



TOWN OF NORTHLAKE
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
FOR THE YEAR ENDED SEPTEMBER 30, 2021





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Town Council

David Rettig, Mayor
Brian Montini, Mayor Pro Tem
Rena Hardeman, Council Member Place 1
Michael Ganz, Council Member Place 2
Roger Sessions, Council Member Place 4
Bill Moore, Council Member Place 5
Wes Boyer, Council Member, Place 6

Town Manager

Drew Corn

Prepared by the

John Zagurski, CGFO, Finance Director
Parwaiz Broker, Accountant



Town of Northlake, Texas

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INTRODUCTORY SECTION





April 13, 2022

The Honorable Mayor, Town Council Members, and the Citizens of Northlake:

The Annual Comprehensive Financial Report (ACFR) of the Town of Northlake, Texas for the fiscal year ended September 30, 2021 is submitted to you. Local Government Code Chapter 103 prescribes that a municipality shall have an annual audit by a licensed certified public accountant. The annual certified financial statements, including the auditor's opinion on the statement, must be filed with the Town's Secretary after the Town's fiscal year end.

This report consists of management's representations concerning the finances of the Town; therefore, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, the management of the Town has established an internal controls framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with General Accepted Accounting Principals (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements. As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ending on September 30, 2021 are free of material misstatements. The Town's financial statements have been audited by BrooksWatson & Co., PLLC. Their audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statements. Upon completion of the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2021 are fairly presented in conformity with GAAP. The auditors' report is presented as the first component of the financial section of this report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Town Profile

The Town of Northlake is located in Denton County, Texas and town limits are approximately 17 square miles with an additional 15 square miles of extraterritorial jurisdiction. The Town is

bisected by the Interstate 35W highway corridor and from this corridor begins at Fort Worth, Texas extends eastward towards Argyle, Texas, westward towards Justin, Texas and ends at Denton, Texas to the north.

The Town was incorporated on December 28, 1960 and per Texas Local Government Code is deemed a “General Law Type A” municipality. The Town is a Home Rule municipality under a “Council-Manager” structure whereby policy making authority rests solely with the Mayor and Council and they must annually adopt a property tax rate and an operating budget, approve Town ordinances and resolutions and employ a Town Attorney, Municipal Judge, Town Manager, and a Town Secretary. The six Council members serve two-year staggered terms, and the Mayor serves a three year term, and are elected at large.

The Town Manager is responsible for implementing the policies, ordinances and resolutions enacted by the governing body, managing day-to-day operations of the Town, and appointing the department directors. The Town Secretary is the official record keeper of the Town.

The Town Council has created a Type A Economic Development Corporation and a Type B Community Development Corporation. Each of these corporations are operated by a board of directors that are appointed by the Mayor and Council members.

To better serve the residents of Northlake and to manage development, the Mayor and Council members have adopted a Comprehensive Future Land Use Plan, Parks, Recreation and Open Space Master Plan, Master Thoroughfare Plan, Water & Wastewater System Master Plan, and Unified Development Code.

Services Provided

The Town of Northlake provides police services, municipal court services, water and wastewater utility services, utility billing services, public works services, and developmental services.

Other Services Provided

Solid waste rubbish and collection services for the Town are contracted through Waste Connections. Fire and EMS services is provided by Denton County Emergency Services #1 and is funded through a district-wide property tax levy. The Town contracts with the Upper Trinity Regional Water District and with City of Fort Worth for the purchase of wholesale water. Wastewater treatment and collection services are contracted with the Trinity River Authority.

Economic Conditions and Outlook

Due to the strength of the regions’ economic conditions, the proximity of the Town to major job centers within the Dallas-Fort Worth (DFW) and Denton Metroplexes, and the exemplary school districts within the Town has caused increased development within the Town.

Fiscal Year 2021 welcomed the opening of several commercial businesses including Schluter Systems, Smart Warehousing, LLC, Burgers and Curries (formerly Burgerim), PJ’s Coffee, Crown

Lift Trucks, Bella Italia Bistro, Ridder Orthodontics, Adjuva Med Spa, Walgreen's Microfill Center, and Kay Braswell Insurance. The following business were added through annexations: Mansell Family Dentistry and Orthodontics, Pediatric Dentistry of Northlake, and Farmers Insurance by Betsy Cole.

Residential growth continued during fiscal year 2021 with a large growth population, new estimated over 7,500 residents.

Fiscal Year 2021 Budget

The general themes of the 2021 fiscal year adopted budget was to maintain one of the lowest tax rates in Denton County, protect the Town's future, improve existing infrastructure, continue funding of maintenance and operational activities, and maintain the fiscal health of the Town's net position.

In order to achieve the goals mentioned above, the Town Council kept the same property tax rate of prior years'; \$0.295 per \$100.00 of valuation. In addition, the Town approved the following expenditures:

- Capital projects for FY 2021 Included:
 - North Area Elevated Storage Tank
 - South Area Elevated Storage Tank
 - South Area Pump Station
 - Old Justin Road (Faught to Flanagan Farm)
 - Repair of Canyon Fall Road Failures
 - FM 407 and Cleveland Gibbs Traffic Light
 - Catherine Branch Water and Sewer Projects
 - Fire Protection Lines for Schober and Bingham Roads
 - Florance Road (Strader to Yarbrough)
 - Faught Road (Old Justin to Robson Ranch)
 - North Area Pump & SCADA

- The increased staffing included:
 - 3 Police Officers
 - Public Works Positions:
 - Equipment Operator
 - 2 Maintenance Worker
 - Management Analyst

- Employment benefits were enhanced with the implementation a 2% market salary adjustment

- Equipment purchases included 2 police patrol replacement vehicles, one new police patrol vehicle, and a public works truck replacement.

Accounting and Budgetary Controls

In developing and maintaining the Town's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgements by management. All of the Town's internal control evaluations occur within the above framework. We believe the Town's internal controls both adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The annually adopted budget serves as the foundation of the Town Council's financial and planning control. State law requires the budget to be adopted by the Town Council, on an annual basis, before the start of the new fiscal year. In addition, state law requires that the Town Council hold public hearings so that citizens may have the opportunity to review and provide comment on the proposed budget. In assist the Mayor and Town Council with the annual budget, The Town Manager and Departmental Directors prepare program expenditure and revenue estimates for the remainder of the current fiscal year as well as for the upcoming fiscal year. These estimates are submitted to the Town Council for consideration for revisions to the current year fiscal budget and for the adoption into the upcoming fiscal year budget. The level of control (the level at which expenditures may not exceed budget) is the fund level. A budgetary comparison to actual activities is provided later in this report for all governmental the General Fund, Roadway Impact Fees, Northlake PID, Court Security, Court Technology, Police Asset Forfeiture, Police Special Training, Child Safety, Court Online Access Fees, Grants, Cost Recovery, TIRZ, Hotel/Motel Fund, Capital Improvement Fund, and Debt Service fund.

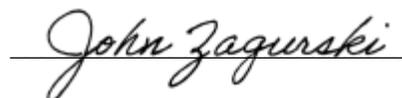
Acknowledgements

We would like to express our appreciation to the Mayor and Town Council for their leadership and support in planning and conducting the financial operations of the Town. In addition, we would like to thank the entire staff of the Town as this report could not be accomplished without their dedicated service to the Town.

Respectfully Submitted,



Drew Corn, Town Manager



John Zagurski, Finance Director

Northlake Residents

Town Council



ELECTED



APPOINTED

Municipal Judge

Town Manager

Boards & Commissions

STAFF

Municipal Court Administrator

Court Clerk (2)

Municipal Court

Finance Director

Accountant

Accounting Clerk (2)

Finance

Development Director

Analyst/Grant Coordinator

Code Comp. Coordinator

Permit Specialist

Permit Technician

Planner

Development Services

Public Works Director

Administrative Assistant

Superintendent

Streets Crew (5)

Utilities Crew (4)

Maintenance Crew (3)

Plant Operations (2)

Infrastructure Inspections (2)

Public Works

Police Chief

Administrative Assistant

Support Specialist

Captain

Sergeants (4)

Patrol Officers (11)

Traffic Officers (3)

Detectives (2)

Police

*Position
Single Incumbent
(Multiple Staff)



TOWN OF NORTHLAKE

Organizational Chart



KEY OFFICIALS



MAYOR
DAVID RETTIG



MAYOR PRO TEM
PLACE 3
BRIAN MONTINI



PLACE 1
RENA HARDEEMAN



PLACE 2
MICHAEL GANZ



PLACE 4
ROGER SESSIONS



PLACE 5
BILL MOORE



PLACE 6
WES BOYER

APPOINTED OFFICIALS

TOWN MANAGER - DREW CORN
MUNICIPAL JUDGE - HONORABLE HARRIS HUGHEY

MANAGEMENT TEAM

COURT ADMINISTRATOR - LEANN OLIVER
DEVELOPMENT SERVICES DIRECTOR - NATHAN REDDIN
FINANCE DIRECTOR - JOHN ZAGURSKI
POLICE CHIEF - ROBERT CRAWFORD
PUBLIC WORKS DIRECTOR - ERIC TAMAYO
TOWN SECRETARY - SHIRLEY ROGERS





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Town Council
Town of Northlake, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Northlake, Texas (the "Town") as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note V.F. to the financial statements, the Town has restated beginning net position within the internal service funds due to the reallocation of governmental type capital assets as reported in the prior year. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual

nonmajor fund financial statements and other budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

BrooksWatson & Co., PLLC
Certified Public Accountants
Houston, Texas
April 13, 2022



*MANAGEMENT'S DISCUSSION
AND ANALYSIS*



Town of Northlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

As management of the Town of Northlake, Texas (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows (net position) at September 30, 2021 by \$73,238,024. Of this amount, \$15,970,809 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$6,489,662. The majority of the Town's net position are invested in capital assets and restricted for specific purposes.
- The Town's governmental funds reported combined ending fund balances of \$15,000,037 at September 30, 2021, an increase of \$4,570,297 from the prior fiscal year; this includes an increase of \$17,396 in the debt service fund, an increase of \$772,214 in the general fund, an increase of \$4,210,244 in the capital improvements fund, a decrease of \$843,753 in the roadway impact fee funds, and an increase of \$26,908 in the PID funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$4,372,176 or 59% of total general fund expenditures.
- The Town's total debt showed a net increase of \$5,416,791, including bond premiums. The total governmental bonds payable at the close of the fiscal year was \$12,385,000. Self-supporting debt of the proprietary fund was \$14,360,000.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

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

Town of Northlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2021

The *statement of net position* presents information on all of the Town's assets and liabilities. The difference between the two is reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other non-financial factors, such as the Town's property tax base and the condition of the Town's infrastructure, need to be considered in order to assess the overall health of the Town.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, PID special assessments, TIRZ, promotional, and development services. The business-type activities of the Town include water and sewer, water capital projects, and utility impact fees.

The government-wide financial statements include not only the Town itself (known as the *primary government*), but also the legally separate Northlake Economic Development Corporation and Northlake Community Development Corporation, for which the Town is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself. The Harvest Public Improvement District No.1 and the Highlands Public Improvement District No. 2, although also legally separate, functions for all practical purposes as a department of the Town, and therefore has been included as an integral part of the primary government.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable*

Town of Northlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2021

resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

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

The Town maintains twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital improvements fund, the roadway impact fee funds, and the PID funds, which are considered to be major funds. The Town's fifteen other special revenue funds are considered nonmajor for reporting purposes.

The Town adopts an annual appropriated budget for its general fund, debt service fund, impact fee funds, capital improvement fund, PID funds, and most special revenue funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

Proprietary Funds

The Town maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses seven enterprise funds to account for its water and sewer, water capital projects, utility impact fees, municipal utility district, and sewer billing operations. All activities associated with providing such services are accounted for in this fund, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The Town's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for major equipment purchases and building services.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the seven major enterprise funds of the Town.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

Component Units

The Town maintains the accounting and financial statements for two component units. The Northlake Economic Development Corporation and Northlake Community Development Corporation are reported as discrete component units on the government-wide financial statements. The Harvest Public Improvement District No.1 and the Highlands Public Improvement District No. 2 are reported as blended component units and are considered major funds.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town's progress in funding its obligation to provide pension benefits to its employees and the budgetary comparison for various major governmental funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the Town's financial position. For the Town of Northlake, assets and deferred outflows exceed liabilities and deferred inflows by \$73,238,024 as of September 30, 2021 in the primary government.

The largest portion of the Town's net position, \$52,879,973, reflects its investments in capital assets (e.g., land, buildings, automobiles, equipment, infrastructure assets, as well as the water and sewer system), less any debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2021			2020		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Current and						
other assets	\$ 18,460,576	\$ 15,987,441	\$ 34,448,017	\$ 12,133,334	\$ 13,398,794	\$ 25,532,128
Long-term receivables	1,777,635	-	1,777,635	2,096,765	-	2,096,765
Capital assets, net	32,767,363	37,794,290	70,561,653	32,977,241	31,053,272	64,030,513
Total Assets	53,005,574	53,781,731	106,787,305	47,207,340	44,452,066	91,659,406
Total Deferred						
Outflows	317,429	47,432	364,861	210,332	31,429	241,761
Other liabilities	3,894,818	3,616,291	7,511,109	1,803,327	1,425,525	3,228,852
Long-term liabilities	11,894,975	14,396,559	26,291,534	9,910,539	11,894,056	21,804,595
Total Liabilities	15,789,793	18,012,850	33,802,643	11,713,866	13,319,581	25,033,447
Total Deferred						
Inflows	97,005	14,494	111,499	103,842	15,516	119,358
Net Position:						
Net investment						
in capital assets	23,544,461	29,335,512	52,879,973	23,691,121	28,566,151	52,257,272
Restricted	4,387,242	-	4,387,242	4,735,030	-	4,735,030
Unrestricted	9,504,502	6,466,307	15,970,809	7,173,813	2,582,247	9,756,060
Total Net Position	\$ 37,436,205	\$ 35,801,819	\$ 73,238,024	\$ 35,599,964	\$ 31,148,398	\$ 66,748,362

Current assets for business-type activities increased primarily due to a additional cash on hand resulting from the issuance new debt funds for capital development as well as repairs and maintenance costs and utility impact fees paid to developers. Total capital assets increased primarily as a result of contributed capital water and sewer system improvements during the current year. Total other liabilities increased resulting from timing of repayments to vendors subsequent to yearend for ongoing capital projects. Long-term liabilities increased for both governmental and business-type as a result of new debt issuances.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

Statement of Activities:

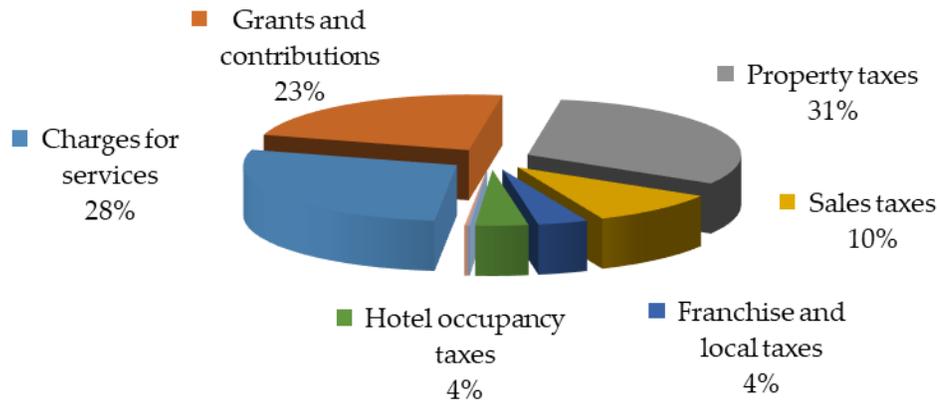
The following table provides a summary of the Town's changes in net position:

	For the Year Ended September 30, 2021			For the Year Ended September 30, 2020		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 4,172,913	\$ 8,562,742	\$ 12,735,655	\$ 2,980,065	\$ 5,478,560	\$ 8,458,625
Grants and contributions	3,461,847	4,091,096	7,552,943	8,333,922	8,689,843	17,023,765
General revenues:						
Property taxes	4,667,918	-	4,667,918	3,710,077	-	3,710,077
Sales taxes	1,489,157	-	1,489,157	854,553	-	854,553
Franchise and local taxes	568,056	-	568,056	477,795	-	477,795
Hotel occupancy taxes	598,771	-	598,771	393,540	-	393,540
Investment income	20,829	59,415	80,244	149,848	120,480	270,328
Other revenues	35,172	-	35,172	396,402	-	396,402
Total Revenues	15,014,663	12,713,253	27,727,916	17,296,202	14,288,883	31,585,085
Expenses						
General government	1,516,599	-	1,516,599	1,598,011	-	1,598,011
Public safety	2,993,487	-	2,993,487	2,617,563	-	2,617,563
Public works	2,656,449	-	2,656,449	1,928,485	-	1,928,485
PID special assessments	1,219,270	-	1,219,270	962,745	-	962,745
TIRZ	265,447	-	265,447	539,727	-	539,727
Promotional	48,029	-	48,029	59,350	-	59,350
Development services	3,890,392	-	3,890,392	2,325,958	-	2,325,958
Interest and fiscal charges	286,868	456,012	742,880	641,799	27,273	669,072
Water & Sewer	-	7,037,178	7,037,178	-	5,823,770	5,823,770
Utility Impact Fees	-	868,523	868,523	-	1,087,067	1,087,067
Total Expenses	12,876,541	8,361,713	21,238,254	10,673,638	6,938,110	17,611,748
Change in Net Position						
Before Transfers	2,138,122	4,351,540	6,489,662	6,622,564	7,350,773	13,973,337
Transfers	(301,881)	301,881	-	10,174,118	(10,174,118)	-
Total	(301,881)	301,881	-	10,174,118	(10,174,118)	-
Change in Net Position	1,836,241	4,653,421	6,489,662	16,796,682	(2,823,345)	13,973,337
Beginning Net Position	35,599,964	31,148,398	66,748,362	18,803,282	33,971,743	52,775,025
Ending Net Position	\$ 37,436,205	\$ 35,801,819	\$ 73,238,024	\$ 35,599,964	\$ 31,148,398	\$ 66,748,362

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the Town's activities.

Governmental Activities - Revenues

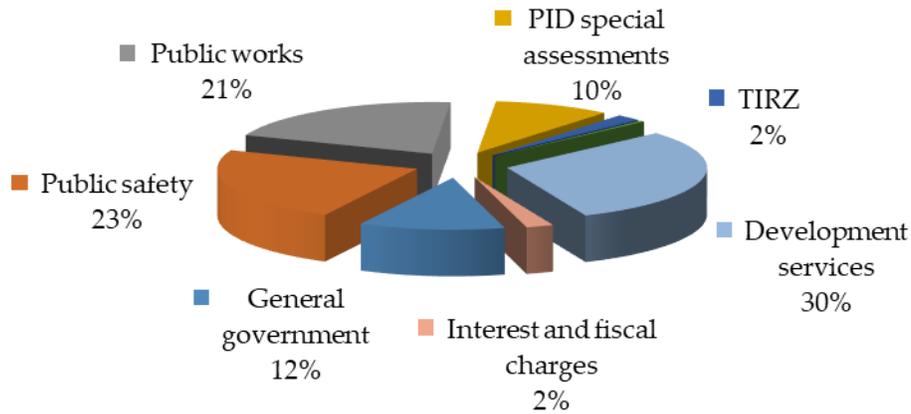


For the year ended September 30, 2021, revenues from governmental activities totaled \$15,014,663. Property tax, grants and contributions, and charges for services are the Town's largest general revenue sources. Overall revenue decreased \$2,281,539 or 13% primary due to nonrecurring capital contributions that were received in the prior year. Grants and contributions decreased by \$4,872,075 relating to the aforementioned nonrecurring contributed capital. Property tax revenue increased \$957,841 or 26% due to an increase in appraised property values. Sales tax increased by \$634,604 or 74% and franchise and local taxes increased by \$90,261 or 19% due to continued economic growth within the Town. Charges for services increased by \$1,192,848 or 40%, primarily due to greater license and permits in the current year as a result of continued development within the Town. Investment income decreased by \$129,019 or 86% due primarily to the realization of lower interest rates in the current year. Other revenues decreased by \$361,230 or 91% primarily as a result of nonrecurring miscellaneous income received in the prior year. All other revenues remained relatively stable when compared to the previous year.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

This graph shows the governmental function expenses of the Town:

Governmental Activities - Expenses

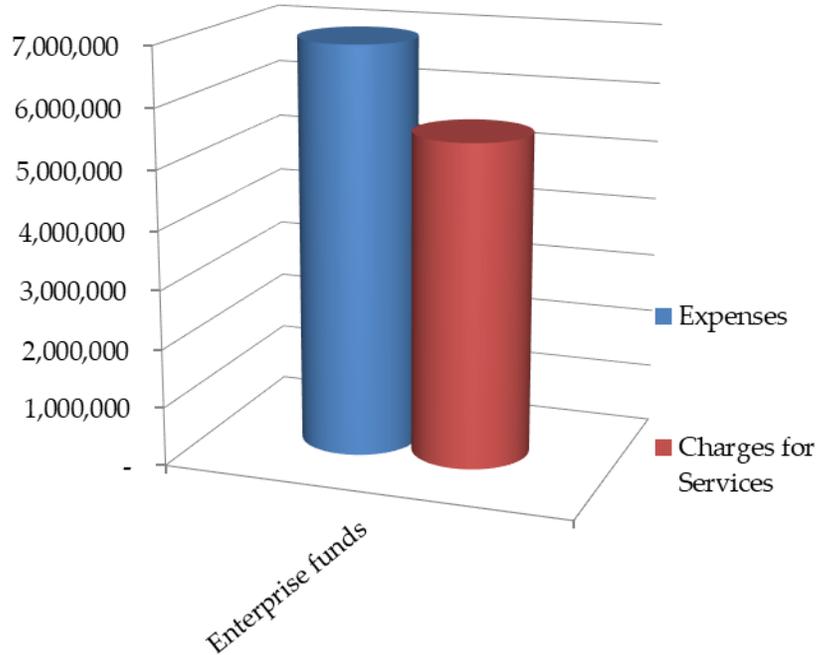


For the year ended September 30, 2021, expenses for governmental activities totaled \$12,876,541. This represents an increase of \$2,202,903 or 21% from the prior year. The Town's largest functional expenses are public safety of \$2,993,487 and development services of \$3,890,392 . Public safety reflected an increase of \$375,924 or 14% from prior year. This increase is attributed primarily to higher personnel costs to keep up with the community growth and higher noncapital expenses when compared to the prior year. Development services expenses increased by \$1,564,434 or 67% due primarily to nonrecurring in-kind impact fee expenses incurred in the current year. Public works increased by \$727,964 or 38% due to increased personnel costs and street maintenance. PID special assessment expenses increased by \$256,525 or 27% due primarily to increased non-capital expenditures for repairs and maintenance during the year. TIRZ expenses decreased by \$274,280 due to nonrecurring trail way maintenance in the previous year. All other expenses remained relatively consistent with the previous year.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2021, charges for services by business-type activities totaled \$8,562,742. This represents an increase of \$3,084,182 or 56% from the previous year. This increase directly relates to the increased consumption caused by the development within the town, in addition to the increase in water rates compared to the previous year.

Total expenses increased \$1,423,603 to a total of \$8,361,713, due primarily to increased personnel costs, wholesale water purchases, wastewater service expenses, and nonrecurring water impact fee expenses.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

Town of Northlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2021

At September 30, 2021, the Town's governmental funds reported combined fund balances of \$15,000,037, an increase of \$4,570,297 in comparison with the prior year. Approximately 29% of this amount, \$4,331,269, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable or restricted* to indicate that it is 1) not in spendable form, \$4,997 or 2) restricted for particular purposes, \$6,870,625.

As of the end of the year the general fund reflected a total fund balance of \$4,374,040. Of this, \$4,997 is considered nonspendable and \$4,372,176 is unassigned. The increase in fund balance of \$772,214 is attributable to revenues and transfers from other funds exceeding current year expenditures.

As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The total fund balance of general fund is 59% of total general fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$4,372,176 is 59% of total general fund expenditures.

The debt service fund had an ending fund balance of \$571,486 at September 30, 2021, an increase of \$17,396. The increase was a result of property tax revenues and transfer in exceeding debt service expenditures.

The capital improvements fund had an ending fund balance of \$5,132,682, an increase of \$4,210,244. The increase is primarily due to transfers in from the roadway impact fees fund and debt service fund for new debt issuance proceeds, both of which are to be used for upcoming capital improvements.

The roadway impact fees fund had an ending fund balance of \$1,695,340, a decrease of \$843,753. The decrease is a result of impact and development fees being transferred out to the capital improvement fund for future utilization toward capital improvements.

The Northlake PID fund had an ending fund balance of \$326,199, an increase of \$26,908. The increase is primarily due to special assessment revenues exceeding current year debt service and capital outlay expenditures.

Proprietary Funds - The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The following are comments regarding operations of the enterprise funds:

- The Town received capital contributions from new local developments amounting to \$1,374,963 consisting of water and sewer system infrastructure.
- Operational expenses excluding depreciation and amortization were \$7,102,261.
- Cash and cash equivalents in the enterprise funds were \$14,660,530 at fiscal yearend.

The Water & Sewer fund had an ending net position of \$12,520,490, a decrease of \$2,277,707. The decrease is primarily due to transfers out to the water capital projects fund to be utilized for ongoing utility developments.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

The Water Capital Projects fund had an ending net position of \$20,203,399, an increase of \$6,741,864. The increase is primarily due to transfers in of the bond funds from the water and sewer fund, in addition to capital contributions received of water infrastructure.

The Utility Impact Fees fund had an ending net position of \$2,884,591, an increase of \$48,914. The increase is primarily due to the receipt of impact fees exceeding expenses and transfers out.

An internal service fund was established for the purpose of tracking and allocating expenses for major equipment purchases and building services. Revenue consists of budgeted allocations transferred from the general and water and sewer funds. Expenses consist of equipment and vehicle maintenance, information technology expenses, and building insurance premiums. The fund had an ending fund balance of \$2,659,592 to be retained for future risk.

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a positive variance of \$799,579 over budgeted general fund revenues and a total negative variance of \$99,205 in budgeted expenditure appropriations. The budgeted surplus of revenue over expenditures before transfers amounted to \$700,374. There was an actual net positive change in fund balance of \$772,214.

The original general fund budget surplus of \$53,190 was amended during the year to a final budgeted surplus of \$53,190. Significant amendments include an increase in sales tax and license, permits and fees revenues, and an increase in general government, development services and public works expenditures. No other reclassifications and amendments were made.

CAPITAL ASSETS

As of the end of the year, the Town's governmental activities funds had invested \$32,767,363 in a variety of capital assets and infrastructure, net of accumulated depreciation. The Town's business-type activities funds had invested \$37,794,290 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, and infrastructure. The Town's total investment in capital assets increased by \$6,531,140, net of depreciation.

Major capital asset events during the current year include the following:

- Contribution of assets by a developer for water and sewer system improvements totaling \$1,374,963
- Construction and development cost for street infrastructure for \$1,661,950.
- Construction and development of water and sewer infrastructure.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2021

More detailed information about the Town's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

At the end of the current fiscal year, the Town had total bonded debt obligations of \$26,745,000 (excluding premiums). Of this amount, \$11,597,000 is self-supporting through revenues collected from the rates of the Town's utility fund. During the year, the Town made \$1,610,000 in principal payments on long-term debt. All of the Town's debt is backed by a full-faith credit pledge of property taxes with a limited pledge of revenues of the enterprise/utility system. The Town monitors its debt obligations for refinancing opportunities with market conditions. More detailed information about the Town's long-term liabilities is presented in note IV. D and E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2021-2022 Fiscal Year Budget was approved by Town Council on August 26, 2021. The tax rate adopted that same day was \$0.295 per \$100 assessed value, unchanged from the previous year. There was an increase in taxable values of \$1.495 billion (20.2%) from the previous year, resulting in an overall increase in budgeted ad valorem taxes of \$858,211 to be allocated across the General, Debt Service, and both Tax Increment Financing Funds. Overall, budgeted revenue for the General Fund increased by \$2,349,639 to a total of \$8,751,643. Budgeted expenditures increased by \$976,234 over the original 2019-2020 budget to a total of \$6,658,814.

Budgeted revenue in the Utility Fund was estimated using rates adopted in August 2020, following a utility rate study. The adopted rates included a 30% increase to water and sewer base charges and an increase volumetric charge. Utility rates will be reviewed annually during the budget process. Budgeted revenues increased \$2,811,908 to \$10,217,208, and expenditures increased by \$1,383,236 to \$7,592,817.

The Town's capital budget includes \$9,300,000 in new funding for utility related projects. Unlike the operating budget, funding for budgeted capital projects does not expire at the end of the fiscal year but continues until the project is complete. Projects include a ground storage tank (\$2 Million), Catherine Branch sewer trunk line phase 2 (\$7 Million), oversizing participation (\$200,000), and Denton Creek sewer trunk line phase 1 study (\$100,000).

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Town's finances. If you have questions about this report or need any additional information, contact the Town Secretary: Attn: Town Secretary at 1500 Commons Circle, Ste. 300, Northlake, Texas 76226, phone: (940) 648-3290 or email townsecretary@town.northlake.tx.us.

FINANCIAL STATEMENTS

Town of Northlake, Texas

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 17,565,439	\$ 14,660,530	\$ 32,225,969
Receivables, net	695,153	1,183,662	1,878,815
Special assessment receivable - current	185,000	-	185,000
Prepays	14,984	143,249	158,233
Total Current Assets	18,460,576	15,987,441	34,448,017
Noncurrent assets:			
Special assessment receivable - noncurrent	1,777,635	-	1,777,635
Capital assets:			
Non-depreciable	5,545,428	9,835,428	15,380,856
Net depreciable capital assets	27,221,935	27,958,862	55,180,797
Noncurrent Assets	34,544,998	37,794,290	72,339,288
Total Assets	53,005,574	53,781,731	106,787,305
<u>Deferred Outflows of Resources</u>			
Pension contributions	210,340	31,430	241,770
Pension changes in assumptions	17,032	2,545	19,577
Pension differences in experience	76,025	11,360	87,385
OPEB changes in assumptions	13,390	2,001	15,391
OPEB contributions	642	96	738
Total Deferred Outflows of Resources	\$ 317,429	\$ 47,432	\$ 364,861

Component Units

	Northlake EDC		Northlake CDC
\$	1,158,625	\$	1,140,232
	174,356		174,356
	-		-
	-		-
	1,332,981		1,314,588
	-		-
	-		-
	-		-
	1,332,981		1,314,588
	-		-
	-		-
	-		-
	-		-
\$	-	\$	-

Town of Northlake, Texas
STATEMENT OF NET POSITION (Continued)
September 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 2,594,937	\$ 2,009,224	\$ 4,604,161
Accrued interest payable	33,406	49,006	82,412
Customer deposits	-	994,804	994,804
Compensated absences, current	78,975	10,757	89,732
Long term debt due within one year	1,187,500	552,500	1,740,000
Current Liabilities	3,894,818	3,616,291	7,511,109
Noncurrent liabilities:			
Compensated absences, noncurrent	102,195	6,882	109,077
Long-term debt due in more than one year	11,338,183	14,321,750	25,659,933
OPEB liability	53,935	8,059	61,994
Net pension liability	400,662	59,868	460,530
Noncurrent Liabilities	11,894,975	14,396,559	26,291,534
Total Liabilities	15,789,793	18,012,850	33,802,643
Deferred Inflows of Resources			
Pension investment returns	89,720	13,406	103,126
OPEB difference in experience	7,285	1,088	8,373
Total Deferred Inflows of Resources	97,005	14,494	111,499
Net Position			
Net investment in capital assets	23,544,461	29,335,512	52,879,973
Restricted for:			
Debt service	571,486	-	571,486
Capital improvements	3,604,890	-	3,604,890
Municipal court	98,343	-	98,343
Street maintenance	112,523	-	112,523
Economic development	-	-	-
Municipal development	-	-	-
Unrestricted	9,504,502	6,466,307	15,970,809
Total Net Position	\$ 37,436,205	\$ 35,801,819	\$ 73,238,024

See Notes to Financial Statements.

<u>Component Units</u>	
<u>Northlake</u>	<u>Northlake</u>
<u>EDC</u>	<u>CDC</u>
\$ 37,561	37,562
-	-
-	-
-	-
-	-
<u>37,561</u>	<u>37,562</u>
-	-
-	-
-	-
-	-
<u>37,561</u>	<u>37,562</u>
-	-
-	-
-	-
-	-
-	-
1,295,420	-
-	1,277,026
-	-
<u>\$ 1,295,420</u>	<u>\$ 1,277,026</u>

Town of Northlake, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,516,599	\$ -	\$ 70,400	\$ -
Public safety	2,993,487	630,630	-	-
Public works	2,656,449	-	-	3,391,447
PID special assessments	1,219,270	6,033	-	-
TIRZ	265,447	-	-	-
Promotional	48,029	-	-	-
Development services	3,890,392	3,536,250	-	-
Interest and fiscal charges	286,868	-	-	-
Total Governmental Activities	12,876,541	4,172,913	70,400	3,391,447
Business-Type Activities				
Water and sewer	7,442,167	8,422,392	-	-
Water capital projects	51,023	-	-	1,374,963
Utility impact fees	868,523	-	-	2,716,133
Nonmajor funds	-	140,350	-	-
Total Business-Type Activities	8,361,713	8,562,742	-	4,091,096
Total Primary Government	\$ 21,238,254	\$ 12,735,655	\$ 70,400	7,482,543
Component Unit				
Northlake Economic				
Development Corporation	\$ 172,264	\$ -	\$ -	\$ -
Northlake Community				
Development Corporation	171,695	-	-	-
Total Component Units	\$ 343,959	-	\$ -	\$ -

General Revenues:

- Taxes
 - Property taxes
 - Sales taxes
 - Franchise and local taxes
 - Hotel occupancy taxes
- Investment income
- Other revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Northlake EDC	Northlake CDC
\$ (1,446,199)	\$ -	\$ (1,446,199)	\$ -	\$ -
(2,362,857)	-	(2,362,857)	-	-
734,998	-	734,998	-	-
(1,213,237)	-	(1,213,237)	-	-
(265,447)	-	(265,447)	-	-
(48,029)	-	(48,029)	-	-
(354,142)	-	(354,142)	-	-
(286,868)	-	(286,868)	-	-
<u>(5,241,781)</u>	<u>-</u>	<u>(5,241,781)</u>	<u>-</u>	<u>-</u>
-	980,225	980,225	-	-
-	1,323,940	1,323,940	-	-
-	1,847,610	1,847,610	-	-
-	140,350	140,350	-	-
<u>-</u>	<u>4,292,125</u>	<u>4,292,125</u>	<u>-</u>	<u>-</u>
<u>(5,241,781)</u>	<u>4,292,125</u>	<u>(949,656)</u>	<u>-</u>	<u>-</u>
			(172,264)	-
			-	(171,695)
			<u>(172,264)</u>	<u>(171,695)</u>
4,667,918	-	4,667,918	-	-
1,489,157	-	1,489,157	740,309	740,309
568,056	-	568,056	-	-
598,771	-	598,771	-	-
20,829	59,415	80,244	3,189	3,053
35,172	-	35,172	11,870	11,870
(301,881)	301,881	-	-	-
<u>7,078,022</u>	<u>361,296</u>	<u>7,439,318</u>	<u>755,368</u>	<u>755,232</u>
1,836,241	4,653,421	6,489,662	583,104	583,537
35,599,964	31,148,398	66,748,362	712,316	693,489
<u>\$ 37,436,205</u>	<u>\$ 35,801,819</u>	<u>\$ 73,238,024</u>	<u>\$ 1,295,420</u>	<u>\$ 1,277,026</u>

Town of Northlake, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvement</u>	<u>Roadway Impact Fees</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 4,666,498	\$ 572,536	\$ 5,218,315	\$ 2,322,126
Receivables, net	575,784	4,063	18,800	-
Special assessments receivable	-	-	-	-
Due from other funds	40,907	-	-	-
Prepays	1,864	-	-	-
Total Assets	\$ 5,285,053	\$ 576,599	\$ 5,237,115	\$ 2,322,126
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ 893,824	\$ 1,050	\$ 101,433	\$ 626,786
Due to other funds	-	-	-	-
Total Liabilities	893,824	1,050	101,433	626,786
<u>Deferred Inflows of Resources</u>				
Unavailable revenue -				
Property taxes	17,189	4,063	-	-
Property special assessments	-	-	-	-
Intergovernmental revenue	-	-	3,000	-
Total Deferred Inflows	17,189	4,063	3,000	-
<u>Fund Balances</u>				
Nonspendable for:				
Prepays	1,864	-	-	-
Restricted for:				
Debt service	-	571,486	-	-
Promotional activities	-	-	-	-
Capital improvements	-	-	5,132,682	1,695,340
Municipal court	-	-	-	-
Public safety	-	-	-	-
Utility cost participation	-	-	-	-
Public improvement districts	-	-	-	-
Unassigned	4,372,176	-	-	-
Total Fund Balances	4,374,040	571,486	5,132,682	1,695,340
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,285,053	\$ 576,599	\$ 5,237,115	\$ 2,322,126

See Notes to Financial Statements.

Northlake PID	Nonmajor Governmental Funds	Total Governmental Funds
\$ 348,906	\$ 3,453,497	\$ 16,581,878
5,944	90,562	695,153
1,962,635	-	1,962,635
-	-	40,907
-	3,133	4,997
<u>\$ 2,317,485</u>	<u>\$ 3,547,192</u>	<u>\$ 19,285,570</u>
\$ 22,749	\$ 585,995	\$ 2,231,837
-	40,907	40,907
<u>22,749</u>	<u>626,902</u>	<u>2,272,744</u>
5,902	-	27,154
1,962,635	-	1,962,635
-	20,000	23,000
<u>1,968,537</u>	<u>20,000</u>	<u>2,012,789</u>
-	3,133	4,997
-	-	571,486
-	1,180,442	1,180,442
-	1,492,310	8,320,332
-	98,343	98,343
-	112,523	112,523
-	54,446	54,446
326,199	-	326,199
-	(40,907)	4,331,269
<u>326,199</u>	<u>2,900,290</u>	<u>15,000,037</u>
<u>\$ 2,317,485</u>	<u>\$ 3,547,192</u>	<u>\$ 19,285,570</u>



Town of Northlake, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2021

Fund Balances - Total Governmental Funds	\$ 15,000,037
Adjustments for the Statement of Net Position:	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets - non-depreciable	5,545,428
Capital assets - net depreciable	25,192,791
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Property tax receivable	27,154
Property special assessments	1,962,635
Other receivables	23,000
Deferred outflows (inflows) of resources represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow (inflows) of resources (expense/expenditure)/(revenue) until then.	
Pension contributions	210,340
Pension investment returns	(89,720)
Pension changes in assumptions	17,032
Pension difference in experience	76,025
OPEB contributions	642
OPEB changes in assumptions	13,390
OPEB difference in experience	(7,285)
Internal service funds are used by management to charge the cost of equipment to individual departments and funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
	2,659,592
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(33,406)
Bond premium	(140,683)
Compensated absences	(181,170)
Non-current liabilities due in one year	(1,187,500)
Non-current liabilities due in more than one year	(11,197,500)
Net pension liability	(400,662)
OPEB liability	(53,935)
Net Position of Governmental Activities	\$ 37,436,205

See Notes to Financial Statements.

Town of Northlake, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	General	Debt Service	Capital Improvement	Roadway Impact Fees
Revenues				
Property tax	\$ 1,607,400	\$ 1,617,013	\$ -	\$ -
Sales tax	1,489,157	-	-	-
Franchise and local taxes	568,056	-	-	-
Hotel occupancy taxes	-	-	-	-
Special assessments	-	-	-	-
License, permits and fees	3,536,250	-	-	-
Intergovernmental	60,000	-	360,710	-
Fines and forfeitures	413,414	-	-	-
Contracted police services	168,813	-	-	-
Impact and development fees	-	-	-	3,105,263
Credit card convenience fees	7,969	-	-	-
Investment income	6,446	25	2,350	7,303
Other revenue	17,178	10,025	-	-
Total Revenues	7,874,683	1,627,063	363,060	3,112,566
Expenditures				
Current:				
General government	1,738,314	11,374	2,307	-
Development services	1,634,331	-	-	-
Public works	1,020,281	-	-	-
Municipal court	298,228	-	-	-
Police	2,655,447	-	-	-
Promotional	24,518	-	-	-
TIRZ activity	-	-	-	-
Developer impact fee	-	-	-	2,156,319
Debt Service:				
Principal	-	940,000	-	-
Interest and fiscal charges	-	178,036	-	-
Bond issuance costs	-	23,376	-	-
Capital outlay	-	-	1,450,509	-
Total Expenditures	7,371,119	1,152,786	1,452,816	2,156,319
Excess (Deficiency) of Revenues Over (Under) Expenditures	503,564	474,277	(1,089,756)	956,247
Other Financing Sources (Uses)				
Transfers in	268,650	-	5,300,000	-
Transfers (out)	-	(3,991,881)	-	(1,800,000)
Issuance of debt	-	3,535,000	-	-
Total Other Sources (Uses)	268,650	(456,881)	5,300,000	(1,800,000)
Net Change in Fund Balances	772,214	17,396	4,210,244	(843,753)
Beginning fund balances	3,601,826	554,090	922,438	2,539,093
Ending Fund Balances	\$ 4,374,040	\$ 571,486	\$ 5,132,682	\$ 1,695,340

See Notes to Financial Statements.

Northlake PID	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,204,040	\$ 237,204	\$ 4,665,657
-	-	1,489,157
-	-	568,056
-	598,771	598,771
325,163	-	325,163
-	-	3,536,250
-	-	420,710
-	48,403	461,817
-	-	168,813
-	286,184	3,391,447
-	-	7,969
-	4,705	20,829
-	-	27,203
<u>1,529,203</u>	<u>1,175,267</u>	<u>15,681,842</u>
-	42,998	1,794,993
-	101,560	1,735,891
-	-	1,020,281
-	25,299	323,527
-	26,086	2,681,533
-	23,511	48,029
-	265,447	265,447
-	-	2,156,319
185,000	-	1,125,000
98,025	-	276,061
-	-	23,376
1,219,270	224,428	2,894,207
<u>1,502,295</u>	<u>709,329</u>	<u>14,344,664</u>
26,908	465,938	1,337,178
-	-	5,568,650
-	(78,650)	(5,870,531)
-	-	3,535,000
-	(78,650)	3,233,119
26,908	387,288	4,570,297
299,291	2,513,002	10,429,740
<u>\$ 326,199</u>	<u>\$ 2,900,290</u>	<u>\$ 15,000,037</u>



Town of Northlake, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

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

Net changes in fund balances - total governmental funds	\$ 4,570,297
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	1,669,494
Depreciation expense	(1,642,243)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(667,179)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(26,593)
Accrued interest	(390)
Pension expense	28,467
OPEB expense	(6,825)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Amortization of debt premium	12,959
Principal payments on long-term debt	1,125,000
Bond issuance	(3,535,000)

Internal service funds are used by management to charge the cost of health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

308,254

Change in Net Position of Governmental Activities	\$ 1,836,241
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See Notes to Financial Statements.

Town of Northlake, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2021

<u>Assets</u>	Business-type Activities			
	Water & Sewer	Water Capital Projects	Utility Impact Fees	Nonmajor Proprietary Funds
<u>Current Assets</u>				
Cash and cash equivalents	\$ 1,625,835	\$ 9,751,180	\$ 3,063,228	\$ 220,287
Receivables, net	1,133,549	-	-	50,113
Prepaid items	143,249	-	-	-
Total Current Assets	2,902,633	9,751,180	3,063,228	270,400
<u>Noncurrent Assets</u>				
Capital assets:				
Non-depreciable	21,986	9,715,524	97,918	-
Net depreciable capital assets	25,832,768	2,126,094	-	-
Total Noncurrent Assets	25,854,754	11,841,618	97,918	-
Total Assets	28,757,387	21,592,798	3,161,146	270,400
<u>Deferred Outflows of Resources</u>				
Pension contributions	31,430	-	-	-
Pension changes in assumptions	2,545	-	-	-
Pension differences in experience	11,360	-	-	-
OPEB contributions	96	-	-	-
OPEB assumption changes	2,001	-	-	-
Total Deferred Outflows	\$ 47,432	\$ -	\$ -	\$ -

Business-type Activities		Governmental Activities	
Total Proprietary Funds		Internal Service Funds	
\$	14,660,530	\$	983,561
	1,183,662		-
	143,249		9,987
	<u>15,987,441</u>		<u>993,548</u>
	9,835,428		-
	<u>27,958,862</u>		<u>2,029,144</u>
	<u>37,794,290</u>		<u>2,029,144</u>
	<u>53,781,731</u>		<u>3,022,692</u>
	31,430		-
	2,545		-
	11,360		-
	96		-
	2,001		-
\$	<u>47,432</u>	\$	<u>-</u>

Town of Northlake, Texas
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
September 30, 2021

	Business-type Activities			
	Water & Sewer	Water Capital Projects	Utility Impact Fees	Nonmajor Proprietary Funds
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 343,270	\$ 1,389,399	\$ 276,555	\$ -
Accrued interest	49,006	-	-	-
Customer deposits	917,743	-	-	77,061
Compensated absences - current	10,757	-	-	-
Bonds payable - current	552,500	-	-	-
Total Current Liabilities	1,873,276	1,389,399	276,555	77,061
Noncurrent Liabilities				
Compensated absences, noncurrent	6,882	-	-	-
Bonds payable - noncurrent	14,321,750	-	-	-
OPEB liability	8,059	-	-	-
Net pension liability	59,868	-	-	-
Total Liabilities	16,269,835	1,389,399	276,555	77,061
Deferred Inflows of Resources				
OPEB changes in assumptions	13,406	-	-	-
OPEB difference in experience	1,088	-	-	-
Total Deferred Inflows	14,494	-	-	-
Net Position				
Net investment in capital assets	17,395,976	11,841,618	97,918	-
Unrestricted	(4,875,486)	8,361,781	2,786,673	193,339
Total Net Position	\$ 12,520,490	\$ 20,203,399	\$ 2,884,591	\$ 193,339

See Notes to Financial Statements.

Business-type Activities	Governmental Activities
Total Proprietary Funds	Internal Service Funds
\$ 2,009,224	\$ 363,100
49,006	-
994,804	-
10,757	-
552,500	-
<u>3,616,291</u>	<u>363,100</u>
6,882	-
14,321,750	-
8,059	-
59,868	-
<u>18,012,850</u>	<u>363,100</u>
13,406	-
1,088	-
<u>14,494</u>	<u>-</u>
29,335,512	2,029,144
6,466,307	630,448
<u>\$ 35,801,819</u>	<u>\$ 2,659,592</u>

Town of Northlake, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2021

	Business-type Activities			
	Water & Sewer	Water Capital Projects	Utility Impact Fees	Nonmajor Proprietary Funds
<u>Operating Revenues</u>				
Charges for services	\$ 8,422,392	\$ -	\$ -	\$ 140,350
Total Operating Revenues	8,422,392	-	-	140,350
<u>Operating Expenses</u>				
Operating expenses	5,354,097	26,219	868,523	-
Personnel	853,422	-	-	-
Depreciation	743,636	24,804	-	-
Total Operating Expenses	6,951,155	51,023	868,523	-
Operating Income (Loss)	1,471,237	(51,023)	(868,523)	140,350
<u>Nonoperating Revenues (Expenses)</u>				
Investment income	187	7,924	51,304	-
Bond issuance expense	(35,000)	-	-	-
Interest expense	(456,012)	-	-	-
Total Nonoperating Revenues	(490,825)	7,924	51,304	-
Income (Loss) Before Capital Contributions and Transfers	980,412	(43,099)	(817,219)	140,350
<u>Capital Contributions and Transfers</u>				
Contributed capital	-	1,374,963	-	-
Capital contributions - impact fees	-	-	2,716,133	-
Transfers in	491,881	5,410,000	-	-
Transfers (out)	(3,750,000)	-	(1,850,000)	-
Change in Net Position	(2,277,707)	6,741,864	48,914	140,350
Beginning net position	14,798,197	13,461,535	2,835,677	52,989
Ending Net Position	\$ 12,520,490	\$ 20,203,399	\$ 2,884,591	\$ 193,339

See Notes to Financial Statements.

Business-type Activities	Governmental Activities
Total Proprietary Funds	Internal Service Funds
\$ 8,562,742	\$ 1,791,128
<u>8,562,742</u>	<u>1,791,128</u>
6,248,839	970,363
853,422	-
768,440	512,511
<u>7,870,701</u>	<u>1,482,874</u>
<u>692,041</u>	<u>308,254</u>
59,415	-
(35,000)	-
(456,012)	-
<u>(431,597)</u>	<u>-</u>
260,444	308,254
1,374,963	-
2,716,133	-
5,901,881	-
<u>(5,600,000)</u>	<u>-</u>
4,653,421	308,254
<u>31,148,398</u>	<u>2,351,338</u>
<u>\$ 35,801,819</u>	<u>\$ 2,659,592</u>

Town of Northlake, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2021

	Business-type Activities		
	Water & Sewer	Water Capital Projects	Utility Impact Fees
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 8,367,103	\$ -	\$ -
Receipts from interfund charges for benefit management	-	-	-
Payments to suppliers	(5,461,284)	325,701	(444,487)
Payments to employees	(854,098)	-	-
Net Cash Provided (Used) by Operating Activities	2,051,721	325,701	(444,487)
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers in	491,881	5,410,000	-
Transfers (out)	(3,750,000)	-	(1,850,000)
Net Cash (Used for) Noncapital Financing Activities	(3,258,119)	5,410,000	(1,850,000)
<u>Cash Flows from Capital and Related Financing Activities</u>			
Capital purchases	-	(6,036,576)	(97,918)
Proceeds from bond issuance	3,535,000	-	-
Impact fees	-	-	2,716,133
Principal paid on debt	(485,000)	-	-
Interest paid on debt	(521,265)	-	-
Net Cash Provided by Capital and Related Financing Activities	2,528,735	(6,036,576)	2,618,215
<u>Cash Flows from Investing Activities</u>			
Interest on investments	187	7,924	51,304
Net Cash Provided (Used) by Investing Activities	187	7,924	51,304
Net increase in Cash and Cash Equivalents	1,322,524	(292,951)	375,032
Beginning cash and cash equivalents	303,311	10,044,131	2,688,196
Ending Cash and Cash Equivalents	\$ 1,625,835	\$ 9,751,180	\$ 3,063,228

See Notes to Financial Statements.

Business-type Activities		Governmental Activities
Nonmajor Proprietary Funds	Total Proprietary Funds	Internal Service Fund
\$ 163,047	\$ 8,530,150	\$ -
-	-	1,791,128
57,240	(5,522,830)	(856,155)
-	(854,098)	-
<u>220,287</u>	<u>2,153,222</u>	<u>934,973</u>
-	5,901,881	-
-	(5,600,000)	-
-	301,881	-
-	(6,134,494)	(275,382)
-	3,535,000	-
-	2,716,133	-
-	(485,000)	-
-	(521,265)	-
-	(889,626)	(275,382)
-	59,415	-
-	59,415	-
220,287	1,624,892	659,591
-	13,035,638	323,970
<u>\$ 220,287</u>	<u>\$ 14,660,530</u>	<u>\$ 983,561</u>

Town of Northlake, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2021

	Business-type Activities		
	Water & Sewer	Water Capital Projects	Utility Impact Fees
<u>Reconciliation of Operating Income (Loss)</u>			
<u>to Net Cash Provided (Used) by Operating Activities</u>			
Operating Income	\$ 1,471,237	\$ (51,023)	\$ (868,523)
Adjustments to reconcile operating income to net cash provided:			
Depreciation	743,636	24,804	-
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(252,537)	-	-
Prepaid expenses	(143,249)	-	-
Due from other funds	-	-	177,576
Increase (Decrease) in:			
Accounts payable and accrued liabilities	36,062	1,105,030	254,157
Due to other funds	-	(753,110)	(7,697)
Compensated absences	2,558	-	-
Customer deposits	197,248	-	-
Deferred inflows/outflows - Pension	(14,976)	-	-
Deferred inflows/outflows - OPEB	(2,049)	-	-
OPEB liability	1,443	-	-
Net pension liability	12,348	-	-
Net Cash Provided (Used) by Operating Activities	\$ 2,051,721	\$ 325,701	\$ (444,487)
 <u>Schedule of Noncash Capital and Financing Activities:</u>			
Contributions of capital assets	\$ -	\$ 1,374,963	\$ -
	\$ -	\$ 1,374,963	\$ -

See Notes to Financial Statements.

Business-type Activities		Governmental Activities
Nonmajor Proprietary Funds	Total Proprietary Funds	Internal Service Fund
\$ 140,350	\$ 692,041	\$ 308,254
-	768,440	512,511
(41,978)	(294,515)	-
-	(143,249)	(9,987)
57,240	234,816	-
-	1,395,249	358,734
-	(760,807)	(234,539)
-	2,558	-
64,675	261,923	-
-	(14,976)	-
-	(2,049)	-
-	1,443	-
-	12,348	-
<u>\$ 220,287</u>	<u>\$ 2,153,222</u>	<u>\$ 934,973</u>
<u>\$ -</u>	<u>\$ 1,374,963</u>	<u>\$ -</u>
<u><u>\$ -</u></u>	<u><u>\$ 1,374,963</u></u>	<u><u>\$ -</u></u>



Town of Northlake, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Northlake, Texas (the "Town") is a municipal corporation governed by an elected mayor and a five-member council. The Town provides the following services: public safety (police), community development, public works, municipal court, general administration, and water and sewer.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Financial Reporting Entity

The Town of Northlake is a municipal corporation governed by an elected mayor and a five-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

Blended Component Units

Harvest Public Improvement District No. 1 & Highlands Public Improvement District No. 2

The Harvest Public Improvement District No. 1 and The Highlands Public Improvement District No. 2 (the "PIDs") for which the Town's elected officials are financially accountable for. Both PIDs derive their revenues through property assessments that are utilized exclusively for each district. The PIDs are treated as blended component units and are presented as one fund, Northlake PID, within the fund level statements. The combining schedules for the PIDs can be found on page 122.

The PID's Board of Directors acts primarily in an advisory role to the Town Council, who exercise the ultimate financial control over the recommendations of the PID board, including its budget and expenditures. The financial information of the PID's is blended as a governmental fund into the primary government. Separate financial statements are not prepared.

Tax Increment Reinvestment Zone ("TIRZ")

The Northlake TIRZ (Tax Increment Reinvestment Zone) Fund was created to encourage and accelerate planned development and maintenance of the trail system and dog park. The fund accounts for all tax and expenditure activity associated with the fund's primary purpose. The TIRZ is governed by the Town Council, and accordingly has been reported as a blended component unit.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Discretely Presented Component Units

Northlake Economic Development Corporation

The Northlake Economic Development Corporation (the “EDC”) was formed to promote the public welfare and economic development for the areas within the Town of Northlake as authorized by the State under the Texas Development Corporation Act of 1979 and is governed by Section 4A of the act. The 4A Corporation receives funding from a one-half cent sales tax. The EDC serves all citizens of the Town and is governed by a board appointed by the Town’s elected council. The Town can impose its will on the EDC and affect the day-to-day operations of the EDC by removing appointed board members at will. The scope of public service of the EDC benefits the Town and its citizens and is operated within the geographic boundaries of the Town. Since the EDC's governing body is not substantively the same as the governing body of the primary government, does not provide services entirely, or almost entirely to the primary government, nor does it maintain debt of any type that are repaid using Town resources, it has been reported as a discretely presented component unit.

Separate financial statements are not prepared. However, additional financial information for the EDC may be obtained from the Town's Finance Director.

Northlake Community Development Corporation

The Northlake Community Development Corporation (the “CDC”) was formed to promote economic development with the Town and the State of Texas in order to eliminate unemployment and the public welfare of, for and on behalf of the Town by undertaking, developing, implanting, providing and financing projects under the Development Corporation Act of 1979 as defined in Section 4B of the Act. The 4B Corporation receives funding from a one-half cent sales tax. The CDC serves all citizens of the Town and is governed by a board appointed by the Town’s elected council. The Town can impose its will on the CDC and affect the day-to-day operations of the CDC by removing appointed board members at will. The scope of public service of the CDC benefits the Town and its citizens and is operated within the geographic boundaries of the Town. Since the CDC's governing body is not substantively the same as the governing body of the primary government, does not provide services entirely, or almost entirely to the primary government, nor does it maintain debt of any type that are repaid using Town resources, it has been reported as a discretely presented component unit.

Separate financial statements are not prepared. However, additional financial information for the EDC may be obtained from the Town's Finance Director.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

C. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As discussed earlier, the government has one discretely presented component unit and is shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds (excluding special revenue funds):

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, development services, public works, municipal court, and police. This fund is considered to be a major fund.

Debt Service Fund

The debt service fund is used to account for the payment of interest and principal on all certificates of obligation, general obligation bonds, and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes. This fund is considered to be a major fund.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Capital Improvement

This fund accounts for funds intended to be used for all road and fire protection projects. The fund is considered a major fund for reporting purposes.

Roadway Impact Fees

The Roadway Impact Fees Fund is used to account for a one-time charge or assessment imposed by the Town against new developments in order to generate revenue for funding the cost of street capital improvements related to the new development.

Northlake PID

This fund accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the Town for the Public Improvement Districts, The Harvest Public Improvement District No. 1 and The Highlands Public Improvement District No. 2.

The government reports the following major enterprise funds:

Water & Sewer Fund

The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the Town and others. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary to ensure integrity of the funds.

Water Capital Projects Fund

The Water Capital Projects Fund is used to account for funds received and expended for acquisition and construction of water and sewer infrastructure and other water and sewer capital assets.

Utility Impact Fees

The Utility Impact Fees Fund is used to account for a one-time charge or assessment imposed by the Town against new developments in order to generate revenue for funding the cost of water and sewer capital improvements related to the new development.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

The government reports the following fund types:

Internal Service Funds

Internal service funds are used to account for the financing of goods or service provided by one department to other departments of the Town on a cost reimbursement basis. The equipment fund accounts for the accumulation and allocation of costs associated with major equipment purchases and maintenance of the equipment. The internal service funds are presented as a proprietary fund in the funds financial statements. Since transactions of the internal service fund predominately involves providing services to the General Fund and other funds that comprise governmental activities of the Town, the financial balances are included in the government activities column of the government-wide statements. The Town reports three internal service funds: Technology ISF, Equipment ISF, and Building Services ISF.

Special Revenue Funds

The Town accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. The Town maintains five major special revenue funds: Hotel/Motel Tax Fund, Roadway Impact Fee Funds, Public Improvement Districts, and fourteen other individual non-major special revenue funds.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

D. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

E. Assets, Liabilities, and Fund Equity or Net Position

1. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the Town reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The Town has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code. In summary, the Town is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools

2. Fair Value Measurement

The Town has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories of supplies are reported at cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized (the consumption method).

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Vehicles	3 years
Furniture and fixtures	10 years
Machinery and equipment	3 to 10 years
Water and sewer system	30 – 50 years
Infrastructure	5 to 40 years
Buildings and improvements	30 years

6. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

7. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the fund.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

8. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The government has adopted a policy to maintain a minimum reserve of an amount equal to or greater than 25% of operating expenditures. The utility fund working capital should be maintained at a minimum of 20-25% of the total operating expenditures or the equivalent of 75 days. The debt service fund reserve is maintained at a level to support interest and principal payments in the event of a delay in property tax collections.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and unamortized premiums.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

Assets acquired under the terms of capital leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

10. Estimates

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

11. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. In general, the Town uses the general and water and sewer funds to liquidate governmental and business-type activities pension liabilities, respectively.

12. Other Postemployment Benefits ("OPEB")

The Town has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position. In general, the Town uses the general and water and sewer funds to liquidate governmental and business-type activities OPEB liabilities, respectively.

13. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the Statement of Financial Position and/or Balance Sheet will sometimes report a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The Town has the following items that qualify for reporting as deferred outflows:

Pensions/OPEB – these deferred outflows result from pension/OPEB contributions after the measurement date (deferred and recognized in the following fiscal year) and/or the differences between expected and actual economic experience and assumption changes.

The Town has the following items that qualify for reporting as deferred inflows:

Pensions – at the government-wide level these deferred inflows result from differences due to pension assumption changes.

Unavailable Revenues – at the fund level these deferred inflows result from property tax, special assessments, and other revenues that have not been received in the current period and are unavailable until collected.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the Town.

3. Compensated Absences

Town employees are granted vacation days in varying amounts. The maximum vacation allowed to be carried over is 320 hours per calendar year (January through December) for all employees. Any hours over 320 at the end of a year shall be deleted from the employee's accruals. Pay in lieu of taking vacation is not permitted except upon termination. Accrued vacation is paid upon termination after working for the town for at least 12-months. Sick leave is accrued at the rate of eight (8) hours per month for regular full-time employees and on a pro rata basis for regular part-time employees for each month of continuous service. Sick leave may be accumulated up to a maximum of 90 days (720 hours). No cash payment is made for unused sick days. Compensated absences are paid out of the General Fund and various funds based upon the employees' positions.

It is the Town's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the Town's governmental funds recognize accrued compensated absences when it is paid.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

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

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

The principal operating revenues of the water and sewer fund are charges to customers for sales and services. The water and sewer fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund, Roadway Impact Fees, Northlake PID, Court Security, Court Technology, Police Asset Forfeiture, Police Special Training, Child Safety, Court Online Access Fees, Grants, Cost Recovery, TIRZ, Hotel/Motel Fund, Capital Improvement Fund, and Debt Service fund. The original budget is adopted by the Town Council prior to the beginning of the year. The legal level of control as defined by the Town Charter is the fund level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Supplemental budget appropriations were made during the year.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

A. Expenditures Over Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control in the General Fund, Roadway Impact Fees, Northlake PID, the Police Asset Forfeiture Fund, and TIRZ by \$99,205, \$541,319, \$28, \$3,956, and \$56,882 respectively.

B. Deficit Fund Equity

At September 30, 2021, the Canyon Falls WICD, Highlands, and Northport 35 Business Center funds had a deficit fund balance of \$15,148, \$16,201, and \$9,558, respectively. The deficit will be eliminated in the future with revenue earned and transfers from other funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As stated in I.D.1., the Town’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Town’s investments in 2a7-like pools such as LOGIC are included in this category. Although the Town’s investments in LOGIC are available for immediate withdrawal, disclosure of the pool’s weighted average maturity and bond rating are required. As of September 30, 2021, the primary government had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity</u>	<u>Credit Rating</u>
External investment pools			
LOGIC	\$ 6,320,432	59 days	AAA
Total fair value	<u>\$ 6,320,432</u>		

Interest rate risk In accordance with its investment policy, the Town manages its exposure to declines in fair values by limiting the weighted average of maturity to an average of 90 days or less; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk The Town’s investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than “A” or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and

Town of Northlake, Texas

NOTES TO FINANCIAL STATEMENTS, *Continued*

September 30, 2021

investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service. As of September 30, 2021, the Town's investment in LOGIC was rated AAA by Standard & Poor's.

Custodial credit risk – deposits In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2021, the market values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments For an investment, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the Town's safekeeping account prior to the release of funds.

LOGIC

Local Government Investment Cooperative (LOGIC) (the "Pool") was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, and operates as a public funds investment pool under the Public Funds Investment Act. LOGIC is organized and existing as a business trust under the laws of the State of Texas with all Participant funds and all investment assets held and managed in trust by a Board of Trustees for the benefit of the Participants. The Board of Trustees is LOGIC's governing body and is comprised of employees, officers or elected officials of Participant Government Entities or individuals who do not have a business relationship with the Pool and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of the Pool. There were no limitations or restrictions on withdrawals.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

B. Receivables

The following comprise receivable balances of the primary government at year end:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvement</u>	<u>Northlake PID</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
Property taxes	\$ 9,962	\$ 4,063	\$ -	\$ 5,944	\$ -	\$ 19,969
Sales tax	348,713	-	-	-	-	348,713
Franchise taxes	170,089	-	-	-	-	170,089
Occupancy taxes	-	-	18,800	-	62,568	81,368
Special assessments	-	-	-	1,962,635	-	1,962,635
Fines	25,289	-	-	-	-	25,289
Accounts	39,433	-	-	-	27,994	67,427
Allowance	(17,702)	-	-	-	-	(17,702)
	<u>\$ 575,784</u>	<u>\$ 4,063</u>	<u>\$ 18,800</u>	<u>\$ 1,968,579</u>	<u>\$ 90,562</u>	<u>\$ 2,657,788</u>

	<u>Water & Sewer</u>	<u>Nonmajor Proprietary</u>	<u>Total Proprietary</u>
Accounts	\$ 1,190,558	\$ 50,113	\$ 1,240,671
Allowance	(57,009)	-	(57,009)
	<u>\$ 1,133,549</u>	<u>\$ 50,113</u>	<u>\$ 1,183,662</u>

The following comprise receivable balances of the component units at year end:

	<u>Northlake EDC</u>	<u>Northlake CDC</u>	<u>Total</u>
Sales tax	\$ 174,356	\$ 174,356	\$ 348,712
	<u>\$ 174,356</u>	<u>\$ 174,356</u>	<u>\$ 348,712</u>

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 4,676,819	\$ -	\$ -	\$ 4,676,819
Construction in progress	52,633	1,379,748	(563,772)	868,609
Total capital assets not being depreciated	<u>4,729,452</u>	<u>1,379,748</u>	<u>(563,772)</u>	<u>5,545,428</u>
Capital assets, being depreciated:				
Buildings and improvements	1,674,730	24,840	-	1,699,570
Furniture and fixtures	258,456	7,544	-	266,000
Vehicles and equipment	2,096,157	250,542	-	2,346,699
Infrastructure	31,438,455	282,202	563,772	32,284,429
Total capital assets being depreciated	<u>35,467,798</u>	<u>565,128</u>	<u>563,772</u>	<u>36,596,698</u>
Less accumulated depreciation				
Buildings and improvements	406,323	274,916	-	681,239
Furniture and fixtures	22,104	26,348	-	48,452
Vehicles and equipment	1,261,197	230,569	-	1,491,766
Infrastructure	5,530,385	1,622,921	-	7,153,306
Total accumulated depreciation	<u>7,220,009</u>	<u>2,154,754</u>	<u>-</u>	<u>9,374,763</u>
Net capital assets being depreciated	28,247,789	(1,589,626)	563,772	27,221,935
Total Capital Assets	<u>\$ 32,977,241</u>	<u>\$ (209,878)</u>	<u>\$ -</u>	<u>\$ 32,767,363</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 162,163
Public safety	264,002
Public works	1,476,900
Development services	7,356
PID	244,333
Total Governmental Activities Depreciation Expense	<u>\$ 2,154,754</u>

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

A summary of changes in business-type activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 746,010	\$ -	\$ -	\$ 746,010
Construction in progress	3,059,301	6,030,117	-	9,089,418
Total capital assets not being depreciated	<u>3,805,311</u>	<u>6,030,117</u>	<u>-</u>	<u>9,835,428</u>
Capital assets, being depreciated:				
Buildings and improvements	35,211	-	-	35,211
Vehicles and equipment	96,654	-	-	96,654
Infrastructure	28,675,670	1,479,340	-	30,155,010
Total capital assets being depreciated	<u>28,807,535</u>	<u>1,479,340</u>	<u>-</u>	<u>30,286,875</u>
Less accumulated depreciation				
Buildings and improvements	12,484	1,174	-	13,658
Vehicles and equipment	53,557	12,347	-	65,904
Infrastructure	1,493,532	754,919	-	2,248,451
Total accumulated depreciation	<u>1,559,573</u>	<u>768,440</u>	<u>-</u>	<u>2,328,013</u>
Net capital assets being depreciated	<u>27,247,962</u>	<u>710,900</u>	<u>-</u>	<u>27,958,862</u>
Total Capital Assets	<u><u>\$ 31,053,273</u></u>	<u><u>\$ 6,741,017</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 37,794,290</u></u>

Depreciation was charged to business-type activities as follows:

Water and sewer	\$ 743,636
Water capital projects	24,804
Total Business-Type Activities Depreciation Expense	<u><u>\$ 768,440</u></u>

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

D. Other Long-term Liabilities

The following summarizes the changes in other long-term liabilities of the primary government during the year. In general, the Town uses the general and enterprise funds to liquidate compensated absences.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 154,577	\$ 176,473	\$ (149,880)	\$ 181,170	\$ 78,975
Total Governmental Activities	<u>\$ 154,577</u>	<u>\$ 176,473</u>	<u>\$ (149,880)</u>	<u>\$ 181,170</u>	<u>\$ 78,975</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 102,195</u>	
Business-Type Activities:					
Compensated Absences	\$ 15,081	\$ 26,674	\$ (24,116)	\$ 17,639	\$ 10,757
Total Business-Type Activities	<u>\$ 15,081</u>	<u>\$ 26,674</u>	<u>\$ (24,116)</u>	<u>\$ 17,639</u>	<u>\$ 10,757</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 6,882</u>	

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

E. Long-term Debt

The Town periodically issues general obligation bonds and contractual obligations to provide funds for general government purposes. The Town also periodically utilizes notes and capital leases to provide financing for general government purposes. In general, the Town uses the debt service fund and utility fund to liquidate long-term liabilities, with the exception of special assessment bonds which are fully covered by assessment receivables from the PID fund. The following is a summary of changes in the Town's total long-term liabilities for the year ended September 30, 2021.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
Governmental Activities:					
Certificates of Obligation	\$ 5,965,000	\$ -	\$ (320,000)	\$ 5,645,000	\$ 345,000
General Obligation Bonds	825,000	-	(155,000)	670,000	160,000
Tax notes	-	3,535,000	(465,000)	3,070,000	497,500
Special Revenue Assessment Bonds - PID	3,185,000	-	(185,000)	3,000,000	185,000
Premium	153,642	-	(12,959)	140,683	-
Total Governmental Activities	<u>\$ 10,128,642</u>	<u>\$ 3,535,000</u>	<u>\$ (1,137,959)</u>	<u>\$ 12,525,683</u>	<u>\$ 1,187,500</u>
Long-term liabilities due in more than one year				<u>\$ 11,338,183</u>	
Business-Type Activities:					
Certificates of Obligation	\$ 11,310,000	\$ -	\$ (20,000)	\$ 11,290,000	\$ 55,000
Tax notes	-	3,535,000	(465,000)	3,070,000	497,500
Premium	544,500	-	(30,250)	514,250	-
Total Business-Type Activities	<u>\$ 11,854,500</u>	<u>\$ 3,535,000</u>	<u>\$ (515,250)</u>	<u>\$ 14,874,250</u>	<u>\$ 552,500</u>
Long-term liabilities due in more than one year				<u>\$ 14,321,750</u>	

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The Town intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The special assessment bonds are fully offset by assessment receivables. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Long-term debt at year end was comprised of the following debt issues:

	Governmental Activities	Business-type Activities
<u>Special Revenue Assessment Bonds</u>		
\$4,170,000 Series 2014A Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$160,000 to \$285,000 through August 15, 2034, with interest at 2%	\$ 3,000,000	\$ -
Total Special Revenue Assessment Bonds	\$ 3,000,000	\$ -
 <u>Tax Notes</u>		
\$7,070,000 Series 2020 Tax Notes, due in annual installments of \$930,000 to \$1,050,000 through August 15, 2027, with interest at 1.10%	3,070,000	3,070,000
Total Tax Notes	\$ 3,070,000	\$ 3,070,000
 <u>Certificates of Obligation</u>		
\$420,000 Series 2014B Combination Tax and Revenue Certificates of Obligation, due in annual installments of \$15,000 to 25,000 through August 15, 2034, with interest at 3%	-	295,000
\$6,990,000 Series 2016 Combination Tax and Revenue certificates of Obligation, due in annual installments of \$220,000 to \$440,000 through April 15, 2036, with interest at 2.00%	5,645,000	-
\$11,395,000 Series 2018 Combination Tax and Limited Surplus Revenue Certificates of Obligation, due in annual installments of \$400,000 to \$1,045,000 through August 15, 2038, with interest at 3.45%	-	10,995,000
Total Certificate of Obligation Bonds	\$ 5,645,000	\$ 11,290,000
 <u>General Obligation Bonds</u>		
\$1,390,000 Series 2016 General Obligation Refunding Bonds, due in annual installments of \$135,000 to \$175,000 through April 15, 2025, with interest at 2.00%	670,000	-
Total General Obligation Bonds	\$ 670,000	\$ -
Total Bonds	\$ 12,385,000	\$ 14,360,000

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

Year ending September 30,	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
2022	\$ 160,000	\$ 13,400	\$ 55,000	\$ 458,175
2023	165,000	10,200	150,000	456,675
2024	170,000	6,900	215,000	452,325
2025	175,000	3,500	285,000	445,975
2026	-	-	490,000	437,425
2027 - 2031	-	-	3,430,000	1,809,913
2032 - 2036	-	-	4,610,000	883,838
2037 - 2040	-	-	2,055,000	108,500
Total	\$ 670,000	\$ 34,000	\$ 11,290,000	\$ 5,052,825

Year ending September 30,	Special Revenue Assessment Bonds		Tax Notes	
	Principal	Interest	Principal	Interest
2022	\$ 185,000	\$ 94,325	\$ 497,500	\$ 31,034
2023	195,000	90,163	502,500	25,534
2024	200,000	85,775	510,000	19,965
2025	205,000	80,775	515,000	14,328
2026	210,000	74,625	520,000	8,635
2027 - 2031	1,180,000	263,963	525,000	2,888
2032 - 2036	825,000	58,119	-	-
Total	\$ 3,000,000	\$ 747,744	\$ 3,070,000	\$ 102,383

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Year ending September 30,	Certificates of Obligation		Tax Notes	
	Principal	Interest	Principal	Interest
2022	\$ 55,000	\$ 458,175	\$ 497,500	\$ 31,034
2023	150,000	456,675	502,500	25,534
2024	215,000	452,325	510,000	19,965
2025	285,000	445,975	515,000	14,328
2026	490,000	437,425	520,000	8,635
2027 - 2031	3,430,000	1,809,913	525,000	2,888
2032 - 2036	4,610,000	883,838	-	-
2037 - 2041	2,055,000	108,500	-	-
Total	\$ 11,290,000	\$ 5,052,825	\$ 3,070,000	\$ 102,383

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

F. Interfund Transactions

Transfers between the primary government funds during the 2021 year were as follows:

Transfer Out	Transfer In				Total
	General	Capital Improvement Prog	Water and Sewer	Water Capital Projects	
Water and Sewer	\$ 250,000	\$ -	\$ -	\$ 3,500,000	\$ 3,750,000
Water/Sewer Impact Fees	-	-	-	1,850,000	1,850,000
Debt Service	-	3,500,000	491,881	-	3,991,881
Roadway Impact Fees	-	1,800,000	-	-	1,800,000
Nonmajor Governmental	18,650	-	-	60,000	78,650
Total	\$ 268,650	\$ 5,300,000	\$ 491,881	\$ 5,410,000	\$ 11,470,531

Transfers from the water and sewer fund were made for operations support costs borne by the general fund. Transfers from the water and sewer fund to the debt service fund were made for debt service.

The compositions of interfund balances as of year end were as follows:

Due from other funds (Receiving Fund):	Due to other funds (Payable Fund):	
	Nonmajor Governmental	Total
General Fund	40,907	40,907
Total	\$ 40,907	\$ 40,907

The purpose of interfund receivables and payables is to loan cash between funds. All balances are expected to be settled with transfers or the collection of property taxes.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

H. Restricted Net Position

The Town records restricted net position to indicate that a portion is legally restricted for a specific future use.

The following is a list of restricted net position of the Town:

	<u>Governmental Activities</u>	<u>Northlake EDC</u>	<u>Northlake CDC</u>
Restricted for:			
Debt service	\$ 571,486	\$ -	\$ -
Capital improvements	3,604,890	-	-
* Municipal court	98,343	-	-
* Street maintenance	112,523	-	-
Economic development	-	1,295,420	-
Community development	-	-	1,277,026
Total	<u>\$ 4,387,242</u>	<u>\$ 1,295,420</u>	<u>\$ 1,277,026</u>

* Restricted by enabling legislation

I. Leases

The Town's operating lease obligation is for the rental of office space to house the Town Hall and Police Department building. On February 1, 2019, the Town renewed an office lease for the Town Hall building with a 5-year term with an option to renew the lease by the Town for an additional 5 year term. On March 1, 2020, the Town commenced an office lease for the Town Police Department building. The lease agreement has a 5-year term with an option to renew the lease by the town for an additional 5 year term. The Town paid \$339,112 in rental expense during the year. The Town's lease obligations are as follows:

Period ending:	<u>Operating Leases</u>
September 30, 2022	\$ 390,694
September 30, 2023	402,415
September 30, 2024	263,977
September 30, 2025	80,859
Total Minimum Lease Payments	<u>\$ 1,137,945</u>

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

V. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the Town participates along with over 2,800 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The Town has no additional risk or responsibility to the Pool outside of the payment of insurance premiums. The Town has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

GASB 62 defines probability of loss contingencies as the following:

Probable. The future event or events are likely to occur.

Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.

Remote. The chance of the future event or events occurring is slight.

Liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

The Town is involved in lawsuits with other parties from time to time. While the ultimate result of these matters cannot be predicted with certainty, the Town does not expect them to have a materially adverse effect on its Basic Financial Statements.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

C. Construction Commitments

The government has active construction projects as of September 30, 2020. The projects include street and elevated storage tank improvements and the construction of additional water lines and repairs.

At year end the government's commitments with contractors are as follows:

Business-Type Activities:

<u>Project Description</u>	<u>Contract Amount</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
North Elevated Storage Tank	\$ 3,228,307	\$ 3,050,767	\$ 177,540
South Elevated Storage Tank	3,096,991	2,811,961	285,030
Pump station, ground storage tank, and transmission line	5,648,396	1,453,278	-
	<u>\$ 11,973,694</u>	<u>\$ 7,316,006</u>	<u>\$ 4,657,688</u>

Governmental-Type Activities:

<u>Project Description</u>	<u>Contract Amount</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Old Justin Road Reconstruction	\$ 518,112	\$ 510,652	\$ 7,460
Engineering & Accquisition - Florance Road	\$ 353,740	\$ 157,889	
Engineering & Accquisition - Faught Road	\$ 182,440	\$ 142,860	
Pavement Repairs - Cleavland Gibbs & Canyon Falls	601,687	325,523	276,164
	<u>\$ 1,655,979</u>	<u>\$ 1,136,924</u>	<u>\$ 283,624</u>

D. Pension Plans

1. Texas Municipal Retirement Systems

Plan Description

The Town of Northlake participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

All eligible employees of the Town are required to participate in TMRS.

2. Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the Town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS.

Plan provisions for the Town were as follows:

	<u>Plan Year 2020</u>	<u>Plan Year 2019</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (Town to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	0% of CPI	0% of CPI

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	31
Active employees	49
Total	84

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

3. Contributions

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

Employees for the Town of Northlake were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the Town of Northlake were 10.50% and 9.97% in calendar years 2020 and 2021, respectively. The Town's contributions to TMRS for the year ended September 30, 2021, were \$281,503, and were equal to the required contributions.

4. Net Pension Liability

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

Actuarial assumptions:

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

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

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum 16 mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate:

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

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

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

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 1,303,999	\$ 460,530	\$ (220,844)

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/2019	\$ 3,959,368	\$ 3,593,825	\$ 365,543
Changes for the year:			
Service Cost	451,301	-	451,301
Interest	282,136	-	282,136
Difference between expected and actual experience	123,686	-	123,686
Changes of assumptions	-	-	-
Contributions – employer	-	287,874	(287,874)
Contributions – employee	-	202,118	(202,118)
Net investment income	-	273,978	(273,978)
Benefit payments, including refunds of emp. contributions	(10,447)	(10,447)	-
Administrative expense	-	(1,765)	1,765
Other changes	-	(69)	69
Net changes	846,676	751,689	94,987
Balance at 12/31/2020	\$ 4,806,044	\$ 4,345,514	\$ 460,530

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tMrs.com.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

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

For the year ended September 30, 2021, the Town recognized pension expense of \$291,555.

At September 30, 2020, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	\$ 87,385	\$ -
Changes in actuarial assumptions	19,577	-
Difference between projected and investment earnings	-	(103,126)
Contributions subsequent to the measurement date	241,770	-
Total	\$ 348,732	\$ (103,126)

The Town reported \$241,769 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2021	\$ (7,022)
2022	14,404
2023	(33,982)
2024	16,984
2025	13,452
Thereafter	-
Total	3,836

Other Postemployment Benefits

The Town also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The Town elected, by ordinance, to provide group-term life

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

insurance coverage to both current and retired employees. The Town may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other postemployment benefit,” or OPEB. The SDBF covers both active and retiree benefits with no segregation of assets and, therefore, doesn’t meet the definition of a trust under GASB No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer’s yearly contributions for retirees.

The City offers supplemental death to:	Plan Year 2019	Plan Year 2020
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

The Town contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees’ entire careers.

The Town’s contributions to the TMRS SDBF for the years ended 2021, 2020, and 2019 were \$821, \$279 and \$214, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
 (RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2019	0.01%	0.01%	100.0%
2020	0.01%	0.01%	100.0%
2021	0.03%	0.03%	100.0%

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	7
Active employees	49
Total	58

Total OPEB Liability

The Town's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2020, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation per year
Discount rate	2.00%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

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

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 2.00%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, calculated using the discount rate of 2.00%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

1% Decrease 1.00%	Current Single Rate Assumption 2.00%	1% Increase 3.00%
\$ 79,430	\$ 61,994	\$ 49,101

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2019	\$ 50,898
Changes for the year:	
Service Cost	6,064
Interest	1,479
Difference between expected and actual experience	(6,003)
Changes of assumptions	9,845
Benefit payments	(289)
Net changes	11,096
Balance at 12/31/2020	\$ 61,994

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

For the year ended September 30, 2021, the Town recognized OPEB expense of \$8,665.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

At September 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes in actuarial assumption changes	\$ 15,391	-
Difference between expected and actual experience	-	(8,373)
Contributions subsequent to measurement date	738	-
Total	\$ 16,129	\$ (8,373)

The Town reported \$738 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2022.

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

Year ended December 31:	
2021	\$ 1,122
2022	1,122
2023	1,122
2024	1,122
2025	830
Thereafter	1,700
	\$ 7,018

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2021

E. Tax Abatement Disclosures

The Town negotiates tax abatement agreements on an individual basis. The Town has four property tax abatement agreements with three separate entities as of the end of September 30, 2020:

<u>Purpose</u>	<u>Abatement Type</u>	<u>Percentage of Taxes Abated during the Fiscal Year</u>	<u>Amount of Taxes Abated during the Fiscal Year</u>
Hempel USA Inc., a paint manufacture and distributor, receives tax abatements equal to the amount of taxes assessed on seventy-five percent (75.0%) of the value of business personal property located on the property as a result of making improvements to the warehouse and distribution facility. Value of improvements is \$8,190,479.	Property Tax	18%	\$ 1,862
Farmer Brothers, a food processing and distribution company, receives tax abatements equal to the amount of taxes assessed on eighty-five percent (85.0%) of the value of business personal property located on the property as a result of making improvements to the warehouse and distribution facility. Value of improvements is approximately \$61,419,574.	Property Tax	55%	\$ 98,897
Farmer Brothers, a food processing and distribution company, receives tax abatements equal to the amount of taxes assessed on seventy-five percent (75.0%) of the the increased value of the property improvements required by the tax abatement agreement. Value of improvements is approximately \$26,647,420.	Property Tax	75%	\$ 58,957
Wesco Aircraft Parts, an aircraft parts manufacture and distributor, receives tax abatements equal to the amount of taxes assessed on seventy-five percent (75.0%) of the value of business personal property located on the property as a result of making improvements to the warehouse and distribution facility. Value of improvements is more than \$488,442,481.	Property Tax	5%	\$ 11,715
	Total		\$ 171,431

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
 September 30, 2021

F. Restatement

The Town has restated beginning net position within the internal service funds due to the reallocation of governmental type capital assets as reported in the prior year. The restatement of beginning net position is as follows:

	Internal Service Fund
Prior year ending net position, as reported	\$ 2,308,858
Correct capital asset balances	42,480
Restated beginning net position	\$ 2,351,338

G. Subsequent Events

In January 2021, the Town issued a Combination Tax and Limited Surplus Revenue Certificate of Obligation of \$7,500,000.

There were no other material subsequent events through April 13, 2022, the date the financial statements were issued.



REQUIRED SUPPLEMENTARY INFORMATION



Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 1,666,794	\$ 1,666,794	\$ 1,607,400	\$ (59,394)
Sales tax	1,005,000	1,205,000	1,489,157	284,157
Franchise and local taxes	489,000	489,000	568,056	79,056
License, permits and fees	2,484,450	2,897,550	3,536,250	638,700
Intergovernmental	60,000	60,000	60,000	-
Fines and forfeitures	450,000	450,000	413,414	(36,586)
Contracted police services	250,000	250,000	168,813	(81,187)
Credit card convenience fees	11,000	11,000	7,969	(3,031)
Investment income	30,000	30,000	6,446	(23,554)
Other revenue	15,760	15,760	17,178	1,418
Total Revenues	<u>6,462,004</u>	<u>7,075,104</u>	<u>7,874,683</u>	<u>799,579</u>
Expenditures				
Current:				
General government	1,492,748	1,587,748	1,738,314	(150,566)
Development services	999,884	1,399,884	1,634,331	(234,447)
Public works	1,012,197	1,130,297	1,020,281	110,016
Municipal court	306,802	306,802	298,228	8,574
Police	2,825,547	2,825,547	2,655,447	170,100
Promotional	21,636	21,636	24,518	(2,882)
Total Expenditures	<u>6,658,814</u>	<u>7,271,914</u>	<u>7,371,119</u>	<u>(99,205) *</u>
Revenues Over (Under)	<u>(196,810)</u>	<u>(196,810)</u>	<u>503,564</u>	<u>700,374</u>
Other Financing Sources (Uses)				
Transfers in	250,000	250,000	268,650	18,650
Total Other Financing Sources	<u>250,000</u>	<u>250,000</u>	<u>268,650</u>	<u>18,650</u>
Net Change in Fund Balance	<u>\$ 53,190</u>	<u>\$ 53,190</u>	772,214	<u>\$ 719,024</u>
Beginning fund balance			3,601,826	
Ending Fund Balance			<u>\$ 4,374,040</u>	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROADWAY IMPACT FEES
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Impact and development fees	\$ 2,475,000	\$ 3,105,263	\$ 630,263
Investment income	13,000	7,303	(5,697)
Total Revenues	2,488,000	3,112,566	624,566
<u>Expenditures</u>			
Developer impact fee	1,615,000	2,156,319	(541,319)
Total Expenditures	1,615,000	2,156,319	(541,319) *
Revenues Over (Under) Expenditures	873,000	956,247	83,247
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(1,800,000)	(1,800,000)	-
Total Other Financing Sources	(1,800,000)	(1,800,000)	-
Net Change in Fund Balance	\$ (927,000)	(843,753)	\$ 83,247
Beginning fund balance		2,539,093	
Ending Fund Balance		\$ 1,695,340	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
- * 2. Expenditures exceeded appropriations at the legal level of control.

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NORTHLAKE PID
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 1,195,274	\$ 1,204,040	\$ 8,766
Special assessments	325,163	325,163	-
Total Revenues	1,520,437	1,529,203	8,766
<u>Expenditures</u>			
Debt service:			
Principal	185,000	185,000	-
Interest and fiscal charges	98,025	98,025	-
Capital outlay	1,219,242	1,219,270	(28)
Total Expenditures	1,502,267	1,502,295	(28) *
Net Change in Fund Balance	\$ 18,170	26,908	\$ 8,738
Beginning fund balance		299,291	
Ending Fund Balance		\$ 326,199	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* 2. Expenditures exceeded appropriations at the legal level of control.

Town of Northlake, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Total pension liability			
Service cost	\$ 451,301	\$ 379,296	\$ 341,387
Interest	282,136	239,941	207,574
Changes in benefit terms	-	-	-
Differences between expected and actual experience	123,686	(9,316)	(35,261)
Changes of assumptions	-	31,477	-
Benefit payments, including refunds of participant contributions	(10,447)	(94,135)	(12,137)
Net change in total pension liability	<u>846,676</u>	<u>547,263</u>	<u>501,563</u>
Total pension liability - beginning	<u>\$ 3,959,368</u>	<u>\$ 3,412,105</u>	<u>\$ 2,910,542</u>
Total pension liability - ending (a)	<u>\$ 4,806,044</u>	<u>\$ 3,959,368</u>	<u>\$ 3,412,105</u>
Plan fiduciary net position			
Contributions - employer	\$ 287,874	\$ 253,025	\$ 224,811
Contributions - members	202,118	168,683	149,731
Net investment income	273,978	439,302	(76,473)
Benefit payments, including refunds of participant contributions	(10,447)	(94,135)	(12,137)
Administrative expenses	(1,765)	(2,472)	(1,473)
Other	(69)	(73)	(78)
Net change in plan fiduciary net position	<u>751,689</u>	<u>764,330</u>	<u>284,381</u>
Plan fiduciary net position - beginning	<u>3,593,825</u>	<u>2,829,495</u>	<u>2,545,114</u>
Plan fiduciary net position - ending (b)	<u>\$ 4,345,514</u>	<u>\$ 3,593,825</u>	<u>\$ 2,829,495</u>
Fund's net pension liability - ending (a) - (b)	<u>\$ 460,530</u>	<u>\$ 365,543</u>	<u>\$ 582,610</u>
 Plan fiduciary net position			
as a percentage of the total pension liability	90.42%	90.77%	82.93%
Covered payroll	\$ 2,887,405	\$ 2,409,761	\$ 2,139,016
Fund's net position			
as a percentage of covered payroll	15.95%	15.17%	27.24%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>	<u>12/31/2014</u> ¹
\$	281,176	\$ 256,814	\$ 218,403	\$ 169,257
	175,548	140,867	114,859	94,776
	58,612	-	-	-
	4,129	62,182	33,719	14,773
	-	-	71,966	-
	(20,855)	(12,871)	(11,286)	(21,688)
	<u>498,610</u>	<u>446,992</u>	<u>427,661</u>	<u>257,118</u>
\$	<u>2,411,932</u>	\$ <u>1,964,940</u>	\$ <u>1,537,279</u>	\$ <u>1,280,161</u>
\$	<u>2,910,542</u>	\$ <u>2,411,932</u>	\$ <u>1,964,940</u>	\$ <u>1,537,279</u>
\$	180,185	\$ 147,406	\$ 128,506	\$ 75,574
	127,147	114,649	100,846	83,179
	275,603	110,118	2,078	68,838
	(20,855)	(12,871)	(11,286)	(21,688)
	(1,425)	(1,241)	(1,265)	(718)
	(75)	(67)	(62)	(59)
	<u>560,580</u>	<u>357,994</u>	<u>218,817</u>	<u>205,126</u>
	<u>1,984,534</u>	<u>1,626,540</u>	<u>1,407,723</u>	<u>1,202,597</u>
\$	<u>2,545,114</u>	\$ <u>1,984,534</u>	\$ <u>1,626,540</u>	\$ <u>1,407,723</u>
\$	<u>365,428</u>	\$ <u>427,398</u>	\$ <u>338,400</u>	\$ <u>129,556</u>

	87.44%	82.28%	82.78%	91.57%
\$	1,816,383	\$ 1,637,847	\$ 1,440,652	\$ 1,188,275
	20.12%	26.10%	23.49%	10.90%

Town of Northlake, Texas
SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN
TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>
Actuarially determined employer contributions	\$ 324,273	\$ 281,503	\$ 238,779	\$ 213,078
Contributions in relation to the actuarially determined contribution	\$ 327,806	\$ 284,288	\$ 241,077	\$ 214,948
Contribution deficiency (excess)	\$ (3,533)	\$ (2,785)	\$ (2,298)	\$ (1,870)
Annual covered payroll	\$ 2,784,954	\$ 2,784,954	\$ 2,273,752	\$ 2,055,781
Employer contributions as a percentage of covered payroll	11.77%	10.21%	10.60%	10.46%

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes

Adopted restricted prior service credit.

<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u> ¹
\$ 171,635	\$ 140,000	\$ 112,401
\$ 173,585	\$ 141,715	\$ 100,291
\$ (1,950)	\$ (1,715)	\$ 12,110
\$ 1,773,085	\$ 1,558,966	\$ 1,341,854
9.79%	9.09%	7.47%

Town of Northlake, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended December 31,

	2020	2019	2018	2017	¹
Total OPEB liability					
Service cost	\$ 6,064	\$ 3,374	\$ 3,636	\$ 2,543	
Interest	1,479	1,461	1,387	1,292	
Differences between expected and actual experience	(6,003)	(849)	(3,925)	-	
Changes of assumptions	9,845	9,334	(3,244)	3,614	
Benefit payments, including refunds of participant contributions	(289)	(241)	(214)	(363)	
Net change in total OPEB liability	11,096	13,079	(2,360)	7,086	
Total OPEB liability - beginning	\$ 50,898	\$ 37,819	\$ 40,179	\$ 33,093	
Total OPEB liability - ending	\$ 61,994	\$ 50,898	\$ 37,819	\$ 40,179	²
 Covered-employee payroll	 \$ 2,887,405	 \$ 2,409,761	 \$ 2,139,016	 \$ 1,816,383	
Fund's net position as a percentage of	2.15%	2.11%	1.77%	2.21%	

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

OTHER SUPPLEMENTARY INFORMATION

Town of Northlake, Texas
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

	<u>Donations</u>	<u>Court Security</u>	<u>Court Technology</u>	<u>Belmont FWSD</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 22,178	\$ 2,751	\$ 47,901	\$ 624,167
Receivables	-	-	-	3,286
Prepays	-	299	288	-
Total Assets	\$ 22,178	\$ 3,050	\$ 48,189	\$ 627,453
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 573,007
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	573,007
<u>Deferred Inflows of Resources</u>				
Intergovernmental revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
<u>Fund Balances</u>				
Nonspendable for:				
Prepays	-	299	288	-
Restricted for:				
Promotional activities	-	-	-	-
Capital improvements	22,178	-	-	-
Municipal court	-	2,751	47,901	-
Public safety	-	-	-	-
Utility cost participation	-	-	-	54,446
Unassigned	-	-	-	-
Total Fund Balances	22,178	3,050	48,189	54,446
Total Liabilities, Deferred Inflows and Fund Balances	\$ 22,178	\$ 3,050	\$ 48,189	\$ 627,453

<u>Canyon Falls WCID</u>	<u>Highlands</u>	<u>Northport 35 Business Center</u>	<u>Police Asset Forfeiture</u>	<u>Police Special Training</u>	<u>Child Safety</u>	<u>Court Online Access Fees</u>
\$ -	\$ -	\$ -	\$ 27,216	\$ 6,419	\$ 82,189	\$ 49,482
20,000	-	-	-	-	4,708	-
-	-	-	-	-	-	2,546
<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,216</u>	<u>\$ 6,419</u>	<u>\$ 86,897</u>	<u>\$ 52,028</u>
\$ -	\$ -	\$ -	\$ 8,009	\$ -	\$ -	\$ 1,791
15,148	16,201	9,558	-	-	-	-
<u>15,148</u>	<u>16,201</u>	<u>9,558</u>	<u>8,009</u>	<u>-</u>	<u>-</u>	<u>1,791</u>
20,000	-	-	-	-	-	-
<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	2,546
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	47,691
-	-	-	19,207	6,419	86,897	-
-	-	-	-	-	-	-
(15,148)	(16,201)	(9,558)	-	-	-	-
<u>(15,148)</u>	<u>(16,201)</u>	<u>(9,558)</u>	<u>19,207</u>	<u>6,419</u>	<u>86,897</u>	<u>50,237</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,216</u>	<u>\$ 6,419</u>	<u>\$ 86,897</u>	<u>\$ 52,028</u>

Town of Northlake, Texas
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

	Cost Recovery Fee	Grants	Tax Increment Reinvestment Zone (TIRZ)	Hotel/Motel
<u>Assets</u>				
Cash and cash equivalents	\$ 1,470,132	\$ -	\$ -	\$ 1,121,062
Receivables	-	-	-	62,568
Prepays	-	-	-	-
Total Assets	\$ 1,470,132	\$ -	\$ -	\$ 1,183,630
<u>Liabilities</u>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 3,188
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	3,188
<u>Deferred Inflows of Resources</u>				
Intergovernmental revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
<u>Fund Balances</u>				
Prepays	-	-	-	-
Restricted for:				
Promotional activities	-	-	-	1,180,442
Capital improvements	1,470,132	-	-	-
Municipal court	-	-	-	-
Public safety	-	-	-	-
Utility cost participation	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	1,470,132	-	-	1,180,442
Total Liabilities, Deferred Inflows and Fund Balances	\$ 1,470,132	\$ -	\$ -	\$ 1,183,630

**Total
Nonmajor
Governmental**

\$ 3,453,497
90,562
3,133
\$ 3,547,192

\$ 585,995
40,907
626,902

20,000
20,000

3,133

1,180,442
1,492,310
98,343
112,523
54,446
(40,907)
2,900,290

\$ 3,547,192

Town of Northlake, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	<u>Donations</u>	<u>Court Security</u>	<u>Court Technology</u>	<u>Belmont FWSD</u>
<u>Revenues</u>				
Property tax	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	-	-
Fines and forfeitures	-	9,694	8,995	-
Impact and development fees	-	-	-	-
Investment income	34	-	-	940
Total Revenues	34	9,694	8,995	940
<u>Expenditures</u>				
General government	-	-	-	-
Development services	-	-	-	-
Municipal court	-	3,246	-	-
Police	2,490	-	-	-
Promotional	-	-	-	-
TIRZ activity	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	2,490	3,246	-	-
Revenues Over (Under) Expenditures	(2,456)	6,448	8,995	940
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(2,456)	6,448	8,995	940
Beginning fund balances	24,634	(3,398)	39,194	53,506
Ending Fund Balances	\$ 22,178	\$ 3,050	\$ 48,189	\$ 54,446

<u>Canyon Falls WCID</u>	<u>Highlands</u>	<u>Northport 35 Business Center</u>	<u>Police Asset Forfeiture</u>	<u>Police Special Training</u>	<u>Child Safety</u>	<u>Court Online Access Fees</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	8,886	1,383	6,780	12,665
-	-	-	-	-	-	-
-	-	-	8	-	46	-
-	-	-	8,894	1,383	6,826	12,665
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	22,053
-	-	-	3,956	-	19,640	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,956	-	19,640	22,053
-	-	-	-	-	-	-
-	-	-	4,938	1,383	(12,814)	(9,388)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,938	1,383	(12,814)	(9,388)
(15,148)	(16,201)	(9,558)	14,269	5,036	99,711	59,625
<u>\$ (15,148)</u>	<u>(16,201)</u>	<u>\$ (9,558)</u>	<u>\$ 19,207</u>	<u>\$ 6,419</u>	<u>\$ 86,897</u>	<u>\$ 50,237</u>

Town of Northlake, Texas
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

	Cost Recovery Fee	Grants	Tax Increment Reinvestment Zone (TIRZ)	Hotel/Motel
Revenues				
Property tax	\$ -	\$ -	\$ 237,204	\$ -
Hotel occupancy taxes	-	-	-	598,771
Fines and forfeitures	-	-	-	-
Impact and development fees	286,184	-	-	-
Investment income	245	-	-	3,432
Total Revenues	286,429	-	237,204	602,203
Expenditures				
General government	-	42,998	-	-
Development services	-	65,784	-	35,776
Municipal court	-	-	-	-
Police	-	-	-	-
Promotional	-	-	-	23,511
TIRZ activity	-	-	265,447	-
Capital outlay	-	-	-	224,428
Total Expenditures	-	108,782	265,447	283,715
Revenues Over (Under) Expenditures	286,429	(108,782)	(28,243)	318,488
Other Financing Sources (Uses)				
Transfers (out)	(60,000)	-	(18,650)	-
Total Other Financing Sources (Uses)	(60,000)	-	(18,650)	-
Net Change in Fund Balances	226,429	(108,782)	(46,893)	318,488
Beginning fund balances	1,243,703	108,782	46,893	861,954
Ending Fund Balances	\$ 1,470,132	\$ -	\$ -	\$ 1,180,442

**Total
Nonmajor
Governmental**

\$ 237,204
598,771
48,403
286,184
4,705
1,175,267

42,998
101,560
25,299
26,086
23,511
265,447
224,428
709,329

465,938

(78,650)

(78,650)

387,288

2,513,002
\$ 2,900,290

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT SECURITY
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and fees	\$ 12,000	\$ 9,694	\$ (2,306)
Investment income	300	-	(300)
Total Revenues	12,300	9,694	(2,606)
 <u>Expenditures</u>			
Municipal court	9,000	3,246	5,754
Total Expenditures	9,000	3,246	5,754
Revenues Over (Under) Expenditures	3,300	6,448	3,148
Net Change in Fund Balances	\$ 3,300	6,448	\$ 3,148
Beginning fund balances		(3,398)	
Ending Fund Balances		\$ 3,050	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT TECHNOLOGY
For the Year Ended September 30, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and fees	\$ 16,000	\$ 8,995	\$ (7,005)
Total Revenues	<u>16,000</u>	<u>8,995</u>	<u>(7,005)</u>
<u>Expenditures</u>			
Capital outlay	23,000	-	23,000
Total Expenditures	<u>23,000</u>	<u>-</u>	<u>23,000</u>
Revenues Over (Under) Expenditures	<u>(7,000)</u>	<u>8,995</u>	<u>15,995</u>
Net Change in Fund Balances	<u>\$ (7,000)</u>	<u>8,995</u>	<u>\$ 15,995</u>
Beginning fund balances		39,194	
Ending Fund Balances		<u>\$ 48,189</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE ASSET FORFEITURE
For the Year Ended September 30, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and fees	\$ -	\$ 8,886	\$ 8,886
Investment income	-	8	8
Total Revenues	<u>-</u>	<u>8,894</u>	<u>8,894</u>
<u>Expenditures</u>			
Police	-	3,956	(3,956)
Total Expenditures	<u>-</u>	<u>3,956</u>	<u>(3,956) *</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>4,938</u>	<u>4,938</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>4,938</u>	<u>\$ 4,938</u>
Beginning fund balances		<u>14,269</u>	
Ending Fund Balances		<u>\$ 19,207</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
POLICE SPECIAL TRAINING
For the Year Ended September 30, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and fees	\$ 1,400	\$ 1,383	\$ (17)
Total Revenues	<u>1,400</u>	<u>1,383</u>	<u>(17)</u>
<u>Expenditures</u>			
Police	1,400	-	1,400
Total Expenditures	<u>1,400</u>	<u>-</u>	<u>1,400</u>
Revenues Over Expenditures	<u>-</u>	<u>1,383</u>	<u>1,383</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>1,383</u>	<u>\$ 1,383</u>
Beginning fund balances		5,036	
Ending Fund Balances		<u>\$ 6,419</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CHILD SAFETY
For the Year Ended September 30, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 5,500	\$ 6,780	\$ 1,280
Investment income	100	46	(54)
Total Revenues	<u>5,600</u>	<u>6,826</u>	<u>1,226</u>
<u>Expenditures</u>			
Police	28,500	19,640	8,860
Total Expenditures	<u>28,500</u>	<u>19,640</u>	<u>8,860</u>
Revenues Over (Under) Expenditures	<u>(22,900)</u>	<u>(12,814)</u>	<u>10,086</u>
Net Change in Fund Balances	<u>\$ (22,900)</u>	<u>(12,814)</u>	<u>\$ 10,086</u>
Beginning fund balances		99,711	
Ending Fund Balances		<u>\$ 86,897</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT ONLINE ACCESS FEES
For the Year Ended September 30, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 18,000	\$ 12,665	\$ (5,335)
Total Revenues	<u>18,000</u>	<u>12,665</u>	<u>(5,335)</u>
<u>Expenditures</u>			
Municipal court	34,800	22,053	12,747
Total Expenditures	<u>34,800</u>	<u>22,053</u>	<u>12,747</u>
Revenues Over (Under) Expenditures	<u>(16,800)</u>	<u>(9,388)</u>	<u>7,412</u>
Net Change in Fund Balances	<u>\$ (16,800)</u>	<u>(9,388)</u>	<u>\$ 7,412</u>
Beginning fund balances		59,625	
Ending Fund Balances		<u>\$ 50,237</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GRANTS FUND
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Expenditures</u>				
General government	-	100,000	42,998	57,002
Development services	-	314,794	65,784	249,010
Total Expenditures	<u>-</u>	<u>414,794</u>	<u>108,782</u>	<u>306,012</u>
 Revenues Over (Under) Expenditures	<u>-</u>	<u>(414,794)</u>	<u>(108,782)</u>	<u>306,012</u>
 Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (414,794)</u>	<u>(108,782)</u>	<u>\$ 306,012</u>
Beginning fund balances			<u>108,782</u>	
Ending Fund Balances			<u>\$ -</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COST RECOVERY FEE
For the Year Ended September 30, 2021

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Impact and development fees	\$ 300,000	\$ 286,184	\$ (13,816)
Investment income	1,000	245	(755)
Total Revenues	<u>301,000</u>	<u>286,429</u>	<u>(14,571)</u>
 Revenues Over (Under) Expenditures	 <u>301,000</u>	 <u>286,429</u>	 <u>(14,571)</u>
 <u>Other Financing Sources (Uses)</u>			
Transfers (out)	(60,000)	(60,000)	-
Total Other Financing Sources (Uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
 Net Change in Fund Balances	 <u><u>\$ 241,000</u></u>	 <u>226,429</u>	 <u><u>\$ (14,571)</u></u>
 Beginning fund balances		 <u>1,243,703</u>	
Ending Fund Balances		 <u><u>\$ 1,470,132</u></u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL

TIRZ

For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 235,826	\$ 237,204	\$ 1,378
Total Revenues	235,826	237,204	1,378
<u>Expenditures</u>			
TIRZ activity	227,215	265,447	(38,232) *
Total Expenditures	227,215	265,447	(38,232)
<u>Other Financing Sources (Uses)</u>			
Transfers (Out)	-	(18,650)	(18,650) *
Total Other Financing Sources (Uses)	-	(18,650)	(18,650)
Net Change in Fund Balance	\$ 8,611	(46,893)	\$ (55,504)
Beginning fund balance		46,893	
Ending Fund Balance		\$ -	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

* Expenditures exceeded appropriations at the legal level of control.

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL FUND
For the Year Ended September 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Hotel occupancy taxes	\$ 480,000	\$ 480,000	\$ 598,771	\$ 118,771
Investment income	5,000	5,000	3,432	(1,568)
Total Revenues	<u>485,000</u>	<u>485,000</u>	<u>602,203</u>	<u>117,203</u>
<u>Expenditures</u>				
Development services	38,794	38,794	35,776	3,018
Promotional	61,970	61,970	23,511	38,459
Capital outlay	1,000,000	1,000,000	224,428	775,572
Total Expenditures	<u>1,100,764</u>	<u>1,100,764</u>	<u>283,715</u>	<u>817,049</u>
Net Change in Fund Balance	<u>\$ (615,764)</u>	<u>\$ (615,764)</u>	318,488	<u>\$ 934,252</u>
Beginning fund balance			<u>861,954</u>	
Ending Fund Balance			<u>\$ 1,180,442</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ -	\$ 360,710	\$ 360,710
Investment income	50,000	2,350	(47,650)
Total Revenues	50,000	363,060	313,060
 <u>Expenditures</u>			
General government	-	2,307	(2,307)
Capital outlay	6,380,000	1,450,509	4,929,491
	6,380,000	1,452,816	4,927,184
Revenues Over (Under) Expenditures	(6,330,000)	(1,089,756)	5,240,244
 <u>Other Financing Sources (Uses)</u>			
Transfers in	5,300,000	5,300,000	-
Total Other Financing Sources (Uses)	5,300,000	5,300,000	-
Net Change in Fund Balance	\$ (1,030,000)	4,210,244	\$ 5,240,244
Beginning fund balance		922,438	
Ending Fund Balance		\$ 5,132,682	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2021

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 1,670,947	\$ 1,617,013	\$ (53,934)
Investment income	100	25	(75)
	-	10,025	10,025
Total Revenues	1,671,047	1,627,063	(43,984)
<u>Expenditures</u>			
General government	7,241	11,374	(4,133)
Debt service:			
Principal	1,789,977	940,000	849,977
Interest	692,875	178,036	514,839
Bond issuance costs	-	23,376	(23,376)
Total Expenditures	2,490,093	1,152,786	1,337,307
Revenues Over (Under) Expenditures	(819,046)	474,277	(1,381,291)
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(7,000,000)	(3,991,881)	(3,008,119)
Issuance of debt	6,550,000	3,535,000	3,015,000
Total Other Financing Sources (Uses)	(450,000)	(456,881)	6,881
Net Change in Fund Balance	\$ (1,269,046)	17,396	\$ 1,286,442
Beginning fund balance		554,090	
Ending Fund Balance		\$ 571,486	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Town of Northlake, Texas

COMBINING BALANCE SHEET ROADWAY IMPACT FEE FUNDS

September 30, 2021

	North West Roadway Impact Fee	North East Roadway Impact Fee	South East Roadway Impact Fee	Total Roadway Impact Fee Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 64,181	\$ 1,033,789	\$ 1,224,156	\$ 2,322,126
Total Assets	\$ 64,181	\$ 1,033,789	\$ 1,224,156	\$ 2,322,126
<u>Liabilities</u>				
Accounts payable	\$ 1,299	\$ 624,187	\$ 1,300	\$ 626,786
Total Liabilities	1,299	624,187	1,300	626,786
<u>Fund Balances</u>				
Restricted for:				
Capital improvements	62,882	409,602	1,222,856	1,695,340
Total Fund Balances	62,882	409,602	1,222,856	1,695,340
Total Liabilities and Fund Balances	\$ 64,181	\$ 1,033,789	\$ 1,224,156	\$ 2,322,126

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ROADWAY IMPACT FEE FUNDS
For the Year Ended September 30, 2021

	<u>North West Roadway Impact Fee</u>	<u>North East Roadway Impact Fee</u>	<u>South East Roadway Impact Fee</u>	<u>Total Roadway Impact Fee Funds</u>
<u>Revenues</u>				
Impact and development fees	\$ 265,891	\$ 2,828,827	\$ 10,545	\$ 3,105,263
Investment income	-	1,022	6,281	7,303
Total Revenues	<u>265,891</u>	<u>2,829,849</u>	<u>16,826</u>	<u>3,112,566</u>
<u>Expenditures</u>				
Developer impact fee	1,300	2,153,719	1,300	2,156,319
Total Expenditures	<u>1,300</u>	<u>2,153,719</u>	<u>1,300</u>	<u>2,156,319</u>
Revenues Over (Under) Expenditures	<u>264,591</u>	<u>676,130</u>	<u>15,526</u>	<u>956,247</u>
<u>Other Financing Sources (Uses)</u>				
Transfers (out)	(600,000)	(1,200,000)	-	(1,800,000)
Total Other Financing Sources (Uses)	<u>(600,000)</u>	<u>(1,200,000)</u>	<u>-</u>	<u>(1,800,000)</u>
Net Change in Fund Balances	(335,409)	(523,870)	15,526	(843,753)
Beginning fund balances	398,291	933,472	1,207,330	2,539,093
Ending Fund Balances	<u>\$ 62,882</u>	<u>\$ 409,602</u>	<u>\$ 1,222,856</u>	<u>\$ 1,695,340</u>

Town of Northlake, Texas
COMBINING BALANCE SHEET
PUBLIC IMPROVEMENT DISTRICTS
September 30, 2021

	Harvest PID No. 1	Highlands PID No. 2	Total Public Improvement Districts
<u>Assets</u>			
Cash and cash equivalents	\$ 117,190	\$ 231,716	\$ 348,906
Property tax receivable	5,944	-	5,944
Special assessments receivable	-	1,962,635	1,962,635
Total Assets	\$ 123,134	\$ 2,194,351	\$ 2,317,485
<u>Liabilities</u>			
Accounts payable	\$ -	\$ 22,749	\$ 22,749
Total Liabilities	-	22,749	22,749
<u>Deferred Inflows of Resources</u>			
Property tax	5,902	-	5,902
Property special assessments	-	1,962,635	1,962,635
Total Deferred Inflows of Resources	5,902	1,962,635	1,968,537
<u>Fund Balances</u>			
Restricted for:			
Public improvement districts	117,232	208,967	326,199
Total Fund Balances	117,232	208,967	326,199
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 123,134	\$ 2,194,351	\$ 2,317,485

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
PUBLIC IMPROVEMENT DISTRICTS
For the Year Ended September 30, 2021

	<u>Harvest</u> <u>PID No. 1</u>	<u>Highlands</u> <u>PID No. 2</u>	<u>Total</u> <u>Public</u> <u>Improvement</u> <u>Districts</u>
<u>Revenues</u>			
Property taxes	\$ 1,204,040	\$ -	\$ 1,204,040
Special assessments	-	325,163	325,163
Total Revenues	<u>1,204,040</u>	<u>325,163</u>	<u>1,529,203</u>
<u>Expenditures</u>			
Debt service:			
Principal	-	185,000	185,000
Interest and fiscal charges	-	98,025	98,025
Capital outlay	1,194,375	24,895	1,219,270
Total Expenditures	<u>1,194,375</u>	<u>307,920</u>	<u>1,502,295</u>
Revenues Over			
(Under) Expenditures	<u>9,665</u>	<u>17,243</u>	<u>26,908</u>
Net Change in Fund Balances	9,665	17,243	26,908
Beginning fund balances	107,567	191,724	299,291
Ending Fund Balances	<u>\$ 117,232</u>	<u>\$ 208,967</u>	<u>\$ 326,199</u>

Town of Northlake, Texas
COMBINING SCHEDULE OF NET POSITION
UTILITY IMPACT FEES
September 30, 2021

	<u>Water Impact Fee North</u>	<u>Water Impact Fee South</u>	<u>Sewer Impact Fee</u>	<u>Total Utility Impact Fees</u>
<u>Assets</u>				
<u>Current Assets</u>				
Cash and cash equivalents	\$ 2,107,525	\$ 1,135	\$ 954,568	\$ 3,063,228
Total Current Assets	<u>2,107,525</u>	<u>1,135</u>	<u>954,568</u>	<u>3,063,228</u>
<u>Noncurrent Assets</u>				
Capital assets:				
Non-depreciable	-	97,918	-	97,918
Total Noncurrent Assets	<u>-</u>	<u>97,918</u>	<u>-</u>	<u>97,918</u>
Total Assets	<u>\$ 2,107,525</u>	<u>\$ 99,053</u>	<u>\$ 954,568</u>	<u>\$ 3,161,146</u>
<u>Liabilities</u>				
Accounts payable	\$ 260,795	\$ 6,541	\$ 9,219	\$ 276,555
Total Liabilities	<u>260,795</u>	<u>6,541</u>	<u>9,219</u>	<u>276,555</u>
<u>Net Position</u>				
Unrestricted	1,846,730	92,512	945,349	2,884,591
Total Net Position	<u>\$ 1,846,730</u>	<u>\$ 92,512</u>	<u>\$ 945,349</u>	<u>\$ 2,884,591</u>

See Notes to Financial Statements.

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
UTILITY IMPACT FEE FUNDS
For the Year Ended September 30, 2021

	Water Impact Fee North	Water Impact Fee South	Sewer Impact Fee	Total Utility Impact Fee Funds
<u>Operating Revenues</u>				
Investment income	\$ -	\$ 5,934	\$ 45,370	\$ 51,304
Total Operating Revenues	-	5,934	45,370	51,304
<u>Operating Expenses</u>				
Impact fee expenses	852,762	6,542	9,219	868,523
Total Operating Expenses	852,762	6,542	9,219	868,523
Operating Income	(852,762)	(608)	36,151	(817,219)
<u>Transfers</u>				
Capital contributions-impact fees	1,895,753	20,727	799,653	2,716,133
Transfers (out)	-	(1,050,000)	(800,000)	(1,850,000)
Total Transfers	1,895,753	(1,029,273)	(347)	866,133
Change in Net Position	1,042,991	(1,029,881)	35,804	48,914
Beginning net position	803,739	1,122,393	909,545	2,835,677
Ending Net Position	\$ 1,846,730	\$ 92,512	\$ 945,349	\$ 2,884,591

See Notes to Financial Statements.

Town of Northlake, Texas
COMBINING SCHEDULE OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
September 30, 2021

	<u>Canyon Falls MUD 1 Fund</u>	<u>Argyle Sewer Billing Fund</u>	<u>Total Nonmajor Proprietary Funds</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 151,935	\$ 68,352	\$ 220,287
Receivables	39,616	10,497	50,113
Total Assets	<u>\$ 191,551</u>	<u>\$ 78,849</u>	<u>\$ 270,400</u>
<u>Liabilities</u>			
Customer deposits	\$ 76,993	\$ 68	\$ 77,061
Total Liabilities	<u>76,993</u>	<u>68</u>	<u>77,061</u>
<u>Net Position</u>			
Unrestricted	114,558	78,781	193,339
Total Net Position	<u>\$ 114,558</u>	<u>\$ 78,781</u>	<u>\$ 193,339</u>

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2021

	Canyon Falls MUD 1 Fund	Argyle Sewer Billing Fund	Total Nonmajor Proprietary Funds
<u>Operating revenues</u>			
Charges for services	\$ 71,581	\$ 68,769	\$ 140,350
Total Operating Revenues	71,581	68,769	140,350
Operating Income (Loss)	71,581	68,769	140,350
Change in Net Position	71,581	68,769	140,350
Beginning net position	42,977	10,012	52,989
Ending Net Position	\$ 114,558	\$ 78,781	\$ 193,339

Town of Northlake, Texas
COMBINING SCHEDULE OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2021

	<u>Technology</u>	<u>Equipment</u>	<u>Building Services</u>	<u>Total Internal Service Funds</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 246,973	\$ 412,646	\$ 323,942	\$ 983,561
Prepays	9,987	-	-	9,987
Total Assets	\$ 256,960	\$ 412,646	\$ 323,942	\$ 993,548
<u>Noncurrent Assets</u>				
Capital assets:				
Net depreciable capital assets	75,236	896,050	1,057,858	2,029,144
Total Noncurrent Assets	75,236	896,050	1,057,858	2,029,144
Total Assets	332,196	1,308,696	1,381,800	3,022,692
<u>Liabilities</u>				
Accounts payable	\$ 214,741	\$ 130,787	\$ 17,572	\$ 363,100
Total Liabilities	214,741	130,787	17,572	363,100
<u>Net Position</u>				
Net investment in capital assets	75,236	765,263	1,057,858	1,898,357
Unrestricted	42,219	412,646	306,370	761,235
Total Net Position	\$ 117,455	\$ 1,177,909	1,364,228	\$ 2,659,592

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2021

	<u>Technology</u>	<u>Equipment</u>	<u>Building Services</u>	<u>Total Utility Impact Fee Funds</u>
<u>Operating revenues</u>				
Charges for services	\$ 436,970	\$ 338,518	\$ 1,015,640	\$ 1,791,128
Total Operating Revenues	<u>436,970</u>	<u>338,518</u>	<u>1,015,640</u>	<u>1,791,128</u>
<u>Operating Expenses</u>				
Operating expenses	434,347	1,048	534,968	970,363
Depreciation	30,191	219,450	262,870	512,511
Total Operating Expenses	<u>464,538</u>	<u>220,498</u>	<u>797,838</u>	<u>1,482,874</u>
Operating Income (Loss)	<u>(27,568)</u>	<u>118,020</u>	<u>217,802</u>	<u>308,254</u>
Change in Net Position	(27,568)	118,020	217,802	308,254
Beginning net position	145,023	1,059,889	1,146,426	2,351,338
Ending Net Position	<u>\$ 117,455</u>	<u>\$ 1,177,909</u>	<u>1,364,228</u>	<u>\$ 2,659,592</u>



Town of Northlake, Texas

STATISTICAL SECTION

(UNAUDITED)

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

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	128
Revenue Capacity <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	138
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	146
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	154
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the government provides and the activities it performs.</i>	158
Continuing Financial Disclosures <i>These tables present various financial data originally distributed in a debt official statement. The Town is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. This financial information is provided to the Municipal Securities Rulemaking Board (MSRB) annually via the Electronic Municipal Market Access (EMMA) system.</i>	164

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

Town of Northlake, Texas

Table 1

Net Position By Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 2,889,445	\$ 2,939,603	\$ 2,472,711	\$ (1,000,286)
Restricted	1,470,481	1,571,891	1,828,305	2,395,434
Unrestricted	513,556	798,742	538,119	4,525,654
Total governmental activities net position	<u>\$ 4,873,482</u>	<u>\$ 5,310,236</u>	<u>\$ 4,839,135</u>	<u>\$ 5,920,802</u>
Business-type activities				
Net investment in capital assets	\$ 990,256	\$ 1,009,818	\$ 603,580	\$ 3,058,300
Unrestricted	451,040	375,236	1,515,685	926,065
Total business-type activities net position	<u>\$ 1,441,296</u>	<u>\$ 1,385,054</u>	<u>\$ 2,119,265</u>	<u>\$ 3,984,365</u>
Primary government				
Net investment in capital assets	\$ 3,879,701	\$ 3,949,421	\$ 3,076,291	\$ 2,058,014
Restricted	1,470,481	1,571,891	1,828,305	2,395,434
Unrestricted	964,596	1,173,978	2,053,804	5,451,719
Total primary governmental activities net position	<u>\$ 6,314,778</u>	<u>\$ 6,695,290</u>	<u>\$ 6,958,400</u>	<u>\$ 9,905,167</u>

Source: The data in this schedule is extracted from the Town's audited financial statements.

Table 1

2016	2017	2018	2019	2020	2021
\$ 622,501	\$ (2,224,043)	\$ 3,022,060	\$ 8,307,614	\$ 23,691,121	\$ 23,544,461
1,838,381	9,067,546	7,371,608	7,749,697	4,735,030	4,387,242
4,313,308	2,573,478	1,055,212	2,745,971	7,173,813	9,504,502
<u>\$ 6,774,190</u>	<u>\$ 9,416,981</u>	<u>\$ 11,448,880</u>	<u>\$ 18,803,282</u>	<u>\$ 35,599,964</u>	<u>\$ 37,436,205</u>
\$ 3,343,561	\$ 4,258,425	\$ 5,697,160	\$ 19,237,890	\$ 28,566,151	\$ 29,335,512
1,497,218	1,150,742	2,085,468	14,733,853	2,582,247	6,466,307
<u>\$ 4,840,779</u>	<u>\$ 5,409,167</u>	<u>\$ 7,782,628</u>	<u>\$ 33,971,743</u>	<u>\$ 31,148,398</u>	<u>\$ 35,801,819</u>
\$ 3,966,062	\$ 2,034,382	\$ 8,719,220	\$ 27,545,504	\$ 52,257,272	\$ 52,879,973
1,838,381	9,067,546	7,371,608	7,749,697	4,735,030	4,387,242
5,810,526	3,724,220	3,140,680	17,479,824	9,756,060	15,970,809
<u>\$ 11,614,969</u>	<u>\$ 14,826,148</u>	<u>\$ 19,231,508</u>	<u>\$ 52,775,025</u>	<u>\$ 66,748,362</u>	<u>\$ 73,238,024</u>

Town of Northlake, Texas

Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	\$ 752,139	\$ 614,116	\$ 1,161,129	\$ 946,647
Municipal Court	256,949	289,882	274,826	268,501
Police	818,500	971,836	819,258	1,027,335
Public works	442,859	416,806	386,805	525,722
Public Improvement Districts (PID)	-	-	-	-
Tax Increment Reinvestment Zone (TIRZ)	-	-	-	-
Promotional	32,056	26,548	38,416	25,219
Development services	-	-	-	-
Economic development	132,902	106,448	94,047	101,694
Interest and fiscal charges	94,911	48,643	132,088	285,614
Total governmental activities expenses	<u>2,530,316</u>	<u>2,474,279</u>	<u>2,906,569</u>	<u>3,180,732</u>
Business-type activities				
Water and sewer	591,889	768,720	1,093,283	1,349,070
Utility Impact Fees	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total business-type activities expenses	<u>591,889</u>	<u>768,720</u>	<u>1,093,283</u>	<u>1,349,070</u>
Total primary government expenses	<u>\$ 3,122,205</u>	<u>\$ 3,242,999</u>	<u>\$ 3,999,852</u>	<u>\$ 4,529,802</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	\$ 67,092	\$ 201,999	\$ 467,657	\$ 980,848
Public safety	699,910	665,533	691,336	671,968
Public works	-	-	-	-
PID special assessments	-	-	-	-
Development services	-	-	-	-
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>\$ 767,002</u>	<u>\$ 867,532</u>	<u>\$ 1,158,993</u>	<u>\$ 1,652,816</u>
Business-type activities:				
Charges for services:				
Water and sewer	746,696	837,075	1,053,338	2,016,122
Capital grants and contributions	-	-	-	-
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>746,696</u>	<u>837,075</u>	<u>1,053,338</u>	<u>2,016,122</u>
Total primary government program revenues	<u>\$ 1,513,698</u>	<u>\$ 1,704,607</u>	<u>\$ 2,212,331</u>	<u>\$ 3,668,938</u>
Net (expense)/revenue:				
Governmental activities	\$ (1,763,314)	\$ (1,606,747)	\$ (1,747,576)	\$ (1,527,916)
Business-type activities	154,807	68,355	(39,945)	667,052
Total primary government net expense	<u>\$ (1,608,507)</u>	<u>\$ (1,538,392)</u>	<u>\$ (1,787,521)</u>	<u>\$ (860,864)</u>

Source: The data in this schedule is extracted from the Town's audited financial statements.

2016	2017	2018	2019	2020	2021
\$ 1,562,134	\$ 1,437,941	\$ 928,400	\$ 1,537,061	\$ 1,598,011	\$ 1,516,599
-	-	-	-	-	-
1,378,162	1,212,424	1,837,541	1,539,945	2,617,563	2,993,487
658,352	1,312,199	952,983	854,028	1,928,485	2,656,449
-	-	-	1,130,320	962,745	1,219,270
-	-	-	4,741	539,727	265,447
38,233	61,929	67,431	104,689	59,350	48,029
-	1,016,548	1,274,815	619,714	2,325,958	3,890,392
636,186	636,186	-	-	-	-
226,945	432,877	150,220	711,903	641,799	286,868
<u>4,500,012</u>	<u>6,110,104</u>	<u>5,211,390</u>	<u>6,502,401</u>	<u>10,673,638</u>	<u>12,876,541</u>
1,613,800	2,568,970	3,294,171	4,569,206	5,823,770	7,037,178
-	-	-	348,570	1,087,067	868,523
-	-	-	-	27,273	456,012
<u>1,613,800</u>	<u>2,568,970</u>	<u>3,294,171</u>	<u>4,917,776</u>	<u>6,938,110</u>	<u>8,361,713</u>
<u>\$ 6,113,812</u>	<u>\$ 8,679,074</u>	<u>\$ 8,505,561</u>	<u>\$ 11,420,177</u>	<u>\$ 17,611,748</u>	<u>\$ 21,238,254</u>
\$ 1,061,699	\$ 1,341,544	\$ 1,546,713	\$ -	\$ -	\$ -
593,352	544,561	578,133	726,789	732,717	630,630
-	-	-	-	-	-
-	-	-	-	117	6,033
-	-	-	1,436,885	2,247,231	3,536,250
-	-	-	421,929	287,700	70,400
-	-	-	15,410,758	8,046,222	3,391,447
<u>\$ 1,655,051</u>	<u>\$ 1,886,105</u>	<u>\$ 2,124,846</u>	<u>\$ 17,996,361</u>	<u>\$ 11,313,987</u>	<u>\$ 7,634,760</u>
2,584,170	3,296,635	3,783,858	5,138,625	5,478,560	8,562,742
-	-	-	15,599,442	8,689,843	4,091,096
-	-	1,300,406	-	-	-
<u>2,584,170</u>	<u>3,296,635</u>	<u>5,084,264</u>	<u>20,738,067</u>	<u>14,168,403</u>	<u>12,653,838</u>
<u>\$ 4,239,221</u>	<u>\$ 5,182,740</u>	<u>\$ 7,209,110</u>	<u>\$ 38,734,428</u>	<u>\$ 25,482,390</u>	<u>\$ 20,288,598</u>
\$ (2,844,961)	\$ (4,223,999)	\$ (3,086,544)	\$ 11,493,960	\$ 640,349	\$ (5,241,781)
970,370	727,665	1,790,093	15,820,291	7,230,293	4,292,125
<u>\$ (1,874,591)</u>	<u>\$ (3,496,334)</u>	<u>\$ (1,296,451)</u>	<u>\$ 27,314,251</u>	<u>\$ 7,870,642</u>	<u>\$ (949,656)</u>

Town of Northlake, Texas
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General revenues and other changes in net position				
Governmental activities:				
Property taxes	\$ 787,266	\$ 704,349	\$ 683,502	\$ 743,419
Sales taxes	408,620	494,487	27,886	882,995
Franchise taxes	170,398	224,394	626,825	244,696
Hotel/motel taxes	101,127	101,053	143,548	238,013
Interest earnings	4,301	4,012	5,377	30,730
Roadway Impact Fees	-	-	-	-
Assessments	-	-	-	366,158
Miscellaneous	243,495	390,206	355,425	176,376
Transfers	161,926	125,000	(765,000)	125,000
Total governmental activities	<u>1,877,133</u>	<u>2,043,501</u>	<u>1,077,563</u>	<u>2,807,387</u>
Business-type activities:				
Water/sewer impact fees	-	-	-	-
Interest earnings	483	403	674	(32,446)
Miscellaneous	1,521	-	8,482	29,718
Transfers	(163,447)	(125,000)	765,000	(125,000)
Total business-type activities	<u>(161,443)</u>	<u>(124,597)</u>	<u>774,156</u>	<u>(127,728)</u>
Total primary government	<u>\$ 1,715,690</u>	<u>\$ 1,918,904</u>	<u>\$ 1,851,719</u>	<u>\$ 2,679,659</u>
Changes in net position:				
Governmental activities	\$ 113,819	\$ 436,754	\$ (670,013)	\$ 1,279,471
Business-type activities	(6,636)	(56,242)	734,211	539,324
Total primary government	<u>\$ 107,183</u>	<u>\$ 380,512</u>	<u>\$ 64,198</u>	<u>\$ 1,818,795</u>

Source: The data in this schedule is extracted from the Town's audited financial statements.

2016	2017	2018	2019	2020	2021
\$ 922,534	\$ 1,179,013	\$ 1,572,424	\$ 3,058,040	\$ 3,710,077	\$ 4,667,918
1,359,296	1,246,433	1,284,730	728,786	854,553	1,489,157
257,563	282,277	376,093	443,387	477,795	568,056
257,813	267,965	444,447	417,116	393,540	598,771
40,944	113,463	160,360	236,517	149,848	20,829
-	-	744,960	-	-	-
436,420	610,503	-	-	-	-
204,122	1,542,348	335,428	486,535	396,402	35,172
146,629	172,262	200,000	(11,770,000)	10,174,118	(301,881)
<u>3,625,321</u>	<u>5,414,264</u>	<u>5,118,442</u>	<u>(6,399,619)</u>	<u>16,156,333</u>	<u>7,078,022</u>
-	-	747,134	-	-	-
(28,061)	(6,339)	37,718	294,444	120,480	59,415
60,734	20,324	(1,487)	14,367	-	-
(146,629)	(172,262)	(200,000)	11,770,000	(10,174,118)	301,881
<u>(113,956)</u>	<u>(158,277)</u>	<u>583,365</u>	<u>12,078,811</u>	<u>(10,053,638)</u>	<u>361,296</u>
<u>\$ 3,511,365</u>	<u>\$ 5,255,987</u>	<u>\$ 5,701,807</u>	<u>\$ 5,679,192</u>	<u>\$ 6,102,695</u>	<u>\$ 7,439,318</u>
\$ 780,360	\$ 1,190,265	\$ 2,031,898	\$ 5,094,341	\$ 16,796,682	\$ 1,836,241
856,414	569,388	2,373,458	27,899,102	(2,823,345)	4,653,421
<u>\$ 1,636,774</u>	<u>\$ 1,759,653</u>	<u>\$ 4,405,356</u>	<u>\$ 32,993,443</u>	<u>\$ 13,973,337</u>	<u>\$ 6,489,662</u>

Town of Northlake, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund					
Nonspendable	-	-	-	-	-
Assigned	-	-	-	3,087,338	-
Unassigned	277,660	267,927	486,184	1,021,371	4,681,337
Total general fund	<u>\$ 277,660</u>	<u>\$ 267,927</u>	<u>\$ 486,184</u>	<u>\$4,108,709</u>	<u>\$4,681,337</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-	-
Restricted for:					
Debt service	-	-	-	-	-
Promotional activities	570,029	644,018	709,165	814,977	1,029,865
Capital improvements	37,583	(36,676)	(19,091)	(39,094)	(13,986)
Utility cost participation	-	-	-	-	-
Public improvement	-	-	-	-	-
Economic development	284,027	321,567	370,860	455,140	592,373
Encumbrances	39,999	6,250	-	-	-
Community development	267,714	300,215	349,259	433,937	571,429
Restricted, reported in non-major governmental funds:					
Roadway impact fees	-	-	-	-	-
Municipal court	-	-	-	-	-
Court technology, security and child safety	138,039	180,318	159,787	163,373	180,989
Utility cost participation	-	-	-	-	-
Public safety	-	-	-	-	-
TIRZ Development	-	-	-	-	-
Economic development	-	-	-	-	-
Community development	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	23,049	24,363	1,911	(28)	34,764
Donations	-	-	-	-	-
Other purposes	-	-	-	-	-
Total all other governmental funds	<u>\$1,360,440</u>	<u>\$1,440,055</u>	<u>\$1,571,891</u>	<u>\$1,828,305</u>	<u>\$2,395,434</u>

Source: The data in this schedule is extracted from the Town's audited financial statements.

The City implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" in fiscal year 2011, and opted not to restate the previous years' activity.

2016	2017	2018	2019	2020	2021
-	-	-	-	6,394	1,864
-	-	-	-	-	-
1,575,023	1,925,453	1,831,294	3,075,444	3,595,432	4,372,176
<u>\$1,575,023</u>	<u>\$1,925,453</u>	<u>\$1,831,294</u>	<u>\$3,075,444</u>	<u>\$3,601,826</u>	<u>\$ 4,374,040</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,594	\$ 3,133
-	-	-	(52,716)	(44,305)	(40,907)
-	-	-	-	-	-
-	126,531	783,748	275,706	554,090	571,486
1,258,552	1,484,307	1,884,974	2,270,708	861,954	1,180,442
-	5,996,260	2,419,659	3,035,038	3,461,531	8,320,332
-	-	65,310	64,459	53,506	54,446
1,373,509	119,353	-	175,938	297,697	326,199
595,579	612,391	-	-	-	-
-	-	-	-	-	-
575,332	592,138	-	-	-	-
-	-	781,367	-	-	-
-	-	-	60,931	98,819	98,343
250,910	250,722	133,803	-	-	-
-	-	-	-	-	-
-	-	108,611	111,948	119,016	112,523
-	-	46,896	169,182	-	-
-	-	584,305	-	-	-
-	-	562,935	-	-	-
11,071	-	-	892,553	1,424,012	-
249,740	-	-	-	-	-
-	-	-	23,682	-	-
(1,385)	5,197	-	-	-	-
<u>\$4,313,308</u>	<u>\$9,186,899</u>	<u>\$7,371,608</u>	<u>\$7,027,429</u>	<u>\$6,827,914</u>	<u>\$ 10,625,997</u>

Town of Northlake, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017
Revenues:						
Taxes:						
Property	\$ 787,266	\$ 704,349	\$ 683,502	\$ 756,378	\$ 954,486	\$ 1,190,441
Sales and beverage	408,620	494,487	626,825	882,995	1,359,296	1,246,433
Franchise	170,398	224,394	198,913	244,696	257,563	282,277
Hotel/motel	101,127	101,053	143,548	238,013	257,813	267,965
PID Assessment	-	-	27,886	-	-	-
Buildings permits, plant and other fees	67,092	201,999	467,657	980,848	1,061,699	1,341,544
Municipal court	689,157	623,358	737,022	671,968	601,110	592,248
Interest income	4,301	4,704	5,644	29,223	40,581	103,235
Online access fees	-	-	-	-	-	-
Roadway impact fees	-	-	-	-	-	-
Assessments	-	-	-	366,158	436,420	610,503
Contracted police services	-	-	-	-	-	-
Credit card convenience fees	-	-	-	-	-	-
Cost recovery fees	-	-	-	-	-	-
Water and sewer impact fees	-	-	-	-	-	-
Developer participation	-	-	-	-	-	-
Court security, technology and online access fees	-	-	-	-	-	-
Seized monies, training, seatbelt and child safety	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Impact and development fees	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous	241,934	385,422	405,299	178,406	205,153	1,450,364
Total revenues	<u>2,469,895</u>	<u>2,739,766</u>	<u>3,296,296</u>	<u>4,348,685</u>	<u>5,174,121</u>	<u>7,085,010</u>
Expenditures:						
General government	562,369	583,924	1,015,906	916,829	1,429,193	1,206,381
Municipal court	256,014	288,947	271,820	258,906	232,668	275,528
Development services	-	-	-	-	636,186	932,591
Police	801,987	903,667	852,400	972,106	1,069,797	1,263,326
Public works	324,953	233,932	240,582	324,131	425,044	681,092
Promotional	28,425	26,627	39,118	25,219	38,233	62,929
Economic Development	129,271	106,606	95,765	100,290	-	-
Public Improvement Districts (PID)	-	-	-	-	-	-
Tax Increment Reinvestment Zone (TIRZ)	-	-	-	-	-	-
Developer impact fee	-	-	-	-	-	-
Utility cost participation	-	-	-	-	-	-
Capital outlay	53,706	136,384	91,468	111,609	1,717,484	2,927,584
Debt service:						
Principal	136,331	144,350	128,864	283,275	300,000	2,005,000
Interest and fiscal charges	96,405	90,236	85,714	216,563	242,624	459,276
Total expenditures	<u>2,389,461</u>	<u>2,514,673</u>	<u>2,821,637</u>	<u>3,208,928</u>	<u>6,091,229</u>	<u>9,813,707</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>80,434</u>	<u>225,093</u>	<u>474,659</u>	<u>1,139,757</u>	<u>(917,108)</u>	<u>(2,728,697)</u>
Other financing sources (uses):						
Proceeds of long-term debt	-	-	4,169,280	-	-	8,380,000
Premium on bond	-	-	-	-	-	215,287
Transfers in	196,119	175,000	175,000	225,000	484,416	6,935,000
Transfers out	(123,561)	(50,000)	(940,000)	(225,000)	(755,748)	(7,578,569)
Total other financing sources	<u>72,558</u>	<u>125,000</u>	<u>3,404,280</u>	<u>-</u>	<u>(271,332)</u>	<u>7,951,718</u>
Net change in fund balances	<u>\$ 152,992</u>	<u>\$ 350,093</u>	<u>\$ 3,878,939</u>	<u>\$ 1,139,757</u>	<u>\$ (1,188,440)</u>	<u>\$ 5,223,021</u>
Debt service as a percentage of noncapital expenditures	10.0%	9.9%	7.9%	16.1%	12.4%	35.8%

Source: The data in this schedule is extracted from the Town's audited financial statements.

2018	2019	2020	2021
\$ 1,589,745	\$ 3,072,327	\$ 3,726,179	\$ 4,665,657
1,284,730	1,514,224	854,553	1,489,157
376,093	454,537	477,795	568,056
444,447	457,149	393,540	598,771
-	-	-	-
1,546,713	2,579,477	2,247,231	3,536,250
539,125	512,290	-	-
154,890	530,896	-	-
17,724	-	-	-
744,960	1,003,736	-	-
-	-	316,726	325,163
-	161,813	252,563	168,813
-	10,927	8,904	7,969
-	433,149	-	-
-	1,166,118	-	-
-	421,929	-	-
-	40,877	-	-
-	11,809	-	-
-	-	287,700	420,710
-	-	502,159	461,817
-	-	2,493,806	3,391,447
-	-	149,848	20,829
266,767	109,626	34,188	27,203
<u>6,965,194</u>	<u>12,480,884</u>	<u>11,745,192</u>	<u>15,681,842</u>
893,117	975,334	1,315,355	1,794,993
285,187	374,279	324,696	323,527
1,301,715	1,673,677	940,767	1,735,891
1,574,150	2,410,570	2,159,345	2,681,533
734,759	565,907	811,192	1,020,281
67,431	106,189	59,323	48,029
-	-	-	-
-	793,278	1,158,044	1,224,713
-	4,741	295,394	265,447
-	-	1,377,272	2,156,319
-	970	11,211	-
3,526,434	2,087,805	1,958,501	1,669,494
355,000	960,000	600,000	1,125,000
171,205	720,493	708,106	299,437
<u>8,908,998</u>	<u>10,673,243</u>	<u>11,719,206</u>	<u>14,344,664</u>
<u>(1,943,804)</u>	<u>1,807,641</u>	<u>25,986</u>	<u>1,337,178</u>
-	11,395,000	-	3,535,000
-	605,000	-	-
484,416	-	300,881	5,568,650
<u>(755,748)</u>	<u>(11,770,000)</u>	<u>-</u>	<u>(5,870,531)</u>
<u>(271,332)</u>	<u>230,000</u>	<u>300,881</u>	<u>3,233,119</u>
<u>\$ (2,215,136)</u>	<u>\$ 2,037,641</u>	<u>\$ 326,867</u>	<u>\$ 4,570,297</u>
9.8%	19.6%	13.4%	11.2%

Town of Northlake, Texas
Assessed Value and Estimated Actual Value of Property
Last Ten Years

Fiscal Year Ended	Taxable Assessed Value		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Non-Real Property			
2012	\$ 230,393,065	\$ 98,794,901	\$ 80,416,111	\$ 248,771,855	\$ 0.295000
2013	\$ 245,846,132	\$ 76,831,448	\$ 86,740,998	\$ 235,936,582	\$ 0.295000
2014	\$ 251,979,882	\$ 75,155,805	\$ 95,505,314	\$ 231,630,373	\$ 0.295000
2015	\$ 274,888,212	\$ 67,086,618	\$ 100,832,780	\$ 241,142,050	\$ 0.295000
2016	\$ 311,252,254	\$ 67,776,420	\$ 100,065,441	\$ 278,963,233	\$ 0.295000
2017	\$ 426,846,323	\$ 58,802,475	\$ 103,460,351	\$ 382,188,447	\$ 0.295000
2018	\$ 539,027,594	\$ 114,099,682	\$ 152,941,767	\$ 500,185,509	\$ 0.295000
2019	\$ 675,587,625	\$ 105,896,990	\$ 155,686,083	\$ 625,798,532	\$ 0.295000
2020	\$ 894,787,656	\$ 218,083,354	\$ 252,287,166	\$ 860,583,844	\$ 0.295000
2021	\$ 1,224,156,910	\$ 646,808,278	\$ 627,538,477	\$ 1,243,426,711	\$ 0.295000

Source: Denton County Tax Appraisal District

	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$	329,187,966	75.57%
\$	322,677,580	73.12%
\$	327,135,687	70.81%
\$	341,974,830	70.51%
\$	379,028,674	73.60%
\$	485,648,798	78.70%
\$	653,127,276	76.58%
\$	781,484,615	80.08%
\$	1,112,871,010	77.33%
\$	1,870,965,188	66.46%

Town of Northlake, Texas

Property Tax Rates

Direct and Overlapping Governments

Town of Northlake				
Fiscal Year	Tax Year	Operating Rate	Debt Service Rate	Total Direct Rate
2012	2011	\$ 0.216600	\$ 0.078400	\$ 0.295000
2013	2012	\$ 0.215700	\$ 0.079300	\$ 0.295000
2014	2013	\$ 0.204600	\$ 0.090400	\$ 0.295000
2015	2014	\$ 0.205800	\$ 0.089200	\$ 0.295000
2016	2015	\$ 0.217700	\$ 0.077300	\$ 0.295000
2017	2016	\$ 0.217700	\$ 0.077300	\$ 0.295000
2018	2017	\$ 0.170500	\$ 0.124500	\$ 0.295000
2019	2018	\$ 0.170500	\$ 0.124500	\$ 0.295000
2020	2019	\$ 0.155563	\$ 0.139437	\$ 0.295000
2021	2020	\$ 0.146828	\$ 0.148172	\$ 0.295000

Source: Denton County Tax Appraisal District

Overlapping Rates

Denton County	Northwest ISD	Emergency Services District #1	Total Direct and Overlapping Rates
\$ 0.277357	\$ 1.375000	\$ 0.100000	\$ 2.04736
\$ 0.282867	\$ 1.375000	\$ 0.100000	\$ 2.05287
\$ 0.284914	\$ 1.452500	\$ 0.100000	\$ 2.13241
\$ 0.272200	\$ 1.452500	\$ 0.100000	\$ 2.11970
\$ 0.262000	\$ 1.452500	\$ 0.100000	\$ 2.10950
\$ 0.248409	\$ 1.452500	\$ 0.099822	\$ 2.09573
\$ 0.237812	\$ 1.490000	\$ 0.100000	\$ 2.12281
\$ 0.225574	\$ 1.490000	\$ 0.100000	\$ 2.11057
\$ 0.225278	\$ 1.420000	\$ 0.100000	\$ 2.28326
\$ 0.224985	\$ 1.466300	\$ 0.100000	\$ 2.28326

Town of Northlake, Texas

Principal Property Taxpayers

Current Year and Nine Years Ago

Name of Taxpayer	2021		% of Total Taxable Assessed Valuation
	Taxable Assessed Value	Rank	
Wesco Aircraft Hardware Corp	\$488,442,481	1	39.28%
Black & Decker (US) Inc	\$181,918,817	2	14.63%
Dry Creek Apartments, LTD	\$60,330,000	3	4.85%
Lex Northlake L.P.	\$58,297,248	4	4.69%
Northport 35 Investors, LLC	\$49,922,419	5	4.01%
Chadwick Apartments Phase I LTD	\$39,394,715	6	3.17%
Chadwick Apartments Phase II LTD	\$32,447,332	7	2.61%
CICF II - TX1B01 LLC	\$31,958,748	8	2.57%
Lex Northlake 17505 LP	\$27,129,026	9	2.18%
B9 MF Northlake Owner LP	\$26,367,036	10	2.12%
Subtotal	\$996,207,822		80.11%
All other taxpayers	247,218,889		19.89%
	<u>\$ 1,243,426,711</u>		<u>100.00%</u>

Source: Denton County Tax Appraisal District

NA: Not Available

2012		
Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
NA	NA	NA
NA	NA	NA
18,760,429	1	NA
NA	NA	NA
NA	NA	NA
17,538,429	2	NA
NA	NA	NA
\$36,298,858		0.00%
NA		100.00%
\$ 248,771,855		100.00%

Town of Northlake, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy for Year	Ad Valorem Rate			Tax Levy
		Tax Rate	Operating Fund	Debt Service Fund	
2012	2011	\$ 0.29500	\$ 0.216600	\$ 0.078400	\$ 778,091
2013	2012	\$ 0.29500	\$ 0.215700	\$ 0.079300	\$ 701,358
2014	2013	\$ 0.29500	\$ 0.204600	\$ 0.090400	\$ 678,477
2015	2014	\$ 0.29500	\$ 0.205800	\$ 0.089200	\$ 752,611
2016	2015	\$ 0.29500	\$ 0.217700	\$ 0.077300	\$ 977,805
2017	2016	\$ 0.29500	\$ 0.217700	\$ 0.077300	\$ 1,148,485
2018	2017	\$ 0.29500	\$ 0.170500	\$ 0.124500	\$ 1,583,717
2019	2018	\$ 0.29500	\$ 0.170500	\$ 0.124500	\$ 1,955,213
2020	2019	\$ 0.29500	\$ 0.155563	\$ 0.139437	\$ 2,602,600
2021	2020	\$ 0.29500	\$ 0.146828	\$ 0.148172	\$ 3,450,279

Source: Denton County Tax Assessor & Collector

Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
Amount	Percentage of Levy		Amount	Percentage of Levy
\$ 752,829	96.75%	\$ 25,203	\$ 778,032	99.99%
\$ 700,714	99.91%	\$ 626	\$ 701,340	100.00%
\$ 677,752	99.89%	\$ 703	\$ 678,456	100.00%
\$ 741,724	98.55%	\$ 10,758	\$ 752,483	99.98%
\$ 874,511	89.44%	\$ 102,328	\$ 976,839	99.90%
\$ 1,142,544	99.48%	\$ 5,907	\$ 1,148,451	100.00%
\$ 1,574,516	99.42%	\$ 9,153	\$ 1,583,670	100.00%
\$ 1,933,719	98.90%	\$ 20,133	\$ 1,953,852	99.93%
\$ 2,596,323	99.76%	\$ 75	\$ 2,596,323	99.76%
\$ 3,443,661	99.81%	\$ 9,626	\$ 3,453,287	100.09%

Town of Northlake, Texas
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Total Governmental Activities (1)
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Unamortized bond premiums/ discounts		
2012	\$ -	\$ 180,000	\$ -	\$ -		\$ 180,000
2013	\$ -	\$ 145,000	\$ -	\$ -		\$ 145,000
2014	\$ -	\$ 4,700,000	\$ -	\$ -		\$ 4,700,000
2015	\$ -	\$ 4,515,000	\$ -	\$ -		\$ 4,515,000
2016	\$ -	\$ 12,685,000	\$ -	\$ -		\$ 12,685,000
2017	\$ -	\$ 12,015,000	\$ -	\$ -		\$ 12,015,000
2018	\$ -	\$ 22,865,000	\$ -	\$ -		\$ 22,865,000
2019	\$ 975,000	\$ 20,930,000	\$ -	\$ 746,958		\$ 22,651,958
2020	\$ 825,000	\$ 9,150,000	\$ -	\$ 153,642		\$ 10,128,642
2021	\$ 670,000	\$ 8,645,000	\$ 3,070,000	\$ 140,683		\$ 12,525,683

(1) Presented net of original issuance discounts and premiums

(2) Personal income (across MSA) is disclosed on Table 14

(3) Source: Town of Northlake Development Department

NA: Not Available

Business-Type Activities				Total Primary Government (1)	Percentage of Personal Income (2)	Population (3)	Per Capita
Certificates of Obligation	Notes Payable	Unamortized bond premiums/ discounts	Total Business-Type Activities (1)				
\$ -	\$ -	\$ -	\$ -	\$ 180,000	0.0001%	2,110	\$ 85
\$ -	\$ -	\$ -	\$ -	\$ 145,000	0.0000%	2,160	\$ 67
\$ -	\$ -	\$ -	\$ -	\$ 4,700,000	0.0014%	2,150	\$2,186
\$ -	\$ -	\$ -	\$ -	\$ 4,515,000	0.0013%	2,160	\$2,090
\$ -	\$ -	\$ -	\$ -	\$ 12,685,000	0.0034%	2,660	\$4,769
\$ -	\$ -	\$ -	\$ -	\$ 12,015,000	0.0030%	3,010	\$3,992
\$ -	\$ -	\$ -	\$ -	\$ 22,865,000	0.0054%	3,630	\$6,299
\$ -	\$ -	\$ -	\$ -	\$ 22,651,958	0.0051%	4,140	\$5,471
\$11,310,000	\$ -	\$ 544,500	\$ 11,854,500	\$ 21,983,142	0.0046%	4,930	\$4,459
\$11,290,000	\$3,070,000	\$ 514,250	\$ 14,874,250	\$ 27,399,933	N/A	7,333	\$3,737

Town of Northlake, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended September 30	General Bonded Debt (1)	Less: Amounts Available in Debt Service Fund (2)	Total	Percentage of Estimated Actual Taxable Value of Property (3)	Per Capita
2012	\$ 180,000	\$ 23,049	\$ 156,951	0.05%	\$ 1
2013	\$ 145,000	\$ 24,363	\$ 120,637	0.04%	\$ 1
2014	\$ 4,700,000	\$ 1,911	\$ 4,698,089	1.44%	\$ 34
2015	\$ 4,515,000	\$ (28)	\$ 4,515,028	1.32%	\$ 2,090
2016	\$ 12,685,000	\$ 34,765	\$ 12,650,235	3.34%	\$ 4,756
2017	\$ 12,015,000	\$ 249,740	\$ 11,765,260	2.42%	\$ 3,909
2018	\$ 22,865,000	\$ 126,530	\$ 22,738,470	3.48%	\$ 6,264
2019	\$ 22,651,958	\$ 783,748	\$ 21,868,210	2.80%	\$ 5,282
2020	\$ 21,983,142	\$ 209,791	\$ 21,773,351	1.96%	\$ 4,417
2021	\$ 27,399,933	\$ 554,090	\$ 26,845,843	1.43%	\$ 3,661

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

- (1) This is the general bonded debt of both governmental and business-type activities.
- (2) This is the beginning fund balance for the fiscal year.
- (3) See the Schedule of Assessed and Estimated Actual Value of Property for property value data.

Town of Northlake, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to Primary Government</u>
Northwest ISD	\$ 1,240,965,000	13.19%	\$ 163,649,855
Denton County ESD #1	\$ 7,251,535	33.23%	\$ 2,409,872
Denton County	\$ 571,605,000	1.39%	\$ 7,929,764
Subtotal, overlapping debt			173,989,491
Town of Northlake, net debt payable from ad valorem taxes			<u>10,128,642</u> ⁽¹⁾
Total direct and overlapping net funded debt			<u><u>\$ 184,118,133</u></u>
Ratio of Direct and Overlapping Net Funded Debt to Taxable Assessed Valuation			21.39% ⁽¹⁾
Per Capita Direct and Overlapping Net Funded Debt			\$ 37,346 ⁽¹⁾

Sources: Outstanding debt provided by each governmental unit.

(1) The provided percentage is provided as a ratio of the town's market value compared to the other governmental units' market values. Market value data obtained through Denton and Tarrant CADs.



Town of Northlake, Texas

Legal Debt Margin Information

September 30, 2021

Last Ten Fiscal Years

Fiscal Year	Assessed Value, Tax Roll	Legal Debt Limit Percentage	Legal Debt Limit	Actual Amount Expended for General Obligation Debt Service During the Year
2012	\$ 248,771,855	1.50%	\$ 3,731,578	\$ 205,054
2013	\$ 235,936,582	1.50%	\$ 3,539,049	\$ 210,635
2014	\$ 231,630,373	1.50%	\$ 3,474,456	\$ 210,587
2015	\$ 241,142,050	1.50%	\$ 3,617,131	\$ 215,512
2016	\$ 278,963,233	1.50%	\$ 4,184,448	\$ 245,304
2017	\$ 382,188,447	1.50%	\$ 5,732,827	\$ 2,188,403
2018	\$ 500,185,509	1.50%	\$ 7,502,783	\$ 523,218
2019	\$ 625,798,532	1.50%	\$ 9,386,978	\$ 1,368,811
2020	\$ 860,583,844	1.50%	\$ 12,908,758	\$ 1,023,906
2021	\$ 1,243,426,711	1.50%	\$ 18,651,401	\$ 2,132,012

All taxable property within the Town is subject to the assessment, levy, and collection by the Town of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 5, of the Texas Constitution limits the maximum ad valorem tax rate for home-rule cities such as the City to \$2.50 per \$100 taxable assessed valuation for all purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum rate for all general obligation debt service calculated at the time of issuance based on 90% tax collections.

Source: Denton County Appraisal District and Finance Department, Town of Northlake

Town of Northlake, Texas
Revenue Bond Coverage - Water and Sewer Fund
Last Ten Fiscal Years

Fiscal Year	Gross Revenue	Operating Expenses *	Net Revenue Available for Debt Service	Debt Service Requirements	
				Principal	Interest
2012	\$ 748,973	\$ 730,706	\$ 18,267	\$ -	\$ -
2013	\$ 827,971	\$ 893,720	\$ (65,749)	\$ -	\$ -
2014	\$ 1,041,890	\$ 1,115,179	\$ (73,289)	\$ -	\$ -
2015	\$ 2,768,414	\$ 1,417,618	\$ 1,350,796	\$ -	\$ -
2016	\$ 2,152,332	\$ 1,726,201	\$ 426,131	\$ -	\$ -
2017	\$ 2,793,430	\$ 2,605,985	\$ 187,445	\$ -	\$ -
2018	\$ 5,092,921	\$ 3,198,343	\$ 1,894,578	\$ -	\$ -
2019	\$ 3,963,811	\$ 4,638,116	\$ (674,305)	\$ -	\$ -
2020	\$ 5,418,786	\$ 6,249,577	\$ (830,791)	\$ 20,000	\$ 449,194
2021	\$ 6,912,612	\$ 6,389,569	\$ 523,043	\$ 20,000	\$ 449,194

Source: Northlake Finance Department

* Total operating expenses less depreciation

Debt Service Requirements		
	<u>Total</u>	<u>Coverage</u>
\$	-	0.00
\$	-	0.00
\$	-	0.00
\$	-	0.00
\$	-	0.00
\$	-	0.00
\$	-	0.00
\$	-	0.00
\$	469,194	-1.77
\$	469,194	1.11

Town of Northlake, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Town Population	Dallas/Fort Worth Metropolitan Statistical Area (MSA) Population	Dallas/Fort Worth MSA Per Capita Income
2012	2,110	6,644,559	\$ 46,644
2013	2,160	6,753,889	\$ 47,092
2014	2,150	6,889,769	\$ 49,866
2015	2,160	7,042,566	\$ 50,670
2016	2,660	7,194,758	\$ 51,428
2017	3,010	7,337,097	\$ 53,870
2018	3,630	7,455,756	\$ 56,864
2019	4,140	7,574,390	\$ 58,725
2020	4,930	7,694,138	\$ 61,554
2021	7,333	N/A	N/A

Sources: Bureau of Economic Analysis' Interactive Data application
U.S. Bureau of Labor Statistics

N/A Not available

Dallas-Forth Worth MSA Personal Income (thousands of dollars)	Dallas-Forth Worth MSA Unemployment Rate
\$ 309,930,247	6.0%
\$ 318,057,096	5.2%
\$ 343,563,993	4.0%
\$ 356,850,208	3.6%
\$ 370,009,351	3.7%
\$ 395,250,806	3.3%
\$ 423,961,883	3.3%
\$ 444,730,277	2.9%
\$ 473,604,117	6.3%
N/A	4.4%

Town of Northlake, Texas

Principal Employers

Current Year

Name of Employer	Type
Farmer Brothers	Manufacturing
Schluter Systems	Warehouse/Distribution Center
Stanley Black and Decker	Warehouse/Distribution Center
Rinker Materials	Manufacturing
Crown Lift Trucks	Warehouse/Distribution Center
IHOP	Restaurant
Texas Roadhouse	Restaurant
Exel Logistics (3M)	Warehouse/Distribution Center
Hempel	Warehouse/Distribution Center
Charley's Concrete - Northlake Plant	Manufacturing
Total	

Source: Northlake Development Department

Note: 2012 information was not collected

<u>Employees</u>	<u>2021</u>		<u>2012</u>		
	<u>Rank</u>	<u>% of Total</u>		<u>Rank</u>	<u>% of Total</u>
400	1	37.42%	Not Available	-	-
135	2	12.63%	Not Available	-	-
128	3	11.97%	Not Available	-	-
82	4	7.67%	Not Available	-	-
80	5	7.48%	Not Available	-	-
54	6	5.05%	Not Available	-	-
50	7	4.68%	Not Available	-	-
50	8	4.68%	Not Available	-	-
50	9	4.68%	Not Available	-	-
40	10	3.74%	Not Available	-	-
<u>1,069</u>		<u>100.00%</u>	<u>-</u>	<u>-</u>	<u>-</u>

Town of Northlake, Texas
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

	2012	2013	2014	2015	2016
General Fund					
Administration	3.40	3.17	3.17	2.65	3.30
Finance	0.00	0.00	0.00	0.00	0.00
Development Services	0.00	0.25	0.25	1.00	1.25
Municipal Court	3.00	3.00	3.00	3.00	3.00
Police	9.00	9.00	9.00	9.00	10.50
Public Works	1.00	1.25	1.25	2.24	3.00
Total General Fund	16.40	16.67	16.67	17.89	21.05
Economic Development Corp					
Development Services	0.25	0.25	0.25	0.25	0.25
Marketing & Communications	0.00	0.00	0.00	0.00	0.00
Total Economic Development Corp	0.25	0.25	0.25	0.25	0.25
Community Development Corp					
Development Services	0.25	0.25	0.25	0.25	0.25
Marketing & Communications	0.00	0.00	0.00	0.00	0.00
Total Community Development Corp	0.25	0.25	0.25	0.25	0.25
Hotel Occupancy Tax Fund					
Development Services	0.25	0.25	0.25	0.25	0.25
Marketing & Communications	0.00	0.00	0.00	0.00	0.00
Total Hotel Occupancy Tax Fund	0.25	0.25	0.25	0.25	0.25
Utility Fund					
Finance	0.65	0.63	0.63	0.35	0.70
Public Works	1.00	1.25	1.25	2.24	3.00
Total Utility Fund	1.65	1.88	1.88	2.59	3.70
Total Personnel	18.80	19.30	19.30	21.23	25.50

Source: Northlake Finance Department

2017	2018	2019	2020	2021
3.50	3.50	2.00	2.25	3.25
0.00	0.00	1.50	2.25	2.25
1.25	2.00	3.25	3.25	3.25
3.00	3.00	3.00	3.00	3.00
12.50	13.75	14.00	18.00	21.00
3.37	4.24	4.50	6.50	6.75
23.62	26.49	28.25	35.25	39.50
0.25	0.25	0.25	0.25	0.25
0.00	0.00	0.00	0.25	0.25
0.25	0.25	0.25	0.50	0.50
0.25	0.25	0.25	0.25	0.25
0.00	0.00	0.00	0.25	0.25
0.25	0.25	0.25	0.50	0.50
0.25	0.25	0.25	0.25	0.25
0.00	0.00	0.00	0.25	0.25
0.25	0.25	0.25	0.50	0.50
1.20	1.50	1.50	1.75	1.75
4.12	5.24	5.24	8.50	11.25
5.32	6.74	6.74	10.25	13.00
29.69	33.98	35.74	47.00	54.00

Town of Northlake, Texas
Operating Indicators by Function (Page 1 of 2)
Last Ten Fiscal Years

	2012	2013	2014	2015
Municipal Court				
Oustanding Warrants	910	1,071	1,329	1,737
Warrants Issued	1,224	1,235	1,157	1,315
Public Safety				
Police				
Calls for Service	1,595	1,676	1,842	2,450
911 Calls	1,158	1,247	1,454	1,994
Citations	6,361	5,631	7,195	5,586
Traffic Accidents	88	60	79	122
UCR Part 1 Violent Crimes	5	4	1	-
UCR Part 1 Non-violent Crimes	23	33	30	65
Arrests	195	235	149	164
Reports	402	488	464	420
Police-Animal Control				
Calls for Service	-	-	-	98
Citations	-	-	-	-
Taken to Shelter	40	24	32	19
TNR	-	-	-	-
Reports	-	-	-	-
Public Works				
Service Orders Completed	-	-	-	1,272
Streets				
Service Orders Completed	-	-	-	119
Water				
Metered Accounts	295	262	437	706
Avg. Daily Demand (MGD)	308,294.4	309,547.1	302,176.9	428,861.9
Avg. Monthly Demand/Cust (gal)	90,852	44,682	18,093	10,189
Peak Demand (MGD)	645,500.0	698,500.0	651,152.0	1,211,000.0
Service Orders Completed	-	-	-	995
Sewer				
Service Connections	50	76	193	482
Service Orders Completed	-	-	-	14

Source: Northlake Finance Department

Town of Northlake, Texas
Operating Indicators by Function (Page 2 of 2)
Last Ten Fiscal Years

2016	2017	2018	2019	2020	2021
1,406	1,390	1,552	621	593	104
1,086	843	981	435	342	935
2,481	2,896	3,421	4,018	3,794	4,137
2,054	2,437	2,757	3,045	2,938	-
5,182	4,462	3,647	4,186	2,212	2,516
135	139	165	167	121	190
3	7	13	7	5	10
53	77	63	60	68	79
123	116	163	202	167	220
403	460	500	446	389	466
70	95	116	185	154	153
-	-	-	-	-	-
19	7	25	10	14	19
-	-	-	-	-	-
-	-	-	-	-	-
1,584	2,517	2,581	3,148	4,822	5,870
35	69	53	90	264	205
1,165	1,760	2,378	2,935	3,965	5,840
641,400.0	848,670.5	1,103,822.8	1,317,041.6	1,717,207.0	2,010,613.7
13,534	13,141	32,585	14,267	14,078	10,486.2
1,598,500.0	1,785,000.0	3,024,992.0	4,750,000.0	3,569,000.0	4,119,000.0
1,515	2,276	2,397	2,668	3,392	4,045
899	1,420	1,940	2,515	3,416	4,760
4	45	47	278	871	912

Town of Northlake, Texas

Capital Asset Statistics by Function

Last Ten Fiscal Years

	2012	2013	2014	2015	2016
General Government					
Area of Town (square miles)	17	16.6	16.6	16.9	17
Public Safety					
Police					
Police Stations	1	1	1	1	1
Firing Ranges	-	-	-	-	-
Patrol Vehicles	7	7	7	7	7
Other Police Vehicles	8	8	8	8	8
Animal Control Vehicles	-	-	-	-	-
Public Works					
Buildings	1	2	2	2	2
Paved Streets (miles)					
Unpaved Streets (miles)					
Vehicles	-	3	3	3	5
Water					
Storage Capacity (gallons)	200,000	413,000	413,000	413,000	1,013,000
Water Mains (miles)	-	-	-	16	30
Water Wells	2	2	2	2	2
Fire Hydrants	-	-	-	70	271
Sewer					
Sanitary Sewers (miles)	-	-	-	10.75	18.47
Manholes	-	-	-	192	304

Source: Northlake Finance Department

2017	2018	2019	2020	2021
17	17	17	17	17.5
1	1	1	1	1
-	-	-	-	-
7	7	7	7	8
8	8	8	8	6
-	-	-	-	-
2	2	2	2	2
			114.00	118.40
			7	8
6	8	9	11	11
1,013,000	1,013,000	1,763,000	1,763,000	1,763,000
35	53	77	111	111
2	2	2	2	2
321	366	532	796	796
21.66	32.92	49.38	66.35	67.80
336	573	828	1,190	1,262



Town of Northlake, Texas
Waterworks and Sewer System Revenue Bond Tables
Monthly Water and Wastewater Rates (Effective 10/1/2020)

Minimum Service Charge

Meter Size	Residential	Builder	Multifamily	Commercial	Irrigation
3/4" or smaller	\$25.00	\$25.00	\$25.00	\$38.00	\$38.00
1"	\$38.00	\$38.00	\$25.00	\$58.00	\$58.00
1.5"	\$51.00	\$51.00	\$25.00	\$78.00	\$78.00
2"	\$77.00	\$77.00	\$25.00	\$117.00	\$117.00
3"	\$109.00	\$109.00	\$25.00	\$166.00	\$166.00
4"	\$160.00	\$160.00	\$25.00	\$244.00	\$244.00
6"	\$321.00	\$321.00	\$25.00	\$487.00	\$487.00

Water Rates

Water Consumption (gals)	Residential	Builder	Multifamily	Commercial	Irrigation	Outside City Limits
0 - 2,000	\$0.00	\$0.00	\$0.00			150%
2,001-15,000	\$4.00	\$4.00	\$4.00			150%
15,001-30,000	\$5.00	\$5.00	\$5.00			150%
>30,000	\$7.00	\$7.00	\$7.00			150%
0-15,000				\$6.00	\$6.00	150%
15,001-30,000				\$7.00	\$7.00	150%
>30,000				\$8.00	\$8.00	150%

Wastewater Rates

Meter Size	Residential	Builder	Multifamily	Commercial	Outside City Limits
3/4" or smaller	\$25.00	\$25.00	\$25.00	\$38.00	150%
1"	\$38.00	\$38.00	\$25.00	\$58.00	150%
1.5"	\$51.00	\$51.00	\$25.00	\$78.00	150%
2"	\$77.00	\$77.00	\$25.00	\$117.00	150%
3"	\$109.00	\$109.00	\$25.00	\$166.00	150%
4"	\$160.00	\$160.00	\$25.00	\$244.00	150%
6"	\$321.00	\$321.00	\$25.00	\$487.00	150%
Wastewater Usage (gals)	Residential	Builder	Multifamily	Commercial	Outside City Limits
0-2,000	\$0.00	\$0.00	\$0.00		150%
>2,001	\$7.00	\$7.00	\$7.00		150%
All Gallons	\$0.00			\$9.00	150%

Source: Northlake Finance Department

Town of Northlake, Texas
Waterworks and Sewer System Revenue Bond Tables
Waterworks and Sewer System Condensed Statement of Operations
Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues: (1)	\$ 827,971	\$ 1,041,890	\$ 2,768,414	\$ 2,152,332
Expenditures: (2)	\$ 893,720	\$ 1,115,179	\$ 1,417,618	\$ 1,726,201
Net Available for Debt Service	<u>\$ (65,749)</u>	<u>\$ (73,289)</u>	<u>\$ 1,350,796</u>	<u>\$ 426,131</u>

Metered Water/Sewer Customers:	328	492	900	1,716
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Source: Northlake Finance Department

(1) Revenues do not include developer contributions for donated water and sewer lines.

(2) Expenditures do not include depreciation.

2017	2018	2019	2020	2021
\$ 2,793,430	\$ 5,092,921	\$ 3,963,811	\$ 5,418,786	\$ 6,912,612
\$ 2,605,985	\$ 3,198,343	\$ 4,638,116	\$ 6,249,577	\$ 6,389,569
\$ 187,445	\$ 1,894,578	\$ (674,305)	\$ (830,791)	\$ 523,043

2,308

3,027

3,771

5,095

5,840