBank MMA		4.46%	10/01/25	09/30/25	24,673	24,673	1.00	24,673	1	4.46%
NexBank ICS		4.25%	10/01/25	09/30/25	12,394,091	12,394,091	1.00	12,394,091	1	4.25%
Cash & Cash Equivalents - Sub Total					**46,629,961**	**46,629,961**		**46,629,961**	**1**	**4.29%**
FFCB	Aa1/AA+	4.88%	12/10/25	06/12/24	3,000,000	2,998,961	100.15	3,004,473	71	5.06%
East West Bank CD		4.09%	01/29/26	04/29/25	3,266,063	3,266,063	100.00	3,266,063	121	4.17%
Texas Bank and Trust CD		4.10%	05/01/26	05/01/25	4,041,337	4,041,337	100.00	4,041,337	213	4.16%
TFNB CD		4.25%	06/29/26	09/29/25	1,000,000	1,000,000	100.00	1,000,000	272	4.32%
TFNB CD		4.25%	06/29/26	09/29/25	1,000,000	1,000,000	100.00	1,000,000	272	4.32%
TFNB CD		4.25%	06/29/26	09/29/25	500,000	500,000	100.00	500,000	272	4.32%
BOK Financial IntraFi CD		4.42%	08/06/26	08/08/24	1,052,059	1,052,059	100.00	1,052,059	310	4.52%
TFNB CD		4.25%	09/29/26	09/29/25	2,500,000	2,500,000	100.00	2,500,000	364	4.32%
TFNB CD		4.25%	09/29/26	09/29/25	2,000,000	2,000,000	100.00	2,000,000	364	4.32%
TFNB CD		4.25%	09/29/26	09/29/25	1,000,000	1,000,000	100.00	1,000,000	364	4.32%
TFNB CD		4.25%	09/29/26	09/29/25	1,000,000	1,000,000	100.00	1,000,000	364	4.32%
TFNB CD		4.25%	09/29/26	09/29/25	250,000	250,000	100.00	250,000	364	4.32%
UST-Note	Aa1/AA+	3.50%	09/30/26	10/28/24	3,000,000	2,983,914	99.78	2,993,344	365	4.06%
Investments - Sub Total					**23,609,459**	**23,592,334**		**23,607,275**	**255**	**4.34%**
Total Portfolio					**$ 70,239,420**	**$ 70,222,295**		**$ 70,237,237**	**86**	**4.31%**
									(1)	**(2)**

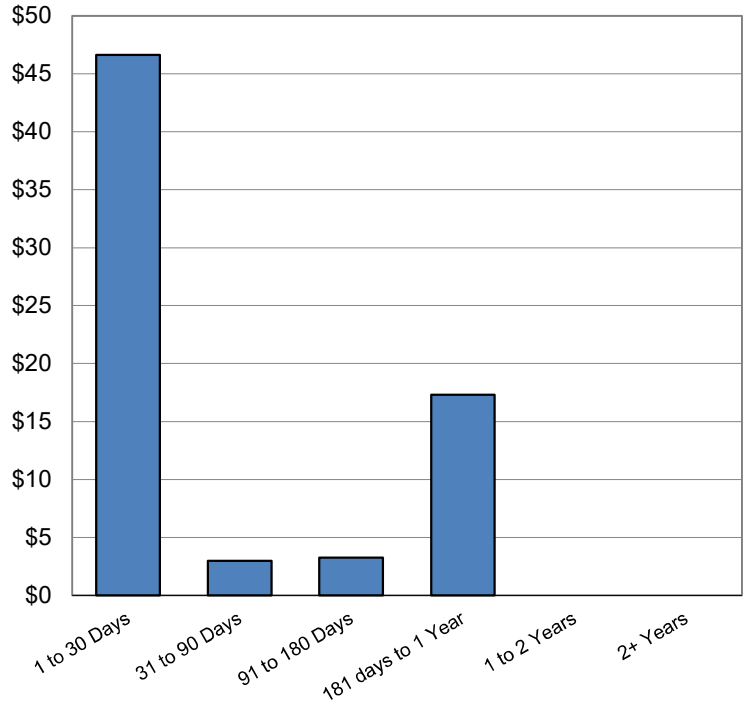
(1) Weighted average life - For purposes of calculating weighted average life, bank accounts and money market funds are assumed to have an one day maturity.

(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts and money market funds.

Portfolio Composition



Distribution by Maturity (Millions)



	Book Value	Percent
Cash & Cash Equivalents	46,629,961	66.40%
Securities	5,982,876	8.52%
CDs	17,609,459	25.08%
	70,222,295	**100.00%**

	Book Value	Percent
1 to 30 Days	$ 46,629,961	66.40%
31 to 90 Days	2,998,961	4.27%
91 to 180 Days	3,266,063	4.65%
181 days to 1 Year	17,327,310	24.67%
1 to 2 Years	–	0.00%
2+ Years	–	0.00%
	$ 70,222,295	**100.00%**

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 08/31/25	Increases	Decreases	Book Value 09/30/25	Market Value 08/31/25	Change in Market Value	Market Value 09/30/25
PlainsCapital Bank - Cash	4.31%	10/01/25	$ 41,943,733	$ –	$ (7,732,536)	$ 34,211,197	$ 41,943,733	$ (7,732,536)	$ 34,211,197
NexBank MMA	4.46%	10/01/25	24,585	88	–	24,673	24,585	88	24,673
NexBank ICS	4.25%	10/01/25	12,349,657	44,434	–	12,394,091	12,349,657	44,434	12,394,091
Cash & Cash Equivalents - Sub Total	**4.29%**		**54,317,975**	**44,522**	**(7,732,536)**	**46,629,961**	**54,317,975**	**(7,688,014)**	**46,629,961**
East West Bank CD	4.34%	09/18/25	2,171,916	–	(2,171,916)	–	2,171,916	(2,171,916)	–
FFCB	5.06%	12/10/25	2,998,522	439	–	2,998,961	3,005,141	(668)	3,004,473
East West Bank CD	4.17%	01/29/26	3,255,103	10,960	–	3,266,063	3,255,103	10,960	3,266,063
Texas Bank and Trust CD	4.16%	05/01/26	4,041,337	–	–	4,041,337	4,041,337	–	4,041,337
TFNB CD	4.32%	06/29/26	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
TFNB CD	4.32%	06/29/26	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
TFNB CD	4.32%	06/29/26	–	500,000	–	500,000	–	500,000	500,000
BOK Financial IntraFi CD	4.52%	08/06/26	1,048,243	3,816	–	1,052,059	1,048,243	3,816	1,052,059
TFNB CD	4.32%	09/29/26	–	2,500,000	–	2,500,000	–	2,500,000	2,500,000
TFNB CD	4.32%	09/29/26	–	2,000,000	–	2,000,000	–	2,000,000	2,000,000
TFNB CD	4.32%	09/29/26	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
TFNB CD	4.32%	09/29/26	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
TFNB CD	4.32%	09/29/26	–	250,000	–	250,000	–	250,000	250,000
UST-Note	4.06%	09/30/26	2,982,592	1,322	–	2,983,914	2,988,656	4,687	2,993,344
Investments - Sub Total	**4.34%**		**16,497,713**	**9,266,537**	**(2,171,916)**	**23,592,334**	**16,510,396**	**7,096,879**	**23,607,275**
TOTAL/AVERAGE	**4.31%**		**$ 70,815,688**	**$ 9,311,059**	**$ (9,904,452)**	**$ 70,222,295**	**$ 70,828,371**	**$ (591,134)**	**$ 70,237,237**

Allocation
September 30, 2025

Book Value

	Total	General	Capital Projects	Solid Waste	Utility	Equipment Replacement	Technology Replacement	Stormwater Drainage	Building Maintenance	Local Youth Diversion Fund	Municipal Jury	Court S&T Fund	Forfeited Property
PlainsCapital Bank - Cash	$ 34,211,197	$ 4,683,137	$ 16,949,980	$ 507,572	$ 6,985,251	$ (1,759)	$ (299,569)	$ 4,661,692	$ 142,107	$ 109,767	$ 2,195	$ 18,011	$ 131,583
NexBank MMA	24,673	24,673	–	–	–	–	–	–	–	–	–	–	–
NexBank ICS	12,394,091	2,473,554	4,394,826	122,022	1,570,439	1,839,235	1,247,104	–	499,219	–	–	–	–
Cash & Cash Equivalents - Sub Total	46,629,961	7,181,364	21,344,806	629,594	8,555,690	1,837,476	947,535	4,661,692	641,326	109,767	2,195	18,011	131,583
12/10/25–FFCB	2,998,961	2,998,961	–	–	–	–	–	–	–	–	–	–	–
01/29/26–East West Bank CD	3,266,063	–	1,088,688	–	2,177,375	–	–	–	–	–	–	–	–
05/01/26–Texas Bank and Trust CD	4,041,337	–	–	–	–	1,010,334	1,010,334	2,020,668	–	–	–	–	–
06/29/26–TFNB CD	1,000,000	–	–	–	–	1,000,000	–	–	–	–	–	–	–
06/29/26–TFNB CD	1,000,000	–	–	–	–	–	1,000,000	–	–	–	–	–	–
06/29/26–TFNB CD	500,000	–	–	–	–	–	–	–	500,000	–	–	–	–
08/06/26–BOK Financial IntraFi CD	1,052,059	263,015	–	–	–	263,015	263,015	–	263,015	–	–	–	–
09/29/26–TFNB CD	2,500,000	2,500,000	–	–	–	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	2,000,000	–	2,000,000	–	–	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	1,000,000	–	–	–	–	1,000,000	–	–	–	–	–	–	–
09/29/26–TFNB CD	1,000,000	–	–	–	–	–	1,000,000	–	–	–	–	–	–
09/29/26–TFNB CD	250,000	–	–	–	–	–	–	–	250,000	–	–	–	–
09/30/26–UST-Note	2,983,914	1,206,003	1,777,912	–	–	–	–	–	–	–	–	–	–
Investments - Sub Total	23,592,334	6,967,979	4,866,599	–	2,177,375	3,273,349	3,273,349	2,020,668	1,013,015	–	–	–	–
Total	**$ 70,222,295**	**$ 14,149,342**	**$ 26,211,406**	**$ 629,594**	**$ 10,733,065**	**$ 5,110,825**	**$ 4,220,884**	**$ 6,682,360**	**$ 1,654,341**	**$ 109,767**	**$ 2,195**	**$ 18,011**	**$ 131,583**

Market Value

	Total	General	Capital Projects	Solid Waste	Utility	Equipment Replacement	Technology Replacement	Stormwater Drainage	Building Maintenance	Local Youth Diversion Fund	Municipal Jury	Court S&T Fund	Forfeited Property
PlainsCapital Bank - Cash	$ 34,211,197	$ 4,683,137	$ 16,949,980	$ 507,572	$ 6,985,251	$ (1,759)	$ (299,569)	$ 4,661,692	$ 142,107	$ 109,767	$ 2,195	$ 18,011	$ 131,583
NexBank MMA	24,673	24,673	–	–	–	–	–	–	–	–	–	–	–
NexBank ICS	12,394,091	2,473,554	4,394,826	122,022	1,570,439	1,839,235	1,247,104	–	499,219	–	–	–	–
Cash & Cash Equivalents - Sub Total	46,629,961	7,181,364	21,344,806	629,594	8,555,690	1,837,476	947,535	4,661,692	641,326	109,767	2,195	18,011	131,583
12/10/25–FFCB	3,004,473	3,004,473	–	–	–	–	–	–	–	–	–	–	–
01/29/26–East West Bank CD	3,266,063	–	1,088,688	–	2,177,375	–	–	–	–	–	–	–	–
05/01/26–Texas Bank and Trust CD	4,041,337	–	–	–	–	1,010,334	1,010,334	2,020,668	–	–	–	–	–
06/29/26–TFNB CD	1,000,000	–	–	–	–	1,000,000	–	–	–	–	–	–	–
06/29/26–TFNB CD	1,000,000	–	–	–	–	–	1,000,000	–	–	–	–	–	–
06/29/26–TFNB CD	500,000	–	–	–	–	–	–	–	500,000	–	–	–	–
08/06/26–BOK Financial IntraFi CD	1,052,059	263,015	–	–	–	263,015	263,015	–	263,015	–	–	–	–
09/29/26–TFNB CD	2,500,000	2,500,000	–	–	–	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	2,000,000	–	2,000,000	–	–	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	1,000,000	–	–	–	–	1,000,000	–	–	–	–	–	–	–
09/29/26–TFNB CD	1,000,000	–	–	–	–	–	1,000,000	–	–	–	–	–	–
09/29/26–TFNB CD	250,000	–	–	–	–	–	–	–	250,000	–	–	–	–
09/30/26–UST-Note	2,993,344	1,209,814	1,783,530	–	–	–	–	–	–	–	–	–	–
Investments - Sub Total	23,607,275	6,977,301	4,872,218	–	2,177,375	3,273,349	3,273,349	2,020,668	1,013,015	–	–	–	–
Total	**$ 70,237,237**	**$ 14,158,665**	**$ 26,217,024**	**$ 629,594**	**$ 10,733,065**	**$ 5,110,825**	**$ 4,220,884**	**$ 6,682,360**	**$ 1,654,341**	**$ 109,767**	**$ 2,195**	**$ 18,011**	**$ 131,583**

Book Value

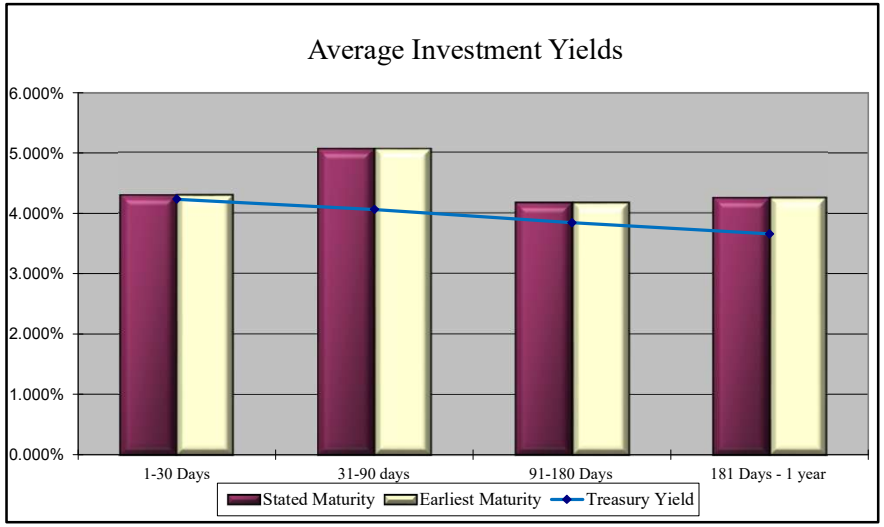
	Court Technology	Court Security	Library
PlainsCapital Bank - Cash	$ 58,805	$ 25,880	$ 236,545
NexBank MMA	–	–	–
NexBank ICS	62,224	–	185,468
Cash & Cash Equivalents - Sub Total	121,029	25,880	422,013
12/10/25–FFCB	–	–	–
01/29/26–East West Bank CD	–	–	–
05/01/26–Texas Bank and Trust CD	–	–	–
06/29/26–TFNB CD	–	–	–
06/29/26–TFNB CD	–	–	–
06/29/26–TFNB CD	–	–	–
08/06/26–BOK Financial IntraFi CD	–	–	–
09/29/26–TFNB CD	–	–	–
09/29/26–TFNB CD	–	–	–
09/29/26–TFNB CD	–	–	–
09/29/26–TFNB CD	–	–	–
09/29/26–TFNB CD	–	–	–
09/30/26–UST-Note	–	–	–
Investments - Sub Total	–	–	–
Total	**$ 121,029**	**$ 25,880**	**$ 422,013**

Market Value

	Court Technology	Court Security	Library
PlainsCapital Bank - Cash	$ 58,805	$ 25,880	$ 236,545
NexBank MMA	–	–	–
NexBank ICS	62,224	–	185,468
Cash & Cash Equivalents - Sub Total	121,029	25,880	422,013
12/10/25–FFCB	–	–	–
01/29/26–East West Bank CD	–	–	–
05/01/26–Texas Bank and Trust CD	–	–	–
06/29/26–TFNB CD	–	–	–
06/29/26–TFNB CD	–	–	–
06/29/26–TFNB CD	–	–	–
08/06/26–BOK Financial IntraFi CD	–	–	–
09/29/26–TFNB CD	–	–	–
09/29/26–TFNB CD	–	–	–
09/29/26–TFNB CD	–	–	–
09/29/26–TFNB CD	–	–	–
09/29/26–TFNB CD	–	–	–
09/30/26–UST-Note	–	–	–
Investments - Sub Total	–	–	–
Total	**$ 121,029**	**$ 25,880**	**$ 422,013**

	Total	General*	Capital Projects	Solid Waste	Utility	Equipment Replacement	Technology Replacement	Stormwater Drainage	Building Maintenance	Local Youth Diversion Fund	Municipal Jury	Forfeited Property	Court Technology	Court Security	Library
Cash & Money Market Interest	$ 190,866	$ 42,962	$ 71,066	$ 2,185	$ 28,176	$ 13,761	$ 8,779	$ 15,967	$ 5,097	$ 375	$ 8	$ 458	$ 450	$ 111	$ 1,471
Investment Interest	55,924	21,781	9,802	–	7,307	4,592	4,592	6,809	1,041	–	–	–	–	–	–
Total	**$ 246,790**	**$ 64,744**	**$ 80,868**	**$ 2,185**	**$ 35,483**	**$ 18,352**	**$ 13,371**	**$ 22,776**	**$ 6,138**	**$ 375**	**$ 8**	**$ 458**	**$ 450**	**$ 111**	**$ 1,471**

***Includes bank interest earned by the Reserve Fund**



This monthly report is in full compliance with the investment strategies as established in the Town's Investment Policies and the Public Funds Investment Act, Chapter 2256, Texas Government Code.

/S/

Taylor S. Lough
Assistant Town Administrator

/S/

John R. Samford
Director of Finance

Town of Highland Park

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

September 30, 2025

Prepared by

Valley View Consulting, L.L.C.

The investment portfolio of the Town of Highland Park is in compliance with the Public Funds Investment Act and the Investment Policy and Strategies.

Assistant Town Administrator

Director of Finance

Disclaimer: These reports were compiled using information provided by the Town. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields, and do not account for investment advisor fees.

Annual Comparison

FYE Results by Investment Category:

	September 30, 2024			September 30, 2025		
Asset Type	**Ave. Yield**	**Book Value**	**Market Value**	**Ave. Yield**	**Book Value**	**Market Value**
Cash & Cash Equivalents	5.45%	$ 42,793,630	$ 42,793,630	4.29%	$ 46,629,961	$ 46,629,961
Securities	5.06%	2,993,621	3,032,048	4.56%	5,982,876	5,997,817
CDs	5.21%	15,138,421	15,138,421	4.27%	17,609,459	17,609,459
Totals		**$ 60,925,672**	**$ 60,964,099**		**$ 70,222,295**	**$ 70,237,237**
Fourth Quarter-End Yield	**5.33%**			**4.31%**		

Fiscal Year Average Yield (1):

	2024 Fiscal Year	2025 Fiscal Year
Highland Park	5.37%	4.47%
Rolling Three Month Treasury	5.42%	4.38%
Rolling Six Month Treasury	5.34%	4.35%
TexPool	5.29%	4.36%
Fiscal YTD Interest Earnings	$ 3,439,971 Approximate	$ 3,180,208 Approximate

(1) **Fiscal Year Average Yield** - calculated using Town's annual interest income divided by average quarter end portfolio Book Value, and does not reflect a total return analysis or account for advisory fees. Benchmark average yields calculated using quarter end report yields.

Strategy Summary

Quarter End Results by Investment Category:

Asset Type	June 30, 2025 Book Value	June 30, 2025 Market Value	September 30, 2025 Book Value	September 30, 2025 Market Value	Ave. Yield
Cash & Cash Equivalents	$ 58,162,427	$ 58,162,427	$ 46,629,961	$ 46,629,961	4.29%
Securities	5,977,475	5,991,668	5,982,876	5,997,817	4.56%
CDs	11,474,971	11,474,971	17,609,459	17,609,459	4.27%
Totals	**$ 75,614,873**	**$ 75,629,065**	**$ 70,222,295**	**$ 70,237,237**	4.31%

Current Quarter Weighted Average Yield (1)	
Total Portfolio	4.31%
Rolling Three Month Treasury	4.24%
Rolling Six Month Treasury	4.17%
TexPool	4.25%

Fiscal Year-to-Date Weighted Average Yield (2)	
Total Portfolio	4.47%
Rolling Three Month Treasury	4.38%
Rolling Six Month Treasury	4.35%
Average Monthly TexPool	4.36%

Interest Earnings (Approximate)	
Quarterly Interest Income	$ 782,126
Year-to-date Interest Income	$ 3,180,208

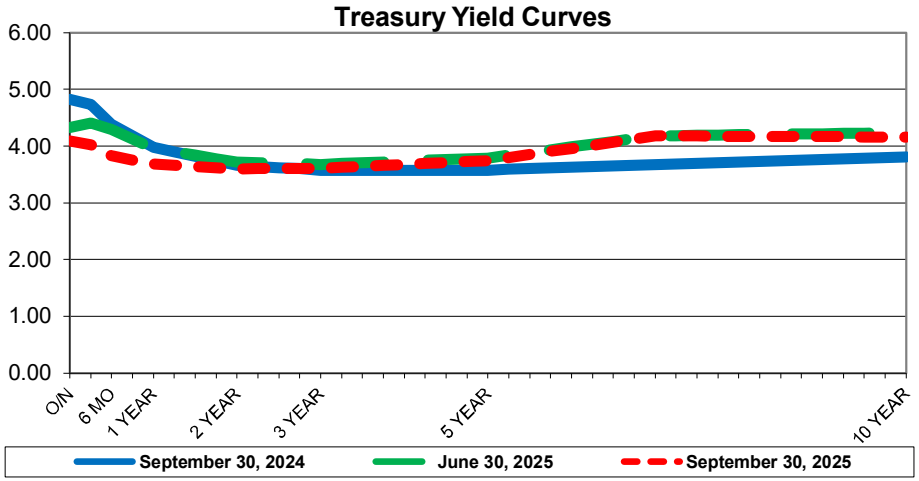
(1) **Current Quarter Weighted Average Yield** - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees. The yield for the reporting month is used for bank and money market balances.

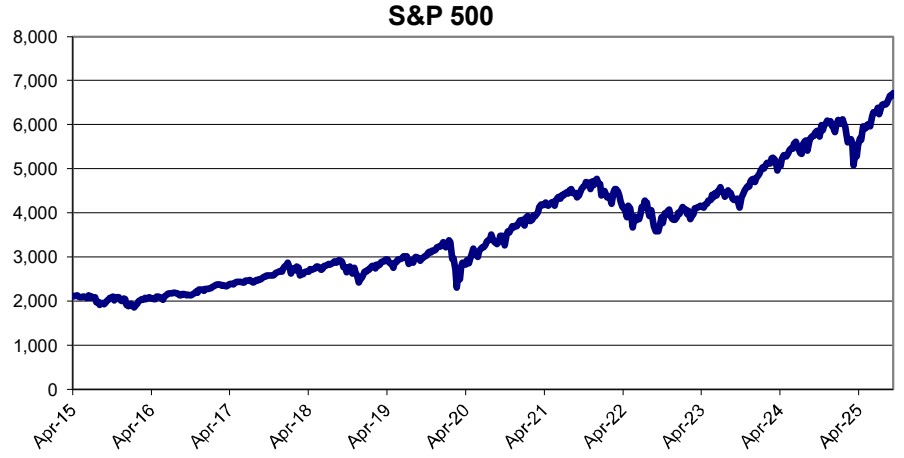
(2) **Fiscal Year-to-Date Weighted Average Yield -** calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

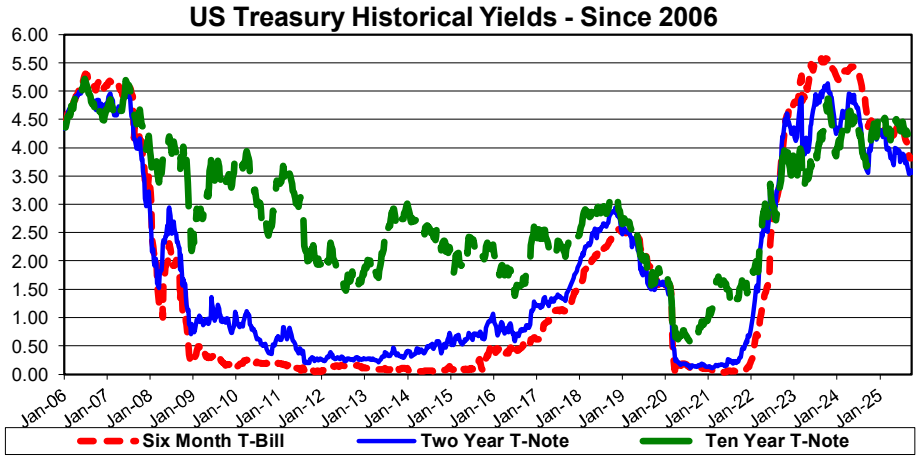
Economic Overview

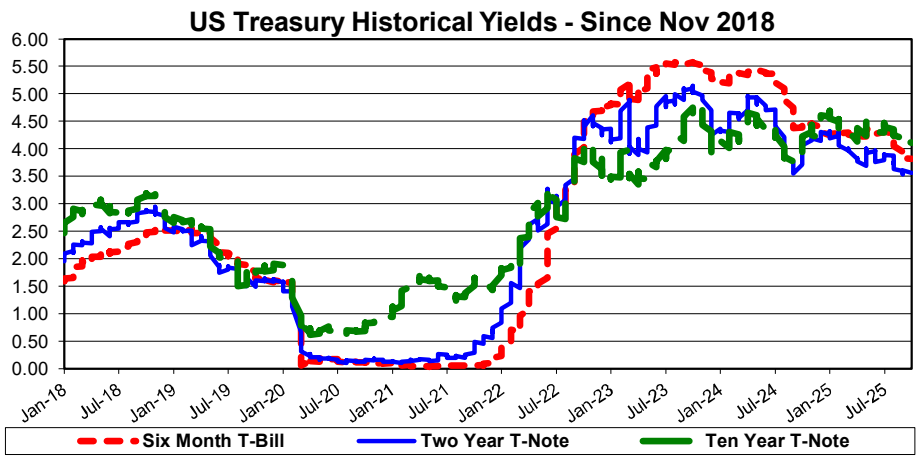
9/30/2025

The Federal Open Market Committee (FOMC) cut the Fed Funds target range to 4.00% - 4.25% September 17th (Effective Fed Funds trade +/-4.08%). Expectations for additional rate cuts remain - projecting two more 0.25% cuts before year-end. Sep Non-Farm Payroll was delayed by the government shut down. Second Quarter 2025 GDP (final) increased to + 3.8%. The S&P 500 Stock Index continued climbing and reached a new high (+/-6,700). The yield curve condensed with a slight upward slope. Crude Oil remains in the low $60s. Inflation continues above the FOMC 2% target (Core PCE +/-2.9% and Core CPI +/-3.1%). The Markets still face uncertain economic outlooks, tariff impacts and political conflicts.









Investment Holdings

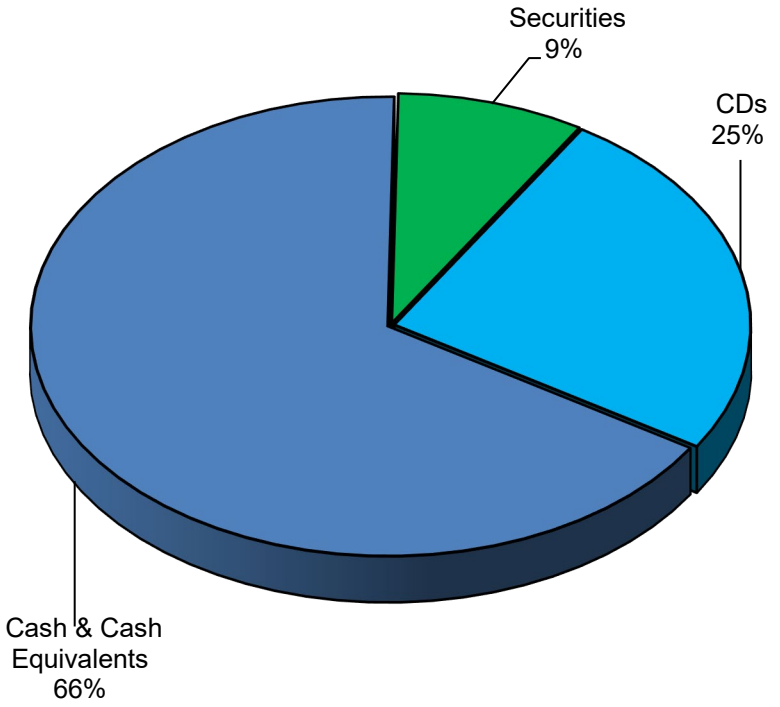
September 30, 2025

Description	Ratings	Coupon/ Discount	Maturity Date	Settlement Date	Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
PlainsCapital Bank - Cash		4.31%	10/01/25	09/30/25	$ 34,211,197	$ 34,211,197	1.00	$ 34,211,197	1	4.31%
NexBank MMA		4.46%	10/01/25	09/30/25	24,673	24,673	1.00	24,673	1	4.46%
NexBank ICS		4.25%	10/01/25	09/30/25	12,394,091	12,394,091	1.00	12,394,091	1	4.25%
Cash & Cash Equivalents - Sub Total					**46,629,961**	**46,629,961**		**46,629,961**	**1**	**4.29%**
FFCB	Aa1/AA+	4.88%	12/10/25	06/12/24	3,000,000	2,998,961	100.15	3,004,473	71	5.06%
East West Bank CD		4.09%	01/29/26	04/29/25	3,266,063	3,266,063	100.00	3,266,063	121	4.17%
Texas B&T CD		4.10%	05/01/26	05/01/25	4,041,337	4,041,337	100.00	4,041,337	213	4.16%
TFNB CD		4.25%	06/29/26	09/29/25	1,000,000	1,000,000	100.00	1,000,000	272	4.32%
TFNB CD		4.25%	06/29/26	09/29/25	1,000,000	1,000,000	100.00	1,000,000	272	4.32%
TFNB CD		4.25%	06/29/26	09/29/25	500,000	500,000	100.00	500,000	272	4.32%
BOK Financial IntraFi CD		4.42%	08/06/26	08/08/24	1,052,059	1,052,059	100.00	1,052,059	310	4.52%
TFNB CD		4.25%	09/29/26	09/29/25	2,500,000	2,500,000	100.00	2,500,000	364	4.32%
TFNB CD		4.25%	09/29/26	09/29/25	2,000,000	2,000,000	100.00	2,000,000	364	4.32%
TFNB CD		4.25%	09/29/26	09/29/25	1,000,000	1,000,000	100.00	1,000,000	364	4.32%
TFNB CD		4.25%	09/29/26	09/29/25	1,000,000	1,000,000	100.00	1,000,000	364	4.32%
TFNB CD		4.25%	09/29/26	09/29/25	250,000	250,000	100.00	250,000	364	4.32%
UST-Note	Aa1/AA+	3.50%	09/30/26	10/28/24	3,000,000	2,983,914	99.78	2,993,344	365	4.06%
Investments - Sub Total					**23,609,459**	**23,592,334**		**23,607,275**	**255**	**4.34%**
					$ 70,239,420	**$ 70,222,295**		**$ 70,237,237**	**86**	**4.31%**
									(1)	**(2)**

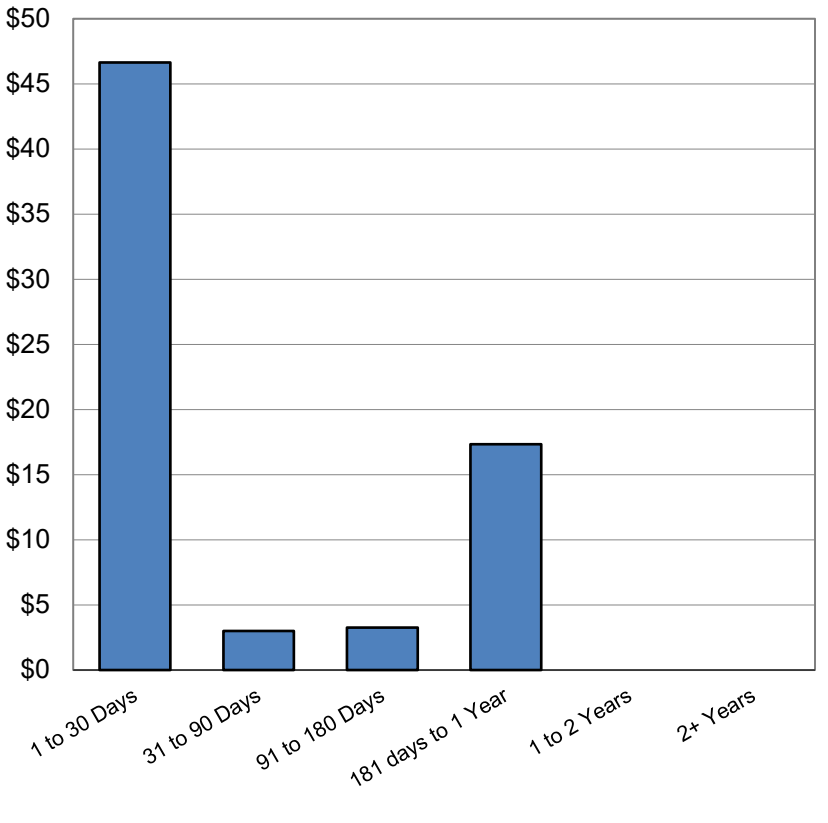
(1) Weighted average life - For purposes of calculating weighted average life, bank accounts and money market funds are assumed to have an one day maturity.

(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank accounts and money market funds.

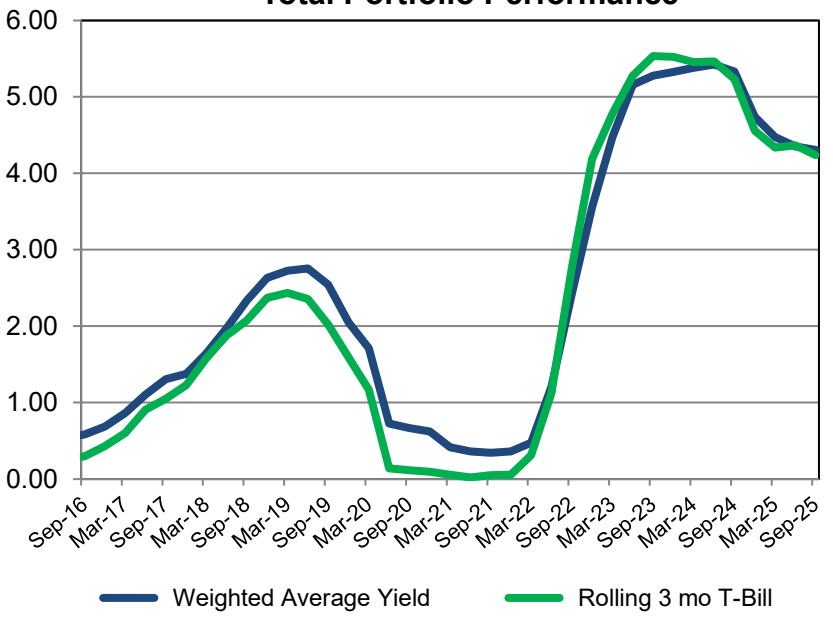
Portfolio Composition



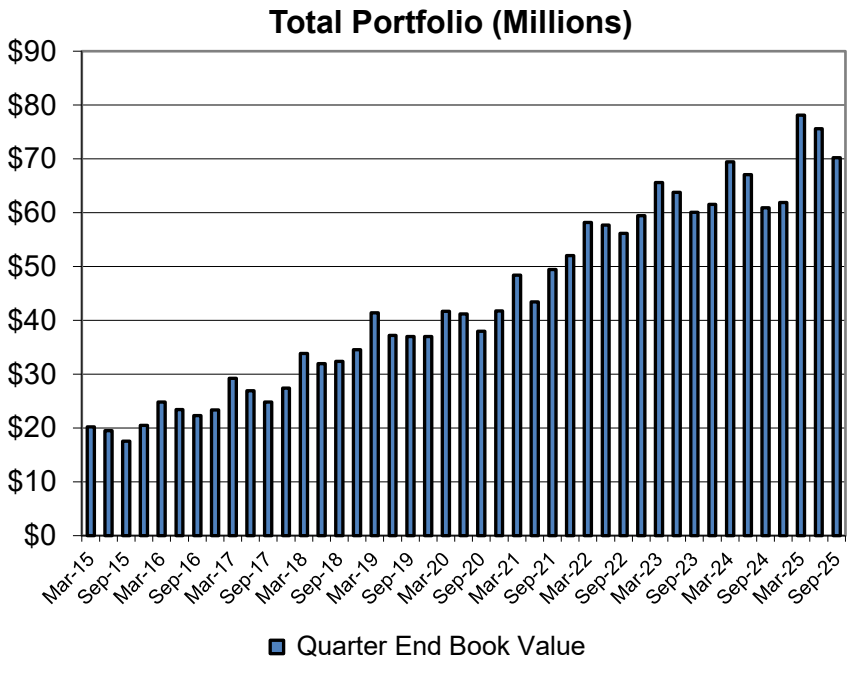
Distribution by Maturity (Millions)



Total Portfolio Performance



Total Portfolio (Millions)



Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 06/30/25	Increases	Decreases	Book Value 09/30/25	Market Value 06/30/25	Change in Market Value	Market Value 09/30/25
PlainsCapital Bank - Cash	4.31%	10/01/25	$ 45,881,362	$ –	$(11,670,165)	$ 34,211,197	$ 45,881,362	$(11,670,165)	$ 34,211,197
NexBank MMA	4.46%	10/01/25	24,400	273	–	24,673	24,400	273	24,673
NexBank ICS	4.25%	10/01/25	12,256,665	137,426	–	12,394,091	12,256,665	137,426	12,394,091
Cash & Cash Equivalents - Sub Total	**4.29%**		**58,162,427**	**137,699**	**(11,670,165)**	**46,629,961**	**58,162,427**	**(11,532,466)**	**46,629,961**
East West Bank CD	4.99%	07/31/25	1,045,708	–	(1,045,708)	–	1,045,708	(1,045,708)	–
East West Bank CD	4.34%	09/18/25	2,156,294	–	(2,156,294)	–	2,156,294	(2,156,294)	–
FFCB	5.06%	12/10/25	2,997,615	1,346	–	2,998,961	3,007,277	(2,804)	3,004,473
East West Bank CD	4.17%	01/29/26	3,232,568	33,495	–	3,266,063	3,232,568	33,495	3,266,063
Texas B&T CD	4.16%	05/01/26	4,000,000	41,337	–	4,041,337	4,000,000	41,337	4,041,337
TFNB CD	4.32%	06/29/26	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
TFNB CD	4.32%	06/29/26	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
TFNB CD	4.32%	06/29/26	–	500,000	–	500,000	–	500,000	500,000
BOK Financial IntraFi CD	4.52%	08/06/26	1,040,401	11,658	–	1,052,059	1,040,401	11,658	1,052,059
TFNB CD	4.32%	09/29/26	–	2,500,000	–	2,500,000	–	2,500,000	2,500,000
TFNB CD	4.32%	09/29/26	–	2,000,000	–	2,000,000	–	2,000,000	2,000,000
TFNB CD	4.32%	09/29/26	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
TFNB CD	4.32%	09/29/26	–	1,000,000	–	1,000,000	–	1,000,000	1,000,000
TFNB CD	4.32%	09/29/26	–	250,000	–	250,000	–	250,000	250,000
UST-Note	4.06%	09/30/26	2,979,860	4,054	–	2,983,914	2,984,391	8,953	2,993,344
Investments - Sub Total	**4.34%**		**17,452,446**	**9,341,891**	**(3,202,002)**	**23,592,334**	**17,466,638**	**6,140,637**	**23,607,275**
TOTAL/AVERAGE	**4.31%**		**$ 75,614,873**	**$ 9,479,590**	**$(14,872,167)**	**$ 70,222,295**	**$ 75,629,065**	**$ (5,391,829)**	**$ 70,237,237**

Allocation
September 30, 2025

Valley View Consulting, L.L.C.

Book Value

	Total	General	Capital Projects	Solid Waste	Utility	Equipment Replacement	Technology Replacement	Stormwater Drainage
PlainsCapital Bank - Cash	$ 34,211,197	$ 4,683,137	$ 16,949,980	$ 507,572	$ 6,985,251	$ (1,759)	$ (299,569)	$ 4,661,692
NexBank MMA	24,673	24,673	–	–	–	–	–	–
NexBank ICS	12,394,091	2,473,554	4,394,826	122,022	1,570,439	1,839,235	1,247,104	–
Cash & Cash Equivalents - Sub Total	**46,629,961**	**7,181,364**	**21,344,806**	**629,594**	**8,555,690**	**1,837,476**	**947,535**	**4,661,692**
12/10/25–FFCB	2,998,961	2,998,961	–	–	–	–	–	–
01/29/26–East West Bank CD	3,266,063	–	1,088,688	–	2,177,375	–	–	–
05/01/26–Texas B&T CD	4,041,337	–	–	–	–	1,010,334	1,010,334	2,020,668
06/29/26–TFNB CD	1,000,000	–	–	–	–	1,000,000	–	–
06/29/26–TFNB CD	1,000,000	–	–	–	–	–	1,000,000	–
06/29/26–TFNB CD	500,000	–	–	–	–	–	–	–
08/06/26–BOK Financial IntraFi CD	1,052,059	263,015	–	–	–	263,015	263,015	–
09/29/26–TFNB CD	2,500,000	2,500,000	–	–	–	–	–	–
09/29/26–TFNB CD	2,000,000	–	2,000,000	–	–	–	–	–
09/29/26–TFNB CD	1,000,000	–	–	–	–	1,000,000	–	–
09/29/26–TFNB CD	1,000,000	–	–	–	–	–	1,000,000	–
09/29/26–TFNB CD	250,000	–	–	–	–	–	–	–
09/30/26–UST-Note	2,983,914	1,206,003	1,777,912	–	–	–	–	–
Investments - Sub Total	**23,592,334**	**6,967,979**	**4,866,599**	**–**	**2,177,375**	**3,273,349**	**3,273,349**	**2,020,668**
Total	**$ 70,222,295**	**$ 14,149,342**	**$ 26,211,406**	**$ 629,594**	**$ 10,733,065**	**$ 5,110,825**	**$ 4,220,884**	**$ 6,682,360**

Book Value

	Building Maintenance	Local Youth Diversion Fund	Municipal Jury	Court S&T Fund	Forfeited Property	Court Technology	Court Security	Library
PlainsCapital Bank - Cash	$ 142,107	$ 109,767	$ 2,195	$ 18,011	$ 131,583	$ 58,805	$ 25,880	$ 236,545
NexBank MMA	–	–	–		–	–	–	–
NexBank ICS	499,219	–	–		–	62,224	–	185,468
Cash & Cash Equivalents - Sub Total	**641,326**	**109,767**	**2,195**	**18,011**	**131,583**	**121,029**	**25,880**	**422,013**
12/10/25–FFCB	–	–	–	–	–	–	–	–
01/29/26–East West Bank CD	–	–	–	–	–	–	–	–
05/01/26–Texas B&T CD	–	–	–	–	–	–	–	–
06/29/26–TFNB CD	–	–	–	–	–	–	–	–
06/29/26–TFNB CD	–	–	–	–	–	–	–	–
06/29/26–TFNB CD	500,000	–	–	–	–	–	–	–
08/06/26–BOK Financial IntraFi CD	263,015	–	–	–	–	–	–	–
09/29/26–TFNB CD	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	250,000	–	–	–	–	–	–	–
09/30/26–UST-Note	–	–	–	–	–	–	–	–
Investments - Sub Total	**1,013,015**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**$ 1,654,341**	**$ 109,767**	**$ 2,195**	**$ 18,011**	**$ 131,583**	**$ 121,029**	**$ 25,880**	**$ 422,013**

Allocation
September 30, 2025

Market Value

	Total	General	Capital Projects	Solid Waste	Utility	Equipment Replacement	Technology Replacement	Stormwater Drainage
PlainsCapital Bank - Cash	$ 34,211,197	$ 4,683,137	$ 16,949,980	$ 507,572	$ 6,985,251	$ (1,759)	$ (299,569)	$ 4,661,692
NexBank MMA	24,673	24,673	–	–	–	–	–	–
NexBank ICS	12,394,091	2,473,554	4,394,826	122,022	1,570,439	1,839,235	1,247,104	–
Cash & Cash Equivalents - Sub Total	**46,629,961**	**7,181,364**	**21,344,806**	**629,594**	**8,555,690**	**1,837,476**	**947,535**	**4,661,692**
12/10/25–FFCB	3,004,473	3,004,473	–	–	–	–	–	–
01/29/26–East West Bank CD	3,266,063	–	1,088,688	–	2,177,375	–	–	–
05/01/26–Texas B&T CD	4,041,337	–	–	–	–	1,010,334	1,010,334	2,020,668
06/29/26–TFNB CD	1,000,000	–	–	–	–	1,000,000	–	–
06/29/26–TFNB CD	1,000,000	–	–	–	–	–	1,000,000	–
06/29/26–TFNB CD	500,000	–	–	–	–	–	–	–
08/06/26–BOK Financial IntraFi CD	1,052,059	263,015	–	–	–	263,015	263,015	–
09/29/26–TFNB CD	2,500,000	2,500,000	–	–	–	–	–	–
09/29/26–TFNB CD	2,000,000	–	2,000,000	–	–	–	–	–
09/29/26–TFNB CD	1,000,000	–	–	–	–	1,000,000	–	–
09/29/26–TFNB CD	1,000,000	–	–	–	–	–	1,000,000	–
09/29/26–TFNB CD	250,000	–	–	–	–	–	–	–
09/30/26–UST-Note	2,993,344	1,209,814	1,783,530	–	–	–	–	–
Investments - Sub Total	**23,607,275**	**6,977,301**	**4,872,218**	**–**	**2,177,375**	**3,273,349**	**3,273,349**	**2,020,668**
Total	**$ 70,237,237**	**$ 14,158,665**	**$ 26,217,024**	**$ 629,594**	**$ 10,733,065**	**$ 5,110,825**	**$ 4,220,884**	**$ 6,682,360**

Market Value

	Building Maintenance	Local Youth Diversion Fund	Municipal Jury	Court S&T Fund	Forfeited Property	Court Technology	Court Security	Library
PlainsCapital Bank - Cash	$ 142,107	$ 109,767	$ 2,195	$ 18,011	$ 131,583	$ 58,805	$ 25,880	$ 236,545
NexBank MMA	–	–	–	–	–	–	–	–
NexBank ICS	499,219	–	–	–	–	62,224	–	185,468
Cash & Cash Equivalents - Sub Total	**641,326**	**109,767**	**2,195**	**18,011**	**131,583**	**121,029**	**25,880**	**422,013**
12/10/25–FFCB	–	–	–	–	–	–	–	–
01/29/26–East West Bank CD	–	–	–	–	–	–	–	–
05/01/26–Texas B&T CD	–	–	–	–	–	–	–	–
06/29/26–TFNB CD	–	–	–	–	–	–	–	–
06/29/26–TFNB CD	–	–	–	–	–	–	–	–
06/29/26–TFNB CD	500,000	–	–	–	–	–	–	–
08/06/26–BOK Financial IntraFi CD	263,015	–	–	–	–	–	–	–
09/29/26–TFNB CD	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	–	–	–	–	–	–	–	–
09/29/26–TFNB CD	250,000	–	–	–	–	–	–	–
09/30/26–UST-Note	–	–	–	–	–	–	–	–
Investments - Sub Total	**1,013,015**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total	**$ 1,654,341**	**$ 109,767**	**$ 2,195**	**$ 18,011**	**$ 131,583**	**$ 121,029**	**$ 25,880**	**$ 422,013**

Allocation
June 30, 2025

Book Value

	Total	General	Capital Projects	Solid Waste	Utility	Equipment Replacement	Technology Replacement
PlainsCapital Bank - Cash	$ 45,881,362	$ 13,005,056	$ 15,688,138	$ 522,231	$ 6,928,859	$ 1,897,063	$ 1,425,190
NexBank MMA	24,400	24,400	–	–	–	–	–
NexBank ICS	12,256,665	2,446,127	4,346,096	120,669	1,553,026	1,818,841	1,233,276
Cash & Cash Equivalents - Sub Total	58,162,427	15,475,583	20,034,234	642,900	8,481,885	3,715,904	2,658,466
07/31/25–East West Bank CD	1,045,708	–	261,427	–	–	261,427	261,427
09/18/25–East West Bank CD	2,156,294	2,156,294	–	–	–	–	–
12/10/25–FFCB	2,997,615	2,997,615	–	–	–	–	–
01/29/26–East West Bank CD	3,232,568	–	1,077,523	–	2,155,045	–	–
05/01/26–Texas B&T CD	4,000,000	–	–	–	–	1,000,000	1,000,000
08/06/26–BOK Financial IntraFi CD	1,040,401	260,100	–	–	–	260,100	260,100
09/30/26–UST-Note	2,979,860	1,204,364	1,775,496	–	–	–	–
Investments - Sub Total	17,452,446	6,618,374	3,114,445	–	2,155,045	1,521,527	1,521,527
Total	**$ 75,614,873**	**$ 22,093,957**	**$ 23,148,679**	**$ 642,900**	**$ 10,636,930**	**$ 5,237,431**	**$ 4,179,993**

Book Value

	Stormwater Drainage	Building Maintenance	Local Youth Diversion Fund	Municipal Jury	Forfeited Property	Court Technology	Court Security	Library
PlainsCapital Bank - Cash	$ 5,084,686	$ 759,942	$ 104,231	$ 2,085	$ 130,198	$ 62,640	$ 39,898	$ 231,145
NexBank MMA	–	–	–	–	–	–	–	–
NexBank ICS	–	493,684	–	–	–	61,534	–	183,412
Cash & Cash Equivalents - Sub Total	5,084,686	1,253,626	104,231	2,085	130,198	124,174	39,898	414,557
07/31/25–East West Bank CD	–	261,427	–	–	–	–	–	–
09/18/25–East West Bank CD	–	–	–	–	–	–	–	–
12/10/25–FFCB	–	–	–	–	–	–	–	–
01/29/26–East West Bank CD	–	–	–	–	–	–	–	–
05/01/26–Texas B&T CD	2,000,000	–	–	–	–	–	–	–
08/06/26–BOK Financial IntraFi CD	–	260,100	–	–	–	–	–	–
09/30/26–UST-Note	–	–	–	–	–	–	–	–
Investments - Sub Total	2,000,000	521,527	–	–	–	–	–	–
Total	**$ 7,084,686**	**$ 1,775,153**	**$ 104,231**	**$ 2,085**	**$ 130,198**	**$ 124,174**	**$ 39,898**	**$ 414,557**

Allocation
June 30, 2025

Market Value

	Total	General	Capital Projects	Solid Waste	Utility	Equipment Replacement	Technology Replacement
PlainsCapital Bank - Cash	$ 45,881,362	$ 13,005,056	$ 15,688,138	$ 522,231	$ 6,928,859	$ 1,897,063	$ 1,425,190
NexBank MMA	24,400	24,400	–	–	–	–	–
NexBank ICS	12,256,665	2,446,127	4,346,096	120,669	1,553,026	1,818,841	1,233,276
Cash & Cash Equivalents - Sub Total	58,162,427	15,475,583	20,034,234	642,900	8,481,885	3,715,904	2,658,466
07/31/25–East West Bank CD	1,045,708	–	261,427	–	–	261,427	261,427
09/18/25–East West Bank CD	2,156,294	2,156,294	–	–	–	–	–
12/10/25–FFCB	3,007,277	3,007,277	–	–	–	–	–
01/29/26–East West Bank CD	3,232,568	–	1,077,523	–	2,155,045	–	–
05/01/26–Texas B&T CD	4,000,000	–	–	–	–	1,000,000	1,000,000
08/06/26–BOK Financial IntraFi CD	1,040,401	260,100	–	–	–	260,100	260,100
09/30/26–UST-Note	2,984,391	1,206,195	1,778,196	–	–	–	–
Investments - Sub Total	17,466,638	6,629,866	3,117,145	–	2,155,045	1,521,527	1,521,527
Total	**$ 75,629,065**	**$ 22,105,449**	**$ 23,151,379**	**$ 642,900**	**$ 10,636,930**	**$ 5,237,431**	**$ 4,179,993**

Market Value

	Stormwater Drainage	Building Maintenance	Local Youth Diversion Fund	Municipal Jury	Forfeited Property	Court Technology	Court Security	Library
PlainsCapital Bank - Cash	$ 5,084,686	$ 759,942	$ 104,231	$ 2,085	$ 130,198	$ 62,640	$ 39,898	$ 231,145
NexBank MMA	–	–	–	–	–	–	–	–
NexBank ICS	–	493,684	–	–	–	61,534	–	183,412
Cash & Cash Equivalents - Sub Total	5,084,686	1,253,626	104,231	2,085	130,198	124,174	39,898	414,557
07/31/25–East West Bank CD	–	261,427	–	–	–	–	–	–
09/18/25–East West Bank CD	–	–	–	–	–	–	–	–
12/10/25–FFCB	–	–	–	–	–	–	–	–
01/29/26–East West Bank CD	–	–	–	–	–	–	–	–
05/01/26–Texas B&T CD	2,000,000	–	–	–	–	–	–	–
08/06/26–BOK Financial IntraFi CD	–	260,100	–	–	–	–	–	–
09/30/26–UST-Note	–	–	–	–	–	–	–	–
Investments - Sub Total	2,000,000	521,527	–	–	–	–	–	–
Total	**$ 7,084,686**	**$ 1,775,153**	**$ 104,231**	**$ 2,085**	**$ 130,198**	**$ 124,174**	**$ 39,898**	**$ 414,557**

Town of Highland Park
Town Council Study Session
Tuesday, December 2, 2025

Item Coversheet

Review and discuss a presentation providing an overview of preservation ordinances.

PRESENTED BY: Jeff Armstrong, Director of Community Development

BACKGROUND:

The recent Town-wide survey and public input regarding the Zoning Ordinance rewrite have both revealed interest from some community members in establishing regulations that would provide some level of preservation for historic properties in Highland Park. Staff will provide the Town Council with an overview of State statutes related to preservation, discuss some options for a local preservation ordinance, and explain how those ordinances could work.

RECOMMENDATION

No action is required. Staff will seek input and direction from the Town Council.

FINANCIAL IMPACT

This item has no financial impact.

ATTACHMENTS

None