

A large, semi-transparent compass rose graphic is centered on the page. Inside the central circle of the compass rose, a white church building with a steeple is visible, set against a background of trees and a clear sky. The entire scene is overlaid on a dark blue gradient background.

TOWN OF NORTHLAKE
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FOR THE YEAR ENDED SEPTEMBER 30, 2023





Town of Northlake, Texas

Annual Comprehensive Financial Report

For the Year Ended September 30, 2023

Town Council

David Rettig, Mayor

Brian Montini, Mayor Pro Tem Place 3

Robert Keeker, Council Member Place 1

Michael Ganz, Council Member Place 2

Roger Sessions, Council Member Place 4

Maryl Lorencz, Council Member Place 5

Aaron Fowler, Council Member Place 6

Town Manager

Drew Corn

Prepared by

John Zagurski, CGFO, Finance Director

John Thomson, CGFO, Budget Coordinator

Parwaiz Broker, Accountant



Town of Northlake, Texas

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September 30, 2023

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INTRODUCTORY SECTION





April 9, 2024

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, 2023 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, 2023 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, 2023 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 Northlake residents and manage development, the Mayor and Council 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 2023 welcomed the opening of several commercial businesses including:

- River Bleu Boutique
- Simplified Pools
- F45 Training
- Doctors Urgent Care
- Pharmacy Plus

- The HIVE
- Aqua Kids
- Kiddie Academy
- Northlake Café
- LX Pantos
- Argyle Cryo
- Treehouse Foods
- Tequila Ranch Cocina
- Twin Peaks
- Papa John’s Pizza
- Kumon Learning Center
- Laderach Suisse Chocolatier
- Bombay Vapor

The following business were added in the Town’s extra-territorial jurisdiction: Infinity Nail Bar, HOTWORX, Pizza Hut, and Desi Chowrastha.

Residential growth continued during fiscal year 2023 with a large growth population, leading to an estimated population of over 10,000 residents.

Fiscal Year 2023 Budget

General themes of the 2023 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.

To achieve these goals, 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 2023 Included:
 - Florance Road Reconstruction (Strader to Yarbrough)
 - Faught Road Reconstruction (Old Justine to Robson Ranch)
 - South Water Improvements
 - Catherine Branch Water and Sewer Projects (Phase I and II)
 - North Ground Water Storage Tank
 - Denton Creek Sewer Trunk Line – Phase I
 - Police Building Addition and Furniture
- The increased staffing included:
 - 3 Police Positions:
 - Professional Standards Officer
 - Criminal Investigations Supervisor
 - Officer Coordinator
 - 2 Public Works Positions:
 - Maintenance Worker
 - Equipment Operator
 - Administration
 - Administrative Services Director
 - Finance
 - Budget Coordinator
 -
- Employment benefits were enhanced with the implementation of a market adjustment.

- Equipment and technology purchases included 2 police administration vehicle, 2 public work trucks, 2 replacement police patrol vehicles, payroll and human resources software, agenda, records retention & open records software, and a police camera video system.

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 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.

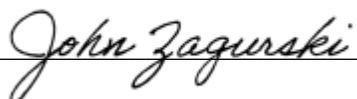
Acknowledgements

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Northlake
Texas**

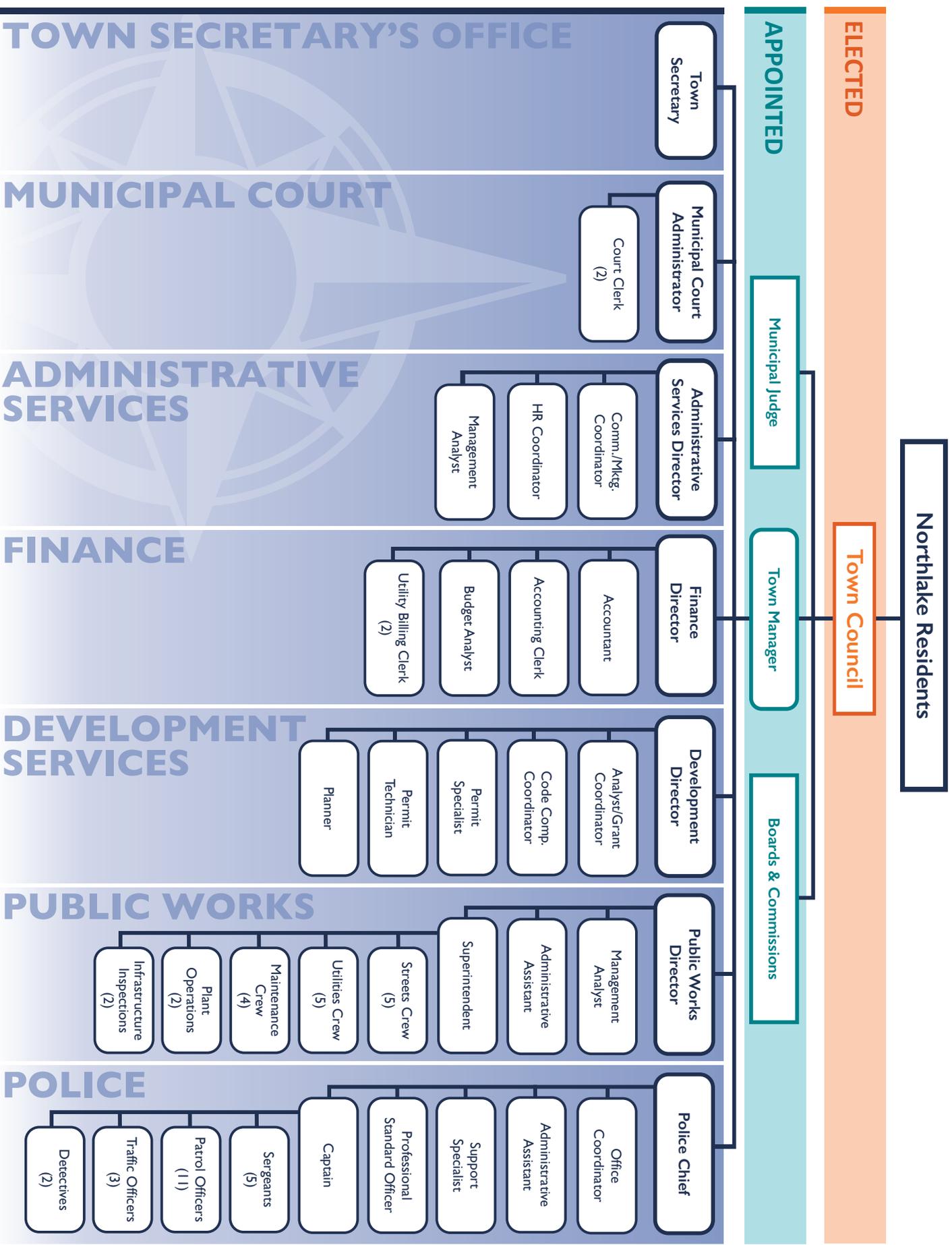
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morill

Executive Director/CEO

TOWN OF NORTHLAKE ORGANIZATIONAL CHART





KEY OFFICIALS



David Rettig
Mayor



Brian Montini
Mayor Pro Tem, Place 3



Robert Keeker
Council Member, Place 1



Michael Ganz
Council Member, Place 2



Roger Sessions
Council Member, Place 4



Maryl Lorencz
Council Member, Place 5



Aaron Fowler
Council Member, Place 6

APPOINTED OFFICIALS

TOWN MANAGER - DREW CORN

MUNICIPAL JUDGE - HONORABLE HARRIS HUGHEY

MANAGEMENT TEAM

ADMINISTRATIVE SERVICES DIRECTOR – CHANCE WILLEFORD

COURT ADMINISTRATOR - LEANN OLIVER

DEVELOPMENT SERVICES DIRECTOR - NATHAN REDDIN

FINANCE DIRECTOR - JOHN ZAGURSKI

POLICE CHIEF - ROBERT CRAWFORD

PUBLIC WORKS DIRECTOR - ERIC TAMAYO

TOWN SECRETARY - ZOLAINA PARKER





INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, 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, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 of Northlake, Texas, as of September 30, 2023, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As discussed in Note V.G and V.H. to the financial statements, due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, the Town restated capital assets and long-term liabilities for governmental activities. The Town restated beginning net position within the governmental activities and internal service funds. Our opinion is not modified with respect to these matters.

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, schedules 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 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.



Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
April 9, 2024



*MANAGEMENT'S DISCUSSION
AND ANALYSIS*



Town of Northlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2023

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, 2023. 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, 2023 by \$96,903,658. Of this amount, \$22,125,216 (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 \$13,019,214. 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 \$16,799,419 at September 30, 2023, an increase of \$1,436,991 from the prior fiscal year; this includes a decrease of \$149,728 in the debt service fund, an increase of \$370,621 in the general fund, a decrease of \$1,251,824 in the capital improvements fund, a decrease of \$1,504,045 in the roadway impact fees fund, and an increase of \$59,422 in the Northlake PID funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$5,726,371 or 58% of total general fund expenditures.
- The Town's total debt showed a net increase of \$11,593,970, including bond premiums. The total governmental bonds payable at the close of the fiscal year was \$11,889,399. Self-supporting debt of the proprietary fund was \$33,072,402.

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, 2023

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 two categories: governmental funds and proprietary funds.

Governmental Funds

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

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

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 nineteen 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 Northlake PID funds, which are considered to be major funds. The Town's fourteen 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 with an adopted budget 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, 2023

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 \$96,903,658 as of September 30, 2023 in the primary government.

The largest portion of the Town's net position, \$65,385,289, 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, 2023

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2023			2022		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Current and						
other assets	\$ 19,989,381	\$ 35,015,911	\$ 55,005,292	\$ 18,385,813	\$ 22,186,629	\$ 40,572,442
Long-term receivables	2,425,000	-	2,425,000	3,284,452	-	3,284,452
Capital assets, net	37,231,143	53,405,546	90,636,689	34,727,020	44,012,298	78,739,318
Total Assets	59,645,524	88,421,457	148,066,981	56,397,285	66,198,927	122,596,212
Total Deferred						
Outflows	719,695	107,536	827,231	313,901	46,897	360,798
Other liabilities	3,957,365	4,882,507	8,839,872	3,936,471	3,681,831	7,618,302
Long-term liabilities	11,287,909	31,836,702	43,124,611	11,332,077	19,822,244	31,154,321
Total Liabilities	15,245,274	36,719,209	51,964,483	15,268,548	23,504,075	38,772,623
Total Deferred						
Inflows	22,681	3,390	26,071	260,951	38,992	299,943
Net Position:						
Net investment						
in capital assets	27,438,904	37,946,385	65,385,289	25,511,980	32,910,802	58,422,782
Restricted	4,665,268	4,727,885	9,393,153	4,543,830	2,137,078	6,680,908
Unrestricted	12,993,092	9,132,124	22,125,216	11,125,877	7,654,877	18,780,754
Total Net Position	\$ 45,097,264	\$ 51,806,394	\$ 96,903,658	\$ 41,181,687	\$ 42,702,757	\$ 83,884,444

Current assets for business-type activities increased primarily due to greater cash on hand, resulting from the issuance of new debt proceeds 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, in addition to capital improvements and the purchase of other capital equipment made by the town. Long-term liabilities for governmental activities decreased primarily due to principal payments made in the current year. Long-term liabilities increased for business-type due to new debt issuances outweighing principal payments.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

Statement of Activities:

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

	<u>For the Year Ended September 30, 2023</u>			<u>For the Year Ended September 30, 2022</u>		
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
			<u>Primary</u>			<u>Primary</u>
	<u>Activities</u>	<u>Activities</u>	<u>Government</u>	<u>Activities</u>	<u>Activities</u>	<u>Government</u>
Revenues						
Program revenues:						
Charges for services	\$ 5,553,147	\$ 15,563,561	\$ 21,116,708	\$ 4,851,379	\$ 11,286,372	\$ 16,137,751
Grants and contributions	4,554,572	6,546,445	11,101,017	3,462,969	3,910,528	7,373,497
General revenues:						
Property taxes	5,766,731	-	5,766,731	4,429,860	-	4,429,860
Sales taxes	1,700,234	-	1,700,234	1,768,699	-	1,768,699
Franchise and local taxes	1,015,633	-	1,015,633	936,774	-	936,774
Hotel occupancy taxes	751,320	-	751,320	736,301	-	736,301
Investment income	447,913	872,301	1,320,214	58,846	162,962	221,808
Other revenues	200,351	-	200,351	104,056	-	104,056
Total Revenues	<u>19,989,901</u>	<u>22,982,307</u>	<u>42,972,208</u>	<u>16,348,884</u>	<u>15,359,862</u>	<u>31,708,746</u>
Expenses						
General government	2,655,583	-	2,655,583	1,377,451	-	1,377,451
Public safety	4,277,207	-	4,277,207	3,865,325	-	3,865,325
Public works	3,064,584	-	3,064,584	2,596,523	-	2,596,523
PID special assessments	1,856,793	-	1,856,793	1,439,434	-	1,439,434
TIRZ	297,717	-	297,717	288,063	-	288,063
Promotional	117,047	-	117,047	57,876	-	57,876
Development services	2,756,053	-	2,756,053	2,349,333	-	2,349,333
Interest and fiscal charges	264,526	979,901	1,244,427	218,897	536,513	755,410
Water & Sewer	-	13,205,101	13,205,101	-	9,882,397	9,882,397
Utility Impact Fees	-	478,482	478,482	-	486,626	486,626
Total Expenses	<u>15,289,510</u>	<u>14,663,484</u>	<u>29,952,994</u>	<u>12,192,902</u>	<u>10,905,536</u>	<u>23,098,438</u>
Change in Net Position						
Before Transfers	4,700,391	8,318,823	13,019,214	4,155,982	4,454,326	8,610,308
Transfers	(784,814)	784,814	-	(2,446,612)	2,446,612	-
Total	<u>(784,814)</u>	<u>784,814</u>	<u>-</u>	<u>(2,446,612)</u>	<u>2,446,612</u>	<u>-</u>
Change in Net Position	3,915,577	9,103,637	13,019,214	1,709,370	6,900,938	8,610,308
Beginning Net Position	41,181,687	42,702,757	83,884,444	39,472,317	35,801,819	75,274,136
Ending Net Position	<u>\$ 45,097,264</u>	<u>\$ 51,806,394</u>	<u>\$ 96,903,658</u>	<u>\$ 41,181,687</u>	<u>\$ 42,702,757</u>	<u>\$ 83,884,444</u>

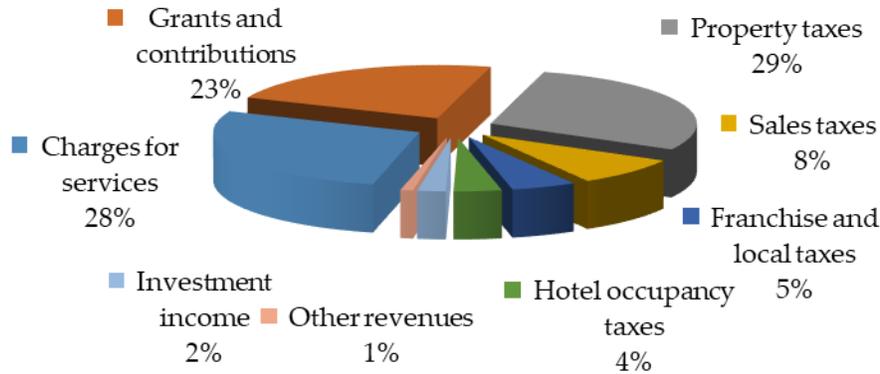
Town of Northlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

September 30, 2023

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

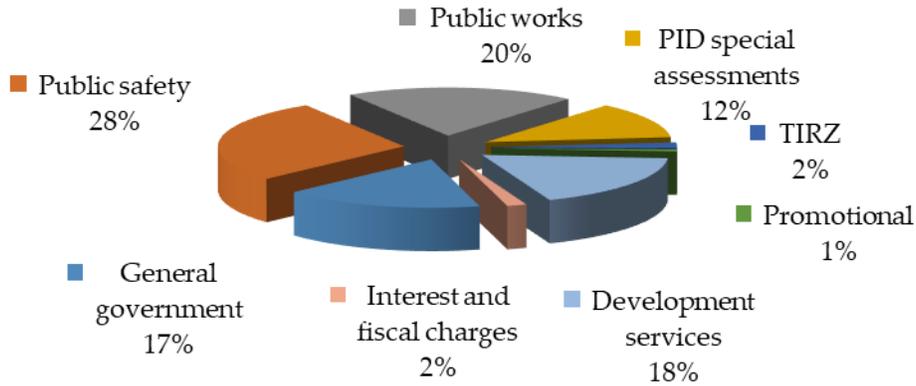


For the year ended September 30, 2023, revenues from governmental activities totaled \$19,989,901. Property tax, grants and contributions, and charges for services are the Town's largest general revenue sources. Overall revenue increased \$3,641,017. Charges for services increased by \$701,768 or 14% primarily due to a rise in contracted police services provided by the Town. Franchise and local taxes increased by \$78,859 or 8% due to continued economic growth within the Town. Investment income increased by \$389,067 or over 100% due primarily to the realization of greater interest rates in the current year. Other revenues increased by \$96,295 or over 100% primarily as a result of a rise in the nonrecurring seized monies and miscellaneous income received in the current 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, 2023

This graph shows the governmental function expenses of the Town:

Governmental Activities - Expenses

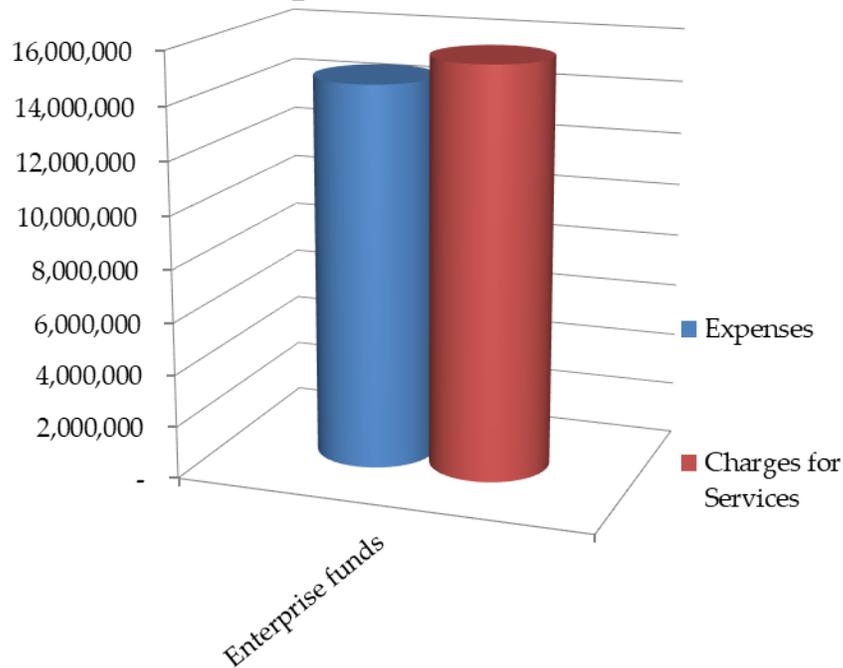


For the year ended September 30, 2023, expenses for governmental activities totaled \$15,289,510. This represents an increase of \$3,096,608 or 25% from the prior year. The Town's largest functional expenses are public safety of \$4,277,207 and development services of \$2,756,053. Public safety reflected an increase of \$411,882 or 11% from prior year. This increase is attributed primarily to higher personnel costs to keep up with the community growth and greater fuel costs, vehicle maintenance, and building services in the current year. Public works increased by \$468,061 or 18% due to the payments to developers of impact fees per development agreements, in addition to added personnel costs and repairs and maintenance. PID special assessment expenses increased by \$417,359 or 29% due to greater repairs and maintenance in the current year. Promotional expenses increased by \$59,171 or over 100% as a way to draw economic growth to the community. Development services expenses increased by \$406,720 or 17% due primarily to additional engineering costs. Interest and fiscal charges experienced an increase of \$45,629 or 21% due to current year bond issuance costs in addition to higher overall interest payments for new debt, consistent with debt service schedules. All other expenses were relatively consistent to the previous year.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

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, 2023, charges for services by business-type activities totaled \$15,563,561. This represents an increase of \$4,277,189 or 38% from the previous year. This increase directly relates to the increased customer base within the Town limits, in addition to greater water and sewer rates compared to the previous year.

Total expenses increased \$3,757,948 to a total of \$14,663,484, due primarily to increased personnel costs, wholesale water purchases, wastewater service expenses, and greater asset depreciation in the current year.

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, 2023

At September 30, 2023, the Town's governmental funds reported combined fund balances of \$16,799,419, an increase of \$1,436,991 in comparison with the prior year. Approximately 33% of this amount, \$5,544,738, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is restricted for particular purposes, in the amount of \$11,238,990.

As of the end of the year the general fund reflected a total fund balance of \$5,734,217, of which \$7,846 is nonspendable and the remaining \$5,726,371 is unassigned. The increase in fund balance of \$370,621 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 \$5,734,217 is 59% of total general fund expenditures.

The debt service fund had an ending fund balance of \$509,412 at September 30, 2023, a decrease of \$149,728. The decrease was a result of transfers out and debt service expenditures exceeding property tax revenues and proceeds.

The capital improvements fund had an ending fund balance of \$3,471,918, a decrease of \$1,251,824. The decrease is primarily due to capital expenditures exceeding revenues.

The roadway impact fees fund had an ending fund balance of \$3,881,323, an increase of \$1,504,045. The increase is a result of impact and development revenues exceeding expenditures.

The Northlake PID fund had an ending fund balance of \$435,247, an increase of \$59,422. 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 \$3,449,313 consisting of water and sewer system infrastructure.
- Operational expenses excluding depreciation and amortization were \$12,436,083.
- Cash and cash equivalents in the enterprise funds were \$32,211,837 at fiscal yearend.

The Water & Sewer fund had an ending net position of \$490,008, a decrease of \$8,990,924. 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, 2023

The Water Capital Projects fund had an ending net position of \$45,857,535, an increase of \$15,119,278. 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 \$4,727,885, an increase of \$2,590,807. The increase is primarily due to impact fees received from developers during the year.

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 \$2,998,652 to be retained for future risk.

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a positive variance of \$720,570 over the final budgeted general fund revenues. The most significant differences between estimated revenues and actual revenues were for property tax, franchise and local taxes, license, permits and fees, and charges for services. Property tax revenue fell below budgeted by \$303,908. Franchise and local taxes exceeded expectations by \$323,633, as a result of continued growth and development within the town. This growth and development also attributed to the license, permits and fees revenues exceeding expectation by \$215,478. Charges for services exceeded the budgeted amount by \$243,755. This was primarily due to an unforeseen increase in the town contracting out police services. All other differences were not considered to be significant.

There was a total positive variance of \$8,403 in final budgeted expenditure appropriations. The significant departmental variances between the actual expenditures compared to the appropriations in the final budget were the general government in the amount of \$304,480, as a result of increased personnel costs, and development services in the amount of \$114,378, caused primarily by additional engineering costs. These were largely offset by the positive budget variance for police in the amount of \$393,915, which was primarily due to personnel costs coming under budget. No other budget variances were considered significant. In addition, as the legal level of budgetary control is at the fund level, the general fund budget did not have any appropriations exceeding the legal level of control.

The budgeted surplus of revenue over expenditures before transfers amounted to \$728,973, resulting in a net positive change in fund balance of \$370,621.

The original general fund budget surplus of \$174,015 was amended during the year to a final budgeted deficit of \$364,660. Significant amendments include an increase in property tax revenues of \$133,582, offset with increases in budgeted expenditures for general government and police in the amount of \$100,000 and \$31,350, respectively. In addition, transfer out was increased by \$540,907. No other reclassifications and amendments were made.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

CAPITAL ASSETS

As of the end of the year, the Town's governmental activities funds had invested \$37,231,143 in a variety of capital assets and infrastructure, net of accumulated depreciation. The Town's business-type activities funds had invested \$53,405,546 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 \$11,897,371, net of depreciation.

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

- Additions of roadway projects totaled \$2,843,635.
- Eight police vehicles units were purchased, totaling \$368,533.
- Two public works pickup trucks were purchased, totaling \$132,713.
- Developmental costs to Northlake 35 Logistical Park totaled \$1,000,000.
- Contributions of infrastructure were made to the town for Creek Meadows West Phase 1, totaling \$952,786.
- Additional improvements to the south area water infrastructure totaled \$667,920.
- Additions to the Catherine Branch water and sewer infrastructure project totaled \$4,856,478.
- Ground storage tank additions totaled \$315,912.
- Water line additions totaled \$490,825.
- West elevated storage tank additions totaled \$119,366.
- Waterline upsizing totaled \$355,000. In addition, the town received capital contributions from developer projects totaling \$857,896 of waterline upsizing.
- Additional Developer capital contributions of water and sewer infrastructure received by the Town totaled \$2,591,417.

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 debt obligations of \$43,001,652 (excluding premiums). Of this amount, \$31,285,667 is self-supporting through revenues collected from the rates of the Town's utility fund. During the year, the Town made \$3,514,124 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.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Mayor and Town Council are committed to maintaining and improving the overall wellbeing of the Town of Northlake and improving services provided to their public citizens.

The 2023-2024 Fiscal Year Budget was approved by the Town Council on August 24, 2023. 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 \$721.6 million (35.02%) from the previous year, resulting in an overall increase in budgeted ad valorem taxes of \$945,921 to be allocated across the General, Debt Service, and both Tax Increment Financing Funds. Overall, budgeted revenue for the General Fund increased by \$407,921 to a total of \$10,252,255. Budgeted expenditures increased by \$398,809 over the original 2022-2023 budget to a total of \$10,069,128.

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, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Northlake EDC	Northlake CDC
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 18,898,239	\$ 32,211,837	\$ 51,110,076	\$ 1,781,873	\$ 1,766,168
Receivables, net	1,015,781	2,401,861	3,417,642	150,224	150,224
Special assessment receivable - current	195,000	-	195,000	-	-
Prepays	62,756	219,818	282,574	6,275	6,275
Internal balances	(182,395)	182,395	-	-	-
Total Current Assets	19,989,381	35,015,911	55,005,292	1,938,372	1,922,667
Noncurrent assets:					
Special assessment receivable - noncurrent	2,425,000	-	2,425,000	-	-
Capital assets:					
Non-depreciable	8,430,622	17,730,831	26,161,453	-	-
Net depreciable capital assets	28,800,521	35,674,715	64,475,236	-	-
Noncurrent Assets	39,656,143	53,405,546	93,061,689	-	-
Total Assets	59,645,524	88,421,457	148,066,981	1,938,372	1,922,667
<u>Deferred Outflows of Resources</u>					
Deferred Outflows - Pension	719,046	107,439	826,485	-	-
Deferred Outflows - OPEB	649	97	746	-	-
Total Deferred Outflows of Resources	\$ 719,695	\$ 107,536	\$ 827,231	\$ -	\$ -

Town of Northlake, Texas
STATEMENT OF NET POSITION (Continued)
September 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Northlake EDC	Northlake CDC
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,211,913	\$ 2,054,647	\$ 4,266,560	\$ 8,507	10,059
Accrued interest payable	23,658	144,647	168,305	-	-
Customer deposits	-	1,281,449	1,281,449	-	-
Compensated absences, current	89,104	26,097	115,201	-	-
Long term debt due within one year	1,632,690	1,375,667	3,008,357	-	-
Current Liabilities	3,957,365	4,882,507	8,839,872	8,507	10,059
Noncurrent liabilities:					
Compensated absences, noncurrent	169,315	11,185	180,500	-	-
Long-term debt due in more than one year	10,256,709	31,696,735	41,953,444	-	-
Net pension liability	820,359	122,577	942,936	-	-
OPEB liability	41,526	6,205	47,731	-	-
Noncurrent Liabilities	11,287,909	31,836,702	43,124,611	-	-
Total Liabilities	15,245,274	36,719,209	51,964,483	8,507	10,059
Deferred Inflows of Resources					
Deferred Inflows - OPEB	22,681	3,390	26,071	-	-
Total Deferred Inflows of Resources	22,681	3,390	26,071	-	-
Net Position					
Net investment in capital assets	27,438,904	37,946,385	65,385,289	-	-
Restricted for:					
Debt service	509,412	-	509,412	-	-
Promotional activities	2,546,563	-	2,546,563	-	-
Capital improvements	1,295,041	4,727,885	6,022,926	-	-
Municipal court	122,463	-	122,463	-	-
Street maintenance	178,152	-	178,152	-	-
TIRZ	13,637	-	13,637	-	-
Economic development	-	-	-	1,929,865	-
Municipal development	-	-	-	-	1,912,608
Unrestricted	12,993,092	9,132,124	22,125,216	-	-
Total Net Position	\$ 45,097,264	\$ 51,806,394	\$ 96,903,658	\$ 1,929,865	\$ 1,912,608

See Notes to Financial Statements.



Town of Northlake, Texas
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023

	General	Debt Service	Capital Improvement	Roadway Impact Fees	Northlake PID	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 5,837,855	\$ 510,462	\$ 3,930,404	\$ 3,885,599	\$ 437,911	\$ 3,471,567	\$ 18,073,798
Receivables, net	817,798	40,633	35,933	-	9,322	105,117	1,008,803
Special assessments receivable	-	-	-	-	2,620,000	-	2,620,000
Prepays	7,846	-	-	-	-	7,845	15,691
Total Assets	\$ 6,663,499	\$ 551,095	\$ 3,966,337	\$ 3,885,599	\$ 3,067,233	\$ 3,584,529	\$ 21,718,292
Liabilities							
Accounts payable and accrued liabilities	\$ 858,181	\$ 1,050	\$ 494,419	\$ 4,276	\$ 2,664	\$ 634,832	\$ 1,995,422
Due to other funds	-	-	-	-	-	182,395	182,395
Total Liabilities	858,181	1,050	494,419	4,276	2,664	817,227	2,177,817
Deferred Inflows of Resources							
Unavailable revenue - Property taxes	71,101	40,633	-	-	-	-	111,734
Property special assessments	-	-	-	-	2,629,322	-	2,629,322
Total Deferred Inflows	71,101	40,633	-	-	2,629,322	-	2,741,056
Fund Balances							
Nonspendable for: Prepays	7,846	-	-	-	-	7,845	15,691
Restricted for: Debt service	-	509,412	-	-	-	-	509,412
Promotional activities	-	-	-	-	-	2,546,563	2,546,563
Capital improvements	-	-	3,471,918	3,881,323	-	23,363	7,376,604
Municipal court	-	-	-	-	-	122,463	122,463
Public safety	-	-	-	-	-	178,152	178,152
TIRZ	-	-	-	-	-	13,637	13,637
Utility cost participation	-	-	-	-	-	56,912	56,912
Public improvement districts	-	-	-	-	435,247	-	435,247
Unassigned	5,726,371	-	-	-	-	(181,633)	5,544,738
Total Fund Balances	5,734,217	509,412	3,471,918	3,881,323	435,247	2,767,302	16,799,419
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,663,499	\$ 551,095	\$ 3,966,337	\$ 3,885,599	\$ 3,067,233	\$ 3,584,529	\$ 21,718,292

Town of Northlake, Texas

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

September 30, 2023

Fund Balances - Total Governmental Funds	\$ 16,799,419
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	8,430,622
Capital assets - net depreciable	25,632,210
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Property tax receivable	111,734
Property special assessments	2,629,322
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.	
Deferred Outflows - Pension	719,046
Deferred Outflows - OPEB	649
Deferred Inflows - OPEB	(22,681)
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.	
	2,998,652
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(23,658)
Bond premium	(173,414)
Non-current liabilities due in one year	(1,190,000)
Non-current liabilities due in more than one year	(9,694,333)
Net pension liability	(820,359)
OPEB liability	(41,526)
Net Position of Governmental Activities	\$ 45,097,264

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, 2023

	General	Debt Service	Capital Improvement	Roadway Impact Fees	Northlake PID	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property tax	\$ 3,029,753	\$ 2,258,856	\$ -	\$ -	\$ -	\$ 392,630	\$ 5,681,239
Sales tax	1,700,234	-	-	-	-	-	1,700,234
Franchise and local taxes	1,015,633	-	-	-	-	-	1,015,633
Hotel occupancy taxes	-	-	-	-	-	751,320	751,320
Special assessments	-	-	-	-	2,183,116	-	2,183,116
License, permits and fees	3,146,728	-	-	-	-	-	3,146,728
Intergovernmental	100,000	-	1,000,000	-	-	-	1,100,000
Charges for services	533,755	-	-	-	-	-	533,755
Fines and forfeitures	496,860	-	-	-	-	41,878	538,738
Impact and development fees	-	-	-	2,377,637	-	147,149	2,524,786
Investment income	89,720	38,255	141,794	73,882	18,262	86,000	447,913
Other revenue	167,198	-	-	-	-	33,153	200,351
Total Revenues	10,279,881	2,297,111	1,141,794	2,451,519	2,201,378	1,452,130	19,823,813
Expenditures							
Current:							
General government	2,582,918	12,650	-	-	-	-	2,595,568
Development services	1,758,077	-	-	-	-	46,107	1,804,184
Public works	1,231,088	-	-	-	-	-	1,231,088
Municipal court	355,689	-	-	-	-	37,716	393,405
Police	3,834,860	-	-	-	-	25,476	3,860,336
Promotional	30,634	-	-	-	-	86,413	117,047
Utility cost participation	-	-	-	-	-	240	240
TIRZ activity	-	-	-	-	-	367,717	367,717
Developer impact fee	-	-	-	947,474	-	-	947,474
Debt Service:							
Principal	-	1,071,500	-	-	195,000	-	1,266,500
Interest and fiscal charges	-	177,874	-	-	90,163	-	268,037
Bond issuance costs	-	15,070	-	-	-	-	15,070
Capital outlay	-	-	3,893,618	-	1,856,793	-	5,750,411
	9,793,266	1,277,094	3,893,618	947,474	2,141,956	563,669	18,617,077
Total Expenditures	9,793,266	1,277,094	3,893,618	947,474	2,141,956	563,669	18,617,077
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 486,615	\$ 1,020,017	\$ (2,751,824)	\$ 1,504,045	\$ 59,422	\$ 888,461	\$ 1,206,736
Other Financing Sources (Uses)							
Transfers in	\$ 424,913	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 40,907	\$ 1,965,820
Transfers (out)	(540,907)	(2,184,814)	-	-	-	(24,913)	(2,750,634)
Premium on bonds issued	-	61,736	-	-	-	-	61,736
Issuance of bonds	-	953,333	-	-	-	-	953,333
Total Other Sources (Uses)	(115,994)	(1,169,745)	1,500,000	-	-	15,994	230,255
Net Change in Fund Balances	370,621	(149,728)	(1,251,824)	1,504,045	59,422	904,455	1,436,991
Beginning fund balances	5,363,596	659,140	4,723,742	2,377,278	375,825	1,862,847	15,362,428
Ending Fund Balances	\$ 5,734,217	\$ 509,412	\$ 3,471,918	\$ 3,881,323	\$ 435,247	\$ 2,767,302	\$ 16,799,419

See Notes to Financial Statements.

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, 2023

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

Net changes in fund balances - total governmental funds	\$	1,436,991
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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		3,893,618
Depreciation expense		(1,766,348)
Capital contributions		952,786

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(786,698)
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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		(40,717)
Accrued interest		2,535
Pension expense		(33,143)
OPEB expense		(7,587)

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		16,046
Principal payments on long-term debt		1,266,500
Premium from issuance		(61,736)
Proceeds from issuance		(953,333)

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.

(3,337)

Change in Net Position of Governmental Activities	\$	3,915,577
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See Notes to Financial Statements.

Town of Northlake, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2023

	Business-type Activities				Business-type Activities	Governmental Activities
	Water & Sewer	Water Capital Projects	Utility Impact Fees	Nonmajor Proprietary Funds	Total Proprietary Funds	Internal Service Funds
<u>Assets</u>						
<u>Current Assets</u>						
Cash and cash equivalents	\$ 4,487,213	\$ 22,052,172	\$ 4,756,566	\$ 915,886	\$ 32,211,837	\$ 824,441
Receivables, net	2,341,875	-	-	59,986	2,401,861	6,978
Due from other funds	-	182,395	-	-	182,395	-
Prepaid items	171,618	48,200	-	-	219,818	47,065
Total Current Assets	7,000,706	22,282,767	4,756,566	975,872	35,015,911	878,484
<u>Noncurrent Assets</u>						
Capital assets:						
Non-depreciable	21,986	17,708,845	-	-	17,730,831	-
Net depreciable capital assets	29,234,606	6,440,109	-	-	35,674,715	3,168,311
Total Noncurrent Assets	29,256,592	24,148,954	-	-	53,405,546	3,168,311
Total Assets	36,257,298	46,431,721	4,756,566	975,872	88,421,457	4,046,795
<u>Deferred Outflows of Resources</u>						
Deferred Outflows - Pension	107,439	-	-	-	107,439	-
Deferred Outflows - OPEB	97	-	-	-	97	-
Total Deferred Outflows	\$ 107,536	\$ -	\$ -	\$ -	\$ 107,536	\$ -

Town of Northlake, Texas
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
September 30, 2023

	Business-type Activities			Nonmajor Proprietary Funds	Business-type Activities	Governmental Activities
	Water & Sewer	Water Capital Projects	Utility Impact Fees		Total Proprietary Funds	Internal Service Funds
Liabilities						
Current Liabilities						
Accounts payable						
and accrued liabilities	\$ 1,266,114	\$ 574,186	\$ 28,681	\$ 185,666	\$ 2,054,647	\$ 216,491
Accrued interest	144,647	-	-	-	144,647	-
Customer deposits	1,222,209	-	-	59,240	1,281,449	-
Compensated absences - current	26,097	-	-	-	26,097	-
Long-term debt - current	1,375,667	-	-	-	1,375,667	413,357
Total Current Liabilities	4,034,734	574,186	28,681	244,906	4,882,507	629,848
Noncurrent Liabilities						
Compensated absences, noncurrent	11,185	-	-	-	11,185	-
Long-term debt - noncurrent	31,696,735	-	-	-	31,696,735	418,295
Net pension liability	122,577	-	-	-	122,577	-
OPEB liability	6,205	-	-	-	6,205	-
Total Noncurrent Liabilities	31,836,702	-	-	-	31,836,702	418,295
Total Liabilities	35,871,436	574,186	28,681	244,906	36,719,209	1,048,143
Deferred Inflows of Resources						
Deferred Inflows - OPEB	3,390	-	-	-	3,390	-
Total Deferred Inflows	3,390	-	-	-	3,390	-
Net Position						
Net investment in capital assets	13,797,431	24,148,954	-	-	37,946,385	2,140,155
Restricted for:						
Capital improvements	-	-	4,727,885	-	4,727,885	-
Unrestricted	(13,307,423)	21,708,581	-	730,966	9,132,124	858,497
Total Net Position	\$ 490,008	\$ 45,857,535	\$ 4,727,885	\$ 730,966	\$ 51,806,394	\$ 2,998,652

See Notes to Financial Statements.



Town of Northlake, Texas

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

For the Year Ended September 30, 2023

	Business-type Activities			Business-type Activities		Governmental Activities
	Water & Sewer	Water Capital Projects	Utility Impact Fees	Nonmajor Proprietary Funds	Total Proprietary Funds	Internal Service Funds
<u>Operating Revenues</u>						
Charges for services	\$ 14,999,564	\$ -	\$ -	\$ 563,279	\$ 15,562,843	\$ 1,984,550
Other revenue	718	-	-	-	718	5,814
Total Operating Revenues	15,000,282	-	-	563,279	15,563,561	1,990,364
<u>Operating Expenses</u>						
Operating expenses	10,335,497	-	478,482	185,666	10,999,645	802,689
Personnel	1,436,438	-	-	-	1,436,438	-
Depreciation	795,501	241,024	-	-	1,036,525	1,208,978
Total Operating Expenses	12,567,436	241,024	478,482	185,666	13,472,608	2,011,667
Operating Income (Loss)	2,432,846	(241,024)	(478,482)	377,613	2,090,953	(21,303)
<u>Nonoperating Revenues (Expenses)</u>						
Gain on Sale of Assets	-	-	-	-	-	20,304
Insurance Proceeds	-	-	-	-	-	60,094
Investment income	369,527	413,816	82,095	6,863	872,301	-
Bond issuance expense	(210,975)	-	-	-	(210,975)	-
Interest expense	(979,901)	-	-	-	(979,901)	(62,432)
Total Nonoperating	(821,349)	413,816	82,095	6,863	(318,575)	17,966
Income (Loss) Before Capital Contributions and Transfers	1,611,497	172,792	(396,387)	384,476	1,772,378	(3,337)
<u>Capital Contributions and Transfers</u>						
Developer contributions	2,591,417	857,896	-	-	3,449,313	-
Capital contributions - impact fees	-	-	3,097,132	-	3,097,132	-
Transfers in	1,206,162	14,109,938	-	-	15,316,100	-
Transfers (out)	(14,400,000)	(21,348)	(109,938)	-	(14,531,286)	-
Change in Net Position	(8,990,924)	15,119,278	2,590,807	384,476	9,103,637	(3,337)
Beginning net position	9,480,932	30,738,257	2,137,078	346,490	42,702,757	3,001,989
Ending Net Position	\$ 490,008	\$ 45,857,535	\$ 4,727,885	\$ 730,966	\$ 51,806,394	\$ 2,998,652

See Notes to Financial Statements.

Town of Northlake, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2023

	Business-type Activities		
	Water & Sewer	Water Capital Projects	Utility Impact Fees
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 14,214,382	\$ -	\$ -
Receipts from interfund charges for benefit management	-	-	-
Payments to suppliers	(9,818,526)	(188,483)	(663,447)
Payments from other funds	-	566,467	-
Payments to employees	(1,412,194)	-	-
Net Cash Provided (Used) by Operating Activities	2,983,662	377,984	(663,447)
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers in	1,206,162	14,109,938	-
Transfers (out)	(14,400,000)	(21,348)	(109,938)
Insurance proceeds	-	-	-
Net Cash (Used for) Noncapital Financing Activities	(13,193,838)	14,088,590	(109,938)
<u>Cash Flows from Capital and Related Financing Activities</u>			
Capital purchases	(21,348)	(7,102,708)	109,938
Disposal of capital assets	-	-	-
Proceeds from bond issuance	14,210,975	-	-
Impact fees	-	-	3,097,132
Principal paid on debt	(1,708,500)	-	-
Interest paid on debt	(1,215,997)	-	-
Net Cash Provided by Capital and Related Financing Activities	11,265,130	(7,102,708)	3,207,070
<u>Cash Flows from Investing Activities</u>			
Interest on investments	369,527	413,816	82,095
Net Cash Provided (Used) by Investing Activities	369,527	413,816	82,095
Net increase in Cash and Cash Equivalents	1,424,481	7,777,682	2,515,780
Beginning cash and cash equivalents	3,062,732	14,274,490	2,240,786
Ending Cash and Cash Equivalents	\$ 4,487,213	\$ 22,052,172	\$ 4,756,566

See Notes to Financial Statements.

Business-type Activities		Governmental Activities
Nonmajor Proprietary Funds	Total Proprietary Funds	Internal Service Fund
\$ 505,625	\$ 14,720,007	\$ -
-	-	1,983,386
-	(10,670,456)	(652,162)
-	566,467	-
-	(1,412,194)	-
<u>505,625</u>	<u>3,203,824</u>	<u>1,331,224</u>
-	15,316,100	-
-	(14,531,286)	-
-	-	60,094
<u>-</u>	<u>784,814</u>	<u>60,094</u>
-	(7,014,118)	(633,045)
-	-	20,304
-	14,210,975	-
-	3,097,132	-
-	(1,708,500)	(539,124)
-	(1,215,997)	(62,432)
<u>-</u>	<u>7,369,492</u>	<u>(1,214,297)</u>
<u>6,863</u>	<u>872,301</u>	<u>-</u>
<u>6,863</u>	<u>872,301</u>	<u>-</u>
512,488	12,230,431	177,021
403,398	19,981,406	647,420
<u>\$ 915,886</u>	<u>\$ 32,211,837</u>	<u>\$ 824,441</u>

Town of Northlake, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2023

	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	\$ 2,432,846	\$ (241,024)	\$ (478,482)
Adjustments to reconcile operating income to net cash provided:			
Depreciation	795,501	241,024	-
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(924,974)	-	-
Prepaid expenses	(171,618)	(48,200)	-
Increase (Decrease) in:			
Accounts payable and accrued liabilities	688,589	(140,283)	(184,965)
Due to (from) other funds	-	566,467	-
Compensated absences	18,164	-	-
Customer deposits	139,074	-	-
Deferred inflows/outflows - Pension	(62,668)	-	-
Deferred inflows/outflows - OPEB	(33,573)	-	-
OPEB liability	105,222	-	-
Net pension liability	(2,901)	-	-
Net Cash Provided (Used) by Operating Activities	\$ 2,983,662	\$ 377,984	\$ (663,447)
 <u>Schedule of Noncash Capital and Financing Activities:</u>			
Contributions of capital assets	\$ 2,591,417	\$ 857,896	\$ -
Change in capital related accrued liabilities	-	33,658	-
	\$ 2,591,417	\$ 891,554	\$ -

See Notes to Financial Statements.

Business-type Activities		Governmental Activities
Nonmajor Proprietary Funds	Total Proprietary Funds	Internal Service Fund
\$ 377,613	\$ 2,090,953	\$ (21,303)
-	1,036,525	1,208,978
(20,526)	(945,500)	(6,978)
-	(219,818)	(47,065)
185,666	549,007	197,592
-	566,467	-
-	18,164	-
(37,128)	101,946	-
-	(62,668)	-
-	(33,573)	-
-	105,222	-
-	(2,901)	-
<u>\$ 505,625</u>	<u>\$ 3,203,824</u>	<u>\$ 1,331,224</u>
\$ -	\$ 3,449,313	\$ -
-	33,658	-
<u>\$ -</u>	<u>\$ 3,482,971</u>	<u>\$ -</u>



Town of Northlake, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

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 activities of the primary government and its component units. *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, 2023

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, 2023

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, 2023

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 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, 2023

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, 2023

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, 2023

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 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*. Custodial funds use the economic resources 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, 2023

E. Assets, Liabilities, and Fund Balance 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, 2023

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, 2023

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, 2023

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, 2023

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 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, 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. Leases

Lessee: The Town is a lessee for noncancellable leases for use of buildings and copiers. The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full-accrual financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Town initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

12. Subscription Based Information Technology Arrangements

The Town implemented the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements (“SBITA”). Upon implementation, the Town recorded right to use assets and subscription liabilities based on the present value of the payments for the related arrangements. The assets are included within capital assets, and amortized straight-line over the term of the arrangement. The liabilities accrue interest at the implied rate estimated by the Town and are relieved with payments over the term of the arrangements.

13. 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.

14. 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
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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.

14. 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 assets 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, 2023

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, 2023

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, Child Safety, Court Online Access Fees, Cost Recovery Fee, 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, 2023

A. Expenditures Over Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control in the TIRZ and Capital Improvement funds in amounts totaling \$50,301 and \$815,056, respectively.

B. Deficit Fund Balance

At September 30, 2023, the Cost Recovery Fee fund has a deficit fund balance of \$181,633. 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, 2023, 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	\$ 6,680,009	42 days	AAA
Total fair value	<u>\$ 6,680,009</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, 2023

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, 2023, 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 fair value of not less than the principal amount of the deposits. As of September 30, 2023, the fair 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, 2023

B. Receivables

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

	General	Debt Service	Capital Improvement	Northlake PID	Internal Service	Nonmajor Govt.	Total Governmental
Property taxes	\$ 59,637	\$ 40,633	\$ -	\$ 9,322	\$ -	\$ -	\$ 109,592
Sales tax	305,429	-	-	-	-	-	305,429
Franchise taxes	278,775	-	-	-	-	-	278,775
Occupancy taxes	-	-	-	-	-	91,948	91,948
Special assessments	-	-	-	2,620,000	-	-	2,620,000
Fines	38,213	-	-	-	-	-	38,213
Accounts	162,503	-	35,933	-	6,978	13,169	218,583
Allowance	(26,759)	-	-	-	-	-	(26,759)
	<u>\$ 817,798</u>	<u>\$ 40,633</u>	<u>\$ 35,933</u>	<u>\$ 2,629,322</u>	<u>\$ 6,978</u>	<u>\$ 105,117</u>	<u>\$ 3,635,781</u>

	Water & Sewer	Nonmajor Proprietary	Total Proprietary
Accounts	\$ 2,478,075	\$ 59,986	\$ 2,538,061
Allowance	(136,200)	-	(136,200)
	<u>\$ 2,341,875</u>	<u>\$ 59,986</u>	<u>\$ 2,401,861</u>

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

	Northlake EDC	Northlake CDC	Total
Sales tax	\$ 150,224	\$ 150,224	\$ 300,448
	<u>\$ 150,224</u>	<u>\$ 150,224</u>	<u>\$ 300,448</u>

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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	\$ 4,896,819	\$ 49,983	\$ -	\$ 4,946,802
Construction in progress	1,283,381	2,843,635	(643,196)	3,483,820
Total capital assets not being depreciated	<u>6,180,200</u>	<u>2,893,618</u>	<u>(643,196)</u>	<u>8,430,622</u>
Capital assets, being depreciated:				
Buildings and improvements	2,016,584	18,984	-	2,035,568
Furniture and fixtures	328,168	22,815	-	350,983
Vehicles and equipment	2,773,303	591,246	(54,703)	3,309,846
Infrastructure	33,549,663	1,952,786	643,196	36,145,645
Right to use assets	1,871,694	-	-	1,871,694
Total capital assets being depreciated	<u>40,539,412</u>	<u>2,585,831</u>	<u>588,493</u>	<u>43,713,736</u>
Less accumulated depreciation				
Buildings and improvements	978,377	336,541	-	1,314,918
Furniture and fixtures	76,607	32,817	-	109,424
Vehicles and equipment	1,663,781	281,151	(54,703)	1,890,229
Infrastructure	8,840,158	1,758,570	-	10,598,728
Right to use assets	433,669	566,247	-	999,916
Total accumulated depreciation	<u>11,992,592</u>	<u>2,975,326</u>	<u>(54,703)</u>	<u>14,913,215</u>
Net capital assets being depreciated	<u>28,546,820</u>	<u>(389,495)</u>	<u>643,196</u>	<u>28,800,521</u>
Total Capital Assets	<u>\$ 34,727,020</u>	<u>\$ 2,504,123</u>	<u>\$ -</u>	<u>\$ 37,231,143</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 537,340
Public safety	481,943
Public works	1,634,037
Development services	77,673
PID	244,333
Total Governmental Activities Depreciation Expense	<u>\$ 2,975,326</u>

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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	10,359,361	6,625,460	-	16,984,821
Total capital assets not being depreciated	<u>11,105,371</u>	<u>6,625,460</u>	<u>-</u>	<u>17,730,831</u>
Capital assets, being depreciated:				
Buildings and improvements	35,211	-	-	35,211
Vehicles and equipment	96,654	-	-	96,654
Infrastructure	36,105,838	3,804,313	-	39,910,151
Total capital assets being depreciated	<u>36,237,703</u>	<u>3,804,313</u>	<u>-</u>	<u>40,042,016</u>
Less accumulated depreciation				
Buildings and improvements	14,832	1,175	-	16,007
Vehicles and equipment	78,250	12,082	-	90,332
Infrastructure	3,237,694	1,023,268	-	4,260,962
Total accumulated depreciation	<u>3,330,776</u>	<u>1,036,525</u>	<u>-</u>	<u>4,367,301</u>
Net capital assets being depreciated	<u>32,906,927</u>	<u>2,767,788</u>	<u>-</u>	<u>35,674,715</u>
Total Capital Assets	<u><u>\$ 44,012,298</u></u>	<u><u>\$ 9,393,248</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 53,405,546</u></u>

Depreciation was charged to business-type activities as follows:

Water and sewer	\$ 795,501
Water capital projects	241,024
Total Business-Type Activities Depreciation Expense	<u><u>\$ 1,036,525</u></u>

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 217,702	\$ 222,313	\$ (181,596)	\$ 258,419	\$ 89,104
Total Governmental Activities	\$ 217,702	\$ 222,313	\$ (181,596)	\$ 258,419	\$ 89,104
Other Long-term Liabilities Due in More than One Year				\$ 169,315	
Business-Type Activities:					
Compensated Absences	\$ 19,118	\$ 56,308	\$ (38,144)	\$ 37,282	\$ 26,097
Total Business-Type Activities	\$ 19,118	\$ 56,308	\$ (38,144)	\$ 37,282	\$ 26,097
Other Long-term Liabilities Due in More than One Year				\$ 11,185	

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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 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, 2023.

	<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	\$ 5,300,000	\$ 953,333	\$ (404,000)	\$ 5,849,333	\$ 339,333
General Obligation Bonds	510,000	-	(165,000)	345,000	170,000
Tax notes	2,572,500	-	(502,500)	2,070,000	510,000
Special Rev. Assessment Bonds - PID	2,815,000	-	(195,000)	2,620,000	200,000
Premium	127,724	61,736	(16,046)	173,414	-
Other liabilities:					
Lease liabilities	1,095,509	-	(462,069)	633,440	341,983
Subscription liabilities (SBITAs)	275,267	-	(77,055)	198,212	71,374
Total Governmental Activities	<u>\$ 12,696,000</u>	<u>\$ 1,015,069</u>	<u>\$ (1,821,670)</u>	<u>\$ 11,889,399</u>	<u>\$ 1,632,690</u>
Long-term liabilities due in more than one year				<u>\$ 10,256,709</u>	
Business-Type Activities:					
Certificates of Obligation	\$ 17,075,000	\$ 13,346,667	\$ (1,206,000)	\$ 29,215,667	\$ 865,667
Tax notes	2,572,500	-	(502,500)	2,070,000	510,000
Premium	1,024,331	864,308	(101,904)	1,786,735	-
Total Business-Type Activities	<u>\$ 20,671,831</u>	<u>\$ 14,210,975</u>	<u>\$ (1,810,404)</u>	<u>\$ 33,072,402</u>	<u>\$ 1,375,667</u>
Long-term liabilities due in more than one year				<u>\$ 31,696,735</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, 2023

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 2.25%	\$ 2,620,000	\$ -
Total Special Revenue Assessment Bonds	\$ 2,620,000	\$ -
<u>Tax Notes</u>		
\$930,000 to \$1,050,000 through August 15, 2027, with interest at 1.10%	2,070,000	2,070,000
Total Tax Notes	\$ 2,070,000	\$ 2,070,000
<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 2.00%	-	255,000
\$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%	4,955,000	-
\$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 3.00%	-	10,830,000
\$7,500,000 Series 2021 Combination Tax and Limited Surplus Revenue Certificates of Obligation, due in annual installments of \$230,000 to \$1,270,000 through August 15, 2041, with interest at 3.00%		5,610,000
\$14,300,000 Series 2022 Combination Tax and Limited Surplus Revenue Certificates of Obligation, due in annual installments of \$440,000 to \$1,025,000 through February 15, 2041, with interest at 5.00%	894,333	12,520,667
Total Certificate of Obligation Bonds	\$ 5,849,333	\$ 29,215,667
<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%	345,000	-
Total General Obligation Bonds	\$ 345,000	\$ -
Total Bonds	\$ 10,884,333	\$ 31,285,667

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

<u>Lease Agreement</u>	<u>Term</u>	<u>Interest</u>		<u>Balance</u>
		<u>Rate</u>	<u>Maturity Date</u>	
Town Hall	60 month	6.00%	January 2024	\$ 72,060
Police Department	60 month	6.00%	February 2025	276,186
Development services	60 month	6.00%	February 2027	255,103
Copiers	60 month	6.00%	March 2027	30,091
Total Leases				\$ 633,440

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

<u>Year ending September 30,</u>	<u>General Obligation Bonds</u>		<u>Certificates of Obligation</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 170,000	\$ 6,900	\$ 339,333	\$ 149,883
2025	175,000	3,500	345,667	142,183
2026	-	-	387,333	134,308
2027	-	-	394,000	125,549
2028	-	-	405,667	116,608
2029 -2033	-	-	2,163,667	437,179
2034-2038	-	-	1,556,333	148,072
2039-2043	-	-	257,333	21,120
Total	\$ 345,000	\$ 10,400	\$ 5,849,333	\$ 1,274,902

<u>Year ending September 30,</u>	<u>Special Revenue Assessment Bonds</u>		<u>Tax Notes</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	220,000	68,325	525,000	2,888
2028	225,000	60,625	-	-
2029-2033	1,275,000	183,156	-	-
2034-2038	285,000	9,975	-	-
Total	\$ 2,620,000	\$ 563,256	\$ 2,070,000	\$ 45,815

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Year ending September 30,	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2024	\$ 341,983	\$ 26,978	\$ 71,374	\$ 6,468
2025	165,779	11,311	70,674	4,141
2026	87,078	5,077	56,164	1,836
2027	38,600	579	-	-
	<u>\$ 633,440</u>	<u>\$ 43,945</u>	<u>\$ 198,212</u>	<u>\$ 12,445</u>

The Town entered into leases to finance the use of building and equipment. The property is classified as right to use asset with a total carrying value as of yearend for governmental activities of \$600,652. In addition, the Town entered into subscription based arrangements for software. The subscriptions are classified as right to use asset for governmental activities and have a total carrying value of \$271,127.

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
2024	\$ 865,667	\$ 1,173,055	\$ 510,000	\$ 19,965
2025	959,333	1,138,430	515,000	14,328
2026	1,197,667	1,100,330	520,000	8,635
2027	1,281,000	1,054,688	525,000	2,888
2028	1,384,333	995,505	-	-
2029-2033	8,426,333	3,912,390	-	-
2034-2038	10,348,667	1,933,097	-	-
2039-2043	4,752,667	332,355	-	-
Total	<u>\$ 29,215,667</u>	<u>\$ 11,639,850</u>	<u>\$ 2,070,000</u>	<u>\$ 45,815</u>

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

F. Interfund Transactions

Transfers between the primary government funds during the 2023 year were as follows:

Transfer Out	Transfer In					Total
	General	NonMajor Governmental	Capital Improvement	Water and Sewer	Water Capital Projects	
Water and Sewer	\$ 400,000	\$ -	\$ -	\$ -	\$ 14,000,000	\$ 14,400,000
General Fund	-	40,907	500,000	-	-	540,907
Debt Service	-	-	1,000,000	1,184,814	-	2,184,814
Utility Impact Fees	-	-	-	-	109,938	109,938
Water Capital Projects	-	-	-	21,348	-	21,348
Nonmajor Governmental	24,913	-	-	-	-	24,913
Total	\$ 424,913	\$ 40,907	\$ 1,500,000	\$ 1,206,162	\$ 14,109,938	\$ 17,281,920

Transfers from the water and sewer fund were made for operations support costs borne by the general fund as well as for capital projects to the water capital project fund. Transfers to the water and sewer fund and capital improvements fund from the debt service fund were made for debt service.

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

Due from (Receiving Fund):	Due to (Payable Fund):	
	Nonmajor Governmental	Total
Water Capital Projects	182,395	182,395
Total	\$ 182,395	\$ 182,395

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, 2023

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>Business-Type Activities</u>	<u>Northlake EDC</u>	<u>Northlake CDC</u>
Restricted for:				
Debt service	\$ 509,412	\$ -	\$ -	\$ -
Promotional activities	2,546,563	-	-	-
Capital improvements	1,295,041	4,727,885	-	-
* Municipal court	122,463	-	-	-
* Street maintenance	178,152	-	-	-
TIRZ	13,637	-	-	-
Economic development	-	-	1,929,865	-
Community development	-	-	-	1,912,608
Total	<u>\$ 4,665,268</u>	<u>\$ 4,727,885</u>	<u>\$ 1,929,865</u>	<u>\$ 1,912,608</u>

* Restricted by enabling legislation

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.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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.

C. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed correctly, a substantial liability to the City could result. The City does anticipate that it will have an arbitrage liability and performs annual calculations to estimate this potential liability. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations, if indicated.

D. Construction Commitments

The government has active construction projects as of September 30, 2023. The projects include street and elevated storage tank improvements and the construction of additional water lines and repairs.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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>
Engineering - Fort Worth 24-inch Supply Line	\$ 1,216,150	\$ 326,303	\$ 889,847
Engineering -Treatment Plant Expansion	416,900	120,159	296,742
Engineering -North Ground Storage Tank	233,330	138,291	95,039
Engineering -Catherine Branch Sewer Trunkline	456,100	380,453	75,647
Engineering -Denton Creek Wastewater Trunkline	1,527,763	599,153	928,610
Engineering - South 0.5 MG Elevated Storage Tank	467,550	119,366	348,184
Construction - Wastewater Treatment Plant	3,556,484	2,743,438	813,046
	<u>\$ 7,874,277</u>	<u>\$ 4,427,163</u>	<u>\$ 3,447,114</u>

Governmental-Type Activities:

<u>Project Description</u>	<u>Contract Amount</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Engineering & Accuision - Florance Road	\$ 300,055	\$ 290,759	\$ 9,296
Engineering & Accuision - Faught Road	863,220	198,563	664,657
Engineering & Accuision - Cleaveland-Gibbs Road	25,000	7,200	17,800
Construction - Cleveland-Gibbs Road	5,649,214	2,077,345	3,571,870
	<u>\$ 6,837,489</u>	<u>\$ 2,573,866</u>	<u>\$ 4,263,623</u>

E. Pension Plans

1. Texas Municipal Retirement Systems

Plan Description

The Town of Northlake participates as one of 919 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.tmrs.com.

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

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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 2021</u>	<u>Plan Year 2022</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, 2022 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	37
Active employees	66
Total	107

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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 9.85% and 9.51% in calendar years 2022 and 2023, respectively. The Town's contributions to TMRS for the year ended September 30, 2023, were \$467,771.

4. Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2022, 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, 2022 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, 2023

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 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public/Private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	10.0%	11.8%
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, 2023

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	Current Single Rate	1% Increase
5.75%	Assumption 6.75%	7.75%
\$ 2,121,411	\$ 942,936	\$ (2,495)

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/2021	\$ 5,503,518	\$ 5,370,013	\$ 133,505
Changes for the year:			
Service Cost	662,990	-	662,990
Interest	391,034	-	391,034
Difference between expected and actual experience	83,434	-	83,434
Changes of assumptions	-	-	-
Contributions – employer	-	421,863	(421,863)
Contributions – employee	-	299,802	(299,802)
Net investment income	-	(394,294)	394,294
Benefit payments, including refunds of emp. contributions	(83,842)	(83,842)	-
Administrative expense	-	(3,392)	3,392
Other changes	-	4,048	(4,048)
Net changes	1,053,616	244,185	809,431
Balance at 12/31/2021	\$ 6,557,134	\$ 5,614,198	\$ 942,936

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.tmr.com.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

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

For the year ended September 30, 2023, the Town recognized pension expense of \$505,806.

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

		Deferred Outflows of Resources
Differences between expected and actual economic experience	\$	86,284
Changes in actuarial assumptions		7,676
Difference between projected and investment earnings		377,636
Contributions subsequent to the measurement date		354,889
Total	\$	826,485

The Town reported \$354,889 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, 2024. 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:		
2023	\$	66,330
2024		117,296
2025		113,767
2026		161,842
2027		12,361
Thereafter		-
Total		471,596

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, 2023

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 2021	Plan Year 2022
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 2023, 2022, and 2021 were \$1,090, \$1,250, and \$821, 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
2021	0.03%	0.03%	100.0%
2022	0.03%	0.03%	100.0%
2023	0.02%	0.02%	100.0%

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

Employees covered by benefit terms

At the December 31, 2022 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	9
Active employees	66
Total	77

Total OPEB Liability

The Town's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2022, 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, 2022 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	4.05%
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, 2023

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 1.84%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

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 4.05%, 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 (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

1% Decrease 3.05%	Current Single Rate Assumption 4.05%	1% Increase 5.05%
\$ 60,629	\$ 47,731	\$ 38,340

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2021	\$ 70,047
Changes for the year:	
Service Cost	11,564
Interest	1,383
Difference between expected and actual experience	1,185
Changes of assumptions	(35,163)
Benefit payments	(1,285)
Net changes	(22,316)
Balance at 12/31/2022	\$ 47,731

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

For the year ended September 30, 2023, the Town recognized OPEB expense of \$9,809.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

At September 30, 2023, 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	\$	-	(18,320)
Difference between expected and actual experience		-	(7,751)
Contributions subsequent to measurement date		746	-
Total	\$	746	(26,071)

The Town reported \$746 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, 2024.

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:	
2023	\$ (3,138)
2024	(3,138)
2025	(3,430)
2026	(2,983)
2027	(3,836)
Thereafter	(9,546)
	\$ (26,071)

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

F. 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, 2023:

<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%	\$ 1,503
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%	\$ 102,032
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%	\$ 61,170
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%	\$ 163,236
	Total		\$ 327,941

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2023

G. Restatement

The Town restated beginning net position for governmental activities and the internal service fund to correct capital asset balances associated with the software subscriptions that meet the requirements under the implementation of new accounting pronouncements. The table below summarizes the changes to net position as a result of these corrections.

	Governmental Activities	Internal Service Fund
Prior year ending net position, as reported	\$ 41,089,187	2,909,489
To adjust beginning capital assets	92,500	92,500
Restated beginning net position	\$ 41,181,687	\$ 3,001,989

H. New Accounting Pronouncements

The Town has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements (SBITAs). Due to the implementation of GASB 96 in the current year, the Town recorded right to use assets and subscription liabilities.

I. Subsequent Events

There were no subsequent events requiring disclosure through April 9, 2024, 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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Property tax	\$ 3,200,079	\$ 3,333,661	\$ 3,029,753	\$ (303,908)
Sales tax	1,625,000	1,625,000	1,700,234	75,234
Franchise and local taxes	692,000	692,000	1,015,633	323,633
License, permits and fees	2,931,250	2,931,250	3,146,728	215,478
Intergovernmental	100,000	100,000	100,000	-
Charges for services	290,000	290,000	533,755	243,755
Fines and forfeitures	550,000	550,000	496,860	(53,140)
Investment income	10,000	10,000	89,720	79,720
Other revenue	27,400	27,400	167,198	139,798
Total Revenues	<u>9,425,729</u>	<u>9,559,311</u>	<u>10,279,881</u>	<u>720,570</u>
Expenditures				
Current:				
General government	2,178,438	2,278,438	2,582,918	(304,480)
Development services	1,643,699	1,643,699	1,758,077	(114,378)
Public works	1,253,022	1,253,022	1,231,088	21,934
Municipal court	370,741	370,741	355,689	15,052
Police	4,197,425	4,228,775	3,834,860	393,915
Promotional	26,994	26,994	30,634	(3,640)
Capital outlay				-
Total Expenditures	<u>9,670,319</u>	<u>9,801,669</u>	<u>9,793,266</u>	<u>8,403</u>
Revenues Over (Under) Expenditures	<u>(244,590)</u>	<u>(242,358)</u>	<u>486,615</u>	<u>728,973</u>
Other Financing Sources (Uses)				
Transfers in	418,605	418,605	424,913	6,308
Transfers (out)	-	(540,907)	(540,907)	-
Total Other Financing Sources (Uses)	<u>418,605</u>	<u>(122,302)</u>	<u>(115,994)</u>	<u>6,308</u>
Net Change in Fund Balance	<u>\$ 174,015</u>	<u>\$ (364,660)</u>	<u>370,621</u>	<u>\$ 735,281</u>
Beginning fund balance			<u>5,363,596</u>	
Ending Fund Balance			<u>\$ 5,734,217</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, 2023

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Impact and development fees	\$ 2,287,973	\$ 2,377,637	\$ 89,664
Investment income	7,000	73,882	66,882
Total Revenues	<u>2,294,973</u>	<u>2,451,519</u>	<u>156,546</u>
<u>Expenditures</u>			
Developer impact fee	1,816,763	947,474	869,289
Total Expenditures	<u>1,816,763</u>	<u>947,474</u>	<u>869,289</u>
Revenues Over (Under) Expenditures	<u>478,210</u>	<u>1,504,045</u>	<u>1,025,835</u>
Net Change in Fund Balance	<u>\$ 478,210</u>	<u>1,504,045</u>	<u>\$ 1,025,835</u>
Beginning fund balance		<u>2,377,278</u>	
Ending Fund Balance		<u>\$ 3,881,323</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
NORTHLAKE PID
For the Year Ended September 30, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Special assessments	\$ 2,201,075	\$ 2,183,116	\$ (17,959)
Investment income	-	18,262	18,262
Total Revenues	2,201,075	2,201,378	303
<u>Expenditures</u>			
Debt service:			
Principal	195,000	195,000	-
Interest and fiscal charges	90,163	90,163	-
Capital outlay	1,904,754	1,856,793	47,961
Total Expenditures	2,189,917	2,141,956	47,961
Net Change in Fund Balance	\$ 11,158	59,422	\$ 48,264
Beginning fund balance		375,825	
Ending Fund Balance		\$ 435,247	

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 CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total pension liability									
Service cost	\$ 662,990	\$ 542,534	\$ 451,301	\$ 379,296	\$ 341,387	\$ 281,176	\$ 256,814	\$ 218,403	\$ 169,257
Interest	391,034	338,353	282,136	239,941	207,574	175,548	140,867	114,859	94,776
Changes in benefit terms	-	-	-	-	-	58,612	-	-	-
Differences between expected and actual experience	83,434	(54,070)	123,686	(9,316)	(35,261)	4,129	62,182	33,719	14,773
Changes of assumptions	-	-	-	31,477	-	-	-	71,966	-
Benefit payments, including refunds of participant contributions	(83,842)	(129,343)	(10,447)	(94,135)	(12,137)	(20,855)	(12,871)	(11,286)	(21,688)
Net change in total pension liability	1,053,616	697,474	846,676	547,263	501,563	498,610	446,992	427,661	257,118
Total pension liability - beginning	\$ 5,503,518	\$ 4,806,044	\$ 3,959,368	\$ 3,412,105	\$ 2,910,542	\$ 2,411,932	\$ 1,964,940	\$ 1,537,279	\$ 1,280,161
Total pension liability - ending (a)	\$ 6,557,134	\$ 5,503,518	\$ 4,806,044	\$ 3,959,368	\$ 3,412,105	\$ 2,910,542	\$ 2,411,932	\$ 1,964,940	\$ 1,537,279
Plan fiduciary net position									
Contributions - employer	\$ 421,863	\$ 342,965	\$ 287,874	\$ 253,025	\$ 224,811	\$ 180,185	\$ 147,406	\$ 128,506	\$ 75,574
Contributions - members	299,802	244,228	202,118	168,683	149,731	127,147	114,649	100,846	83,179
Net investment income	(394,294)	569,253	273,978	439,302	(76,473)	275,603	110,118	2,078	68,838
Benefit payments, including refunds of participant contributions	(83,842)	(129,343)	(10,447)	(94,135)	(12,137)	(20,855)	(12,871)	(11,286)	(21,688)
Administrative expenses	(3,392)	(2,621)	(1,765)	(2,472)	(1,473)	(1,425)	(1,241)	(1,265)	(718)
Other	4,048	17	(69)	(73)	(78)	(75)	(67)	(62)	(59)
Net change in plan fiduciary net position	244,185	1,024,499	751,689	764,330	284,381	560,580	357,994	218,817	205,126
Plan fiduciary net position - beginning	5,370,013	4,345,514	3,593,825	2,829,495	2,545,114	1,984,534	1,626,540	1,407,723	1,202,597
Plan fiduciary net position - ending (b)	\$ 5,614,198	\$ 5,370,013	\$ 4,345,514	\$ 3,593,825	\$ 2,829,495	\$ 2,545,114	\$ 1,984,534	\$ 1,626,540	\$ 1,407,723
Fund's net pension liability - ending (a) - (b)	\$ 942,936	\$ 133,505	\$ 460,530	\$ 365,543	\$ 582,610	\$ 365,428	\$ 427,398	\$ 338,400	\$ 129,556
Plan fiduciary net position as a percentage of the total pension covered payroll	85.62%	97.57%	90.42%	90.77%	82.93%	87.44%	82.28%	82.78%	91.57%
Fund's net position as a percentage of covered payroll	22.02%	3.83%	15.95%	15.17%	27.24%	20.12%	26.10%	23.49%	10.90%

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.

Town of Northlake, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015
Actuarially determined employer contributions	\$ 467,771	\$ 410,235	\$ 324,273	\$ 281,503	\$ 238,779	\$ 213,078	\$ 171,635	\$ 140,000	\$ 112,401
Contributions in relation to the actuarially determined contribution	\$ 467,771	\$ 407,791	\$ 324,273	\$ 284,288	\$ 241,077	\$ 214,948	\$ 173,585	\$ 141,715	\$ 100,291
Contribution deficiency (excess)	\$ -	\$ 2,444	\$ -	\$ (2,785)	\$ (2,298)	\$ (1,870)	\$ (1,950)	\$ (1,715)	\$ 12,110
Annual covered payroll	\$ 4,877,757	\$ 4,166,909	\$ 3,287,027	\$ 2,784,954	\$ 2,273,752	\$ 2,055,781	\$ 1,773,085	\$ 1,558,966	\$ 1,341,854
Employer contributions as a percentage of covered payroll	9.59%	9.79%	9.87%	10.21%	10.60%	10.46%	9.79%	9.09%	7.47%

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	22 years
Asset Valuation Method	10 Year smoothed fair value; 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 There were no benefit changes during the year.

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,

		2022	2021	2020	2019	2018	2017
Total OPEB liability							¹
Service cost	\$	11,564	\$ 9,071	\$ 6,064	\$ 3,374	\$ 3,636	\$ 2,543
Interest		1,383	1,320	1,479	1,461	1,387	1,292
Differences between expected and actual experience		1,185	(4,212)	(6,003)	(849)	(3,925)	-
Changes of assumptions		(35,163)	2,921	9,845	9,334	(3,244)	3,614
Benefit payments, including refunds of participant contributions		(1,285)	(1,047)	(289)	(241)	(214)	(363)
Net change in total OPEB liability		<u>(22,316)</u>	<u>8,053</u>	<u>11,096</u>	<u>13,079</u>	<u>(2,360)</u>	<u>7,086</u>
Total OPEB liability - beginning	\$	<u>70,047</u>	\$ <u>61,994</u>	\$ <u>50,898</u>	\$ <u>37,819</u>	\$ <u>40,179</u>	\$ <u>33,093</u>
Total OPEB liability - ending	\$	<u><u>47,731</u></u>	\$ <u><u>70,047</u></u>	\$ <u><u>61,994</u></u>	\$ <u><u>50,898</u></u>	\$ <u><u>37,819</u></u>	\$ <u><u>40,179</u></u> ²
Covered-employee payroll	\$	4,282,880	\$ 3,488,965	\$ 2,887,405	\$ 2,409,761	\$ 2,139,016	\$ 1,816,383
Fund's net position as a percentage of covered payroll		1.11%	2.01%	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, 2023

	Donations	Court Security	Court Technology	Belmont FWSD	Canyon Falls WCID	Highlands	Northport 35 Business Center	Police Asset Forfeiture
<u>Assets</u>								
Cash and cash equivalents	\$ 23,363	\$ 24,164	\$ 60,452	\$ 308,084	\$ -	\$ -	\$ -	\$ 74,859
Receivables	-	-	-	12,407	-	-	-	-
Prepays	-	-	-	-	-	-	-	-
Total Assets	\$ 23,363	\$ 24,164	\$ 60,452	\$ 320,491	\$ -	\$ -	\$ -	\$ 74,859
<u>Liabilities</u>								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 263,579	\$ -	\$ -	\$ -	\$ 4,045
Due to other funds	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	263,579	-	-	-	4,045
<u>Fund Balances</u>								
Nonspendable for:								
Prepays	-	-	-	-	-	-	-	-
Restricted for:								
Promotional activities	-	-	-	-	-	-	-	-
Capital improvements	23,363	-	-	-	-	-	-	-
Municipal court	-	24,164	60,452	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	70,814
TIRZ	-	-	-	-	-	-	-	-
Utility cost participation	-	-	-	56,912	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	23,363	24,164	60,452	56,912	-	-	-	70,814
Total Liabilities, Deferred Inflows and Fund Balances	\$ 23,363	\$ 24,164	\$ 60,452	\$ 320,491	\$ -	\$ -	\$ -	\$ 74,859

Town of Northlake, Texas

COMBINING BALANCE SHEET (CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2023

	Police Special Training	Child Safety	Court Online Access Fees	Cost Recovery Fee	Tax Increment Reinvestment Zone (TIRZ)	Hotel/Motel	Total Nonmajor Governmental
Cash and cash equivalents	\$ 6,419	\$ 101,113	\$ 37,847	\$ -	\$ 376,267	\$ 2,458,999	\$ 3,471,567
Receivables	-	-	-	762	-	91,948	105,117
Prepays	-	-	7,845	-	-	-	7,845
Total Assets	\$ 6,419	\$ 101,113	\$ 45,692	\$ 762	\$ 376,267	\$ 2,550,947	\$ 3,584,529
Liabilities							
Accounts payable and accrued liabilities	-	\$ 194	-	-	\$ 362,630	\$ 4,384	\$ 634,832
Due to other funds	-	-	-	182,395	-	-	182,395
Total Liabilities	-	194	-	182,395	362,630	4,384	817,227
Fund Balances							
Prepays	-	-	7,845	-	-	-	7,845
Restricted for:	-	-	-	-	-	-	-
Promotional activities	-	-	-	-	-	2,546,563	2,546,563
Capital improvements	-	-	-	-	-	-	23,363
Municipal court	-	-	37,847	-	-	-	122,463
Public safety	6,419	100,919	-	-	-	-	178,152
Public safety	-	-	-	-	13,637	-	13,637
Utility cost participation	-	-	-	-	-	-	56,912
Unassigned	-	-	-	(181,633)	-	-	(181,633)
Total Fund Balances	6,419	100,919	45,692	(181,633)	13,637	2,546,563	2,767,302
Total Liabilities, Deferred Inflows and Fund Balances	\$ 6,419	\$ 101,113	\$ 45,692	\$ 762	\$ 376,267	\$ 2,550,947	\$ 3,584,529

Town of Northlake, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	Donations	Court Security	Court Technology	Belmont FWSO	Canyon Falls WCID	Highlands	Northport 35 Business Center	Police Asset Forfeiture
Revenues								
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	-	-	-	-	-	-
Fines and forfeitures	-	12,956	11,064	-	-	-	-	-
Impact and development fees	-	-	-	-	-	-	-	-
Investment income	217	-	-	1,374	-	-	-	820
Other revenue	730	-	-	-	-	-	-	26,808
Total Revenues	947	12,956	11,064	1,374	-	-	-	27,628
Expenditures								
Development services	-	-	-	-	-	-	-	-
Municipal court	-	5,451	14,541	-	-	-	-	-
Police	-	-	-	-	-	-	-	23,134
Professional Services	-	-	-	240	-	-	-	-
Promotional	-	-	-	-	-	-	-	-
TIRZ activity	-	-	-	-	-	-	-	-
Total Expenditures	-	5,451	14,541	240	-	-	-	23,134
Revenues Over (Under) Expenditures	947	7,505	(3,477)	1,134	-	-	-	4,494
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	15,148	16,201	9,558	-
Transfers (out)	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	15,148	16,201	9,558	-
Net Change in Fund Balances	947	7,505	(3,477)	1,134	15,148	16,201	9,558	4,494
Beginning fund balances	22,416	16,659	63,929	55,778	(15,148)	(16,201)	(9,558)	66,320
Ending Fund Balances	\$ 23,363	\$ 24,164	\$ 60,452	\$ 56,912	\$ -	\$ -	\$ -	\$ 70,814

Town of Northlake, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	Police Special Training	Child Safety	Court Online Access Fees	Cost Recovery Fee	Tax Increment Reinvestment Zone (TIRZ)	Hotel/Motel	Total Nonmajor Governmental
Revenues							
Property tax	\$ -	\$ -	\$ -	\$ -	\$ 392,630	\$ -	\$ 392,630
Hotel occupancy taxes	-	-	-	-	-	751,320	751,320
Fines and forfeitures	-	-	17,858	-	-	-	41,878
Impact and development fees	-	-	-	147,149	-	-	147,149
Investment income	-	287	-	-	13,748	69,554	86,000
Other revenue	-	5,605	-	-	-	10	33,153
Total Revenues	-	5,892	17,858	147,149	406,378	820,884	1,452,130
Expenditures							
Development services	-	-	-	-	-	46,107	46,107
Municipal court	-	-	17,724	-	-	-	37,716
Police	-	2,342	-	-	-	-	25,476
Utility cost participation	-	-	-	-	-	-	240
Promotional	-	-	-	-	-	86,413	86,413
TIRZ activity	-	-	-	-	367,717	-	367,717
Total Expenditures	-	2,342	17,724	-	367,717	132,520	563,669
Revenues Over (Under) Expenditures	-	3,550	134	147,149	38,661	688,364	888,461
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	-	40,907
Transfers (out)	-	-	-	-	(24,913)	-	(24,913)
Total Other Financing Sources (Uses)	-	-	-	-	(24,913)	-	15,994
Net Change in Fund Balances	-	3,550	134	147,149	13,748	688,364	904,455
Beginning fund balances	6,419	97,369	45,558	(328,782)	(111)	1,858,199	1,862,847
Ending Fund Balances	\$ 6,419	\$ 100,919	\$ 45,692	\$ (181,633)	\$ 13,637	\$ 2,546,563	\$ 2,767,302

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT SECURITY
For the Year Ended September 30, 2023

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and fees	\$ 13,000	\$ 12,956	\$ (44)
Total Revenues	<u>13,000</u>	<u>12,956</u>	<u>(44)</u>
<u>Expenditures</u>			
Municipal court	9,000	5,451	3,549
Total Expenditures	<u>9,000</u>	<u>5,451</u>	<u>3,549</u>
Revenues Over (Under) Expenditures	<u>4,000</u>	<u>7,505</u>	<u>3,505</u>
Net Change in Fund Balances	<u>\$ 4,000</u>	<u>7,505</u>	<u>\$ 3,505</u>
Beginning fund balances		16,659	
Ending Fund Balances		<u>\$ 24,164</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 TECHNOLOGY
For the Year Ended September 30, 2023

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and fees	\$ 14,000	\$ 11,064	\$ (2,936)
Total Revenues	<u>14,000</u>	<u>11,064</u>	<u>(2,936)</u>
<u>Expenditures</u>			
Municipal court	18,000	14,541	3,459
Total Expenditures	<u>18,000</u>	<u>14,541</u>	<u>3,459</u>
Revenues Over (Under) Expenditures	<u>(4,000)</u>	<u>(3,477)</u>	<u>523</u>
Net Change in Fund Balances	<u>\$ (4,000)</u>	<u>(3,477)</u>	<u>\$ 523</u>
Beginning fund balances		63,929	
Ending Fund Balances		<u>\$ 60,452</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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ -	\$ 820	\$ 820
Other revenue	-	26,808	26,808
Total Revenues	-	27,628	27,628
<u>Expenditures</u>			
Police	25,000	23,134	1,866
Total Expenditures	25,000	23,134	1,866
Revenues Over (Under) Expenditures	(25,000)	4,494	29,494
Net Change in Fund Balances	\$ (25,000)	4,494	\$ 29,494
Beginning fund balances		66,320	
Ending Fund Balances		\$ 70,814	

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, 2023

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Investment income	\$ 50	\$ 287	\$ 237
Other revenue	7,500	5,605	(1,895)
Total Revenues	<u>7,550</u>	<u>5,892</u>	<u>(1,658)</u>
<u>Expenditures</u>			
Police	7,916	2,342	5,574
Total Expenditures	<u>7,916</u>	<u>2,342</u>	<u>5,574</u>
Revenues Over (Under) Expenditures	<u>(366)</u>	<u>3,550</u>	<u>3,916</u>
Net Change in Fund Balances	<u>\$ (366)</u>	<u>3,550</u>	<u>\$ 3,916</u>
Beginning fund balances		97,369	
Ending Fund Balances		<u>\$ 100,919</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, 2023

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 18,000	\$ 17,858	\$ (142)
Total Revenues	<u>18,000</u>	<u>17,858</u>	<u>(142)</u>
<u>Expenditures</u>			
Municipal court	24,500	17,724	6,776
Total Expenditures	<u>24,500</u>	<u>17,724</u>	<u>6,776</u>
Revenues Over (Under) Expenditures	<u>(6,500)</u>	<u>134</u>	<u>6,634</u>
Net Change in Fund Balances	<u>\$ (6,500)</u>	<u>134</u>	<u>\$ 6,634</u>
Beginning fund balances		45,558	
Ending Fund Balances		<u>\$ 45,692</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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Impact and development fees	\$ 369,675	\$ 147,149	\$ (222,526)
Investment income	100	-	(100)
Total Revenues	369,775	147,149	(222,626)
 Revenues Over (Under) Expenditures	369,775	147,149	(222,626)
 Net Change in Fund Balances	\$ 369,775	147,149	\$ (222,626)
 Beginning fund balances		(328,782)	
Ending Fund Balances		\$ (181,633)	

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 342,329	\$ 392,630	\$ 50,301
Investment income	-	13,748	13,748
Total Revenues	342,329	406,378	64,049
<u>Expenditures</u>			
TIRZ activity	342,329	367,717	(25,388)
Total Expenditures	342,329	367,717	(25,388) *
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	-	(24,913)	(24,913) *
Total Other Financing Sources (Uses)	-	(24,913)	(24,913)
Net Change in Fund Balance	\$ -	13,748	\$ 13,748
Beginning fund balance		(111)	
Ending Fund Balance		\$ 13,637	

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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>				
Hotel occupancy taxes	\$ 660,000	\$ 660,000	\$ 751,320	\$ 91,320
Investment income	5,000	5,000	69,554	64,554
Other revenue	-	-	10	10
Total Revenues	<u>665,000</u>	<u>665,000</u>	<u>820,884</u>	<u>155,884</u>
<u>Expenditures</u>				
Development services	48,847	48,847	46,107	2,740
Promotional	48,244	148,244	86,413	61,831
Total Expenditures	<u>97,091</u>	<u>197,091</u>	<u>132,520</u>	<u>64,571</u>
Net Change in Fund Balance	<u>\$ 567,909</u>	<u>\$ 467,909</u>	688,364	<u>\$ 220,455</u>
Beginning fund balance			<u>1,858,199</u>	
Ending Fund Balance			<u>\$ 2,546,563</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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ -	\$ 1,000,000	\$ 1,000,000
Investment income	1,000	141,794	140,794
Total Revenues	1,000	1,141,794	1,140,794
 <u>Expenditures</u>			
Capital outlay	3,078,562	3,893,618	(815,056) *
	3,078,562	3,893,618	(815,056)
Revenues Over (Under) Expenditures	(3,077,562)	(2,751,824)	325,738
 <u>Other Financing Sources (Uses)</u>			
Transfer in	1,000,000	1,500,000	500,000
Total Other Financing Sources (Uses)	1,000,000	1,500,000	500,000
Net Change in Fund Balance	\$ (2,077,562)	(1,251,824)	\$ 825,738
Beginning fund balance		4,723,742	
Ending Fund Balance		\$ 3,471,918	

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
DEBT SERVICE FUND
For the Year Ended September 30, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property tax	\$ 3,754,613	\$ 2,258,856	\$ (1,495,757)
Investment income	100	38,255	38,155
Total Revenues	3,754,713	2,297,111	(1,457,602)
<u>Expenditures</u>			
General government	30,300	12,650	17,650
Debt service:			
Principal	3,946,175	1,071,500	2,874,675
Interest	1,352,455	177,874	1,174,581
Total Expenditures	5,328,930	1,277,094	4,051,836
Revenues Over (Under) Expenditures	(1,574,217)	1,020,017	(5,509,438)
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(15,000,000)	(2,184,814)	(12,815,186)
Transfers in	1,528,709	-	1,528,709
Premium on bonds issued	-	61,736	(61,736)
Issuance of bonds	15,000,000	953,333	14,046,667
Total Other Financing Sources (Uses)	1,528,709	(1,169,745)	2,698,454
Net Change in Fund Balance	\$ (45,508)	(149,728)	\$ (104,220)
Beginning fund balance		659,140	
Ending Fund Balance		\$ 509,412	

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, 2023

	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	\$ 113,658	\$ 1,974,520	\$ 1,797,421	\$ 3,885,599
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 4,276	\$ -	\$ 4,276
Total Liabilities	-	4,276	-	4,276
<u>Fund Balances</u>				
Restricted for:				
Capital improvements	113,658	1,970,244	1,797,421	3,881,323
Total Fund Balances	113,658	1,970,244	1,797,421	3,881,323
Total Liabilities and Fund Balances	\$ 113,658	\$ 1,974,520	\$ 1,797,421	\$ 3,885,599

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ROADWAY IMPACT FEE FUNDS
For the Year Ended September 30, 2023

	North West Roadway Impact Fee	North East Roadway Impact Fee	South East Roadway Impact Fee	Total Roadway Impact Fee Funds
<u>Revenues</u>				
Impact and development fees	\$ 20,722	\$ 1,835,463	\$ 521,452	\$ 2,377,637
Investment income	-	37,193	36,689	73,882
Total Revenues	<u>20,722</u>	<u>1,872,656</u>	<u>558,141</u>	<u>2,451,519</u>
<u>Expenditures</u>				
Developer impact fee	-	947,474	-	947,474
Total Expenditures	<u>-</u>	<u>947,474</u>	<u>-</u>	<u>947,474</u>
Revenues Over (Under) Expenditures	<u>20,722</u>	<u>925,182</u>	<u>558,141</u>	<u>1,504,045</u>
Net Change in Fund Balances	20,722	925,182	558,141	1,504,045
Beginning fund balances	92,936	1,045,062	1,239,280	2,377,278
Ending Fund Balances	<u>\$ 113,658</u>	<u>\$ 1,970,244</u>	<u>\$ 1,797,421</u>	<u>\$ 3,881,323</u>

Town of Northlake, Texas

COMBINING BALANCE SHEET PUBLIC IMPROVEMENT DISTRICTS

September 30, 2023

	Harvest PID No. 1	Highlands PID No. 2	Total Public Improvement Districts
<u>Assets</u>			
Cash and cash equivalents	\$ 158,909	\$ 279,002	\$ 437,911
Property tax receivable	9,322	-	9,322
Special assessments receivable	-	2,620,000	2,620,000
Total Assets	\$ 168,231	\$ 2,899,002	\$ 3,067,233
 <u>Liabilities</u>			
Accounts payable	\$ 2,664	\$ -	\$ 2,664
Total Liabilities	2,664	-	2,664
 <u>Deferred Inflows of Resources</u>			
Property special assessments	9,322	2,620,000	2,629,322
Total Deferred Inflows of Resources	9,322	2,620,000	2,629,322
 <u>Fund Balances</u>			
Restricted for:			
Public improvement districts	156,245	279,002	435,247
Total Fund Balances	156,245	279,002	435,247
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 168,231	\$ 2,899,002	\$ 3,067,233

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
PUBLIC IMPROVEMENT DISTRICTS
For the Year Ended September 30, 2023

	Harvest PID No. 1	Highlands PID No. 2	Total Public Improvement Districts
<u>Revenues</u>			
Special assessments	\$ 1,867,248	\$ 315,868	\$ 2,183,116
Investment income	6,093	12,169	18,262
Total Revenues	1,873,341	328,037	2,201,378
<u>Expenditures</u>			
Debt service:			
Principal	-	195,000	195,000
Interest and fiscal charges	-	90,163	90,163
Capital outlay	1,843,107	13,686	1,856,793
Total Expenditures	1,843,107	298,849	2,141,956
Revenues Over (Under) Expenditures	30,234	29,188	59,422
Net Change in Fund Balances	30,234	29,188	59,422
Beginning fund balances	126,011	249,814	375,825
Ending Fund Balances	\$ 156,245	\$ 279,002	\$ 435,247

Town of Northlake, Texas
COMBINING SCHEDULE OF NET POSITION
UTILITY IMPACT FEES
September 30, 2023

	<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	\$ 2,326,743	\$ 316,681	\$ 2,113,142	\$ 4,756,566
Total Assets	\$ 2,326,743	\$ 316,681	\$ 2,113,142	\$ 4,756,566
<u>Liabilities</u>				
Accounts payable	\$ 23,676	\$ 494	\$ 4,511	\$ 28,681
Total Liabilities	23,676	494	4,511	28,681
<u>Net Position</u>				
Unrestricted	2,303,067	316,187	2,108,631	4,727,885
Total Net Position	\$ 2,303,067	\$ 316,187	\$ 2,108,631	\$ 4,727,885

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, 2023

	Water Impact Fee North	Water Impact Fee South	Sewer Impact Fee	Total Utility Impact Fee Funds
<u>Operating Revenues</u>				
Investment income	\$ 51,991	\$ 839	\$ 29,265	\$ 82,095
Total Operating Revenues	51,991	839	29,265	82,095
<u>Operating Expenses</u>				
Impact fee expenses	414,262	32,110	32,110	478,482
Total Operating Expenses	414,262	32,110	32,110	478,482
Operating Income (Loss)	(362,271)	(31,271)	(2,845)	(396,387)
<u>Contributions and Transfers</u>				
Capital contributions -impact fees	1,263,024	340,485	1,493,623	3,097,132
Developer contributions	-	-	-	-
Transfers (out)	-	(109,938)	-	(109,938)
Total Contributions and Transfers	1,263,024	230,547	1,493,623	2,987,194
Change in Net Position	900,753	199,276	1,490,778	2,590,807
Beginning net position	1,402,314	116,911	617,853	2,137,078
Ending Net Position	\$ 2,303,067	\$ 316,187	\$ 2,108,631	\$ 4,727,885

See Notes to Financial Statements.

Town of Northlake, Texas
COMBINING SCHEDULE OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
September 30, 2023

	Canyon Falls MUD 1 Fund	Argyle Sewer Billing Fund	Total Nonmajor Proprietary Funds
<u>Assets</u>			
Cash and cash equivalents	\$ 718,336	\$ 197,550	\$ 915,886
Receivables, net	31,910	28,076	59,986
Total Assets	\$ 750,246	\$ 225,626	\$ 975,872
<u>Liabilities</u>			
Accounts payable	\$ -	\$ 185,666	\$ 185,666
Customer deposits	59,106	134	59,240
Total Liabilities	59,106	185,800	244,906
<u>Net Position</u>			
Unrestricted	691,140	39,826	730,966
Total Net Position	\$ 691,140	\$ 39,826	\$ 730,966

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2023

	Canyon Falls MUD 1 Fund	Argyle Sewer Billing Fund	Total Nonmajor Proprietary Funds
<u>Operating revenues</u>			
Charges for services	\$ 377,613	\$ 185,666	\$ 563,279
Total Operating Revenues	<u>377,613</u>	<u>185,666</u>	<u>563,279</u>
<u>Operating Expenses</u>			
Operating expenses	-	185,666	185,666
Total Operating Expenses	<u>-</u>	<u>185,666</u>	<u>185,666</u>
Operating Income (Loss)	<u>377,613</u>	<u>-</u>	<u>377,613</u>
<u>Nonoperating Revenues (Expenses)</u>			
Investment income	6,863	-	6,863
Total Nonoperating Revenues (Expenses)	<u>6,863</u>	<u>-</u>	<u>6,863</u>
Income (Loss) Before Transfers	384,476	-	384,476
Change in Net Position	384,476	-	384,476
Beginning net position	306,664	39,826	346,490
Ending Net Position	<u>\$ 691,140</u>	<u>\$ 39,826</u>	<u>\$ 730,966</u>

Town of Northlake, Texas
COMBINING SCHEDULE OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2023

	<u>Technology</u>	<u>Equipment</u>	<u>Building Services</u>	<u>Total Internal Service Funds</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 38,449	\$ 693,059.00	\$ 92,933	\$ 824,441
Receivables	-	6,978	-	6,978
Prepays	-	-	47,065	47,065
Total Assets	\$ 38,449	\$ 700,037	\$ 139,998	\$ 878,484
<u>Noncurrent Assets</u>				
Capital assets:				
Net depreciable capital assets	288,846	1,419,265	1,460,200	3,168,311
Total Noncurrent Assets	288,846	1,419,265	1,460,200	3,168,311
Total Assets	327,295	2,119,302	1,600,198	4,046,795
<u>Liabilities</u>				
Accounts payable	\$ 7,882	\$ 196,504	\$ 12,105	\$ 216,491
Long-term debt, current	71,374	-	341,983	413,357
Total Current Liabilities	79,256	196,504	354,088	629,848
Long-term debt, noncurrent	126,838	-	291,457	418,295
Total Noncurrent Liabilities	126,838	-	291,457	418,295
Total Liabilities	206,094	196,504	645,545	1,048,143
<u>Net Position</u>				
Net investment in capital assets	90,634	1,222,761	826,760	2,140,155
Unrestricted	30,567	700,037	127,893	858,497
Total Net Position	\$ 121,201	\$ 1,922,798	954,653	\$ 2,998,652

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2023

	<u>Technology</u>	<u>Equipment</u>	<u>Building Services</u>	<u>Total Utility Impact Fee Funds</u>
<u>Operating revenues</u>				
Charges for services	\$ 534,002	\$ 565,000	\$ 885,548	\$ 1,984,550
Other revenues	4,297	665	852	5,814
Total Operating Revenues	<u>538,299</u>	<u>565,665</u>	<u>886,400</u>	<u>1,990,364</u>
<u>Operating Expenses</u>				
Operating expenses	511,101	17,171	274,417	802,689
Depreciation	123,924	282,294	802,760	1,208,978
Total Operating Expenses	<u>635,025</u>	<u>299,465</u>	<u>1,077,177</u>	<u>2,011,667</u>
Operating Income (Loss)	<u>(96,726)</u>	<u>266,200</u>	<u>(190,777)</u>	<u>(21,303)</u>
<u>Nonoperating Revenues (Expenses)</u>				
Gain on Sale of Assets	-	20,304	-	20,304
Insurance Proceeds	-	60,094	-	60,094
Investment expense	(6,547)	-	(55,885)	(62,432)
Total Nonoperating (Expenses)	<u>(6,547)</u>	<u>80,398</u>	<u>(55,885)</u>	<u>17,966</u>
Change in Net Position	(103,273)	346,598	(246,662)	(3,337)
Beginning net position	224,474	1,576,200	1,201,315	3,001,989
Ending Net Position	<u>\$ 121,201</u>	<u>\$ 1,922,798</u>	<u>954,653</u>	<u>\$ 2,998,652</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>	117
Revenue Capacity <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	124
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>	128
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>	133
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>	135
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>	138

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



Town of Northlake, Texas

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 2,472,711	\$ (1,000,286)	\$ 622,501	\$ (2,224,043)	\$ 3,022,060	\$ 8,307,614	\$ 23,691,121	\$ 23,544,461	\$ 25,511,980	\$ 27,438,904
Restricted	1,828,305	2,395,434	1,838,381	9,067,546	7,371,608	7,749,697	4,735,030	4,387,242	4,543,830	4,665,268
Unrestricted	538,119	4,525,654	4,313,308	2,573,478	1,055,212	2,745,971	7,173,813	11,540,614	11,125,877	12,993,092
Total governmental activities net position	\$ 4,839,135	\$ 5,920,802	\$ 6,774,190	\$ 9,416,981	\$ 11,448,880	\$ 18,803,282	\$ 35,599,964	\$ 39,472,317	\$ 41,181,687	\$ 45,097,264
Business-type activities										
Net investment in capital assets	\$ 603,580	\$ 3,058,300	\$ 3,343,561	\$ 4,258,425	\$ 5,697,160	\$ 19,237,890	\$ 28,566,151	\$ 29,335,512	\$ 32,910,802	\$ 37,946,385
Restricted	-	-	-	-	-	-	-	-	2,137,078	4,727,885
Unrestricted	1,515,685	926,065	1,497,218	1,150,742	2,085,468	14,733,853	2,582,247	6,466,307	7,654,877	9,132,124
Total business-type activities net position	\$ 2,119,265	\$ 3,984,365	\$ 4,840,779	\$ 5,409,167	\$ 7,782,628	\$ 33,971,743	\$ 31,148,398	\$ 35,801,819	\$ 42,702,757	\$ 51,806,394
Primary government										
Net investment in capital assets	\$ 3,076,291	\$ 2,058,014	\$ 3,966,062	\$ 2,034,382	\$ 8,719,220	\$ 27,545,504	\$ 52,257,272	\$ 52,879,973	\$ 58,422,782	\$ 65,385,289
Restricted	1,828,305	2,395,434	1,838,381	9,067,546	7,371,608	7,749,697	4,735,030	4,387,242	6,680,908	9,393,153
Unrestricted	2,053,804	5,451,719	5,810,526	3,724,220	3,140,680	17,479,824	9,756,060	18,006,921	18,780,754	22,125,216
Total primary governmental activities net position	\$ 6,958,400	\$ 9,905,167	\$ 11,614,969	\$ 14,826,148	\$ 19,231,508	\$ 52,775,025	\$ 66,748,362	\$ 75,274,136	\$ 83,884,444	\$ 96,903,658

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

Town of Northlake, Texas

Changes in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 1,161,129	\$ 946,647	\$ 1,562,134	\$ 1,437,941	\$ 928,400	\$ 1,537,061	\$ 1,598,011	\$ 1,516,599	\$ 1,377,451	\$ 2,655,583
Municipal Court	274,826	268,501	-	-	-	-	-	-	-	-
Police	819,258	1,027,335	1,378,162	1,212,424	1,837,541	1,539,945	2,617,563	2,993,487	3,865,325	4,277,207
Public works	386,805	525,722	658,352	1,312,199	952,983	854,028	1,928,485	2,656,449	2,689,023	3,064,584
Public Improvement Districts (PID)	-	-	-	-	-	1,130,320	962,745	1,219,270	1,439,434	1,856,793
Tax Increment Reinvest. Zone (TIKZ)	-	-	-	-	-	4,741	539,727	265,447	288,063	297,717
Promotional	38,416	25,219	38,233	61,929	67,431	104,689	59,350	48,029	57,876	117,047
Development services	-	-	-	1,016,548	1,274,815	619,714	2,325,958	3,890,392	2,349,333	2,756,053
Economic development	94,047	101,694	636,186	636,186	-	-	-	-	-	-
Interest and fiscal charges	132,088	285,614	226,945	432,877	150,220	711,903	641,799	286,868	218,897	264,526
Total governmental activities expenses	2,906,569	3,180,732	4,500,012	6,110,104	5,211,390	6,502,401	10,673,638	12,876,541	12,285,402	15,289,510
Business-type activities										
Water and sewer	1,093,283	1,349,070	1,613,800	2,568,970	3,294,171	4,569,206	5,823,770	7,037,178	9,882,397	13,205,101
Utility Impact Fees	-	-	-	-	-	348,570	1,087,067	868,523	486,626	478,482
Interest and fiscal charges	-	-	-	-	-	-	27,273	456,012	536,513	979,901
Total business-type activities expenses	1,093,283	1,349,070	1,613,800	2,568,970	3,294,171	4,917,776	6,938,110	8,361,713	10,905,536	14,663,484
Total primary government expenses	\$ 3,999,852	\$ 4,529,802	\$ 6,113,812	\$ 8,679,074	\$ 8,505,561	\$ 11,420,177	\$ 17,611,748	\$ 21,238,254	\$ 23,190,938	\$ 29,952,994
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 467,657	\$ 980,848	\$ 1,061,699	\$ 1,341,544	\$ 1,546,713	\$ -	\$ -	\$ 413,489	\$ -	\$ -
Public safety	691,336	671,968	593,352	544,561	578,133	726,789	732,717	630,630	784,264	1,072,493
PID special assessments	-	-	-	-	-	-	117	6,033	1,499,153	1,333,926
Development services	-	-	-	-	-	1,436,885	2,247,231	3,536,250	2,567,962	3,146,728
Operating grants and contributions	-	-	-	-	-	421,929	287,700	70,400	495,613	77,000
Capital grants and contributions	-	-	-	-	-	15,410,758	8,046,222	3,391,447	2,967,356	4,477,572
Total governmental activities program revenues	\$ 1,158,993	\$ 1,652,816	\$ 1,655,051	\$ 1,886,105	\$ 2,124,846	\$ 17,996,361	\$ 11,313,987	\$ 8,048,249	\$ 8,314,348	\$ 10,107,719
Business-type activities:										
Charges for services:										
Water and sewer	1,053,338	2,016,122	2,584,170	3,296,635	3,783,858	5,138,625	5,478,560	8,562,742	11,286,372	15,563,561
Capital grants and contributions	-	-	-	-	-	15,599,442	8,689,843	4,091,096	3,910,528	6,546,445
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	1,053,338	2,016,122	2,584,170	3,296,635	5,084,264	20,738,067	14,168,403	12,653,838	15,196,900	22,110,006
Total primary government program revenues	\$ 2,212,331	\$ 3,668,938	\$ 4,239,221	\$ 5,182,740	\$ 7,209,110	\$ 38,734,428	\$ 25,482,390	\$ 20,702,087	\$ 23,511,248	\$ 32,217,725

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

Town of Northlake, Texas

Changes in Net Position (Continued)

Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense)/revenue:										
Governmental activities	\$ (1,747,576)	\$ (1,527,916)	\$ (2,844,961)	\$ (4,223,999)	\$ (3,086,544)	\$ 11,493,960	\$ 640,349	\$ (4,828,292)	\$ (3,971,054)	\$ (5,181,791)
Business-type activities	(39,945)	667,052	970,370	727,665	1,790,093	15,820,291	7,230,293	4,292,125	4,291,364	7,446,522
Total primary government net expense	\$ (1,787,521)	\$ (860,864)	\$ (1,874,591)	\$ (3,496,334)	\$ (1,296,451)	\$ 27,314,251	\$ 7,870,642	\$ (536,167)	\$ 320,310	\$ 2,264,731
General revenues and other changes in net position										
Governmental activities:										
Property taxes	\$ 683,502	\$ 743,419	\$ 922,534	\$ 1,179,013	\$ 1,572,424	\$ 3,058,040	\$ 3,710,077	\$ 4,667,918	\$ 4,429,860	\$ 5,766,731
Sales taxes	27,886	882,995	1,359,296	1,246,433	1,284,730	728,786	854,553	1,326,671	1,768,699	1,700,234
Franchise taxes	626,825	244,696	257,563	282,277	376,093	443,387	477,795	568,056	936,774	1,015,633
Hotel/motel taxes	143,548	238,013	257,813	267,965	444,447	417,116	393,540	598,771	736,301	751,320
Interest earnings	5,377	30,730	40,944	113,463	160,360	236,517	149,848	20,829	58,846	447,913
Roadway Impact Fees	-	-	-	-	744,960	-	-	-	-	-
Assessments	-	366,158	436,420	610,503	-	-	-	-	-	-
Miscellaneous	355,425	176,376	204,122	1,542,348	335,428	486,535	396,402	35,172	104,056	200,351
Transfers	(765,000)	125,000	146,629	172,262	200,000	(11,770,000)	10,174,118	(301,881)	(2,446,612)	(784,814)
Total governmental activities	1,077,563	2,807,387	3,625,321	5,414,264	5,118,442	(6,399,619)	16,156,333	6,915,536	5,587,924	9,097,368
Business-type activities:										
Water/sewer impact fees	-	-	-	-	747,134	-	-	-	-	-
Interest earnings	674	(32,446)	(28,061)	(6,339)	37,718	294,444	120,480	59,415	162,962	872,301
Miscellaneous	8,482	29,718	60,734	20,324	(1,487)	14,367	-	-	-	-
Transfers	765,000	(125,000)	(146,629)	(172,262)	(200,000)	11,770,000	(10,174,118)	301,881	2,446,612	784,814
Total business-type activities	774,156	(127,728)	(113,956)	(158,277)	583,365	12,078,811	(10,053,638)	361,296	2,609,574	1,657,115
Total primary government	\$ 1,851,719	\$ 2,679,659	\$ 3,511,365	\$ 5,255,987	\$ 5,701,807	\$ 5,679,192	\$ 6,102,695	\$ 7,276,832	\$ 8,197,498	\$ 10,754,483
Changes in net position:										
Governmental activities	\$ (670,013)	\$ 1,279,471	\$ 780,360	\$ 1,190,265	\$ 2,031,898	\$ 5,094,341	\$ 16,796,682	\$ 2,087,244	\$ 1,616,870	\$ 3,915,577
Business-type activities	734,211	539,324	856,414	569,388	2,373,458	27,899,102	(2,823,345)	4,653,421	6,900,938	9,103,637
Total primary government	\$ 64,198	\$ 1,818,795	\$ 1,636,774	\$ 1,759,653	\$ 4,405,356	\$ 32,993,443	\$ 13,973,337	\$ 6,740,665	\$ 8,517,808	\$ 13,019,214

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



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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,394	\$ 1,864	\$ -	\$ 7,846
Assigned	3,087,338	-	-	-	-	-	-	-	-	-
Unassigned	1,021,371	4,681,337	1,575,023	1,925,453	1,831,294	3,075,444	3,595,432	4,623,179	5,363,596	5,726,371
Total general fund	\$ 4,108,709	\$ 4,681,337	\$ 1,575,023	\$ 1,925,453	\$ 1,831,294	\$ 3,075,444	\$ 3,601,826	\$ 4,625,043	\$ 5,363,596	\$ 5,734,217
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,594	\$ 3,133	\$ -	\$ 7,845
Unassigned	-	-	-	-	-	(52,716)	(44,305)	(40,907)	(369,800)	(181,633)
Restricted for:										
Debt service	-	-	-	126,531	783,748	275,706	554,090	571,486	659,140	509,412
Promotional activities	814,977	1,029,865	1,258,552	1,484,307	1,884,974	2,270,708	861,954	1,180,442	-	-
Capital improvements	(39,094)	(13,986)	-	5,996,260	2,419,659	3,035,038	3,461,531	8,320,332	7,123,436	7,376,604
Utility cost participation	-	-	-	-	65,310	64,459	53,506	54,446	-	-
Public improvement	-	-	1,373,509	119,353	-	175,938	297,697	326,199	375,825	435,247
Economic development	455,140	592,373	595,579	612,391	-	-	-	-	-	-
Encumbrances	-	-	-	-	-	-	-	-	-	-
Community development	433,937	571,429	575,332	592,138	-	-	-	-	-	-
Restricted, reported in non-major governmental funds:										
Roadway impact fees	-	-	-	-	781,367	-	-	-	-	-
Municipal court	-	-	-	-	-	60,931	98,819	98,343	126,146	122,463
Court tech/security and child safety	163,373	180,989	250,910	250,722	133,803	-	-	-	-	-
Promotional activities	-	-	-	-	-	-	-	-	1,858,199	2,546,563
Utility cost participation	-	-	-	-	-	-	-	-	55,778	56,912
Public safety	-	-	-	-	108,611	111,948	119,016	112,523	170,108	178,152
TIRZ Development	-	-	-	-	46,896	169,182	-	-	-	13,637
Economic development	-	-	-	-	584,305	-	-	-	-	-
Community development	-	-	-	-	562,935	-	-	-	-	-
Capital projects	-	-	11,071	-	-	892,553	1,424,012	-	-	-
Debt service	(28)	34,764	249,740	-	-	-	-	-	-	-
Donations	-	-	-	-	-	23,682	-	-	-	-
Other purposes	-	-	(1,385)	5,197	-	-	-	-	-	-
Total all other governmental funds	\$ 1,828,305	\$ 2,395,434	\$ 4,313,308	\$ 9,186,899	\$ 7,371,608	\$ 7,027,429	\$ 6,827,914	\$ 10,625,997	\$ 9,998,832	\$ 11,065,202

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.

Town of Northlake, Texas

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes:										
Property	\$ 683,502	\$ 756,378	\$ 954,486	\$ 1,190,441	\$ 1,589,745	\$ 3,072,327	\$ 3,726,179	\$ 4,665,657	\$ 4,430,772	\$ 5,681,239
Sales and beverage	626,825	882,995	1,359,296	1,246,433	1,284,730	1,514,224	854,553	1,489,157	1,768,699	1,700,234
Franchise	198,913	244,696	257,563	282,277	376,093	454,537	477,795	568,056	936,774	1,015,633
Hotel/motel	143,548	238,013	257,813	267,965	444,447	457,149	393,540	598,771	736,301	751,320
PID Assessment	27,886	-	-	-	-	-	-	-	-	-
Buildings permits, plant and other fees	467,657	980,848	1,061,699	1,341,544	1,546,713	2,579,477	2,247,231	3,536,250	2,567,962	3,146,728
Municipal court	737,022	671,968	601,110	592,248	539,125	512,290	-	-	-	-
Interest income	5,644	29,223	40,581	103,235	154,890	530,896	-	-	-	-
Online access fees	-	-	-	-	17,724	-	-	-	-	-
Roadway impact fees	-	-	-	-	744,960	1,003,736	-	-	-	-
Assessments	-	366,158	436,420	610,503	-	-	316,726	325,163	1,768,385	2,183,116
Contracted police services	-	-	-	-	-	161,813	252,563	168,813	-	-
Credit card convenience fees	-	-	-	-	-	10,927	8,904	7,969	-	-
Cost recovery fees	-	-	-	-	-	433,149	-	-	-	-
Water and sewer impact fees	-	-	-	-	-	1,166,118	-	-	-	-
Developer participation	-	-	-	-	-	421,929	-	-	-	-
Court security, technology and online access fees	-	-	-	-	-	40,877	-	-	-	-
Seized monies, training, seatbelt and child safety	-	-	-	-	-	11,809	-	-	-	-
Intergovernmental	-	-	-	-	-	-	287,700	420,710	495,613	1,100,000
Charges for Services	-	-	-	-	-	-	-	-	-	533,755
Fines and forfeitures	-	-	-	-	-	-	502,159	461,817	654,264	538,738
Impact and development fees	-	-	-	-	-	-	2,493,806	3,391,447	1,898,444	2,524,786
Investment income	-	-	-	-	-	-	149,848	20,829	58,846	447,913
Miscellaneous	405,299	178,406	205,153	1,450,364	266,767	109,626	34,188	27,203	234,056	200,351
Total revenues	3,296,296	4,348,685	5,174,121	7,085,010	6,965,194	12,480,884	11,745,192	15,681,842	15,550,116	19,823,813

Town of Northlake, Texas

Assessed Value and Estimated Actual Value of Property Last Ten Years

Fiscal Year Ended	Taxable Assessed Value		Less:		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Non-Real Property	Tax Exempt Property	Tax Exempt Property				
2014	\$ 251,979,882	\$ 75,155,805	\$ 95,505,314	\$ 231,630,373	\$ 0.295000	\$ 327,135,687	70.81%	
2015	\$ 274,888,212	\$ 67,086,618	\$ 100,832,780	\$ 241,142,050	\$ 0.295000	\$ 341,974,830	70.51%	
2016	\$ 311,252,254	\$ 67,776,420	\$ 100,065,441	\$ 278,963,233	\$ 0.295000	\$ 379,028,674	73.60%	
2017	\$ 426,846,323	\$ 58,802,475	\$ 103,460,351	\$ 382,188,447	\$ 0.295000	\$ 485,648,798	78.70%	
2018	\$ 539,027,594	\$ 114,099,682	\$ 152,941,767	\$ 500,185,509	\$ 0.295000	\$ 653,127,276	76.58%	
2019	\$ 675,587,625	\$ 105,896,990	\$ 155,686,083	\$ 625,798,532	\$ 0.295000	\$ 781,484,615	80.08%	
2020	\$ 894,787,656	\$ 218,083,354	\$ 252,287,166	\$ 860,583,844	\$ 0.295000	\$ 1,112,871,010	77.33%	
2021	\$ 1,224,156,910	\$ 646,808,278	\$ 627,538,477	\$ 1,243,426,711	\$ 0.295000	\$ 1,870,965,188	66.46%	
2022	\$ 1,547,277,502	\$ 845,954,036	\$ 923,942,383	\$ 1,469,289,155	\$ 0.295000	\$ 2,393,231,538	61.39%	
2023	\$ 2,281,315,636	\$ 956,351,894	\$ 1,177,419,420	\$ 2,060,248,110	\$ 0.295000	\$ 3,237,667,530	63.63%	

Source: Denton County Tax Appraisal District

Town of Northlake, Texas

Property Tax Rates

Direct and Overlapping Governments

Fiscal Year	Town of Northlake				Overlapping Rates				Total Direct and Overlapping Rates
	Tax Year	Operating Rate	Debt Service Rate	Total Direct Rate	Denton County	Northwest ISD	Emergency Services District #1		
2014	2013	\$ 0.204600	\$ 0.090400	\$ 0.295000	\$ 0.284914	\$ 1.452500	\$ 0.100000	\$ 2.13241	
2015	2014	\$ 0.205800	\$ 0.089200	\$ 0.295000	\$ 0.272200	\$ 1.452500	\$ 0.100000	\$ 2.11970	
2016	2015	\$ 0.217700	\$ 0.077300	\$ 0.295000	\$ 0.262000	\$ 1.452500	\$ 0.100000	\$ 2.10950	
2017	2016	\$ 0.217700	\$ 0.077300	\$ 0.295000	\$ 0.248409	\$ 1.452500	\$ 0.099822	\$ 2.09573	
2018	2017	\$ 0.170500	\$ 0.124500	\$ 0.295000	\$ 0.237812	\$ 1.490000	\$ 0.100000	\$ 2.12281	
2019	2018	\$ 0.170500	\$ 0.124500	\$ 0.295000	\$ 0.225574	\$ 1.490000	\$ 0.100000	\$ 2.11057	
2020	2019	\$ 0.155563	\$ 0.139437	\$ 0.295000	\$ 0.225278	\$ 1.420000	\$ 0.100000	\$ 2.28326	
2021	2020	\$ 0.146828	\$ 0.148172	\$ 0.295000	\$ 0.224985	\$ 1.466300	\$ 0.100000	\$ 2.28326	
2022	2021	\$ 0.142985	\$ 0.152015	\$ 0.295000	\$ 0.233086	\$ 1.292000	\$ 0.100000	\$ 2.28326	
2023	2022	\$ 0.177648	\$ 0.117352	\$ 0.295000	\$ 0.217543	\$ 1.274600	\$ 0.093330	\$ 1.88047	

Source: Denton County Tax Appraisal District

Town of Northlake, Texas

Principal Property Taxpayers

Current Year and Nine Years Ago

Name of Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	% of Total Assessed Valuation	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Wesco Aircraft Hardware Corp	\$63,000,000	1	3.06%	NA	NA	NA
Dry Creek Apartments, LTD	\$61,940,826	2	3.01%	18,760,429	7	8.10%
LEX Northlake L.P.	\$59,901,968	3	2.91%	NA	NA	NA
Black & Decker (US) INC	\$58,844,740	4	2.86%	NA	NA	NA
Northport 35 Investors, LLC	\$54,810,143	5	2.66%	NA	NA	NA
Chadwick Apartments Phase I LTD	\$52,380,026	6	2.54%	17,538,429	2	7.57%
Chadwick Apartments Phase II LTD	\$49,547,481	7	2.40%	NA	NA	NA
CICF II - TX1B01 LLC	\$46,000,000	8	2.23%	NA	NA	NA
LEX Northlake 17505 LP	\$42,034,060	9	2.04%	NA	NA	NA
B9 MF Northlake Owner LP	\$29,000,000	10	1.41%	NA	NA	NA
Subtotal	\$517,459,244		25.12%	\$36,298,858		15.67%
All other taxpayers	1,542,788,866		74.88%	195,331,515		84.33%
	\$ 2,060,248,110		100.00%	\$ 231,630,373		100.00%

Source: Denton County Tax Appraisal District
NA: Not Available

Town of Northlake, Texas

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy for Year	Ad Valorem Rate			Debt			Collected within the Fiscal Year of the Levy			Collection in Subsequent Years			Total Collections to Date	
		Tax Rate	Operating Fund	Service Fund	Tax Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy		
2014	\$ 0.29500	\$ 0.204600	\$ 0.090400	\$ 678,477	\$ 677,752	99.89%	\$ 703	\$ 678,456	100.00%						
2015	\$ 0.29500	\$ 0.205800	\$ 0.089200	\$ 752,611	\$ 741,724	98.55%	\$ 10,758	\$ 752,483	99.98%						
2016	\$ 0.29500	\$ 0.217700	\$ 0.077300	\$ 977,805	\$ 874,511	89.44%	\$ 102,328	\$ 976,839	99.90%						
2017	\$ 0.29500	\$ 0.217700	\$ 0.077300	\$ 1,148,485	\$ 1,142,544	99.48%	\$ 5,907	\$ 1,148,451	100.00%						
2018	\$ 0.29500	\$ 0.170500	\$ 0.124500	\$ 1,583,717	\$ 1,574,516	99.42%	\$ 9,153	\$ 1,583,670	100.00%						
2019	\$ 0.29500	\$ 0.170500	\$ 0.124500	\$ 1,955,213	\$ 1,933,719	98.90%	\$ 20,133	\$ 1,953,852	99.93%						
2020	\$ 0.29500	\$ 0.155563	\$ 0.139437	\$ 2,602,600	\$ 2,596,323	99.76%	\$ 75	\$ 2,596,323	99.76%						
2021	\$ 0.29500	\$ 0.146828	\$ 0.148172	\$ 3,450,279	\$ 3,443,661	99.81%	\$ 9,626	\$ 3,453,287	100.09%						
2022	\$ 0.29500	\$ 0.142985	\$ 0.152015	\$ 4,368,293	\$ 4,364,503	99.91%	\$ 56,862	\$ 4,421,365	101.21%						
2023	\$ 0.29500	\$ 0.177648	\$ 0.117352	\$ 5,758,763	\$ 5,700,007	98.98%	\$ (38,537)	\$ 5,661,470	98.31%						

Source: Denton County Tax Assessor & Collector

Town of Northlake, Texas

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities										Business-Type Activities					Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Special Assessment Bonds	Unamortized bond premiums/ discounts	Lease	Subscription-Based IT Arrangements	Total Governmental Activities (1)	Certificates of Obligation	Notes Payable	Unamortized bond premiums/ discounts	Business-Type Activities (1)	Total Primary Government (1)	Percentage of Personal Income (2)	Population (3)	
2014	\$ -	\$ 4,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,700,000	\$ -	\$ -	\$ -	\$ -	\$ 4,700,000	0.0014%	2,150	\$2,186
2015	-	4,515,000	-	-	-	-	-	4,515,000	-	-	-	-	4,515,000	0.0013%	2,160	\$2,090
2016	-	12,685,000	-	-	-	-	-	12,685,000	-	-	-	-	12,685,000	0.0034%	2,660	\$4,769
2017	-	12,015,000	-	-	-	-	-	12,015,000	-	-	-	-	12,015,000	0.0030%	3,010	\$3,992
2018	-	22,865,000	-	-	-	-	-	22,865,000	-	-	-	-	22,865,000	0.0054%	3,630	\$6,299
2019	975,000	20,930,000	-	746,958	-	-	-	22,651,958	-	-	-	-	22,651,958	0.0051%	4,140	\$5,471
2020	825,000	9,150,000	-	153,642	-	-	-	10,128,642	11,310,000	-	544,500	11,854,500	21,983,142	0.0046%	4,930	\$4,459
2021	670,000	8,645,000	3,070,000	140,683	3,000,000	1,103,796	-	16,629,479	11,290,000	3,070,000	514,250	14,874,250	31,503,729	0.0060%	7,333	\$4,296
2022	510,000	5,300,000	2,572,500	127,724	2,815,000	1,095,509	275,267	12,420,733	17,075,000	2,572,500	1,024,331	20,671,831	33,092,564	0.5400%	8,790	\$3,765
2023	345,000	5,849,333	2,070,000	173,414	2,620,000	633,440	198,212	11,889,399	29,215,667	2,070,000	1,786,735	33,072,402	44,961,801	N/A	10,430	\$4,311

(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

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
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	\$ 31,503,729	\$ 554,090	\$ 30,949,639	1.65%	\$ 4,221
2022	\$ 33,092,564	\$ 659,140	\$ 32,433,424	1.36%	\$ 3,690
2023	\$ 44,961,801	\$ 509,411	\$ 44,452,390	1.37%	\$ 4,262

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, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to Primary Government</u>
Northwest ISD	\$ 1,579,284,000	15.14%	\$ 239,103,598
Denton County ESD #1	\$ 8,100,397	36.87%	\$ 2,986,616
Denton County	\$ 624,655,000	1.77%	\$ 11,056,394
Subtotal, overlapping debt			253,146,607
Town of Northlake, net debt payable from ad valorem taxes			<u>11,889,399</u> ⁽¹⁾
Total direct and overlapping net funded debt			<u><u>\$ 265,036,006</u></u>
Ratio of Direct and Overlapping Net Funded Debt to Taxable Assessed Valuation			12.86% ⁽¹⁾
Per Capita Direct and Overlapping Net Funded Debt			\$ 25,411 ⁽¹⁾

Sources: Outstanding debt provided by each governmental unit.

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

Town of Northlake, Texas

Legal Debt Margin Information

September 30, 2022

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
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
2022	\$ 1,469,289,155	1.50%	\$ 22,039,337	\$ 2,249,051
2023	\$ 2,060,248,110	1.50%	\$ 30,903,722	\$ 1,769,000

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		Debt Service Requirements		Coverage
				Principal	Interest	Principal	Total	
2014	\$ 1,041,890	\$ 1,115,179	\$ (73,289)	\$ -	\$ -	\$ -	\$ -	0.00
2015	\$ 2,768,414	\$ 1,417,618	\$ 1,350,796	\$ -	\$ -	\$ -	\$ -	0.00
2016	\$ 2,152,332	\$ 1,726,201	\$ 426,131	\$ -	\$ -	\$ -	\$ -	0.00
2017	\$ 2,793,430	\$ 2,605,985	\$ 187,445	\$ -	\$ -	\$ -	\$ -	0.00
2018	\$ 5,092,921	\$ 3,198,343	\$ 1,894,578	\$ -	\$ -	\$ -	\$ -	0.00
2019	\$ 3,963,811	\$ 4,638,116	\$ (674,305)	\$ -	\$ -	\$ -	\$ -	0.00
2020	\$ 5,418,786	\$ 6,249,577	\$ (830,791)	\$ 20,000	\$ 449,194	\$ 469,194	\$ 469,194	-1.77
2021	\$ 8,422,392	\$ 6,207,519	\$ 2,214,873	\$ 20,000	\$ 449,194	\$ 469,194	\$ 469,194	4.72
2022	\$ 10,955,278	\$ 8,413,559	\$ 2,541,719	\$ 1,822,500	\$ 595,202	\$ 2,417,702	\$ 2,417,702	1.05
2023	\$ 15,000,282	\$ 12,567,436	\$ 2,432,846	\$ 1,708,500	\$ 1,005,023	\$ 2,713,523	\$ 2,713,523	0.90

Source: Northlake Finance Department

* Total operating expenses less depreciation

Town of Northlake, Texas

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Town Population	Dallas/Fort Worth		Dallas/Fort Worth		Dallas-Forth Worth	
		Metropolitan Statistical Area (MSA) Population	Per Capita Income	MSA	Personal Income (thousands of dollars)	MSA	Unemployment Rate
2014	2,150	6,889,769	\$ 49,866	\$	343,563,993		4.0%
2015	2,160	7,042,566	\$ 50,670	\$	356,850,208		3.6%
2016	2,660	7,194,758	\$ 51,428	\$	370,009,351		3.7%
2017	3,010	7,337,097	\$ 53,870	\$	395,250,806		3.3%
2018	3,630	7,455,756	\$ 56,864	\$	423,961,883		3.3%
2019	4,140	7,574,390	\$ 58,725	\$	444,730,277		2.9%
2020	4,930	7,694,138	\$ 61,554	\$	473,604,117		6.3%
2021	7,333	7,805,140	\$ 66,727	\$	520,813,577		4.4%
2022	8,790	7,943,685	\$ 70,493	\$	559,970,576		3.5%
2023	10,430	N/A	N/A	\$	N/A		3.9%

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

N/A Not available

Town of Northlake, Texas

Principal Employers

Current Year

Name of Employer	Type	2023			2020		
		Employees	Rank	% of Total	Rank	% of Total	
Stanley Black and Decker	Warehouse/Distribution Center	400	1	21.62%	128	3	14.63%
Tree House Foods (formerly Farmers Brothers)	Manufacturing	365	2	19.73%	400	1	45.71%
InCora	Warehouse/Distribution Center	280	3	15.14%	Not Available		Not Available
Texas Roadhouse	Restaurant	170	4	9.19%	50	7	5.71%
Mainfreight	Warehouse/Distribution Center	132	5	7.14%	Not Available		Not Available
Twin Peaks	Restaurant	120	6	6.49%	Not Available		Not Available
Schluter Systems	Warehouse/Distribution Center	115	7	6.22%	135	2	15.43%
DHL Logistics	Warehouse/Distribution Center	105	8	5.68%	Not Available	-	Not Available
Crown Lift Trucks	Warehouse/Distribution Center	90	9	4.86%	80	5	9.14%
Oldcastle Infrastructure	Manufacturing	73	10	3.95%	82	4	9.37%
Total		1,850		100.00%	875		100.00%

Source: Northlake Development Department

Note: 2014 information was not collected. 2020 is the most recent year with data available.

Town of Northlake, Texas

Full-time Equivalent Employees by Function Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Administration	3.17	2.65	3.30	3.50	3.50	2.00	2.25	3.25	3.25	5.25
Finance	0.00	0.00	0.00	0.00	0.00	1.50	2.25	2.25	2.50	2.50
Development Services	0.25	1.00	1.25	1.25	2.00	3.25	3.25	3.25	4.25	4.25
Municipal Court	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Police	9.00	9.00	10.50	12.50	13.75	14.00	18.00	21.00	24.00	28.00
Public Works	1.25	2.24	3.00	3.37	4.24	4.50	6.50	6.75	7.25	8.25
Total General Fund	16.67	17.89	21.05	23.62	26.49	28.25	35.25	39.50	44.25	51.25
Economic Development Corp										
Development Services	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.75	0.75
Marketing & Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25
Total Economic Development Corp	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	1.00	1.00
Community Development Corp										
Development Services	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.75	0.75
Marketing & Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25
Total Community Development Corp	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	1.00	1.00
Hotel Occupancy Tax Fund										
Development Services	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Marketing & Communications	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25
Total Hotel Occupancy Tax Fund	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50
Utility Fund										
Finance	0.63	0.35	0.70	1.20	1.50	1.50	1.75	1.75	2.50	3.50
Public Works	1.25	2.24	3.00	4.12	5.24	5.24	8.50	11.25	13.75	15.75
Total Utility Fund	1.88	2.59	3.70	5.32	6.74	6.74	10.25	13.00	16.25	19.25
Total Personnel	19.30	21.23	25.50	29.69	33.98	35.74	47.00	54.00	63.00	73.00

Source: Northlake Finance Department

Town of Northlake, Texas

Operating Indicators by Function (Page 1 of 2)

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Municipal Court										
Outstanding Warrants	1,329	1,737	1,406	1,390	1,552	621	593	104	207	132
Warrants Issued	1,157	1,315	1,086	843	981	435	342	935	1,138	1,036
Public Safety										
Police										
Calls for Service	1,842	2,450	2,481	2,896	3,421	4,018	3,794	4,137	4,643	5,207
911 Calls	1,454	1,994	2,054	2,437	2,757	3,045	2,938	-	-	-
Citations	7,195	5,586	5,182	4,462	3,647	4,186	2,212	2,516	4,197	2,765
Traffic Accidents	79	122	135	139	165	167	121	190	210	246
UCR Part 1 Violent Crimes	1	-	3	7	13	7	5	10	11	6
UCR Part 1 Non-violent Crimes	30	65	53	77	63	60	68	79	96	93
Arrests	149	164	123	116	163	202	167	220	253	228
Reports	464	420	403	460	500	446	389	466	514	1,201
Police-Animal Control										
Calls for Service	-	98	70	95	116	185	154	153	105	153
Citations	-	-	-	-	-	-	-	-	-	-
Taken to Shelter	32	19	19	7	25	10	14	19	15	40
TNR	-	-	-	-	-	-	-	-	-	-
Reports	-	-	-	-	-	-	-	-	-	-
Public Works										
Service Orders Completed	-	1,272	1,584	2,517	2,581	3,148	4,822	5,870	5,084	7,003
Streets										
Service Orders Completed	-	119	35	69	53	90	264	205	295	548
Water										
Metered Accounts	437	706	1,165	1,760	2,378	2,935	3,965	5,840	6,216	6,886
Avg. Daily Demand (MGD)	302,177	428,862	641,400	848,671	1,103,823	1,317,042	1,717,207	2,010,614	2,968,859	3,150,541
Avg. Monthly Demand/Cust (gal)	18,093	10,189	13,534	13,141	32,585	14,267	14,078	10,486	14,527	13,916
Peak Demand (MGD)	651,152	1,211,000	1,598,500	1,785,000	3,024,992	4,750,000	3,569,000	4,119,000	7,081,000	8,312,000
Service Orders Completed	-	995	1,515	2,276	2,397	2,668	3,392	4,045	5,759	5,079
Sewer										
Service Connections	193	482	899	1,420	1,940	2,515	3,416	4,760	5,387	6,149
Service Orders Completed	-	14	4	45	47	278	871	912	791	1,376

Source: Northlake Finance Department

Town of Northlake, Texas

Capital Asset Statistics by Function

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Area of Town (square miles)	16.6	16.9	17	17	17	17	17	17.5	17.5	17.5
Public Safety										
Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Firing Ranges	-	-	-	-	-	-	-	-	-	-
Patrol Vehicles	7	7	7	7	7	7	7	8	9	11
Other Police Vehicles	8	8	8	8	8	8	8	6	6	12
Animal Control Vehicles	-	-	-	-	-	-	-	-	-	-
Public Works										
Buildings	2	2	2	2	2	2	2	2	2	2
Paved Streets (miles)							114.00	118.40	116.58	133.80
Unpaved Streets (miles)										
Vehicles	3	3	5	6	8	9	11	11	12	12
Water										
Storage Capacity (gallons)	413,000	413,000	1,013,000	1,013,000	1,013,000	1,763,000	1,763,000	1,763,000	4,600,000	4,950,000
Water Mains (miles)	-	16	30	35	53	77	111	111	117	127
Water Wells	2	2	2	2	2	2	2	2	2	2
Fire Hydrants	-	70	271	321	366	532	796	796	1,056	1,210
Sewer										
Sanitary Sewers (miles)	-	11	18.47	21.66	32.92	49.38	66.35	67.80	82.12	88.82
Manholes	-	192	304	336	573	828	1,190	1,262	1,569	1,649

Source: Northlake Finance Department

Town of Northlake, Texas
Waterworks and Sewer System Revenue Bond Tables
Monthly Water and Wastewater Rates (Effective 12/21/2022)

Minimum Service Charge

Meter Size	Residential	Builder	Multifamily	Commercial	Irrigation
3/4" or smaller	\$25.00	\$25.00	\$25.00	\$50.00	\$50.00
1"	\$38.00	\$38.00	\$25.00	\$76.00	\$76.00
1.5"	\$51.00	\$51.00	\$25.00	\$103.00	\$103.00
2"	\$77.00	\$77.00	\$25.00	\$154.00	\$154.00
3"	\$109.00	\$109.00	\$25.00	\$218.00	\$218.00
4"	\$160.00	\$160.00	\$25.00	\$321.00	\$321.00
6"	\$321.00	\$321.00	\$25.00	\$641.00	\$641.00

Water Rates

Water Consumption (gals)	Residential	Builder	Multifamily	Commercial	Irrigation	Outside City Limits
0-5,000	\$4.20	\$4.20	\$4.20			150%
5,001-15,000	\$5.30	\$5.30	\$5.30			150%
>15,001	\$7.40	\$7.40	\$7.40			150%
0-15,000				\$6.30	\$6.30	150%
15,001-30,000				\$7.40	\$7.40	150%
>30,000				\$8.50	\$8.50	150%

Wastewater Rates

Meter Size	Residential	Builder	Multifamily	Commercial	Outside City Limits
3/4" or smaller	\$25.00	\$25.00	\$25.00	\$50.00	150%
1"	\$38.00	\$38.00	\$25.00	\$76.00	150%
1.5"	\$51.00	\$51.00	\$25.00	\$103.00	150%
2"	\$77.00	\$77.00	\$25.00	\$154.00	150%
3"	\$109.00	\$109.00	\$25.00	\$218.00	150%
4"	\$160.00	\$160.00	\$25.00	\$321.00	150%
6"	\$321.00	\$321.00	\$25.00	\$641.00	150%
Wastewater Usage (gals)	Residential	Builder	Multifamily	Commercial	Outside City Limits
All Gallons	\$7.30	\$7.30	\$7.30	\$11.00	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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues: (1)	\$ 827,971	\$ 1,041,890	\$ 2,768,414	\$ 2,152,332	\$ 2,793,430	\$ 5,092,921	\$ 3,963,811	\$ 5,418,786	\$ 8,460,353	\$ 10,440,200	\$ 16,435,862
Expenditures: (2)	\$ 893,720	\$ 1,115,179	\$ 1,417,618	\$ 1,726,201	\$ 2,605,985	\$ 3,198,343	\$ 4,638,116	\$ 6,249,577	\$ 6,880,612	\$ 9,656,504	\$ 13,415,984
Net Available for Debt Service	\$ (65,749)	\$ (73,289)	\$ 1,350,796	\$ 426,131	\$ 187,445	\$ 1,894,578	\$ (674,305)	\$ (830,791)	\$ 1,579,741	\$ 783,696	\$ 3,019,878

Metered Water/Sewer Customer	328	492	900	1,716	2,308	3,027	3,771	5,095	5,840	6,216	6,421
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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.

