A large, faint, semi-transparent compass rose 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, 2024





TOWN OF NORTHLAKE
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**
FOR THE YEAR ENDED SEPTEMBER 30, 2024

Town Council

Brian Montini, Mayor
Maryl Lorencz, Mayor Pro Tem, Place 5
Alex Holmes, Council Member Place 1
Michael Ganz, Council Member Place 2
Aaron Fowler, Council Member Place 3
Roger Sessions, Council Member Place 4
John Kelley, Council Member, Place 6

Town Manager

Drew Corn

Prepared by the

John Thomson, CGFO, Finance Director
Parwaiz Broker, Accountant



Town of Northlake, Texas

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September 30, 2024

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INTRODUCTORY SECTION





April 30, 2025

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, 2024 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, 2024 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, 2024 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 19.1 square miles with an additional 13.5 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, Town Strategic 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 is provided by Denton County Emergency Services #1, while emergency medical services (EMS) is provided by Denton County Emergency Services #2. Both are 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 2024 welcomed the opening of several commercial businesses including:

- After-Glow Tanning & Wellness
- Alliance Vision Institute of Northlake
- Jefferson Northlake Apartments
- Livano at Canyon Falls Apartments
- Madeline Klem Agency
- Northlake HydroColonic
- Texas ENT
- Vanellie's Bake Shop
- VetSource
- Volve Car USA
- Volvo Truck

The following business were added to the Town as part of a special purpose annexation area: Jimmy John's Kurogi Ramen & Sushi, and Today Dental.

Residential growth continued during fiscal year 2024 with positive population growth, leading to an estimated population of over 11,000 residents within the Town limits.

Fiscal Year 2024 Budget

General themes of the 2024 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 expenditure:

- Capital projects approved for FY 2024 Included:
 - Catherine Branch Phase 1
 - Catherine Branch Phase 2
 - Cellular Meter Upgrade
 - Cleveland-Gibbs South
 - Dale Earnhardt South
 - Denton Creek Trunk Line – Phase 1
 - Faught Road Reconstruction
 - Faught Road Waterline
 - Fort Worth Wholesale Water – Additional Capacity
 - Hotel Conference Center
 - 2nd North Ground Storage Tank
 - Southwest (Catherine Branch) Elevated Storage Tank
 - Sports Venue
 - Police CID Building Finish Out
- The increased staffing included a new Police Captain, a new Police Patrol Officer, and a new Public Works Equipment Operator position.
- Employment benefits were enhanced with the implementation of a market adjustment and cost of living adjustment.

- Equipment and technology purchases included 2 crew cab trucks replacements for public works, 1 Police Captain Vehicle, 1 New Police Patrol Tahoe Vehicle, 2 Police Patrol Tahoe replacements, and 1 New Police Administration Vehicle.

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, Storm Drainage Fund, Cost Recovery, TIRZ, Hotel/Motel Fund, Sports Venue 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 Thomson, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Northlake
Texas**

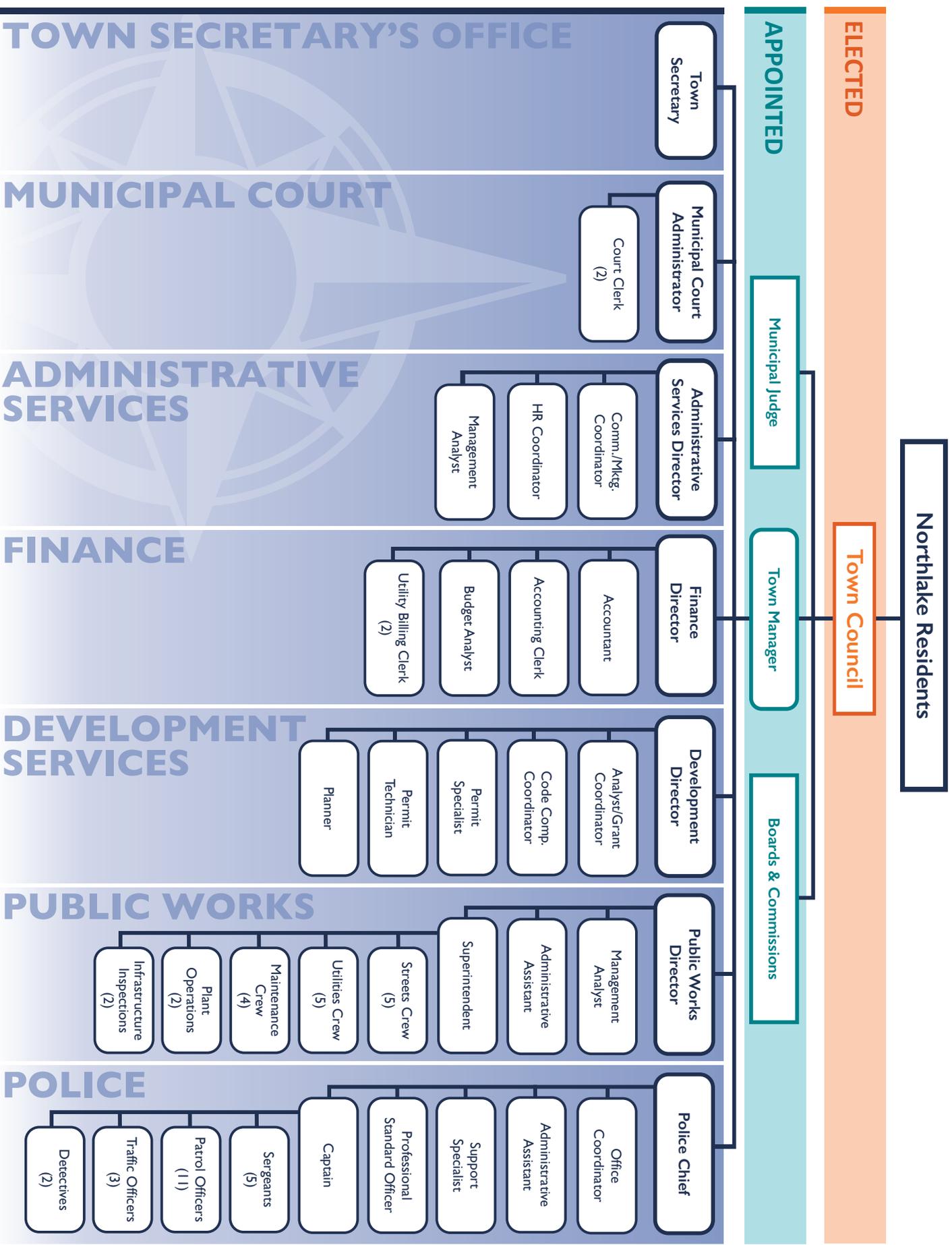
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

TOWN OF NORTHLAKE ORGANIZATIONAL CHART



ELECTED

Town Council

APPOINTED

Municipal Judge

Town Manager

Boards & Commissions

Northlake Residents

TOWN SECRETARY'S OFFICE

MUNICIPAL COURT

ADMINISTRATIVE SERVICES

FINANCE

DEVELOPMENT SERVICES

PUBLIC WORKS

POLICE



KEY OFFICIALS



Brian Montini
Mayor



Maryl Lorencz
Mayor Pro Tem, Place 5



Alex Holmes
Council Member, Place 1



Michael Ganz
Council Member, Place 2



Aaron Fowler
Council Member, Place 3



Roger Sessions
Council Member, Place 4



John Kelley
Council Member, Place 6

APPOINTED OFFICIALS

TOWN MANAGER - DREW CORN

MUNICIPAL JUDGE - HONORABLE HARRIS HUGHEY

MANAGEMENT TEAM

COURT ADMINISTRATOR - LEANN OLIVER

DEVELOPMENT SERVICES DIRECTOR - NATHAN REDDIN

FINANCE DIRECTOR - JOHN THOMSON

POLICE CHIEF - ROBERT CRAWFORD

PUBLIC WORKS DIRECTOR - ERIC TAMAYO

ADMINISTRATIVE SERVICES DIRECTOR - MAJOR YOUNGBLOOD

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, 2024, 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, 2024, 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 to the financial statements, due to the implementation of GASB Statement No. 100, *Accounting Errors and Corrections*, the Town restated beginning net position within business-type activities, the utility impact fee funds and the nonmajor enterprise funds, as a result in a change within the financial reporting entity from major to nonmajor. The restatement did not change the total beginning net position for all enterprise funds. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, 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.



BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
April 30, 2025



*MANAGEMENT'S DISCUSSION
AND ANALYSIS*



Town of Northlake, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2024

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, 2024. 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, 2024 by \$128,914,541. Of this amount, \$22,381,597 (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 \$32,010,883. 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 \$29,154,048 at September 30, 2024, an increase of \$12,354,629 from the prior fiscal year; this includes an increase of \$191,982 in the debt service fund, an increase of \$297,111 in the general fund, an increase of \$11,587,566 in the capital improvements fund, a decrease of \$588,991 in the roadway impact fees fund, and an increase of \$48,815 in the Northlake PID funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$6,010,059 or 51% of total general fund expenditures.
- The Town's total debt showed a net increase of \$36,708,112, including bond premiums. The total governmental outstanding debt at the close of the fiscal year was \$27,365,082. Self-supporting debt of the proprietary fund was \$54,304,831.

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, 2024

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, sports venue, 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, 2024

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 sixteen 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, sports venue, 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 major enterprise funds of the Town.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

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 discretely presented 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 collectively considered to be a major fund.

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 \$128,914,541 as of September 30, 2024 in the primary government.

The largest portion of the Town's net position, \$72,938,910, 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, 2024

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2024			2023		
	Governmental	Business-Type	Total	Governmental	Business-Type	Total
	Activities	Activities		Activities	Activities	
Current and other assets	\$ 33,247,441	\$ 61,446,215	\$ 94,693,656	\$ 19,989,381	\$ 35,015,911	\$ 55,005,292
Long-term receivables	2,220,000	-	2,220,000	2,425,000	-	2,425,000
Capital assets, net	52,117,694	70,686,829	122,804,523	37,231,143	53,405,546	90,636,689
Total Assets	87,585,135	132,133,044	219,718,179	59,645,524	88,421,457	148,066,981
Total Deferred Outflows	670,730	100,220	770,950	719,695	107,536	827,231
Other liabilities	5,127,279	8,386,803	13,514,082	3,957,365	4,882,507	8,839,872
Long-term liabilities	25,196,705	52,841,576	78,038,281	11,287,909	31,836,702	43,124,611
Total Liabilities	30,323,984	61,228,379	91,552,363	15,245,274	36,719,209	51,964,483
Total Deferred Inflows	19,335	2,890	22,225	22,681	3,390	26,071
Net Position:						
Net investment						
in capital assets	24,942,046	47,996,864	72,938,910	27,438,904	37,946,385	65,385,289
Restricted	18,371,928	15,222,106	33,594,034	4,665,268	4,727,885	9,393,153
Unrestricted	14,598,572	7,783,025	22,381,597	12,993,092	9,132,124	22,125,216
Total Net Position	\$ 57,912,546	\$ 71,001,995	\$ 128,914,541	\$ 45,097,264	\$ 51,806,394	\$ 96,903,658

Current assets for the primary government increased primarily due to greater cash on hand, resulting from the issuance of new debt proceeds that remain unspent as of yearend. Total capital assets increased primarily as a result of contributed capital for water and sewer system improvements made during the current year, in addition to the purchase of other vehicles/equipment approved by the Town. Long-term liabilities for the primary government due to new bond issuances outweighing principal repayments in the current year.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

Statement of Activities:

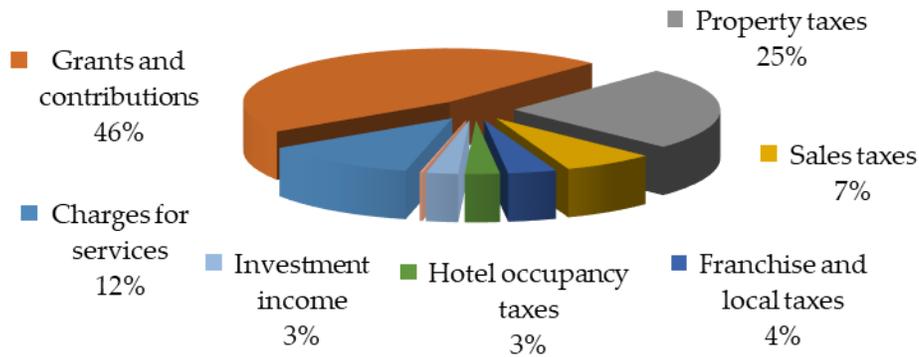
The following table provides a summary of the Town's changes in net position:

	For the Year Ended September 30, 2024			For the Year Ended September 30, 2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
			Primary Government			Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 3,852,868	\$ 25,203,056	\$ 29,055,924	\$ 5,553,147	\$ 15,563,561	\$ 21,116,708
Grants and contributions	14,750,042	11,673,131	26,423,173	4,554,572	6,546,445	11,101,017
General revenues:						
Property taxes	7,954,237	-	7,954,237	5,766,731	-	5,766,731
Sales taxes	2,280,421	-	2,280,421	1,700,234	-	1,700,234
Franchise and local taxes	1,206,583	-	1,206,583	1,015,633	-	1,015,633
Hotel occupancy taxes	868,313	-	868,313	751,320	-	751,320
Investment income	798,244	1,506,582	2,304,826	447,913	872,301	1,320,214
Other revenues	74,311	-	74,311	200,351	-	200,351
Total Revenues	31,785,019	38,382,769	70,167,788	19,989,901	22,982,307	42,972,208
Expenses						
General government	2,372,244	-	2,372,244	2,655,583	-	2,655,583
Public safety	4,945,969	-	4,945,969	4,277,207	-	4,277,207
Public works	3,591,352	-	3,591,352	3,064,584	-	3,064,584
PID special assessments	14,084	-	14,084	1,856,793	-	1,856,793
TIRZ	693,539	-	693,539	297,717	-	297,717
Promotional	81,731	-	81,731	117,047	-	117,047
Development services	5,466,628	-	5,466,628	2,756,053	-	2,756,053
Interest and fiscal charges	553,622	1,773,719	2,327,341	264,526	979,901	1,244,427
Water & Sewer	-	17,126,748	17,126,748	-	13,205,101	13,205,101
Sports venue	-	1,537,269	1,537,269	-	478,482	478,482
Total Expenses	17,719,169	20,437,736	38,156,905	15,289,510	14,663,484	29,952,994
Change in Net Position						
Before Transfers	14,065,850	17,945,033	32,010,883	4,700,391	8,318,823	13,019,214
Transfers	(1,250,568)	1,250,568	-	(784,814)	784,814	-
Total	(1,250,568)	1,250,568	-	(784,814)	784,814	-
Change in Net Position	12,815,282	19,195,601	32,010,883	3,915,577	9,103,637	13,019,214
Beginning Net Position	45,097,264	51,806,394	96,903,658	41,181,687	42,702,757	83,884,444
Ending Net Position	\$ 57,912,546	\$ 71,001,995	\$ 128,914,541	\$ 45,097,264	\$ 51,806,394	\$ 96,903,658

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

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

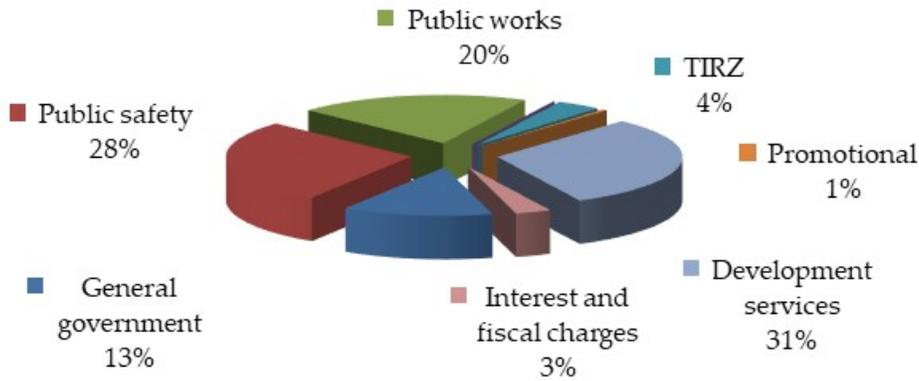


For the year ended September 30, 2024, revenues from governmental activities totaled \$31,785,019. Property tax, grants and contributions, and charges for services are the Town's largest general revenue sources. Overall revenue increased \$11,795,118 or 59%. Charges for services decreased by \$1,700,279 or 31% primarily due to nonrecurring PID assessments earned in the prior year. Grants and contributions increased by \$10,195,470 or over 100% as direct result of nonrecurring capital development contributions in the current year. Property taxes increased by 2,187,506 or 38% primarily due to greater appraised values in the current year. Sales and franchise and local taxes increased by \$190,950 or 19% and \$580,187 or 34%, respectively, due to continued economic growth and greater local purchases within the Town. Hotel occupancy taxes increased by \$116,993 or 16% as a result of continued growth and development throughout the Town and surrounding area. Investment income increased by \$350,331 or 78% due primarily to greater interest-bearing accounts and the realization of greater interest rates in the current year. Other revenues decreased by \$126,040 or 63% primarily as a result of nonrecurring seized monies and miscellaneous income received in the prior year.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

This graph shows the governmental function expenses of the Town:

Governmental Activities - Expenses

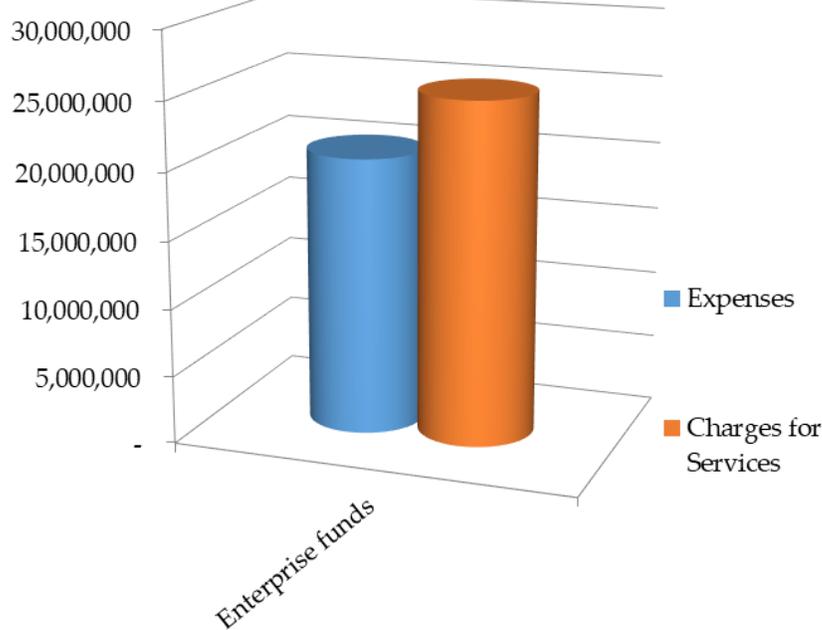


For the year ended September 30, 2024, expenses for governmental activities totaled \$17,719,169. This represents an increase of \$2,429,659 or 16% from the prior year. The Town's largest functional expenses are public safety of \$4,945,969 and development services of \$5,466,628. Public safety reflected an increase of \$668,762 or 16% from prior year. This increase is attributed primarily to higher personnel costs to keep up with the community growth, vehicle maintenance, and technology/equipment services in the current year. General government expenses decreased by \$283,339 or 11% primarily due to the change in internal service charges allocated to this department for equipment purchases/maintenance. In addition, there was a reduction in employee benefit costs, as the Town recognized a net pension asset in the current year. The Town recognized a net pension liability in the prior year. Public works increased by \$526,768 or 17% greater personnel costs, equipment services, and nonrecurring street maintenance in the current year. PID special assessment expenses decreased by \$1,842,709 or 99% due to nonrecurring contract field related expenses in the prior year. Development services expenses increased by \$2,710,575 or 98% due to nonrecurring impact fee reimbursements to developers, as the master plan requirements were met in the current year. Interest and fiscal charges experienced an increase of \$289,096 or over 100% 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, 2024

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, 2024, charges for services by business-type activities totaled \$25,203,056. This represents an increase of \$9,639,495 or 62% 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 \$5,774,252 to a total of \$20,437,736, due primarily to increased personnel costs, wholesale water purchases, wastewater service expenses, nonrecurring debt interest payments, greater in-kind impact fee reimbursements paid, 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, 2024

At September 30, 2024, the Town's governmental funds reported combined fund balances of \$29,154,048, an increase of \$12,354,629 in comparison with the prior year. Approximately 20% of this amount, \$5,828,426, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. \$21,269 of the combined fund balance is classified as nonspendable. The remainder of the fund balance is restricted for particular purposes, in the amount of \$23,304,353.

As of the end of the year the general fund reflected a total fund balance of \$6,031,328, of which \$21,269 is nonspendable and the remaining \$6,010,059 is unassigned. The increase in fund balance of \$297,111 is attributable to revenues and other financing sources exceeding current year expenditures. General fund revenues and other financing sources increased by \$1,538,577 and \$364,599, respectively compared to the prior year.

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 51% of total general fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$6,031,328 is 51% of total general fund expenditures.

The debt service fund had an ending fund balance of \$701,394 at September 30, 2024, an increase of \$191,982. The slight increase was a result of property tax revenues and other revenues exceeding transfers out and debt service expenditures.

The capital improvements fund had an ending fund balance of \$15,059,484, an increase of \$11,587,566. The increase is a direct result of nonrecurring bond issuance proceeds and intergovernmental revenues exceeding the current year expenditures.

The roadway impact fees fund had an ending fund balance of \$3,292,332, a decrease of \$588,991. The decrease is a result of greater than expected developer impact fees paid in the current year.

The Northlake PID fund had an ending fund balance of \$484,062, an increase of \$48,815. 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 \$9,623,131 consisting of water and sewer system infrastructure.
- Operational expenses excluding depreciation and amortization were \$16,548,139.
- Cash and cash equivalents in the enterprise funds were \$45,813,014 at fiscal yearend.

The Water & Sewer fund had an ending net position of \$11,835,001, an increase of \$11,344,993. The increase is primarily due to nonrecurring developer contributions received in the current year.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

The Water Capital Projects fund had an ending net position of \$48,746,013, an increase of \$2,888,478. The increase is primarily due to transfers received from the water and sewer fund during the year.

The Sport Venue fund had an ending net position of \$1,458,472, an increase of \$1,458,472. Fiscal year 2024 is the initial year for this fund. The increase is primarily due to intergovernmental contributions from the Town's CDC in the current 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 \$3,539,688 to be retained for future risk.

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a positive variance of \$1,679,326 over the final budgeted general fund revenues. The most significant differences between estimated revenues and actual revenues were for property tax, sales tax, franchise and local taxes, and license, permits and fees. No revenues fell below what was budgeted for the current fiscal year. Licenses, permits, and fees exceeded expectations by \$502,187, due to more residential permits/fees, resulting from continued growth and development within the town. This growth and development are also attributed to the sales tax revenues exceeding expectation by \$379,939.

There was a total negative variance of \$966,329 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 \$374,611, as a result of increased personnel costs, and development services in the amount of \$362,354, caused primarily by additional engineering costs. In addition, as the legal level of budgetary control is at the fund level, the general fund budget exceeded appropriations at the fund level by \$1,016,329 (including transfers out).

The budgeted surplus of revenue over expenditures before transfers amounted to \$712,997, resulting in a net positive change in fund balance of \$297,111.

The original general fund budget surplus of \$183,132 was amended during the year to a final budgeted deficit of \$365,886. Significant amendments include an increase in sales tax revenues and licenses/permits of \$250,482 and \$100,000, respectively. These budgeted revenue variances were offset with increases in budgeted expenditures for police in the amount of \$533,591. In addition, transfers out were increased by \$220,000. No other reclassifications and amendments were made.

CAPITAL ASSETS

As of the end of the year, the Town's governmental activities funds had invested \$52,117,694 in a variety of capital assets and infrastructure, net of accumulated depreciation. The Town's business-type activities funds had invested \$70,686,829 in a variety of capital assets and infrastructure, net of accumulated

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, and infrastructure. The Town's total investment in capital assets increased by \$32,167,834, net of depreciation.

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

- Additions of roadway projects totaled \$6,537,677.
- Police department space finish out improvements for \$122,159.
- New vehicles purchased for internal service fund activities totaling \$423,105.
- Purchased outfitting equipment amounting to \$138,149.
- Contributions of infrastructure were made to the Town for Mulkey Lane- Phase 1, totaling \$1,857,220.
- Contributions of infrastructure were made to the Town for Northlake Logistics Crossing totaling \$7,348,435.
- Additions to the Catherine Branch water and sewer infrastructure project totaled \$1,735,804.
- North Ground storage tank improvements totaling \$1,747,398.
- Cellular meter endpoints upgrades totaling \$1,918,035.
- Improvements to Northlake Multisport venue for \$2,991,719.
- Additional developer capital contributions of water and sewer infrastructure received by the Town totaled \$9,673,131.
- Current year right-to-use asset additions totaling \$2,139,176.

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 \$79,667,378 (excluding premiums). Of this amount, \$52,620,000 is self-supporting through revenues collected from the rates of the Town's utility fund. During the year, the Town made \$3,370,706 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. F to the financial statements.

Town of Northlake, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
September 30, 2024

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 2024-2025 Fiscal Year Budget was approved by the Town Council on September 12, 2024. 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 \$527.7 million (19.24%) from the previous year, resulting in an overall increase in budgeted ad valorem taxes of \$1,995,197 million to be allocated across the General, Debt Service, and all Tax Increment Financing Funds. Overall, budgeted revenues for General Fund increased by \$1,592,410 to a total of \$12,250,147 from the 2023-2024 budget. Budgeted expenditures increased by \$1,252,833 over the original 2023-2024 budget to a total of \$12,276,456.

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, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Northlake EDC	Northlake CDC
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 24,601,420	\$ 45,813,014	\$ 70,414,434	\$ 1,748,175	\$ 1,661,190
Investments	7,064,634	12,102,075	19,166,709	-	-
Receivables, net	1,086,293	3,026,405	4,112,698	134,103	134,103
Special assessment receivable - current	200,000	-	200,000	-	-
Prepays	33,776	43,600	77,376	-	-
Due from component units	675,288	-	675,288	-	-
Internal balances	(454,992)	454,992	-	-	-
Total Current Assets	33,206,419	61,440,086	94,646,505	1,882,278	1,795,293
Noncurrent assets:					
Special assessment receivable - noncurrent	2,220,000	-	2,220,000	-	-
Net pension asset	41,022	6,129	47,151	-	-
Capital assets:					
Non-depreciable	15,035,300	26,707,838	41,743,138	-	-
Net depreciable capital assets	37,082,394	43,978,991	81,061,385	-	-
Noncurrent Assets	54,378,716	70,692,958	125,071,674	-	-
Total Assets	87,585,135	132,133,044	219,718,179	1,882,278	1,795,293
<u>Deferred Outflows of Resources</u>					
Deferred Outflows - Pension	670,030	100,115	770,145	-	-
Deferred Outflows - OPEB	700	105	805	-	-
Total Deferred Outflows of Resources	\$ 670,730	\$ 100,220	\$ 770,950	\$ -	\$ -

Town of Northlake, Texas
STATEMENT OF NET POSITION (Continued)
September 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Northlake EDC	Northlake CDC
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,590,685	\$ 3,294,396	\$ 5,885,081	\$ 8,226	\$ 9,779
Accrued interest payable	21,123	139,651	160,774	-	-
Customer deposits	-	1,444,869	1,444,869	-	-
Due to primary government	-	-	-	374,986	300,302
Compensated absences, current	268,117	33,554	301,671	-	-
Long term debt due within one year	2,247,354	1,474,333	3,721,687	-	-
Unearned revenue	-	2,000,000	2,000,000	-	-
Current Liabilities	5,127,279	8,386,803	13,514,082	383,212	310,081
Noncurrent liabilities:					
Compensated absences, noncurrent	29,791	3,728	33,519	-	-
Long-term debt due in more than one year	25,117,728	52,830,498	77,948,226	-	-
OPEB liability	49,186	7,350	56,536	-	-
Noncurrent Liabilities	25,196,705	52,841,576	78,038,281	-	-
Total Liabilities	30,323,984	61,228,379	91,552,363	383,212	310,081
Deferred Inflows of Resources					
Deferred Inflows - OPEB	19,335	2,890	22,225	-	-
Total Deferred Inflows of Resources	19,335	2,890	22,225	-	-
Net Position					
Net investment in capital assets	24,942,046	47,996,865	72,938,911	-	-
Restricted for:					
Debt service	701,394	-	701,394	-	-
Promotional activities	3,435,548	-	3,435,548	-	-
Capital improvements	13,899,694	27,551,352	41,451,046	-	-
Municipal court	132,307	-	132,307	-	-
Street maintenance	160,608	-	160,608	-	-
TIRZ	1,355	-	1,355	-	-
Pension	41,022	6,129	47,151	-	-
Economic development	-	-	-	1,499,066	-
Municipal development	-	-	-	-	1,485,212
Unrestricted	14,598,572	(4,552,351)	10,046,221	-	-
Total Net Position	\$ 57,912,546	\$ 71,001,995	\$ 128,914,541	\$ 1,499,066	\$ 1,485,212

See Notes to Financial Statements.



Town of Northlake, Texas
BALANCE SHEET
GOVERNMENTAL FUNDS
 September 30, 2024

	General	Debt Service	Capital Improvement	Roadway Impact Fees	Northlake PID	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 4,409,116	\$ 702,193	\$ 11,562,815	\$ 3,989,796	\$ 484,062	\$ 3,326,179	\$ 24,474,161
Investments	-	-	7,064,634	-	-	-	7,064,634
Receivables, net	996,331	17,406	-	-	-	72,556	1,086,293
Special assessments receivable	-	-	-	-	2,420,000	-	2,420,000
Due from other funds	1,117,315	-	-	-	-	644,989	1,762,304
Due from component units	675,288	-	-	-	-	-	675,288
Prepays	21,269	-	-	-	-	-	21,269
Total Assets	\$ 7,219,319	\$ 719,599	\$ 18,627,449	\$ 3,989,796	\$ 2,904,062	\$ 4,043,724	\$ 37,503,949
Liabilities							
Accounts payable and accrued liabilities	\$ 1,154,541	\$ 799	\$ 572,751	\$ 492,033	\$ -	\$ 275,881	\$ 2,496,005
Due to other funds	-	-	2,995,214	205,431	-	182,395	3,383,040
Total Liabilities	1,154,541	799	3,567,965	697,464	-	458,276	5,879,045
Deferred Inflows of Resources							
Unavailable revenue -	-	-	-	-	2,420,000	-	2,420,000
Property taxes	33,450	17,406	-	-	-	-	50,856
Property special assessments	-	-	-	-	-	-	-
Total Deferred Inflows	33,450	17,406	-	-	2,420,000	-	2,470,856
Fund Balances							
Nonspendable for:	-	-	-	-	-	-	-
Prepays	21,269	-	-	-	-	-	21,269
Restricted for:	-	701,394	-	-	-	-	701,394
Debt service	-	-	-	-	-	3,435,548	3,435,548
Promotional activities	-	-	-	-	-	37,263	18,389,079
Capital improvements	-	-	15,059,484	3,292,332	-	-	132,307
Municipal court	-	-	-	-	-	160,608	1,355
Public safety	-	-	-	-	-	-	-
TIRZ	-	-	-	-	484,062	-	484,062
Public improvement districts	-	-	-	-	-	(181,633)	5,828,426
Unassigned	6,010,059	-	-	-	-	-	29,154,048
Total Fund Balances	6,031,328	701,394	15,059,484	3,292,332	484,062	3,585,448	29,154,048
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,219,319	\$ 719,599	\$ 18,627,449	\$ 3,989,796	\$ 2,904,062	\$ 4,043,724	\$ 37,503,949

See Notes to Financial Statements.

Town of Northlake, Texas

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

September 30, 2024

Fund Balances - Total Governmental Funds \$ 29,154,048

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	15,035,300
Capital assets - net depreciable	32,531,158

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

Property tax receivable	50,856
Property special assessments	2,420,000
Net Pension Asset	41,022

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 charge on refunding	
Deferred Outflows - Pension	670,030
Deferred Outflows - OPEB	700
Deferred Inflows - OPEB	(19,335)

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.

3,539,688

Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

Accrued interest	(21,123)
Bond premium	(317,704)
Compensated absences	(297,908)
Non-current liabilities due in one year	(2,247,354)
Non-current liabilities due in more than one year	(22,577,646)
OPEB liability	(49,186)

Net Position of Governmental Activities \$ 57,912,546

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, 2024

	General	Debt Service	Capital Improvement	Roadway Impact Fees	Northlake PID	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property tax	\$ 4,372,440	\$ 3,187,560	\$ -	\$ -	\$ -	\$ 455,115	\$ 8,015,115
Sales tax	2,280,421	-	-	-	-	-	2,280,421
Franchise and local taxes	1,206,583	-	-	-	-	-	1,206,583
Hotel occupancy taxes	-	-	-	-	-	868,313	868,313
Special assessments	-	-	-	-	330,577	-	330,577
License, permits and fees	2,538,937	-	-	-	-	-	2,538,937
Intergovernmental	100,000	-	2,377,900	-	-	-	2,477,900
Charges for services	635,622	-	-	-	-	-	635,622
Fines and forfeitures	513,131	-	-	-	-	43,923	557,054
Impact and development fees	-	-	-	3,066,487	-	-	3,066,487
Investment income	136,207	16,274	393,892	123,273	18,097	110,501	798,244
Other revenue	35,117	-	-	-	-	39,194	74,311
Total Revenues	11,818,458	3,203,834	2,771,792	3,189,760	348,674	1,517,046	22,849,564
Expenditures							
Current:							
General government	2,660,354	32,488	5,618	-	-	-	2,698,460
Development services	1,758,516	-	-	-	-	57,474	1,815,990
Public works	1,730,353	-	-	-	-	-	1,730,353
Municipal court	429,260	-	-	-	-	41,924	471,184
Police	5,140,382	-	-	-	-	36,138	5,176,520
Promotional	51,087	-	-	-	-	30,644	81,731
TIRZ activity	-	-	-	-	-	449,206	449,206
Developer impact fee	-	-	-	3,778,751	-	-	3,778,751
Debt Service:							
Principal	-	1,019,333	-	-	200,000	-	1,219,333
Interest and fiscal charges	-	166,092	-	-	85,775	-	251,867
Bond issuance costs	-	320,336	-	-	-	-	320,336
Capital outlay	-	-	6,498,944	-	14,084	7,944	6,520,972
Total Expenditures	11,769,952	1,538,249	6,504,562	3,778,751	299,859	623,330	24,514,703
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 48,506	\$ 1,665,585	\$ (3,732,770)	\$ (588,991)	\$ 48,815	\$ 893,716	\$ (1,665,139)
Other Financing Sources (Uses)							
Transfers in	\$ 518,605	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 518,605
Transfers (out)	(270,000)	(1,473,603)	-	-	-	(75,570)	(1,819,173)
Premium on bonds issued	-	-	160,336	-	-	-	160,336
Issuance of bonds	-	-	15,160,000	-	-	-	15,160,000
Total Other Sources (Uses)	248,605	(1,473,603)	15,320,336	-	-	(75,570)	14,019,768
Net Change in Fund Balances	297,111	191,982	11,587,566	(588,991)	48,815	818,146	12,354,629
Beginning fund balances	5,734,217	509,412	3,471,918	3,881,323	435,247	2,767,302	16,799,419
Ending Fund Balances	\$ 6,031,328	\$ 701,394	\$ 15,059,484	\$ 3,292,332	\$ 484,062	\$ 3,585,448	\$ 29,154,048

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, 2024

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

Net changes in fund balances - total governmental funds	\$ 12,354,629
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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	6,604,678
Depreciation expense	(2,306,707)
Capital contributions	9,205,655

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(270,200)
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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	(39,489)
Accrued interest	2,535
Pension expense	812,365
OPEB expense	(4,263)

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	1,219,333
Premium from issuance	(160,336)
Proceeds from issuance	(15,160,000)

Internal service funds are used by management to charge the costs associated with major equipment purchases and maintenance of the equipment. The net revenue of certain activities of internal service funds is reported with governmental activities.

541,036

Change in Net Position of Governmental Activities	\$ 12,815,282
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See Notes to Financial Statements.

Town of Northlake, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2024

	Business-type Activities				Business-type Activities	Governmental Activities
	Water & Sewer	Water Capital Projects	Sports Venue		Nonmajor Proprietary Funds	Total Proprietary Funds
Assets						
Current Assets						
Cash and cash equivalents	\$ 7,093,848	\$ 19,078,211	\$ 12,842,595	\$ 6,798,360	\$ 45,813,014	\$ 127,259
Investments	-	-	12,102,075	-	12,102,075	-
Receivables, net	2,883,957	-	89,402	53,046	3,026,405	-
Due from other funds	-	182,395	-	2,408,466	2,590,861	1,165,744
Prepaid items	43,600	-	-	-	43,600	12,507
Total Current Assets	10,021,405	19,260,606	25,034,072	9,259,872	63,575,955	1,305,510
Noncurrent Assets						
Net pension asset	6,129	-	-	-	6,129	-
Capital assets:						
Non-depreciable	21,986	23,533,991	3,151,861	-	26,707,838	-
Net depreciable capital assets	37,800,034	6,178,957	-	-	43,978,991	4,551,236
Total Noncurrent Assets	37,828,149	29,712,948	3,151,861	-	70,692,958	4,551,236
Total Assets	47,849,554	48,973,554	28,185,933	9,259,872	134,268,913	5,856,746
Deferred Outflows of Resources						
Deferred Outflows - Pension	100,115	-	-	-	100,115	-
Deferred Outflows - OPEB	105	-	-	-	105	-
Total Deferred Outflows	\$ 100,220	\$ -	\$ -	\$ -	\$ 100,220	\$ -

Town of Northlake, Texas
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
September 30, 2024

	Business-type Activities			Nonmajor Proprietary Funds	Business-type Activities	Governmental Activities
	Water & Sewer	Water Capital Projects	Sports Venue		Total Proprietary Funds	Internal Service Funds
Liabilities						
Current Liabilities						
Accounts payable and accrued liabilities	\$ 1,201,212	\$ 227,541	\$ 1,633,881	\$ 231,762	\$ 3,294,396	\$ 94,680
Accrued interest	139,651	-	-	-	139,651	-
Due to other funds	1,752,289	-	383,580	-	2,135,869	-
Customer deposits	1,379,268	-	-	65,601	1,444,869	-
Compensated absences - current	33,554	-	-	-	33,554	-
Long-term debt - current	1,474,333	-	-	-	1,474,333	651,687
Unearned revenue	-	-	2,000,000	-	2,000,000	-
Total Current Liabilities	5,980,307	227,541	4,017,461	297,363	10,522,672	746,367
Noncurrent Liabilities						
Compensated absences, noncurrent	3,728	-	-	-	3,728	-
Long-term debt - noncurrent	30,120,498	-	22,710,000	-	52,830,498	1,570,691
OPEB liability	7,350	-	-	-	7,350	-
Total Noncurrent Liabilities	30,131,576	-	22,710,000	-	52,841,576	1,570,691
Total Liabilities	36,111,883	227,541	26,727,461	297,363	63,364,248	2,317,058
Deferred Inflows of Resources						
Deferred Inflows - OPEB	2,890	-	-	-	2,890	-
Total Deferred Inflows	2,890	-	-	-	2,890	-
Net Position						
Net investment in capital assets	18,283,917	29,712,948	-	-	47,996,865	2,270,796
Restricted for:						
Pension	6,129	-	-	-	6,129	-
Capital improvements	-	18,451,100	1,458,472	7,641,780	27,551,352	-
Unrestricted	(6,455,045)	581,965	-	1,320,729	(4,552,351)	1,268,892
Total Net Position	\$ 11,835,001	\$ 48,746,013	\$ 1,458,472	\$ 8,962,509	\$ 71,001,995	\$ 3,539,688

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, 2024

	Business-type Activities				Nonmajor Proprietary Funds	Business-type Activities	Governmental Activities
	Water & Sewer	Water Capital Projects	Sports Venue	Utility Impact Fee *		Total Proprietary Funds	Internal Service Funds
Operating Revenues							
Charges for services	\$ 19,772,517	\$ -	\$ -	\$ -	\$ 4,876,018	\$ 24,648,535	\$ 2,839,841
Other revenue	3,450	-	551,071	-	-	554,521	227
Total Operating Revenues	<u>19,775,967</u>	<u>-</u>	<u>551,071</u>	<u>-</u>	<u>4,876,018</u>	<u>25,203,056</u>	<u>2,840,068</u>
Operating Expenses							
Operating expenses	13,328,186	1,679	113,301	-	1,760,007	15,203,173	865,806
Personnel	1,344,966	-	-	-	-	1,344,966	-
Depreciation	1,107,703	261,152	-	-	-	1,368,855	1,534,891
Total Operating Expenses	<u>15,780,855</u>	<u>262,831</u>	<u>113,301</u>	<u>-</u>	<u>1,760,007</u>	<u>17,916,994</u>	<u>2,400,697</u>
Operating Income (Loss)	<u>3,995,112</u>	<u>(262,831)</u>	<u>437,770</u>	<u>-</u>	<u>3,116,011</u>	<u>7,286,062</u>	<u>439,371</u>
Nonoperating Revenues (Expenses)							
Gain on sale of assets	-	-	-	-	-	-	11,710
Insurance proceeds	-	-	-	-	-	-	101,734
Investment income	242,956	651,309	444,670	-	167,647	1,506,582	-
Bond issuance expense	-	-	(747,023)	-	-	(747,023)	-
Interest expense	(1,096,774)	-	(676,945)	-	-	(1,773,719)	(61,779)
Total Nonoperating Revenues (Expenses)	<u>(853,818)</u>	<u>651,309</u>	<u>(979,298)</u>	<u>-</u>	<u>167,647</u>	<u>(1,014,160)</u>	<u>51,665</u>
Income (Loss) Before Capital Contributions and Transfers	<u>3,141,294</u>	<u>388,478</u>	<u>(541,528)</u>	<u>-</u>	<u>3,283,658</u>	<u>6,271,902</u>	<u>491,036</u>
Capital Contributions and Transfers							
Intergovernmental grant	-	-	2,000,000	-	-	2,000,000	-
Developer contributions	9,673,131	-	-	-	-	9,673,131	-
Transfers in	1,530,568	2,500,000	-	-	220,000	4,250,568	50,000
Transfers (out)	(3,000,000)	-	-	-	-	(3,000,000)	-
Change in Net Position	<u>11,344,993</u>	<u>2,888,478</u>	<u>1,458,472</u>	<u>-</u>	<u>3,503,658</u>	<u>19,195,601</u>	<u>541,036</u>
Beginning net position, as previously presented	490,008	45,857,535	-	4,727,885	730,966	47,078,509	2,998,652
Change in financial reporting entity (major to nonmajor fund)	-	-	-	(4,727,885)	4,727,885	-	-
Beginning net position, as adjusted	490,008	45,857,535	-	-	5,458,851	51,806,394	2,998,652
Ending Net Position	<u>\$ 11,835,001</u>	<u>\$ 48,746,013</u>	<u>\$ 1,458,472</u>	<u>\$ -</u>	<u>\$ 8,962,509</u>	<u>\$ 71,001,995</u>	<u>\$ 3,539,688</u>

* Formerly a major fund

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, 2024

	Business-type Activities		
	Water & Sewer	Water Capital Projects	Sports Venue
<u>Cash Flows from Operating Activities</u>			
Receipts from customers	\$ 19,390,944	\$ -	\$ 461,669
Receipts from interfund charges	-	-	-
Receipts from advance payments (unearned revenue)	-	-	2,000,000
Payments to suppliers	(13,265,070)	(94,255)	1,520,580
Receipt from (payments to) other funds	1,752,289	-	383,580
Payments to employees	(1,465,711)	-	-
	6,412,452	(94,255)	4,365,829
<u>Cash Flows from Noncapital Financing Activities</u>			
Transfers in	1,530,568	2,500,000	-
Transfers (out)	(3,000,000)	-	-
Insurance proceeds	-	-	-
	(1,469,432)	2,500,000	-
<u>Cash Flows from Capital and Related Financing Activities</u>			
Capital purchases	-	(6,058,417)	(3,151,861)
Disposal of capital assets	-	27,402	-
Proceeds from bond issuance	-	-	22,710,000
Intergovernmental grant revenue	-	-	2,000,000
Principal paid on debt	(1,375,667)	-	-
Interest and issuance costs paid on debt	(1,203,674)	-	(1,423,968)
	(2,579,341)	(6,031,015)	20,134,171
<u>Cash Flows from Investing Activities</u>			
Purchase of investments	-	-	(12,102,075)
Interest on investments	242,956	651,309	444,670
	242,956	651,309	(11,657,405)
	2,606,635	(2,973,961)	12,842,595
Net Increase (Decrease) in Cash and Cash Equivalents			
Beginning cash and cash equivalents	4,487,213	22,052,172	-
Ending Cash and Cash Equivalents	\$ 7,093,848	\$ 19,078,211	\$ 12,842,595

See Notes to Financial Statements.

Business-type Activities		Governmental Activities
Nonmajor Proprietary Funds	Total Proprietary Funds	Internal Service Fund
\$ 4,889,319	\$ 24,741,932	\$ -
-	-	2,847,046
-	2,000,000	-
(1,742,592)	(13,581,337)	(2,118,803)
(2,408,466)	(272,597)	-
-	(1,465,711)	-
738,261	11,422,287	728,243
220,000	4,250,568	50,000
-	(3,000,000)	-
-	-	101,734
220,000	1,250,568	151,734
-	(9,210,278)	(751,384)
-	27,402	11,710
-	22,710,000	-
-	2,000,000	-
-	(1,375,667)	(775,706)
-	(2,627,642)	(61,779)
-	11,523,815	(1,577,159)
-	(12,102,075)	-
167,647	1,506,582	-
167,647	(10,595,493)	-
1,125,908	13,601,177	(697,182)
5,672,452	32,211,837	824,441
\$ 6,798,360	\$ 45,813,014	\$ 127,259

Town of Northlake, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2024

	Business-type Activities		
	Water & Sewer	Water Capital Projects	Sports Venue
<u>Reconciliation of Operating Income (Loss)</u>			
<u>to Net Cash Provided (Used) by Operating Activities</u>			
Operating income (loss)	\$ 3,995,112	\$ (262,831)	\$ 437,770
Adjustments to reconcile operating income to net cash provided:			
Depreciation	1,107,703	261,152	-
Changes in Operating Assets and Liabilities:			
(Increase) Decrease in:			
Accounts receivable	(542,082)	-	(89,402)
Prepaid expenses	128,018	48,200	-
Increase (Decrease) in:			
Accounts payable and accrued liabilities	(64,902)	(140,776)	1,633,881
Due to (from) other funds	1,752,289	-	383,580
Customer deposits	157,059	-	-
Unearned revenue	-	-	2,000,000
Deferred inflows/outflows - Pension	7,324	-	-
Deferred inflows/outflows - OPEB	(508)	-	-
OPEB liability	1,145	-	-
Net pension liability	(128,706)	-	-
 Net Cash Provided (Used) by Operating Activities	\$ 6,412,452	\$ (94,255)	\$ 4,365,829
 <u>Schedule of Noncash Capital and Financing Activities:</u>			
Assets purchased through lease financing	\$ -	\$ -	\$ -
Contributions of capital assets	9,673,131	-	-
Change in capital related accrued liabilities	-	(205,869)	-
	\$ 9,673,131	\$ (205,869)	\$ -

See Notes to Financial Statements.

Business-type Activities		Governmental Activities
Nonmajor Proprietary Funds	Total Proprietary Funds	Internal Service Fund
\$ 3,116,011	\$ 7,286,062	\$ 439,371
-	1,368,855	1,534,891
6,940	(624,544)	6,978
-	176,218	34,558
17,415	1,445,618	(121,811)
(2,408,466)	(272,597)	(1,165,744)
6,361	163,420	-
-	2,000,000	-
-	7,324	-
-	(508)	-
-	1,145	-
-	(128,706)	-
<u>\$ 738,261</u>	<u>\$ 11,422,287</u>	<u>\$ 728,243</u>
\$ -	\$ -	\$ (2,166,432)
-	9,673,131	-
-	(205,869)	-
<u>\$ -</u>	<u>\$ 9,467,262</u>	<u>\$ (2,166,432)</u>



Town of Northlake, Texas

NOTES TO FINANCIAL STATEMENTS

September 30, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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.

Sports Venue

The Sports Venue Fund is used to account for financial transactions related to the construction, operation, and maintenance of a multi-sport center. Financial transactions within the fund include accounting for the payment of interest and principal for the general obligation bonds associated with the construction of the project. The primary source of ongoing revenue for this fund are the lease revenues collected from the leasing of the property. Additional sources of ongoing revenue include 1/4 of all Economic

Town of Northlake, Texas

NOTES TO FINANCIAL STATEMENTS, Continued

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Development and Community Development Corporations' sales tax collections and 2/7 of all hotel occupancy tax collections. Primary expenditures for the fund include the initial construction costs for the completion of the project and on-going costs associated with the operation and maintenance of the multi-sport center.

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 ten 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

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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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.

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.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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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.

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-

Town of Northlake, Texas
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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 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
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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.

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NOTES TO FINANCIAL STATEMENTS, Continued
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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
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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
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- 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.

15. 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, 2024

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund, Roadway Impact Fees, Northlake PID, Court Security, Court Technology, Police Asset Forfeiture, Police Special Training, Child Safety, Court Online Access Fees, 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
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A. Expenditures Over Appropriations

For the year ended, expenditures exceeded appropriations at the legal level of control in the general, roadway impact fees, court online access fees, TIRZ, hotel/motel, capital improvement, debt service funds in amounts totaling \$1,016,329, \$1,323,470, \$5,524, \$7,811, \$3,501, \$1,125,983, \$362,988, respectively.

B. Deficit Fund Balance

At September 30, 2024, 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, 2024, 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	\$ 24,977,464	47 days	AAA
Certificates of Deposit	19,166,709	124 days	
Total fair value	<u>\$ 44,144,173</u>	86 days	

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
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As of September 30, 2024, the discretely presented component units had the following investments:

Economic Development Corporation

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity</u>	<u>Credit Rating</u>
External investment pools	\$ 1,747,478	47 days	AAA
Total fair value	<u>\$ 1,747,478</u>	47 days	

Community Development Corporation

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity</u>	<u>Credit Rating</u>
External investment pools	\$ 1,303,025	47 days	AAA
Total fair value	<u>\$ 1,303,025</u>	47 days	

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 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, 2024, 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, 2024, 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

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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, 2024

B. Receivables

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

	<u>General</u>	<u>Debt Service</u>	<u>Northlake PID</u>	<u>Nonmajor Govt.</u>	<u>Total Governmental</u>
Property taxes	\$ 26,896	\$ 17,406	\$ -	\$ -	\$ 44,302
Sales tax	364,356	-	-	-	364,356
Occupancy taxes	-	-	-	72,556	72,556
Special assessments	-	-	2,420,000	-	2,420,000
Fines	21,845	-	-	-	21,845
Accounts	598,525	-	-	-	598,525
Allowance	(15,291)	-	-	-	(15,291)
	<u>\$ 996,331</u>	<u>\$ 17,406</u>	<u>\$ 2,420,000</u>	<u>\$ 72,556</u>	<u>\$ 3,506,293</u>

	<u>Water & Sewer</u>	<u>Sports Venue</u>	<u>Nonmajor Proprietary</u>	<u>Total Proprietary</u>
Accounts	\$ 3,101,540	\$ -	\$ 53,046	\$ 3,154,586
Sales taxes	-	89,402	-	89,402
Allowance	(217,583)	-	-	(217,583)
	<u>\$ 2,883,957</u>	<u>\$ 89,402</u>	<u>\$ 53,046</u>	<u>\$ 3,026,405</u>

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

	<u>Northlake EDC</u>	<u>Northlake CDC</u>	<u>Total</u>
Sales tax	\$ 134,103	\$ 134,103	\$ 268,206
	<u>\$ 134,103</u>	<u>\$ 134,103</u>	<u>\$ 268,206</u>

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	\$ 4,946,802	\$ 67,000	\$ -	\$ 5,013,802
Construction in progress	3,483,820	6,537,678	-	10,021,498
Total capital assets not being depreciated	<u>8,430,622</u>	<u>6,604,678</u>	<u>-</u>	<u>15,035,300</u>
Capital assets, being depreciated:				
Buildings and improvements	2,035,568	140,470	-	2,176,038
Furniture and fixtures	350,983	17,385	-	368,368
Vehicles and equipment	3,309,846	593,527	(62,414)	3,840,959
Infrastructure	36,145,645	9,205,656	-	45,351,301
Right to use subscription assets	367,724	27,257	-	394,981
Right to use leased assets	1,503,970	2,139,176	(477,869)	3,165,277
Total capital assets being depreciated	<u>43,713,736</u>	<u>12,123,471</u>	<u>(540,283)</u>	<u>55,296,924</u>
Less accumulated depreciation				
Buildings and improvements	1,314,918	329,654	-	1,644,572
Furniture and fixtures	109,424	35,541	-	144,965
Vehicles and equipment	1,890,229	403,724	(62,414)	2,231,539
Infrastructure	10,598,728	2,306,706	-	12,905,434
Right to use subscription assets	96,598	100,005	-	196,603
Right to use leased assets	903,318	665,968	(477,869)	1,091,417
Total accumulated depreciation	<u>14,913,215</u>	<u>3,841,598</u>	<u>(540,283)</u>	<u>18,214,530</u>
Net capital assets being depreciated	<u>28,800,521</u>	<u>8,281,873</u>	<u>-</u>	<u>37,082,394</u>
Total Capital Assets	<u><u>\$ 37,231,143</u></u>	<u><u>\$ 14,886,551</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 52,117,694</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 572,740
Public safety	757,648
Public works	2,195,170
Development services	71,707
PID	244,333
Total Governmental Activities Depreciation Expense	<u><u>\$ 3,841,598</u></u>

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	16,984,821	9,004,409	(27,402)	25,961,828
Total capital assets not being depreciated	<u>17,730,831</u>	<u>9,004,409</u>	<u>(27,402)</u>	<u>26,707,838</u>
Capital assets, being depreciated:				
Buildings and improvements	35,211	-	-	35,211
Vehicles and equipment	96,654	-	-	96,654
Infrastructure	39,910,151	9,673,131	-	49,583,282
Total capital assets being depreciated	<u>40,042,016</u>	<u>9,673,131</u>	<u>-</u>	<u>49,715,147</u>
Less accumulated depreciation				
Buildings and improvements	16,007	-	-	16,007
Vehicles and equipment	90,332	4,680	-	95,012
Infrastructure	4,260,962	1,364,175	-	5,625,137
Total accumulated depreciation	<u>4,367,301</u>	<u>1,368,855</u>	<u>-</u>	<u>5,736,156</u>
Net capital assets being depreciated	<u>35,674,715</u>	<u>8,304,276</u>	<u>-</u>	<u>43,978,991</u>
Total Capital Assets	<u><u>\$ 53,405,546</u></u>	<u><u>\$ 17,308,685</u></u>	<u><u>\$ (27,402)</u></u>	<u><u>\$ 70,686,829</u></u>

Depreciation was charged to business-type activities as follows:

Water and sewer	\$ 1,107,703
Water capital projects	261,152
Total Business-Type Activities Depreciation Expense	<u><u>\$ 1,368,855</u></u>

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

D. Other Long-term Liabilities

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Compensated Absences	\$ 258,419	\$ 235,247	\$ (195,758)	\$ 297,908	\$ 268,117
Total Governmental Activities	<u>\$ 258,419</u>	<u>\$ 235,247</u>	<u>\$ (195,758)</u>	<u>\$ 297,908</u>	<u>\$ 268,117</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 29,791</u>	
Business-Type Activities:					
Compensated Absences	\$ 37,282	\$ 26,097	\$ (26,097)	\$ 37,282	\$ 33,554
Total Business-Type Activities	<u>\$ 37,282</u>	<u>\$ 26,097</u>	<u>\$ (26,097)</u>	<u>\$ 37,282</u>	<u>\$ 33,554</u>
Other Long-term Liabilities Due in More than One Year				<u>\$ 3,728</u>	

E. Unearned Revenue

At fiscal year-end September 30, 2024, the Town reported an unearned revenue balance of \$2,000,000. This amount represents lease payments received in advance for a lease agreement that is not effective until October 31, 2024. In accordance with generally accepted accounting principles, revenue related to this agreement will not be recognized until the lease term commences. Accordingly, the funds have been recorded as unearned revenue and will be recognized as revenue over the term of the lease beginning in fiscal year 2025.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

F. 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, 2024.

	<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	\$ 5,849,333	\$ -	\$ (339,333)	\$ 5,510,000	\$ 345,667
General Obligation Bonds	345,000	-	(170,000)	175,000	175,000
Tax notes	2,070,000	-	(510,000)	1,560,000	515,000
Special Rev. Assessment Bonds - PID	2,620,000	15,160,000	(200,000)	17,580,000	560,000
Premium	173,414	160,336	(16,046)	317,704	-
Other liabilities:					
Lease liabilities	633,440	2,139,174	(690,832)	2,081,782	567,255
Subscription liabilities (SBITAs)	198,212	27,258	(84,874)	140,596	84,432
Total Governmental Activities	<u>\$ 11,889,399</u>	<u>\$ 17,486,768</u>	<u>\$ (2,011,085)</u>	<u>\$ 27,365,082</u>	<u>\$ 2,247,354</u>
Long-term liabilities due in more than one year				<u>\$ 25,117,728</u>	
Business-Type Activities:					
General Obligation Bonds	\$ -	\$ 22,710,000	\$ -	\$ 22,710,000	\$ -
Certificates of Obligation	29,215,667	-	(865,667)	28,350,000	959,333
Tax notes	2,070,000	-	(510,000)	1,560,000	515,000
Premium	1,786,735	-	(101,904)	1,684,831	-
Total Business-Type Activities	<u>\$ 33,072,402</u>	<u>\$ 22,710,000</u>	<u>\$ (1,477,571)</u>	<u>\$ 54,304,831</u>	<u>\$ 1,474,333</u>
Long-term liabilities due in more than one year				<u>\$ 52,830,498</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, 2024

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%	\$ 2,420,000	\$ -
\$15,160,000 Certificates of Obligation, Series 2024 due in annual installments of \$355,000 to \$1,195,000, interest at 3.09%	15,160,000	-
Total Special Revenue Assessment Bonds	\$ 17,580,000	\$ -
<u>Tax Notes</u>		
\$7,070,000 Series 2020 Tax Notes, due in annual installments of \$930,000 to \$1,050,000 through August 15, 2027, with interest at 1.10%	\$ 1,560,000	\$ 1,560,000
Total Tax Notes	\$ 1,560,000	\$ 1,560,000
<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%	\$ -	\$ 235,000
\$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%	4,645,000	-
\$11,395,000 Series 2018 Combination Tax and Limited Surplus Revenue Certificates of Obligation, due in annual installments of \$400,000 to \$1,045,000 through August 15, 2038, with interest at 3.00%	-	10,635,000
\$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%	-	5,370,000
\$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%	865,000	12,110,000
Total Certificate of Obligation Bonds	\$ 5,510,000	\$ 28,350,000
<u>General Obligation Bonds</u>		
\$1,390,000 Series 2016 General Obligation Refunding Bonds, due in annual installments of \$135,000 to \$175,000 through April 15, 2025, with interest at 2.00%	\$ 175,000	\$ -
\$22,710,000 General Obligation Bonds, Series 2024, due in annual installments of \$275,000 to \$1,525,000, interest at 6.00%	-	22,710,000
Total General Obligation Bonds	\$ 175,000	\$ 22,710,000
Total Bonds	\$ 24,825,000	\$ 52,620,000

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Lease Liab. Agreements	Term	Interest		Balance
		Rate	Maturity Date	
Police Department	60 month	6.00%	February 2025	\$ 83,676
Development services	60 month	6.00%	February 2027	185,758
Copiers	60 month	5.00%	March 2027	22,023
AED 123	36 month	3.43%	August 2026	23,894
Police CID Building	6 years	5.60%	April 2029	273,582
Town Hall building lease	6 years	2.98%	December 2028	980,587
Flock license plate readers	60 month	3.51%	October 2027	512,262
Total Leases				\$ 2,081,782

Subscription Liab. Agreements	Term	Interest		Balance
		Rate	Maturity Date	
Cartegraph	60 month	6.00%		\$ 16,288
OpenGov	60 month	6.00%		110,551
Debt book	60 month	6.00%		13,757
Total Subscriptions				\$ 140,596

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

Year ending September 30,	General Obligation Bonds		Certificates of Obligation	
	Principal	Interest	Principal	Interest
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	-	-	412,667	107,374
2030 - 2034	-	-	2,219,333	383,867
2035 - 2039	-	-	1,148,333	103,097
2040 - 2044	-	-	197,000	120,333
Total	\$ 175,000	\$ 3,500	\$ 5,510,000	\$ 1,233,319

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Year ending September 30,	Special Revenue Assessment Bonds		Tax Notes	
	Principal	Interest	Principal	Interest
2025	\$ 560,000	\$ 952,597	\$ 515,000	\$ 14,328
2026	665,000	845,995	520,000	8,635
2027	705,000	811,495	525,000	2,888
2028	740,000	773,795	-	-
2029	780,000	734,120	-	-
2030 - 2034	4,280,000	3,021,519	-	-
2035 - 2039	4,455,000	1,969,422	-	-
2040 - 2044	5,395,000	735,162	-	-
Total	\$ 17,580,000	\$ 9,844,105	\$ 1,560,000	\$ 25,850

Year ending September 30,	Lease Liabilities		Subscription Liabilities	
	Principal	Interest	Principal	Interest
2025	\$ 567,255	\$ 67,535	\$ 84,432	\$ 4,584
2026	508,987	47,516	56,164	1,836
2027	469,795	28,516	-	-
2028	454,038	13,065	-	-
2029	81,707	522	-	-
	\$ 2,081,782	\$ 157,154	\$ 140,596	\$ 6,420

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 \$2,073,860. In addition, the Town entered into subscription-based arrangements for software. The subscriptions are classified as right to use assets for governmental activities and have a total carrying value of \$198,318.

As of September 30, 2024, Northlake, TX had 4 active software subscriptions. The subscriptions have payments that range from \$3,435 to \$58,000 and interest rates that range from 3.2170% to 3.2687%. As of 09/30/2024, the total combined value of the subscription liability is \$140,596. The combined value of the right to use assets, as of yearend was \$394,981, with accumulated amortization of \$196,603.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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
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	1,497,333	931,338	-	-
2030 - 2034	8,860,667	3,527,215	-	-
2035 - 2039	9,636,667	1,535,272	-	-
2040 - 2044	3,533,000	184,017	-	-
Total	\$ 28,350,000	\$ 10,466,795	\$ 1,560,000	\$ 25,850

Year ending September 30,	General Obligation Bonds	
	Principal	Interest
2025	\$ -	\$ 1,623,278
2026	275,000	1,293,420
2027	295,000	1,270,620
2028	320,000	1,246,020
2029	345,000	1,219,420
2030 - 2034	2,215,000	5,613,500
2035 - 2039	3,110,000	4,717,875
2040 - 2044	4,035,000	3,794,303
2045 - 2049	5,250,000	2,575,164
2050 - 2054	6,865,000	965,456
Total	\$ 22,710,000	\$ 24,319,056

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

G. Interfund Transactions

Transfers between the primary government funds during the 2024 year were as follows:

Transfers Out:	Transfers In:					Total
	General	Water Capital Improv.	Water and Sewer	Nonmajor Utility	Internal Service Fund	
General Fund	\$ -	\$ -	\$ -	\$ 220,000	\$ 50,000	\$ 270,000
Debt Service	-	-	1,473,603	-	-	1,473,603
Water & sewer	500,000	2,500,000	-	-	-	3,000,000
Nonmajor Gov.	18,605	-	56,965	-	-	75,570
Total	\$ 518,605	\$ 2,500,000	\$ 1,530,568	\$ 220,000	\$ 50,000	\$ 4,819,173

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):					Total
	Capital Improvement	Roadway Impact Fees	Water/ Sewer	Sports Venue	Nonmajor Govt	
General Fund	\$ -	\$ -	\$ 733,735	\$ 383,580	\$ -	\$ 1,117,315
Nonmajor governmental	644,989	-	-	-	-	644,989
Internal service fund	-	147,190	1,018,554	-	-	1,165,744
Water Capital Projects	-	-	-	-	182,395	182,395
Nonmajor enterprise	2,350,225	58,241	-	-	-	2,408,466
Total	\$ 2,995,214	\$ 205,431	\$ 1,752,289	\$ 383,580	\$ 182,395	\$ 5,518,909

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.

As of yearend, the general fund recorded receivables from the EDC and CDC for \$374,986 and \$300,302, respectively.

H. Restricted Net Position

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

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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	\$ 701,394	\$ -	\$ -	\$ -
Promotional activities	3,435,548	-	-	-
Capital improvements	13,899,694	-	-	-
Sports venue	-	3,458,472	-	-
* Municipal court	132,307	-	-	-
* Street maintenance	160,608	-	-	-
TIRZ	1,355	-	-	-
Pension	41,022	6,129	-	-
Economic development	-	-	1,499,066	-
Community development	-	-	-	1,485,212
Total	<u>\$ 18,371,928</u>	<u>\$ 3,464,601</u>	<u>\$ 1,499,066</u>	<u>\$ 1,485,212</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, 2024

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 Town could result. The Town does anticipate that it will have an arbitrage liability and performs annual calculations to estimate this potential liability. The Town 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, 2024. 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, 2024

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	\$ 691,610	\$ 524,540
Engineering -Treatment Plant Expansion	416,900	267,584	149,316
Engineering -North Ground Storage Tank	233,330	138,291	95,039
Engineering - Catherine Branch WW Treatment Plant Design	78,700	65,315	13,385
Engineering -Catherine Branch Sewer Trunkline	456,100	412,084	44,016
Engineering -Denton Creek Wastewater Trunkline	331,212	41,244	289,968
Engineering - South 0.5 MG Elevated Storage Tank	467,550	336,477	131,073
Engineering - StarCenter	46,075	42,226	3,850
Construction - Wastewater Treatment Plant	3,556,484	3,446,659	109,825
Construction - North Ground Storage Tank	1,930,039	1,808,788	121,251
Construction - StarCenter	47,200,000	1,486,161	45,713,839
	<u>\$ 55,932,540</u>	<u>\$ 8,736,438</u>	<u>\$ 47,196,102</u>

Governmental-Type Activities:

<u>Project Description</u>	<u>Contract Amount</u>	<u>Expended to Date</u>	<u>Remaining Commitment</u>
Engineering & Accuisition - Florance Road	\$ 300,055	\$ 290,759	\$ 9,296
Engineering & Accuisition - Faught Road	973,120	715,304	257,816
Engineering & Accuisition - Cleaveland-Gibbs Road	25,000	25,000	-
Engineering & Accuisition - Dale Earnhardt Way South	164,350	130,501	33,849
Engineering & Accuisition - StarCenter Site Public Infrast.	134,190	52,528	81,663
Construction - Cleveland-Gibbs Road	5,686,846	5,676,361	10,484
Construction - StarCenter Site Public Infrastructure	17,200,000	3,041,647	14,158,353
Construction - Chadwick Public Infrastructure	711,000	427,025	283,975
	<u>\$ 25,194,561</u>	<u>\$ 10,359,124</u>	<u>\$ 14,835,436</u>

E. Pension Plans

1. Texas Municipal Retirement Systems

Plan Description

The Town of Northlake participates as one of 934 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

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com.

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

2. Benefits Provided

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

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

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

Plan provisions for the Town were as follows:

	<u>Plan Year 2022</u>	<u>Plan Year 2023</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, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	6
Inactive employees entitled to but not yet receiving benefits	41
Active employees	64
Total	111

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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 9.51% and 9.60% in calendar years 2023 and 2024, respectively. The Town's contributions to TMRS for the year ended September 30, 2024, were \$502,957.

4. Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85%, 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, 2024

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 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public/Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
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, 2024

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

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

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
\$ 1,331,560	\$ (47,151)	\$ (1,159,439)

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/2022	\$ 6,557,134	\$ 5,614,198	\$ 942,936
Changes for the year:			
Service Cost	772,412	-	772,412
Interest	465,577	-	465,577
Difference between expected and actual experience	189,674	-	189,674
Changes of assumptions	51,149	-	51,149
Contributions – employer	-	1,471,176	(1,471,176)
Contributions – employee	-	346,818	(346,818)
Net investment income	-	655,067	(655,067)
Benefit payments, including refunds of emp. contributions	(91,811)	(91,811)	-
Administrative expense	-	(4,134)	4,134
Other changes	-	(28)	28
Net changes	1,387,001	2,377,088	(990,087)
Balance at 12/31/2023	\$ 7,944,135	\$ 7,991,286	\$ (47,151)

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, 2024

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

For the year ended September 30, 2024, the Town recognized pension expense of \$569,150.

At September 30, 2024, 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	\$	222,987
Changes in actuarial assumptions		44,026
Difference between projected and investment earnings		116,524
Contributions subsequent to the measurement date		386,608
Total	\$	770,145

The Town reported \$386,608 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, 2025. 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:		
2024	\$	103,740
2025		100,211
2026		148,286
2027		(1,191)
2028		32,491
Thereafter		-
Total		383,537

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, 2024

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 Town offers supplemental death to:	Plan Year 2022	Plan Year 2023
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 2024, 2023, and 2022 were \$1,050, \$1,090, and \$1,250, 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
2022	0.03%	0.03%	100.0%
2023	0.02%	0.02%	100.0%
2024	0.02%	0.02%	100.0%

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

Employees covered by benefit terms

At the December 31, 2023 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	10
Active employees	64
Total	76

Total OPEB Liability

The Town's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Discount rate	3.77%
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, 2024

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.77%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

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 3.77%, 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 (2.77%) or 1-percentage-point higher (4.77%) than the current rate:

1% Decrease 2.77%	Current Single Rate Assumption 3.77%	1% Increase 4.77%
\$ 71,474	\$ 56,536	\$ 45,460

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/2022	\$ 47,731
Changes for the year:	
Service Cost	6,936
Interest	2,053
Difference between expected and actual experience	(2,041)
Changes of assumptions	2,848
Benefit payments	(991)
Net changes	8,805
Balance at 12/31/2023	\$ 56,536

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

For the year ended September 30, 2024, the Town recognized OPEB expense of \$5,951.

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

At September 30, 2024, 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	\$ -	\$ (14,443)
Difference between expected and actual experience	-	(7,782)
Contributions subsequent to measurement date	805	-
Total	\$ 805	\$ (22,225)

The Town reported \$805 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, 2025.

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:	
2024	\$ (3,038)
2025	(3,330)
2026	(2,883)
2027	(3,736)
2028	(4,123)
Thereafter	(5,115)
	\$ (22,225)

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

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, 2024:

<u>Purpose</u>	<u>Abatement Type</u>	<u>Percentage of Taxes Abated during the Fiscal</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 \$8,625,925.	Property Tax	8%	\$ 2,160
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 \$66,479,511.	Property Tax	61%	\$ 119,199
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 increased value of the property improvements required by the tax abatement agreement. Value of improvements is approximately \$41,000,000.	Property Tax	62%	\$ 74,445
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 \$459,190,714.	Property Tax	10%	\$ 137,443
Total			\$ 333,247

Town of Northlake, Texas
NOTES TO FINANCIAL STATEMENTS, Continued
September 30, 2024

G. Restatement

Due to the implementation of GASB 100, *Accounting Errors and Corrections*, the Town restated beginning net position/fund balance within business-type activities, the utility impact fee funds, and the nonmajor enterprise funds as a result in a change within the financial reporting entity. The table below summarizes the changes to net position/fund balance as a result of this change.

	<u>Business-Type Activities</u>	<u>Utility Impact Fees *</u>	<u>Nonmajor Enterprise Funds</u>
Prior year ending net position/fund balance, as reported	\$ 51,806,394	\$ 4,727,885	\$ 730,966
Change within financial reporting entity (major to nonmajor fund)	-	(4,727,885)	4,727,885
Restated beginning net position/fund balance	<u>\$ 51,806,394</u>	<u>\$ -</u>	<u>\$ 5,458,851</u>

* Formerly a major enterprise fund

H. Subsequent Events

On February 27, 2025, the Town issued \$22,280,000 in General Obligation Bonds. The Bonds have an interest rate of 4.5% and mandatory sinking fund redemptions maturing on February 15 in the years 2036, 2038, 2040, 2045, 2050 and 2055.

On February 27, 2025, the Town issued \$5,335,000 in Hotel Occupancy Tax Revenue Bonds. The Bonds have an interest rate ranging from 4.9% to 5.15% and a maturity date of February 15, 2045.

On March 13, 2025, the Town issued \$15,455,000 in Combination Tax and Limited Surplus Revenue Certificates of Obligation Bonds. The Bonds have an interest rate ranging from 4.38% to 5% with a maturity date of February 15, 2045.

There were no other subsequent events requiring disclosure through April 30, 2025, 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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 4,146,000	\$ 4,146,000	\$ 4,372,440	\$ 226,440
Sales tax	1,650,000	1,900,482	2,280,421	379,939
Franchise and local taxes	903,500	953,500	1,206,583	253,083
License, permits and fees	1,936,750	2,036,750	2,538,937	502,187
Intergovernmental	100,000	100,000	100,000	-
Charges for services	330,000	535,000	635,622	100,622
Fines and forfeitures	600,000	400,000	513,131	113,131
Investment income	40,000	40,000	136,207	96,207
Other revenue	27,400	27,400	35,117	7,717
Total Revenues	9,733,650	10,139,132	11,818,458	1,679,326
Expenditures				
Current:				
General government	2,202,445	2,285,743	2,660,354	(374,611)
Development services	1,383,401	1,396,162	1,758,516	(362,354)
Public works	1,495,660	1,597,547	1,730,353	(132,806)
Municipal court	390,584	392,733	429,260	(36,527)
Police	4,567,843	5,101,434	5,140,382	(38,948)
Promotional	29,190	30,004	51,087	(21,083)
Total Expenditures	10,069,123	10,803,623	11,769,952	(966,329) *
Revenues Over (Under) Expenditures	(335,473)	(664,491)	48,506	712,997
Other Financing Sources (Uses)				
Transfers in	518,605	518,605	518,605	-
Transfers (out)	-	(220,000)	(270,000)	(50,000) *
Total Other Financing Sources (Uses)	518,605	298,605	248,605	(50,000)
Net Change in Fund Balance	\$ 183,132	\$ (365,886)	297,111	\$ 662,997
Beginning fund balance			5,734,217	
Ending Fund Balance			6,031,328	

Notes to Required Supplementary Information

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

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ROADWAY IMPACT FEES
For the Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues				
Impact and development fees	\$ 2,308,108	\$ 2,308,108	\$ 3,066,487	\$ 758,379
Investment income	52,000	52,000	123,273	71,273
Total Revenues	<u>2,360,108</u>	<u>2,360,108</u>	<u>3,189,760</u>	<u>829,652</u>
Expenditures				
Developer impact fee	1,924,560	2,455,281	3,778,751	(1,323,470)
Total Expenditures	<u>1,924,560</u>	<u>2,455,281</u>	<u>3,778,751</u>	<u>(1,323,470) *</u>
Revenues Over (Under) Expenditures	<u>435,548</u>	<u>(95,173)</u>	<u>(588,991)</u>	<u>(493,818)</u>
Net Change in Fund Balance	<u>\$ 435,548</u>	<u>\$ (95,173)</u>	<u>(588,991)</u>	<u>\$ (493,818)</u>
Beginning fund balance			<u>3,881,323</u>	
Ending Fund Balance			<u>\$ 3,292,332</u>	

Notes to Required Supplementary Information

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

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
NORTHLAKE PID
For the Year Ended September 30, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Special assessments	\$ 321,065	\$ 330,577	\$ 9,512
Investment income	8,000	18,097	10,097
Total Revenues	<u>329,065</u>	<u>348,674</u>	<u>19,609</u>
<u>Expenditures</u>			
Debt service:			
Principal	200,000	200,000	-
Interest and fiscal charges	85,775	85,775	-
Capital outlay	24,867	14,084	10,783
Total Expenditures	<u>310,642</u>	<u>299,859</u>	<u>10,783</u>
Net Change in Fund Balance	<u>\$ 18,423</u>	48,815	<u>\$ 30,392</u>
Beginning fund balance		435,247	
Ending Fund Balance		<u>\$ 484,062</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 CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	12/31/2023	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	\$ 772,412	\$ 662,990	\$ 542,534	\$ 451,301	\$ 379,296	\$ 341,387	\$ 281,176	\$ 256,814	\$ 218,403	\$ 169,257
Interest	465,577	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	189,674	83,434	(54,070)	123,686	(9,316)	(35,261)	4,129	62,182	33,719	14,773
Changes of assumptions	51,149	-	-	-	31,477	-	-	-	71,966	-
Benefit payments, including refunds of participant contributions	(91,811)	(83,842)	(129,343)	(10,447)	(94,135)	(12,137)	(20,855)	(12,871)	(11,286)	(21,688)
Net change in total pension liability	1,387,001	1,053,616	697,474	846,676	547,263	501,563	498,610	446,992	427,661	257,118
Total pension liability - beginning	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	1,280,161
Total pension liability - ending (a)	7,944,135	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	\$ 1,471,176	\$ 421,863	\$ 342,965	\$ 287,874	\$ 253,025	\$ 224,811	\$ 180,185	\$ 147,406	\$ 128,506	\$ 75,574
Contributions - members	346,818	299,802	244,228	202,118	168,683	149,731	127,147	114,649	100,846	83,179
Net investment income	655,067	(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	(91,811)	(83,842)	(129,343)	(10,447)	(94,135)	(12,137)	(20,855)	(12,871)	(11,286)	(21,688)
Administrative expenses	(4,134)	(3,392)	(2,621)	(1,765)	(2,472)	(1,473)	(1,425)	(1,241)	(1,265)	(718)
Other	(28)	4,048	17	(69)	(73)	(78)	(75)	(67)	(62)	(59)
Net change in plan fiduciary net position	2,377,088	244,185	1,024,499	751,689	764,330	284,381	560,580	357,994	218,817	205,126
Plan fiduciary net position - beginning	5,614,198	5,370,013	4,345,514	3,593,825	2,829,495	2,545,114	1,984,534	1,626,540	1,407,723	1,202,597
Plan fiduciary net position - ending (b)	7,991,286	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 (asset) - ending (a) - (b)	\$(47,151)	\$ 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 liability	100.59%	85.62%	97.57%	90.42%	90.77%	82.93%	87.44%	82.28%	82.78%	91.57%
Covered payroll	\$ 4,954,536	\$ 4,282,880	\$ 3,488,965	\$ 2,887,405	\$ 2,409,761	\$ 2,139,016	\$ 1,816,383	\$ 1,637,847	\$ 1,440,652	\$ 1,188,275
Fund's net position as a percentage of covered payroll	-0.95%	22.02%	3.83%	15.95%	15.17%	27.24%	20.12%	26.10%	23.49%	10.90%

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

	9/30/2024	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	\$ 502,957	\$ 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	\$ 502,957	\$ 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	\$ 5,250,606	\$ 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	9.58%	9.59%	9.79%	9.87%	10.21%	10.60%	10.46%	9.79%	9.09%	7.47%

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	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	

Mortality

Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

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,

	2023	2022	2021	2020	2019	2018	2017	1
Total OPEB liability								
Service cost	\$ 6,936	\$ 11,564	\$ 9,071	\$ 6,064	\$ 3,374	\$ 3,636	\$ 2,543	
Interest	2,053	1,383	1,320	1,479	1,461	1,387	1,292	
Differences between expected and actual experience	(2,041)	1,185	(4,212)	(6,003)	(849)	(3,925)	-	
Changes of assumptions	2,848	(35,163)	2,921	9,845	9,334	(3,244)	3,614	
Benefit payments, including refunds of participant contributions	(991)	(1,285)	(1,047)	(289)	(241)	(214)	(363)	
Net change in total OPEB liability	8,805	(22,316)	8,053	11,096	13,079	(2,360)	7,086	
Total OPEB liability - beginning	\$ 47,731	\$ 70,047	\$ 61,994	\$ 50,898	\$ 37,819	\$ 40,179	\$ 33,093	
Total OPEB liability - ending	\$ 56,536	\$ 47,731	\$ 70,047	\$ 61,994	\$ 50,898	\$ 37,819	\$ 40,179	2
Covered-employee payroll	\$ 4,954,536	\$ 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	1.14%	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, 2024

	Donations	Court Security	Court Technology	Belmont FWSD	Police Asset Forfeiture	Police Special Training
Assets						
Cash and cash equivalents	\$ 37,263	\$ 32,500	\$ 72,089	\$ -	\$ 69,273	\$ 4,769
Receivables	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total Assets	<u>\$ 37,263</u>	<u>\$ 32,500</u>	<u>\$ 72,089</u>	<u>\$ -</u>	<u>\$ 69,273</u>	<u>\$ 4,769</u>
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 4,305	\$ -
Due to other funds	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,305</u>	<u>-</u>
Fund Balances						
Restricted for:						
Promotional Activities	-	-	-	-	-	-
Capital improvements	37,263	-	-	-	-	-
Municipal court	-	32,500	72,089	-	-	-
Public safety	-	-	-	-	64,968	4,769
TRZ	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances	<u>37,263</u>	<u>32,500</u>	<u>72,089</u>	<u>-</u>	<u>64,968</u>	<u>4,769</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 37,263</u>	<u>\$ 32,500</u>	<u>\$ 72,089</u>	<u>\$ -</u>	<u>\$ 69,273</u>	<u>\$ 4,769</u>

Town of Northlake, Texas
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2024

	Child Safety	Court Online Access Fees	Cost Recovery Fee	Tax Increment Reinvestment Zone (TIRZ)	Hotel/Motel	Total Nonmajor Governmental
Assets						
Cash and cash equivalents	\$ 91,940	\$ 27,718	\$ 65,735	\$ 203,285	\$ 2,721,607	\$ 3,326,179
Receivables	-	-	-	-	72,556	72,556
Due from other funds	-	-	-	-	644,989	644,989
Total Assets	\$ 91,940	\$ 27,718	\$ 65,735	\$ 203,285	\$ 3,439,152	\$ 4,043,724
Liabilities						
Accounts payable and accrued liabilities	\$ 1,069	\$ -	\$ 64,973	\$ 201,930	\$ 3,604	\$ 275,881
Due to other funds	-	-	182,395	-	-	182,395
Total Liabilities	1,069	-	247,368	201,930	3,604	458,276
Fund Balances						
Restricted for:						
Promotional activities	-	-	-	-	3,435,548	3,435,548
Capital improvements	-	-	-	-	-	37,263
Municipal court	-	27,718	-	-	-	132,307
Public safety	90,871	-	-	-	-	160,608
Public safety	-	-	-	1,355	-	1,355
Unassigned	-	-	(181,633)	-	-	(181,633)
Total Fund Balances	90,871	27,718	(181,633)	1,355	3,435,548	3,585,448
Total Liabilities, Deferred Inflows and Fund Balances	\$ 91,940	\$ 27,718	\$ 65,735	\$ 203,285	\$ 3,439,152	\$ 4,043,724

Town of Northlake, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended September 30, 2024

	Donations	Court Security	Court Technology	Belmont FWSD	Police Asset Forfeiture	Police Special Training
Revenues						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel occupancy taxes	-	-	-	-	-	-
Fines and forfeitures	-	13,736	11,637	-	-	-
Investment income	684	-	-	53	372	-
Other revenue	14,672	-	-	-	4,764	1,350
Total Revenues	15,356	13,736	11,637	53	5,136	1,350
Expenditures						
Development services	-	-	-	-	-	-
Municipal court	-	5,400	-	-	-	-
Police	1,456	-	-	-	10,982	3,000
Promotional	-	-	-	-	-	-
TIRZ activity	-	-	-	-	-	-
Total Expenditures	1,456	5,400	-	-	10,982	3,000
Revenues Over (Under) Expenditures	13,900	8,336	11,637	53	(5,846)	(1,650)
Other Financing Sources (Uses)						
Transfers (out)	-	-	-	(56,965)	-	-
Total Other Financing Sources (Uses)	-	-	-	(56,965)	-	-
Net Change in Fund Balances	13,900	8,336	11,637	(56,912)	(5,846)	(1,650)
Beginning fund balances	23,363	24,164	60,452	56,912	70,814	6,419
Ending Fund Balances	\$ 37,263	\$ 32,500	\$ 72,089	\$ -	\$ 64,968	\$ 4,769

Town of Northlake, Texas

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

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2024

		Court Child	Court Online	Cost Recovery Fee	Tax Increment Reinvestment Zone (TIRZ)	Hotel/Motel	Total Nonmajor Governmental
Revenues							
Property tax	\$	-	-	-	\$ 455,115	-	\$ 455,115
Hotel occupancy taxes	-	-	-	-	-	868,313	868,313
Fines and forfeitures	-	-	18,550	-	-	-	43,923
Investment income	-	198	-	-	414	108,780	110,501
Other revenue	-	10,454	-	-	-	10	31,250
Total Revenues	10,652	18,550	-	-	455,529	977,103	1,509,102
Expenditures							
Development services	-	-	-	-	-	57,474	57,474
Municipal court	-	-	36,524	-	-	-	41,924
Police	-	20,700	-	-	-	-	36,138
Promotional	-	-	-	-	-	30,644	30,644
TIRZ activity	-	-	-	-	449,206	-	449,206
Total Expenditures	20,700	36,524	-	-	449,206	88,118	615,386
Revenues Over (Under) Expenditures	(10,048)	(17,974)	-	-	6,323	888,985	893,716
Other Financing Sources (Uses)							
Transfers (out)	-	-	-	-	(18,605)	-	(75,570)
Total Other Financing Sources (Uses)	-	-	-	-	(18,605)	-	(75,570)
Net Change in Fund Balances	(10,048)	(17,974)	-	-	(12,282)	888,985	818,146
Beginning fund balances	100,919	45,692	-	(181,633)	13,637	2,546,563	2,767,302
Ending Fund Balances	\$ 90,871	\$ 27,718	\$ (181,633)	\$ 1,355	\$ 3,435,548	\$ 3,585,448	\$ 3,585,448

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT SECURITY
For the Year Ended September 30, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and fees	\$ 14,000	\$ 13,736	\$ (264)
Total Revenues	<u>14,000</u>	<u>13,736</u>	<u>(264)</u>
<u>Expenditures</u>			
Municipal court	9,000	5,400	3,600
Total Expenditures	<u>9,000</u>	<u>5,400</u>	<u>3,600</u>
Revenues Over (Under) Expenditures	<u>5,000</u>	<u>8,336</u>	<u>3,336</u>
Net Change in Fund Balances	<u>\$ 5,000</u>	<u>8,336</u>	<u>\$ 3,336</u>
Beginning fund balances		<u>24,164</u>	
Ending Fund Balances		<u>\$ 32,500</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, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and fees	\$ 13,000	\$ 11,637	\$ (1,363)
Total Revenues	13,000	11,637	(1,363)
<u>Expenditures</u>			
Municipal court	18,000	-	18,000
Total Expenditures	18,000	-	18,000
Revenues Over (Under) Expenditures	(5,000)	11,637	16,637
Net Change in Fund Balances	\$ (5,000)	11,637	\$ 16,637
Beginning fund balances		60,452	
Ending Fund Balances		\$ 72,089	

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, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Investment income	\$ -	\$ 372	\$ 372
Other revenue	-	4,764	4,764
Total Revenues	<u>-</u>	<u>5,136</u>	<u>5,136</u>
<u>Expenditures</u>			
Police	11,000	10,982	18
Total Expenditures	<u>11,000</u>	<u>10,982</u>	<u>18</u>
Revenues Over (Under) Expenditures	<u>(11,000)</u>	<u>(5,846)</u>	<u>5,154</u>
Net Change in Fund Balances	<u>\$ (11,000)</u>	<u>(5,846)</u>	<u>\$ 5,154</u>
Beginning fund balances		<u>70,814</u>	
Ending Fund Balances		<u>\$ 64,968</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 SPECIAL TRAINING
For the Year Ended September 30, 2024

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>				
Other revenue	\$ 1,400	\$ 1,400	\$ 1,350	\$ (50)
Total Revenues	<u>1,400</u>	<u>1,400</u>	<u>1,350</u>	<u>(50)</u>
<u>Expenditures</u>				
Police	1,400	3,000	3,000	-
Total Expenditures	<u>1,400</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,600)</u>	<u>(1,650)</u>	<u>(50)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (1,600)</u>	<u>(1,650)</u>	<u>\$ (50)</u>
Beginning fund balances			6,419	
Ending Fund Balances			<u>\$ 4,769</u>	

Notes to Other Supplementary Information

- 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, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Investment income	\$ 160	\$ 198	\$ 38
Other revenue	11,500	10,454	(1,046)
Total Revenues	<u>11,660</u>	<u>10,652</u>	<u>(1,008)</u>
<u>Expenditures</u>			
Police	27,229	20,700	6,529
Total Expenditures	<u>27,229</u>	<u>20,700</u>	<u>6,529</u>
Revenues Over (Under) Expenditures	<u>(15,569)</u>	<u>(10,048)</u>	<u>5,521</u>
Net Change in Fund Balances	<u>\$ (15,569)</u>	<u>(10,048)</u>	<u>\$ 5,521</u>
Beginning fund balances		100,919	
Ending Fund Balances		<u>\$ 90,871</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, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 18,000	\$ 18,550	\$ 550
Total Revenues	<u>18,000</u>	<u>18,550</u>	<u>550</u>
 <u>Expenditures</u>			
Municipal court	31,000	36,524	(5,524)
Total Expenditures	<u>31,000</u>	<u>36,524</u>	<u>(5,524) *</u>
Revenues Over (Under) Expenditures	<u>(13,000)</u>	<u>(17,974)</u>	<u>(4,974)</u>
Net Change in Fund Balances	<u>\$ (13,000)</u>	<u>(17,974)</u>	<u>\$ (4,974)</u>
Beginning fund balances		<u>45,692</u>	
Ending Fund Balances		<u>\$ 27,718</u>	

Notes to Other Supplementary Information

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

* Expenditures exceeded appropriations at the legal level of control.

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COST RECOVERY FEE
For the Year Ended September 30, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Impact and development fees	\$ 328,600	\$ -	\$ (328,600)
Total Revenues	<u>328,600</u>	<u>-</u>	<u>(328,600)</u>
Revenues Over (Under) Expenditures	<u>328,600</u>	<u>-</u>	<u>(328,600)</u>
Net Change in Fund Balances	<u>\$ 328,600</u>	<u>-</u>	<u>\$ (328,600)</u>
Beginning fund balances		<u>(181,633)</u>	
Ending Fund Balances		<u>\$ (181,633)</u>	

Notes to Other Supplementary Information

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

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
TIRZ
For the Year Ended September 30, 2024

	<u>Original & Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 460,000	\$ 455,115	\$ (4,885)
Investment income	-	414	414
Total Revenues	<u>460,000</u>	<u>455,529</u>	<u>(4,471)</u>
<u>Expenditures</u>			
TIRZ activity	441,395	449,206	(7,811)
Total Expenditures	<u>441,395</u>	<u>449,206</u>	<u>(7,811) *</u>
<u>Other Financing Sources (Uses)</u>			
Transfers (out)	(18,605)	(18,605)	-
Total Other Financing Sources (Uses)	<u>(18,605)</u>	<u>(18,605)</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>(12,282)</u>	<u>\$ (12,282)</u>
Beginning fund balance		<u>13,637</u>	
Ending Fund Balance		<u>\$ 1,355</u>	

Notes to Other Supplementary Information

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

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL FUND
For the Year Ended September 30, 2024

	<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	\$ 868,313	\$ 208,313
Investment income	32,000	32,000	108,780	76,780
Other revenue	-	-	10	10
Total Revenues	<u>692,000</u>	<u>692,000</u>	<u>977,103</u>	<u>285,103</u>
<u>Expenditures</u>				
Development services	53,127	54,480	57,474	(2,994)
Promotional	28,990	30,137	30,644	(507)
Total Expenditures	<u>82,117</u>	<u>84,617</u>	<u>88,118</u>	<u>(3,501) *</u>
Net Change in Fund Balance	<u>\$ 609,883</u>	<u>\$ 607,383</u>	888,985	<u>\$ 281,602</u>
Beginning fund balance			<u>2,546,563</u>	
Ending Fund Balance			<u>\$ 3,435,548</u>	

Notes to Other Supplementary Information

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

Town of Northlake, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT FUND
For the Year Ended September 30, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Intergovernmental	\$ -	\$ 2,377,900	\$ 2,377,900
Investment income	100,000	393,892	293,892
Total Revenues	100,000	2,771,792	2,671,792
 <u>Expenditures</u>			
General government	-	5,618	(5,618)
Capital outlay	5,378,579	6,498,944	(1,120,365)
	5,378,579	6,504,562	(1,125,983) *
Revenues Over (Under) Expenditures	(5,278,579)	(3,732,770)	1,545,809
 <u>Other Financing Sources (Uses)</u>			
Transfer in	3,000,000	-	(3,000,000)
Bond issuance	-	15,160,000	15,160,000
Premium on bond issuance	-	160,336	160,336
Total Other Financing Sources (Uses)	3,000,000	15,320,336	12,320,336
Net Change in Fund Balance	\$ (2,278,579)	11,587,566	\$ 13,866,145
Beginning fund balance		3,471,918	
Ending Fund Balance		\$ 15,059,484	

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, 2024

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property tax	\$ 3,135,500	\$ 3,187,560	\$ 52,060
Investment income	10,000	16,274	6,274
Total Revenues	3,145,500	3,203,834	58,334
Expenditures			
General government	43,215	32,488	10,727
Debt service:			
Principal	990,000	1,019,333	(29,333)
Interest	142,046	166,092	(24,046)
Bond issuance costs	-	320,336	(320,336)
Total Expenditures	1,175,261	1,538,249	(362,988) *
Revenues Over (Under) Expenditures	1,970,239	1,665,585	421,322
Other Financing Sources (Uses)			
Transfers (out)	(5,296,950)	(1,473,603)	3,823,347
Transfers in	-	-	-
Bond issuance	3,000,000	-	(3,000,000)
Total Other Financing Sources (Uses)	(2,296,950)	(1,473,603)	823,347
Net Change in Fund Balance	\$ (326,711)	191,982	\$ 518,693
Beginning fund balance		509,412	
Ending Fund Balance		\$ 701,394	

Notes to Other Supplementary Information

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

Town of Northlake, Texas

COMBINING BALANCE SHEET ROADWAY IMPACT FEE FUNDS

September 30, 2024

	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	\$ 155,102	\$ 1,814,341	\$ 2,020,353	\$ 3,989,796
Total Assets	\$ 155,102	\$ 1,814,341	\$ 2,020,353	\$ 3,989,796
<u>Liabilities</u>				
Accounts payable	\$ -	\$ 492,033	\$ -	\$ 492,033
Due to other funds	-	205,431	-	205,431
Total Liabilities	-	697,464	-	697,464
<u>Fund Balances</u>				
Restricted for:				
Capital improvements	155,102	1,116,877	2,020,353	3,292,332
Total Fund Balances	155,102	1,116,877	2,020,353	3,292,332
Total Liabilities and Fund Balances	\$ 155,102	\$ 1,814,341	\$ 2,020,353	\$ 3,989,796

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ROADWAY IMPACT FEE FUNDS
For the Year Ended September 30, 2024

	<u>North West Roadway Impact Fee</u>	<u>North East Roadway Impact Fee</u>	<u>South East Roadway Impact Fee</u>	<u>Total Roadway Impact Fee Funds</u>
<u>Revenues</u>				
Impact and development fees	\$ 41,444	\$ 2,861,713	\$ 163,330	\$ 3,066,487
Investment income	-	63,671	59,602	123,273
Total Revenues	<u>41,444</u>	<u>2,925,384</u>	<u>222,932</u>	<u>3,189,760</u>
<u>Expenditures</u>				
Developer impact fee	-	3,778,751	-	3,778,751
Total Expenditures	<u>-</u>	<u>3,778,751</u>	<u>-</u>	<u>3,778,751</u>
Revenues Over (Under) Expenditures	<u>41,444</u>	<u>(853,367)</u>	<u>222,932</u>	<u>(588,991)</u>
Net Change in Fund Balances	41,444	(853,367)	222,932	(588,991)
Beginning fund balances	113,658	1,970,244	1,797,421	3,881,323
Ending Fund Balances	<u>\$ 155,102</u>	<u>\$ 1,116,877</u>	<u>\$ 2,020,353</u>	<u>\$ 3,292,332</u>

Town of Northlake, Texas
COMBINING BALANCE SHEET
PUBLIC IMPROVEMENT DISTRICTS
September 30, 2024

	Harvest PID No. 1	Highlands PID No. 2	Total Public Improvement Districts
<u>Assets</u>			
Cash and cash equivalents	\$ -	\$ 484,062	\$ 484,062
Special assessments receivable	-	2,420,000	2,420,000
Total Assets	\$ -	\$ 2,904,062	\$ 2,904,062
<u>Deferred Inflows of Resources</u>			
Property special assessments	-	2,420,000	2,420,000
Total Deferred Inflows of Resources	-	2,420,000	2,420,000
<u>Fund Balances</u>			
Restricted for:			
Public improvement districts	-	484,062	484,062
Total Fund Balances	-	484,062	484,062
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 2,904,062	\$ 2,904,062

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
PUBLIC IMPROVEMENT DISTRICTS
For the Year Ended September 30, 2024

	<u>Harvest PID No. 1</u>	<u>Highlands PID No. 2</u>	<u>Total Public Improvement Districts</u>
<u>Revenues</u>			
Special assessments	\$ -	\$ 330,577	\$ 330,577
Investment income	5,390	12,707	18,097
Total Revenues	<u>5,390</u>	<u>343,284</u>	<u>348,674</u>
<u>Expenditures</u>			
Debt service:			
Principal	-	200,000	200,000
Interest and fiscal charges	-	85,775	85,775
Capital outlay	-	14,084	14,084
Total Expenditures	<u>-</u>	<u>299,859</u>	<u>299,859</u>
Revenues Over (Under) Expenditures	<u>5,390</u>	<u>43,425</u>	<u>48,815</u>
<u>Other Financing Sources (Uses)</u>			
Transfers in	-	161,635	161,635
Transfers (out)	(161,635)	-	(161,635)
Total Other Financing Sources (Uses)	<u>(161,635)</u>	<u>161,635</u>	<u>-</u>
Net Change in Fund Balances	(156,245)	205,060	48,815
Beginning fund balances	156,245	279,002	435,247
Ending Fund Balances	<u>\$ -</u>	<u>\$ 484,062</u>	<u>\$ 484,062</u>

Town of Northlake, Texas
COMBINING SCHEDULE OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
September 30, 2024

	<u>Canyon Falls MUD 1 Fund</u>	<u>Argyle Sewer Billing Fund</u>	<u>Stormwater Drainage</u>	<u>Utility Impact Fees</u>	<u>Total Nonmajor Proprietary Funds</u>
<u>Assets</u>					
Cash and cash equivalents	\$ 1,124,740	\$ 208,544	\$ 150,000	\$ 5,315,076	\$ 6,798,360
Receivables, net	17,866	35,180	-	-	53,046
Due from other funds	-	-	-	2,408,466	2,408,466
Total Assets	\$ 1,142,606	\$ 243,724	\$ 150,000	\$ 7,723,542	\$ 9,259,872
<u>Liabilities</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ 231,762	\$ 231,762
Customer deposits	65,467	134	-	-	65,601
Total Liabilities	65,467	134	-	231,762	297,363
<u>Net Position</u>					
Capital improvements	-	-	150,000	7,491,780	7,641,780
Unrestricted	1,077,139	243,590	-	-	1,320,729
Total Net Position	\$ 1,077,139	\$ 243,590	\$ 150,000	\$ 7,491,780	\$ 8,962,509

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the Year Ended September 30, 2024

	Canyon Falls MUD 1 Fund	Argyle Sewer Billing Fund	Stormwater Drainage	Utility Impact Fees	Total Nonmajor Proprietary Funds
<u>Operating revenues</u>					
Charges for services	\$ 363,098	\$ 203,764	\$ -	\$ 4,309,156	\$ 4,876,018
Total Operating Revenues	363,098	203,764	-	4,309,156	4,876,018
<u>Operating Expenses</u>					
Operating expenses	-	-	70,000	1,690,007	1,760,007
Total Operating Expenses	-	-	70,000	1,690,007	1,760,007
Operating Income (Loss)	363,098	203,764	(70,000)	2,619,149	3,116,011
<u>Nonoperating Revenues</u>					
<u>(Expenses)</u>					
Investment income	22,901	-	-	144,746	167,647
Total Nonoperating Revenues (Expenses)	22,901	-	-	144,746	167,647
Income (Loss) Before Transfers	385,999	203,764	(70,000)	2,763,895	3,283,658
Transfers in	-	-	220,000		220,000
Change in Net Position	385,999	203,764	150,000	2,763,895	3,503,658
Beginning net position, as previously presented	691,140	39,826	-	-	730,966
Change within financial reporting entity (major to nonmajor fund)	-	-	-	4,727,885	4,727,885
Beginning net position, as adjusted	691,140	39,826	-	4,727,885	5,458,851
Ending Net Position	\$ 1,077,139	\$ 243,590	\$ 150,000	\$ 7,491,780	\$ 8,962,509

Town of Northlake, Texas
COMBINING SCHEDULE OF NET POSITION
INTERNAL SERVICE FUNDS
September 30, 2024

	<u>Technology</u>	<u>Equipment</u>	<u>Building Services</u>	<u>Total Internal Service Funds</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ 898	\$ 126,361	\$ 127,259
Due from other funds	-	1,195,681	-	1,195,681
Prepays	-	-	12,507	12,507
Total Assets	\$ -	\$ 1,196,579	\$ 138,868	\$ 1,335,447
<u>Noncurrent Assets</u>				
Capital assets:				
Net depreciable capital assets	745,937	1,609,421	2,195,878	4,551,236
Total Noncurrent Assets	745,937	1,609,421	2,195,878	4,551,236
Total Assets	745,937	2,806,000	2,334,746	5,886,683
<u>Liabilities</u>				
Accounts payable	\$ 11,995	\$ 58,062	\$ 24,623	\$ 94,680
Due to other funds	29,937	-	-	29,937
Long-term debt, current	205,946	-	445,741	651,687
Total Current Liabilities	247,878	58,062	470,364	776,304
Long-term debt, noncurrent	446,911	-	1,123,780	1,570,691
Total Noncurrent Liabilities	446,911	-	1,123,780	1,570,691
Total Liabilities	694,789	58,062	1,594,144	2,346,995
<u>Net Position</u>				
Net investment in capital assets	93,080	1,551,359	626,357	2,270,796
Unrestricted	(41,932)	1,196,579	114,245	1,268,892
Total Net Position	\$ 51,148	\$ 2,747,938	740,602	\$ 3,539,688

Town of Northlake, Texas
COMBINING SCHEDULE OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended September 30, 2024

	<u>Technology</u>	<u>Equipment</u>	<u>Building Services</u>	<u>Total Internal Service Funds</u>
<u>Operating revenues</u>				
Charges for services	\$ 700,000	\$ 1,114,841	\$ 1,025,000	\$ 2,839,841
Other revenues	-	227	-	227
Total Operating Revenues	<u>700,000</u>	<u>1,115,068</u>	<u>1,025,000</u>	<u>2,840,068</u>
<u>Operating Expenses</u>				
Operating expenses	648,137	-	217,669	865,806
Depreciation	111,196	403,372	1,020,323	1,534,891
Total Operating Expenses	<u>759,333</u>	<u>403,372</u>	<u>1,237,992</u>	<u>2,400,697</u>
Operating Income (Loss)	<u>(59,333)</u>	<u>711,696</u>	<u>(212,992)</u>	<u>439,371</u>
<u>Nonoperating Revenues (Expenses)</u>				
Gain on sale of assets	-	11,710	-	11,710
Insurance proceeds	-	101,734	-	101,734
Investment expense	(10,720)	-	(51,059)	(61,779)
Total Nonoperating (Expenses)	<u>(10,720)</u>	<u>113,444</u>	<u>(51,059)</u>	<u>51,665</u>
Income (Loss) Before Transfers	(70,053)	825,140	(264,051)	491,036
Transfers in	-	-	50,000	50,000
Change in Net Position	(70,053)	825,140	(214,051)	541,036
Beginning net position	121,201	1,922,798	954,653	2,998,652
Ending Net Position	<u>\$ 51,148</u>	<u>\$ 2,747,938</u>	<u>740,602</u>	<u>\$ 3,539,688</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>	119
Revenue Capacity <i>These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.</i>	126
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>	130
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>	135
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>	137
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>	140

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$(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	\$ 24,942,046
Restricted	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	18,371,928
Unrestricted	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	14,598,572
Total governmental activities net position	<u>\$ 5,920,802</u>	<u>\$ 6,774,190</u>	<u>\$ 9,416,981</u>	<u>\$ 11,448,880</u>	<u>\$ 18,803,282</u>	<u>\$ 35,599,964</u>	<u>\$ 39,472,317</u>	<u>\$ 41,181,687</u>	<u>\$ 45,097,264</u>	<u>\$ 57,912,546</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 47,996,865
Restricted	-	-	-	-	-	-	-	2,137,078	4,727,885	15,222,106
Unrestricted	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	7,783,025
Total business-type activities net position	<u>\$ 3,984,365</u>	<u>\$ 4,840,779</u>	<u>\$ 5,409,167</u>	<u>\$ 7,782,628</u>	<u>\$ 33,971,743</u>	<u>\$ 31,148,398</u>	<u>\$ 35,801,819</u>	<u>\$ 42,702,757</u>	<u>\$ 51,806,394</u>	<u>\$ 71,001,996</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 72,938,911
Restricted	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	33,594,034
Unrestricted	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	22,381,597
Total primary governmental activities net position	<u>\$ 9,905,167</u>	<u>\$ 11,614,969</u>	<u>\$ 14,826,148</u>	<u>\$ 19,231,508</u>	<u>\$ 52,775,025</u>	<u>\$ 66,748,362</u>	<u>\$ 75,274,136</u>	<u>\$ 83,884,444</u>	<u>\$ 96,903,658</u>	<u>\$ 128,914,542</u>

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 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	\$ 2,372,244
Municipal Court	268,501	-	-	-	-	-	-	-	-	-
Police	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	4,945,969
Public works	525,722	658,352	1,312,199	952,983	854,028	1,928,485	2,656,449	2,689,023	3,064,584	3,591,352
Public Improvement Districts (PID)	-	-	-	-	1,130,320	962,745	1,219,270	1,439,434	1,856,793	14,084
Tax Increment Reinvest. Zone (TIRZ)	-	-	-	-	4,741	539,727	265,447	288,063	297,717	693,539
Promotional	25,219	38,233	61,929	67,431	104,689	59,350	48,029	57,876	117,047	81,731
Development services	-	-	1,016,548	1,274,815	619,714	2,325,958	3,890,392	2,349,333	2,756,053	5,466,628
Economic development	101,694	636,186	636,186	-	-	-	-	-	-	-
Interest and fiscal charges	285,614	226,945	432,877	150,220	711,903	641,799	286,868	218,897	264,526	553,622
Total governmental activities expenses	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	17,719,169
Business-type activities										
Water and sewer (includ. Cap project)	1,349,070	1,613,800	2,568,970	3,294,171	4,917,776	6,910,837	7,905,701	10,369,023	13,683,583	17,838,555
Sports venue	-	-	-	-	-	27,273	456,012	536,513	979,901	1,092,599
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	1,506,582
Total business-type activities expenses	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	20,437,736
Total primary government expenses	\$ 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	\$ 38,156,905
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 980,848	\$ 1,061,699	\$ 1,341,544	\$ 1,546,713	\$ -	\$ -	\$ 413,489	\$ -	\$ -	\$ -
Public safety	671,968	593,352	544,561	578,133	726,789	732,717	630,630	784,264	1,072,493	1,192,676
PID special assessments	-	-	-	-	-	117	6,033	1,499,153	1,333,926	121,255
Development services	-	-	-	-	1,436,885	2,247,231	3,536,250	2,567,962	3,146,728	2,538,937
Operating grants and contributions	-	-	-	-	421,929	287,700	70,400	495,613	77,000	100,000
Capital grants and contributions	-	-	-	-	15,410,758	8,046,222	3,391,447	2,967,356	4,477,572	14,650,042
Total governmental activities program revenues	\$ 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	\$ 18,602,910
Business-type activities:										
Charges for services:										
Water and sewer	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	24,651,985
Sports venue	-	-	-	-	-	-	-	-	-	551,071
Capital grants and contributions	-	-	-	-	15,599,442	8,689,843	4,091,096	3,910,528	6,546,445	9,673,131
Operating grants and contributions	-	-	-	1,300,406	-	-	-	-	-	2,000,000
Total business-type activities program revenues	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	36,876,187
Total primary government program revenues	\$ 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	\$ 55,479,097

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (expense)/revenue:										
Governmental activities	\$ (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)	\$ 883,741
Business-type activities	667,052	970,370	727,665	1,790,093	15,820,291	7,230,293	4,292,125	4,291,364	7,446,522	16,438,451
Total primary government net expense	\$ (860,864)	\$ (1,874,591)	\$ (3,496,334)	\$ (1,296,451)	\$ 27,314,251	\$ 7,870,642	\$ (536,167)	\$ 320,310	\$ 2,264,731	\$ 17,322,192
General revenues and other changes in net position										
Governmental activities:										
Property taxes	\$ 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	\$ 7,954,237
Sales taxes	882,995	1,359,296	1,246,433	1,284,730	728,786	854,553	1,326,671	1,768,699	1,700,234	2,280,421
Franchise taxes	244,696	257,563	282,277	376,093	443,387	477,795	568,056	936,774	1,015,633	1,206,583
Hotel/motel taxes	238,013	257,813	267,965	444,447	417,116	393,540	598,771	736,301	751,320	868,313
Interest earnings	30,730	40,944	113,463	160,360	236,517	149,848	20,829	58,846	447,913	798,244
Roadway Impact Fees	-	-	-	744,960	-	-	-	-	-	-
Assessments	366,158	436,420	610,503	-	-	-	-	-	-	-
Miscellaneous	176,376	204,122	1,542,348	335,428	486,535	396,402	35,172	104,056	200,351	74,311
Transfers	125,000	146,629	172,262	200,000	(11,770,000)	10,174,118	(301,881)	(2,446,612)	(784,814)	(1,250,568)
Total governmental activities	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	11,931,541
Business-type activities:										
Water/sewer impact fees	-	-	-	747,134	-	-	-	-	-	-
Interest earnings	(32,446)	(28,061)	(6,339)	37,718	294,444	120,480	59,415	162,962	872,301	1,506,582
Miscellaneous	29,718	60,734	20,324	(1,487)	14,367	-	-	-	-	-
Transfers	(125,000)	(146,629)	(172,262)	(200,000)	11,770,000	(10,174,118)	301,881	2,446,612	784,814	1,250,568
Total business-type activities	(127,728)	(113,956)	(158,277)	583,365	12,078,811	(10,053,638)	361,296	2,609,574	1,657,115	2,757,150
Total primary government	\$ 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	\$ 14,688,691
Changes in net position:										
Governmental activities	\$ 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	\$ 12,815,282
Business-type activities	539,324	856,414	569,388	2,373,458	27,899,102	(2,823,345)	4,653,421	6,900,938	9,103,637	19,195,601
Total primary government	\$ 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	\$ 32,010,883

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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,394	\$ 1,864	\$ -	\$ 7,846	\$ 21,269
Unassigned	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	6,010,059
Total general fund	\$ 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	\$ 6,031,328
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,594	\$ 3,133	\$ -	\$ 7,845	\$ -
Unassigned	-	-	-	-	(52,716)	(44,305)	(40,907)	(369,800)	(181,633)	(181,633)
Restricted for:										
Debt service	-	-	126,531	783,748	275,706	554,090	571,486	659,140	509,412	701,394
Promotional activities	1,029,865	1,258,552	1,484,307	1,884,974	2,270,708	861,954	1,180,442	-	-	-
Capital improvements	(13,986)	-	5,996,260	2,419,659	3,035,038	3,461,531	8,320,332	7,123,436	7,376,604	18,389,079
Utility cost participation	-	-	-	65,310	64,459	53,506	54,446	-	-	-
Public improvement districts	-	1,373,509	119,353	-	175,938	297,697	326,199	375,825	435,247	484,062
Economic development	592,373	595,579	612,391	-	-	-	-	-	-	-
Community development	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	132,307
Court tech/security and child safety	180,989	250,910	250,722	133,803	-	-	-	-	-	-
Promotional activities	-	-	-	-	-	-	-	1,858,199	2,546,563	3,435,548
Utility cost participation	-	-	-	-	-	-	-	55,778	56,912	160,608
Public safety	-	-	-	108,611	111,948	119,016	112,523	170,108	178,152	-
TRIZ Development	-	-	-	46,896	169,182	-	-	-	13,637	1,355
Economic development	-	-	-	584,305	-	-	-	-	-	-
Community development	-	-	-	562,935	-	-	-	-	-	-
Capital projects	-	11,071	-	-	892,553	1,424,012	-	-	-	-
Debt service	34,764	249,740	-	-	-	-	-	-	-	-
Donations	-	-	-	-	23,682	-	-	-	-	-
Other purposes	-	(1,385)	5,197	-	-	-	-	-	-	-
Total all other governmental funds	\$ 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	\$ 23,122,720

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

The Town 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)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes:										
Property	\$ 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	\$ 8,015,115
Sales and beverage	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	2,280,421
Franchise	244,696	257,563	282,277	376,093	454,537	477,795	568,056	936,774	1,015,633	1,206,583
Hotel/motel	238,013	257,813	267,965	444,447	457,149	393,540	598,771	736,301	751,320	868,313
Licenses, permits, and fees	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	2,538,937
Municipal court	671,968	601,110	592,248	539,125	512,290	-	-	-	-	-
Interest income	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	330,577
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	2,477,900
Charges for Services	-	-	-	-	-	-	-	-	533,755	635,622
Fines and forfeitures	-	-	-	-	-	502,159	461,817	654,264	538,738	557,054
Impact and development fees	-	-	-	-	-	2,493,806	3,391,447	1,898,444	2,524,786	3,066,487
Investment income	-	-	-	-	-	149,848	20,829	58,846	447,913	798,244
Miscellaneous	178,406	205,153	1,450,364	266,767	109,626	34,188	27,203	234,056	200,351	74,311
Total revenues	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	22,849,564

Town of Northlake, Texas

Changes in Fund Balances of Governmental Funds (continued)

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenditures:										
General government	\$ 916,829	\$ 1,429,193	\$ 1,206,381	\$ 893,117	\$ 975,334	\$ 1,315,355	\$ 1,794,993	\$ 1,649,821	\$ 2,595,568	\$ 2,698,460
Municipal court	258,906	232,668	275,528	285,187	374,279	324,696	323,527	371,235	393,405	471,184
Development services	-	636,186	932,591	1,301,715	1,673,677	940,767	1,735,891	1,521,470	1,804,184	1,815,990
Police	972,106	1,069,797	1,263,326	1,574,150	2,410,570	2,159,345	2,681,533	3,554,559	3,860,336	5,176,520
Public works	324,131	425,044	681,092	734,759	565,907	811,192	1,020,281	1,422,902	1,231,088	1,730,353
Promotional	25,219	38,233	62,929	67,431	106,189	59,323	48,029	57,876	117,047	81,731
Economic Development	100,290	-	-	-	-	-	-	-	-	-
Public Improvement Districts (PID)	-	-	-	-	793,278	1,158,044	1,224,713	-	-	-
Tax Increment Reinvestment Zone (TIRZ)	-	-	-	-	4,741	295,394	265,447	288,063	367,717	449,206
Developer impact fee	-	-	-	-	-	1,377,272	2,156,319	838,169	947,474	3,778,751
Utility cost participation	-	-	-	-	970	11,211	-	-	240	-
Capital outlay	111,609	1,717,484	2,927,584	3,526,434	2,087,805	1,958,501	1,669,494	1,861,452	5,750,411	6,520,972
Debt service:										
Principal	283,275	300,000	2,005,000	355,000	960,000	600,000	1,125,000	1,187,500	1,266,500	1,219,333
Interest and fiscal charges	216,563	242,624	459,276	171,205	720,493	708,106	299,437	239,069	268,037	251,867
Costs of issuance	-	-	-	-	-	-	-	-	15,070	320,336
Total expenditures	3,208,928	6,091,229	9,813,707	8,908,998	10,673,243	11,719,206	14,344,664	12,992,116	18,617,077	24,514,703
Excess (Deficiency) of revenues over (under) expenditures	1,139,757	(917,108)	(2,728,697)	(1,943,804)	1,807,641	25,986	1,337,178	2,558,000	1,206,736	(1,665,139)
Other financing sources (uses):										
Proceeds of long-term debt	-	-	8,380,000	-	11,395,000	-	3,535,000	-	953,333	15,160,000
Premium on bond	-	-	215,287	-	605,000	-	-	-	61,736	160,336
Transfers in	225,000	484,416	6,935,000	484,416	-	300,881	5,568,650	1,153,785	1,965,820	577,554
Transfers (out)	(225,000)	(755,748)	(7,578,569)	(755,748)	(11,770,000)	-	(5,870,531)	(3,600,397)	(2,750,634)	(1,878,122)
Total other financing sources	-	(271,332)	7,951,718	(271,332)	230,000	300,881	3,233,119	(2,446,612)	230,255	14,019,768
Net change in fund balances	\$ 1,139,757	\$ (1,188,440)	\$ 5,223,021	\$ (2,215,136)	\$ 2,037,641	\$ 326,867	\$ 4,570,297	\$ 111,388	\$ 1,436,991	\$ 12,354,629
Debt service as a percentage of noncapital expenditures	16.1%	12.4%	35.8%	9.8%	19.6%	13.4%	11.2%	11.7%	10.4%	8.2%

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

Town of Northlake, Texas

Assessed Value and Estimated Actual Value of Property Last Ten Years

Fiscal Year Ended	Taxable Assessed Value		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Non-Real Property					
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%
2024	\$ 2,612,749,124	\$ 1,087,153,485	\$ 1,202,422,672	\$ 2,497,479,937	\$ 0.295000	\$ 3,699,902,609	67.50%

Source: Denton County Tax Appraisal District

Town of Northlake, Texas

Property Tax Rates

Direct and Overlapping Governments

Fiscal Year	Tax Year	Town of Northlake				Overlapping Rates			Total Direct and Overlapping Rates
		Operating Rate	Debt Service Rate	Total Direct Rate	Denton County	Northwest ISD	Emergency Services District #1		
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	\$ 0.166687	\$ 0.128313	\$ 0.295000	\$ 0.233086	\$ 1.292000	\$ 0.100000	\$ 2.28326	
2023	2022	\$ 0.142985	\$ 0.152015	\$ 0.295000	\$ 0.217543	\$ 1.274600	\$ 0.093330	\$ 1.88047	
2024	2023	\$ 0.177648	\$ 0.117352	\$ 0.295000	\$ 0.189485	\$ 1.090200	\$ 0.080283	\$ 1.65497	

Source: Denton County Tax Appraisal District

Town of Northlake, Texas

Principal Property Taxpayers

Current Year and Nine Years Ago

Name of Taxpayer	2024				2015			
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value		
	Northlake 35 Logistics Park LLC	\$131,965,517	1	5.28%	NA	NA	NA	
BCI IV Northlake Logistics Crossing LP	\$93,671,840	2	3.75%	NA	NA	NA		
Northport 35 Investors, LLC	\$76,576,937	3	3.07%	NA	NA	NA		
Walgreen Company	\$74,833,302	4	3.00%	NA	NA	NA		
LEX Northlake 17505 LP	\$74,793,409	5	2.99%	NA	NA	NA		
Northport Owner LLC	\$74,455,482	6	2.98%	NA	NA	NA		
Dry Creek Apartments, LTD	\$68,107,165	7	2.73%	\$35,296,858	1	14.64%		
Black & Decker (US) INC	\$53,843,270	8	2.16%	NA	NA	NA		
Northlake Residences LLC	\$48,233,690	9	1.93%	NA	NA	NA		
Chadwick Apartments Phase II LTD	\$48,000,000	10	1.92%	\$21,643,857	2	8.98%		
Subtotal	\$744,480,612		29.81%	\$56,940,715		23.62%		
All other taxpayers	1,752,999,325		70.19%	184,201,335		76.38%		
	<u>\$ 2,497,479,937</u>		<u>100.00%</u>	<u>\$ 241,142,050</u>		<u>100.00%</u>		

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			Collected within the Fiscal Year of the Levy			Total Collections to Date		
		Tax Rate	Operating Fund	Debt Service Fund	Tax Levy	Amount	Percentage of Levy	Collection in Years	Amount	Percentage of Levy
2015	2014	\$ 0.29500	\$ 0.205800	\$ 0.089200	\$ 752,611	\$ 741,724	98.55%	\$ 10,763	\$ 752,488	99.98%
2016	2015	\$ 0.29500	\$ 0.217700	\$ 0.077300	\$ 977,805	\$ 874,511	89.44%	\$ 102,302	\$ 976,813	99.90%
2017	2016	\$ 0.29500	\$ 0.217700	\$ 0.077300	\$ 1,148,485	\$ 1,142,544	99.48%	\$ 5,911	\$ 1,148,455	100.00%
2018	2017	\$ 0.29500	\$ 0.170500	\$ 0.124500	\$ 1,583,717	\$ 1,574,516	99.42%	\$ 9,174	\$ 1,583,690	100.00%
2019	2018	\$ 0.29500	\$ 0.170500	\$ 0.124500	\$ 1,955,213	\$ 1,933,719	98.90%	\$ 21,431	\$ 1,955,150	100.00%
2020	2019	\$ 0.29500	\$ 0.155563	\$ 0.139437	\$ 2,602,600	\$ 2,596,323	99.76%	\$ 6,226	\$ 2,596,323	99.76%
2021	2020	\$ 0.29500	\$ 0.146828	\$ 0.148172	\$ 3,450,279	\$ 3,443,661	99.81%	\$ 2,550	\$ 3,446,212	99.88%
2022	2021	\$ 0.29500	\$ 0.166687	\$ 0.128313	\$ 4,389,953	\$ 4,364,503	99.42%	\$ 12,725	\$ 4,377,228	99.71%
2023	2022	\$ 0.29500	\$ 0.142985	\$ 0.152015	\$ 5,758,763	\$ 5,700,007	98.98%	\$ 53,610	\$ 5,753,617	99.91%
2024	2023	\$ 0.29500	\$ 0.177648	\$ 0.117352	\$ 8,024,976	\$ 8,008,597	99.80%	\$ -	\$ 8,008,597	99.80%

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										Percentage of Personal Income (2)	Population (3)	Per Capita
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Special Assessment Bonds	Unamortized bond premiums/ discounts	Lease Arrangements	Subscription- Based IT Arrangements	Total Governmental Activities (1)	General Obligation Bonds	Certificates of Obligation	Notes Payable	Unamortized bond premiums/ discounts	Total Business-Type Activities (1)	Total Primary Government (1)									
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	-	-	-	-	22,651,958	-	-	-	-	-	-	22,651,958	0.0051%	4,140	\$5,471						
2020	825,000	9,150,000	-	-	-	-	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	1,535,000	3,000,000	140,683	1,103,796	15,094,479	-	11,290,000	1,535,000	514,250	13,339,250	28,433,729	0.0055%	7,333	\$3,878							
2022	510,000	5,300,000	1,286,250	2,815,000	127,724	1,095,509	11,134,483	-	17,075,000	1,286,250	1,024,331	19,385,581	30,520,064	0.5400%	8,790	\$3,472							
2023	345,000	5,849,333	1,035,000	2,620,000	173,414	633,440	10,854,399	-	29,215,667	1,035,000	1,786,735	32,037,402	42,891,801	N/A	10,430	\$4,112							
2024	175,000	5,510,000	1,560,000	17,580,000	317,704	2,081,782	27,365,082	22,710,000	28,350,000	1,560,000	1,684,831	54,304,831	81,669,913	N/A	11,811	\$6,915							

(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
2015	\$ 4,515,000	\$ -	\$ 4,515,000	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	\$ 28,433,729	\$ 554,090	\$ 27,879,639	1.49%	\$ 3,802
2022	\$ 30,520,064	\$ 659,140	\$ 29,860,924	1.25%	\$ 3,397
2023	\$ 42,891,801	\$ 509,411	\$ 42,382,390	1.31%	\$ 4,064
2024	\$ 81,669,913	\$ 491,710	\$ 81,178,203	2.19%	\$ 6,873

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, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Amount Applicable to Primary Government</u>
Northwest ISD	\$ 1,909,537,569	9.55%	\$ 182,439,200
Denton County ESD #1	\$ 15,883,027	30.82%	\$ 4,895,071
Denton County	\$ 624,655,000	2.07%	\$ 12,911,838
Subtotal, overlapping debt			200,246,109
Town of Northlake, net debt			<u>27,365,082</u> ⁽¹⁾
Total direct and overlapping net funded debt			<u><u>\$ 227,611,191</u></u>
Per Capita Direct and Overlapping Net Funded Debt			\$ 19,271 ⁽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, 2024

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
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
2024	\$ 2,497,479,937	1.50%	\$ 37,462,199	\$ 1,453,068

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 Town 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 Total	Debt Service Requirements Coverage
				Principal	Interest		
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	-1.77
2021	\$ 8,422,392	\$ 6,207,519	\$ 2,214,873	\$ 20,000	\$ 449,194	\$ 469,194	4.72
2022	\$ 10,955,278	\$ 8,413,559	\$ 2,541,719	\$ 1,822,500	\$ 595,202	\$ 2,417,702	1.05
2023	\$ 15,000,282	\$ 12,567,436	\$ 2,432,846	\$ 1,708,500	\$ 1,005,023	\$ 2,713,523	0.90
2024	\$ 19,775,966	\$ 14,673,152	\$ 5,102,814	\$ 1,375,667	\$ 936,032	\$ 2,311,698	2.21

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 MSA		Dallas-Forth Worth MSA Personal Income (thousands of dollars)	Dallas-Forth Worth MSA Unemployment Rate
		Metropolitan Statistical Area (MSA) Population	Dallas/Fort Worth MSA Per Capita Income		
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	8,100,037	\$ 74,165	\$ 600,737,499	3.6%
2024	11,811	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 and Four Years Ago

Name of Employer	Type	2024		2020	
		Employees	Rank	Rank	% of Total
Stanley Black and Decker	Warehouse/Distribution Center	400	1	3	14.63%
Tree House Foods <i>(formerly Farmers Brothers)</i>	Manufacturing	365	2	1	45.71%
InCorra	Warehouse/Distribution Center	280	3	Not Available	Not Available
Texas Roadhouse	Restaurant	170	4	50	5.71%
Maintreight	Warehouse/Distribution Center	132	5	Not Available	Not Available
Twin Peaks	Restaurant	120	6	Not Available	Not Available
Schluter Systems	Warehouse/Distribution Center	115	7	135	15.43%
DHL Logistics	Warehouse/Distribution Center	105	8	Not Available	Not Available
Crown Lift Trucks	Warehouse/Distribution Center	90	9	80	9.14%
Oldcastle Infrastructure	Manufacturing	73	10	82	9.37%
Total		1,850		875	100.00%

Source: Northlake Development Department

Note: 2015 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Administration	2.65	3.30	3.50	3.50	2.00	2.25	3.25	3.25	5.25	5.25
Finance	0.00	0.00	0.00	0.00	1.50	2.25	2.25	2.50	2.50	2.50
Development Services	1.00	1.25	1.25	2.00	3.25	3.25	3.25	4.25	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	10.50	12.50	13.75	14.00	18.00	21.00	24.00	28.00	31.00
Public Works	2.24	3.00	3.37	4.24	4.50	6.50	6.75	7.25	8.25	8.25
Total General Fund	17.89	21.05	23.62	26.49	28.25	35.25	39.50	44.25	51.25	54.25
Economic Development Corp										
Development Services	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.75	0.75	0.75
Marketing & Communications	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25
Total Economic Development Corp	0.25	0.25	0.25	0.25	0.25	0.50	0.50	1.00	1.00	1.00
Community Development Corp										
Development Services	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.75	0.75	0.75
Marketing & Communications	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25
Total Community Development Corp	0.25	0.25	0.25	0.25	0.25	0.50	0.50	1.00	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	0.25	0.25	0.25	0.25	0.25
Total Hotel Occupancy Tax Fund	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50
Utility Fund										
Finance	0.35	0.70	1.20	1.50	1.50	1.75	1.75	2.50	3.50	3.50
Public Works	2.24	3.00	4.12	5.24	5.24	8.50	11.25	13.75	15.75	16.75
Total Utility Fund	2.59	3.70	5.32	6.74	6.74	10.25	13.00	16.25	19.25	20.25
Total Personnel	21.23	25.50	29.69	33.98	35.74	47.00	54.00	63.00	73.00	77.00

Source: Northlake Finance Department

Town of Northlake, Texas

Operating Indicators by Function (Page 1 of 2)

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Municipal Court										
Outstanding Warrants	1,737	1,406	1,390	1,552	621	593	104	207	132	81
Warrants Issued	1,315	1,086	843	981	435	342	935	1,138	1,036	855
Public Safety										
Police										
Calls for Service	2,450	2,481	2,896	3,421	4,018	3,794	4,137	4,643	5,207	11,692
911 Calls	1,994	2,054	2,437	2,757	3,045	2,938	-	-	-	1,298
Citations	5,586	5,182	4,462	3,647	4,186	2,212	2,516	4,197	2,765	3,107
Traffic Accidents	122	135	139	165	167	121	190	210	246	234
UCR Part 1 Violent Crimes	-	3	7	13	7	5	10	11	6	14
UCR Part 1 Non-violent Crimes	65	53	77	63	60	68	79	96	93	28
Arrests	164	123	116	163	202	167	220	253	228	214
Reports	420	403	460	500	446	389	466	514	1,201	1,020
Police-Animal Control										
Calls for Service	98	70	95	116	185	154	153	105	153	181
Citations	-	-	-	-	-	-	-	-	-	-
Taken to Shelter	19	19	7	25	10	14	19	15	40	29
TNR Reports	-	-	-	-	-	-	-	-	-	10
Public Works										
Service Orders Completed	1,272	1,584	2,517	2,581	3,148	4,822	5,870	5,084	7,003	8,652
Streets										
Service Orders Completed	119	35	69	53	90	264	205	295	548	306
Water										
Metered Accounts	706	1,165	1,760	2,378	2,935	3,965	5,840	6,216	6,886	7,869
Avg. Daily Demand (MGD)	428,862	641,400	848,671	1,103,823	1,317,042	1,717,207	2,010,614	2,968,859	3,150,541	3,397,462
Avg. Monthly Demand/Cust (gal)	10,189	13,534	13,141	32,585	14,267	14,078	10,486	14,527	13,916	13,797
Peak Demand (MGD)	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	9,547,000
Service Orders Completed	995	1,515	2,276	2,397	2,668	3,392	4,045	5,759	5,079	7,499
Sewer										
Service Connections	482	899	1,420	1,940	2,515	3,416	4,760	5,387	6,149	8,533
Service Orders Completed	14	4	45	47	278	871	912	791	1,376	847

Source: Northlake Finance Department

Town of Northlake, Texas

Capital Asset Statistics by Function Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Area of Town (square miles)	16.9	17	17	17	17	17	17.5	17.5	17.5	19.1
Public Safety										
Police										
Police Buildings	1	1	1	1	1	1	1	1	1	2
Firing Ranges	-	-	-	-	-	-	-	-	-	-
Patrol Vehicles	7	7	7	7	7	7	8	9	11	13
Other Police Vehicles	8	8	8	8	8	8	6	6	12	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	138.90
Unpaved Streets (miles)						7	8	12	12	14
Vehicles	3	5	6	8	9	11	11	12	12	19
Water										
Storage Capacity (gallons)	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	4,950,000
Water Mains (miles)	16	30	35	53	77	111	111	117	127	131
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	1,221
Sewer										
Sanitary Sewers (miles)	11	18.47	21.66	32.92	49.38	66.35	67.80	82.12	88.82	89.43
Manholes	192	304	336	573	828	1,190	1,262	1,569	1,649	1,707

Source: Northlake Finance Department

Town of Northlake, Texas
Waterworks and Sewer System Revenue Bond Tables
Monthly Water and Wastewater Rates (Effective 12/16/2024)

Minimum Service Charge

Meter Size	Residential	Builder	Multifamily	Commercial	Irrigation
3/4" or smaller	\$29.30	\$29.30	\$29.30	\$58.60	\$58.60
1"	\$45.00	\$45.00	\$29.30	\$90.00	\$90.00
1.5"	\$59.60	\$59.60	\$29.30	\$119.20	\$119.20
2"	\$90.00	\$90.00	\$29.30	\$180.00	\$180.00
3"	\$127.70	\$127.70	\$29.30	\$255.40	\$255.40
4"	\$187.30	\$187.30	\$29.30	\$374.60	\$374.60
6"	\$376.70	\$376.70	\$29.30	\$753.40	\$753.40

Water Rates

Water Consumption (gals)	Residential	Builder	Multifamily	Commercial	Irrigation	Outside City Limits
0-5,000	\$4.80	\$4.80	\$4.80			150%
5,001-15,000	\$6.40	\$6.40	\$6.40			150%
>15,001	\$8.50	\$8.50	\$8.50			150%
0-15,000				\$7.20	\$7.20	150%
15,001-30,000				\$8.40	\$8.40	150%
>30,000				\$9.60	\$9.60	150%

Wastewater Rates

Meter Size	Residential	Builder	Multifamily	Commercial	Outside City Limits
3/4" or smaller	\$48.20	\$48.20	\$48.20	\$96.40	150%
1"	\$73.30	\$73.30	\$48.20	\$146.60	150%
1.5"	\$98.50	\$98.50	\$48.20	\$197.00	150%
2"	\$148.80	\$148.80	\$48.20	\$297.60	150%
3"	\$210.60	\$210.60	\$48.20	\$421.20	150%
4"	\$308.10	\$308.10	\$48.20	\$616.20	150%
6"	\$619.30	\$619.30	\$48.20	\$1,238.60	150%
Wastewater Usage (gals)	Residential	Builder	Multifamily	Commercial	Outside City Limits
All Gallons	\$7.60	\$7.60	\$7.60	\$11.40	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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues: (1)	\$ 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	\$ 19,741,056
Expenditures: (2)	\$ 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	\$ 15,436,684
Net Available for Debt Service	\$ 1,350,796	\$ 426,131	\$ 187,445	\$ 1,894,578	\$ (674,305)	\$ (830,791)	\$ 1,579,741	\$ 783,696	\$ 3,019,878	\$ 4,304,372
Metered Water/Sewer Customers	900	1,716	2,308	3,027	3,771	5,095	5,840	6,216	7,084	8,758

Source: Northlake Finance Department

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

(2) Expenditures do not include depreciation.

