



**Board of Directors  
Lake Dallas Community Development Corporation  
Regular Meeting  
City Hall, 212 Main Street, Lake Dallas, TX 75065  
March 3, 2025, at 6:00 p.m.  
Agenda**

- 1. Call to Order & Determination of Quorum**
- 2. Citizen Agenda & Public Comment:** An opportunity for citizens to address the Lake Dallas Community Development Corporation (CDC) Board on matters which are not scheduled for consideration by the CDC on this agenda. The Texas Open Meeting Act prohibits deliberation by the CDC of any subject which is not on the posted agenda; therefore, the CDC Board will not be able to discuss or take any action on items discussed during the citizen presentations. Citizen presentation will be limited to five (5) minutes per person.
- 3. Receive and accept the annual audited financial statements for Fiscal Year 2023-2024.**
- 4. Discuss and consider any action regarding the BIG Grant application form and process.**
- 5. Discuss and take appropriate action regarding approval of an amended elevations for remodel of 303 Alamo.**
- 6. Consider and make recommendations to City Council for appointments to various positions on the Community Development Corporation.**
- 7. Announcements or requests for future agenda items.**
- 8. Adjourn**

I certify that the above notice of this meeting was posted on the bulletin board at City Hall of the City of Lake Dallas, Texas on February 28, 2025, before 4:00 PM.



Codi Delcambre, City Secretary

If you plan to attend this public meeting and you have a disability that requires special arrangements at this meeting, please contact City Secretary's Office at (940) 497-2226 ext. 102 or fax (940) 497-4485 at least two (2) working days prior to the meeting so that appropriate arrangements can be made.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

(A component unit of the City of Lake Dallas)

FINANCIAL STATEMENTS  
AND  
AUDITORS' REPORT

SEPTEMBER 30, 2024

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

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*Members:*  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC  
ACCOUNTANTS  
TEXAS SOCIETY OF CERTIFIED  
PUBLIC ACCOUNTANTS

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**HANKINS, EASTUP, DEATON,  
TONN, SEAY & SCARBOROUGH**  
A Limited Liability Company

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CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST  
P.O. BOX 977  
DENTON, TX 76202-0977

TEL. (940) 387-8563  
FAX (940) 383-4746

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Lake Dallas Community Development Corporation  
Lake Dallas, Texas

### **Opinion**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Lake Dallas Community Development Corporation as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the Lake Dallas Community Development Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Lake Dallas Community Development Corporation as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financials section of our report. We are required to be independent of the Lake Dallas Community Development Corporation 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 opinion.

### **Responsibilities of Management for the Financial Statements**

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 Lake Dallas Community Development Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibility 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 general accepted auditing standards 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 generally accepted auditing standards, 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 Lake Dallas Community Development Corporation'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 Lake Dallas Community Development Corporation'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.

#### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 and budgetary comparison information on page 30 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2025 on our consideration of the Lake Dallas Community Development Corporation' internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Lake Dallas Community Development Corporation' internal control over financial reporting and compliance.



Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC  
Denton, Texas  
February 11, 2025

**MANAGEMENT'S DISCUSSION & ANALYSIS**

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**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024

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As management of the Lake Dallas Community Development Corporation, we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the year ended September 30, 2024. We encourage readers to consider the information presented here in conjunction with the Corporation's basic financial statements.

**Financial Highlights**

- The assets of the Corporation exceeded its liabilities at September 30, 2024 by \$427,845. All of this amount is available to meet the Corporation's objective of promoting community development.
- The Corporation's total net position decreased by \$357,923.
- As of September 30, 2024, the Corporation's governmental funds reported combined ending fund balances of \$572,487, an increase of \$259,949 in comparison with the beginning of the year. All of this amount is available for spending at the Corporation's discretion (*committed, assigned or unassigned fund balance*).

**Overview of the Financial Statements**

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

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

The statement of net position presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net position. Over time, increase or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The statement of activities presents information showing how the Corporation's net position changed during the most recent period. All of the current period's revenues and expenses are taken into account regardless of when cash is received or paid. Both the statement of net position and the statement of activities are prepared utilizing the accrual basis of accounting as opposed to the modified accrual basis used in prior reporting models.

In the Statement of Net Position and the Statement of Activities, the Corporation is divided between two kinds of activities:

- **Governmental activities.** All of the Corporation's basic services are reported here. Primarily sales taxes finance those services.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024

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- **Business-type activities.** The Corporation may charge a fee to customers to help it cover all or most of the cost of certain services it provides. The Corporation had no business-type activities during the current period.

**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. Fund financial statements provide detailed information about the most significant funds, not the Corporation as a whole. Some funds are required to be established by state law or bond covenants. However, the Board of Directors may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the Corporation are considered governmental funds.

**Governmental Funds.** All of the Corporation's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at period-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Corporation's general operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Corporation's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The Corporation maintains one individual governmental fund. 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.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Corporation's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Corporation does not currently have any fiduciary funds.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and funds financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information highlighting budgetary information for the general fund.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024

**Government-wide Financial Analysis**

The Corporation's combined net position was \$427,845 as of September 30, 2024. The Corporation first implemented GASB Statement No. 34, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments*, for fiscal year 2004. The following analysis presents both current and prior year data and discusses significant changes in the accounts. This analysis focuses on the net position (Table 1) and general revenues (Table 2) and changes in net position (Table 3) of the Corporation's governmental activities.

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

Table 1  
Net Position

|                                   | Governmental<br>Activities |                   |
|-----------------------------------|----------------------------|-------------------|
|                                   | 2023                       | 2024              |
| Current and other assets          |                            |                   |
| Capital assets                    | \$ 314,893                 | \$ 573,060        |
| Total assets                      | <u>1,077,430</u>           | <u>399,138</u>    |
|                                   | <u>1,392,323</u>           | <u>972,198</u>    |
| Long-term liabilities outstanding |                            |                   |
| Other liabilities                 | 600,000                    | 540,000           |
| Total liabilities                 | <u>6,555</u>               | <u>4,353</u>      |
|                                   | <u>606,555</u>             | <u>544,353</u>    |
| Net position:                     |                            |                   |
| Net investment in capital assets  | 477,430                    | (140,862)         |
| Unrestricted                      | <u>308,338</u>             | <u>568,707</u>    |
| Total net position                | <u>\$ 785,768</u>          | <u>\$ 427,845</u> |

Capital assets, which consists solely of land holdings, decreased due to land sales in 2024. Current assets increased due to an increase in cash holdings as a result of the property sales.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024

The following table provides a summary of the Corporation's operations for the years ended September 30, 2023 and 2024:

Table 2  
Changes in Net Position

|                                      | Governmental<br>Activities |                  |
|--------------------------------------|----------------------------|------------------|
|                                      | 2023                       | 2024             |
| Revenues:                            |                            |                  |
| Charges for services                 | \$ -                       | \$ -             |
| Capital grants and contributions     | -                          | 190,000          |
| General revenues:                    |                            |                  |
| Sales taxes                          | 544,512                    | 576,759          |
| Interest earnings                    | 8,087                      | 11,504           |
| Gain (loss) on sale of asset         | (5,285)                    | (228,292)        |
| Transfers in (out)                   | (229,250)                  | (148,368)        |
|                                      | <u>318,064</u>             | <u>401,603</u>   |
| Expenses:                            |                            |                  |
| Administration                       | 65,789                     | 56,929           |
| Economic Development                 | 280,516                    | 677,817          |
| Debt service - interest              | 27,125                     | 24,780           |
|                                      | <u>373,430</u>             | <u>759,526</u>   |
| Change in net position               | (55,366)                   | (357,923)        |
| Net position – October 1 (beginning) | 841,134                    | 785,768          |
| Net position – September 30 (ending) | <u>\$785,768</u>           | <u>\$427,845</u> |

Capital grants and contributions in 2024 consisted of a grant received from the City of Lake Dallas in conjunction with the purchase of property from the City. Economic development expenses are significantly higher in 2024 due to the awarding of incentive grants related to the sale of property in 2024 to businesses and/or developers in the City.

**Financial Analysis of the Government's Funds**

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

As of the end of the current period, the Corporation's governmental funds reported combined ending fund balances of \$572,487, an increase of \$259,949 in comparison with the beginning of the period compared to an increase of \$53,768 in the prior year. Capital outlay expenditures were more in 2024 due to the purchase of piece of property from the City of Lake Dallas. Sales proceeds were more due to the sale of that property as well as another tract of land. Downtown BIG grant expenditures were more due to incentive grants awarded in conjunction with the property sales. All of the ending fund balance constitutes committed, assigned or unassigned fund balance.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2024

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**General Fund Budgetary Highlights**

During the current year, the Board of Directors of the Corporation did not amend the Corporation's budget.

The original budget reflected that the activity for the year would increase available fund balance by \$124,703. The available fund balance for the general fund actually increased in the amount of \$259,949. Sales tax revenue was \$76,659 above budgeted projections and interest earnings were \$7,504 above budgeted expectations. Downtown BIG grants not originally budgeted were funded from proceeds of property sales during the year that were also not originally budgeted.

**Capital Asset and Debt Administration**

**Capital Assets.** The Corporation's investment in capital assets for its governmental activities as of September 30, 2024 amounted to \$399,138 of land costs and consists of multiple properties purchased during prior fiscal years. Land is not depreciated. Current year capital asset activity consisted of the purchase of an additional piece of property from the City of Lake Dallas, and the sale of that property plus another tract of land for the purpose of further development of commercial activity in the community. Additional information on the Corporation's capital assets can be found in Note 4 of this report.

**Long-term Debt.** At the end of the current fiscal year, the Corporation long-term debt consisted of \$540,000 of sales tax revenue bonds that were issued in a prior fiscal year. No new debt was incurred during the current fiscal year. Additional information on the Corporation's long-term debt can be found in Note 5 of this report.

**Requests for Information**

This financial report is designed to provide a general overview of the Corporation's finances for all those with an interest in the Corporation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Lake Dallas Community Development Corporation, 212 Main St., Lake Dallas, Texas, 75065.

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## **BASIC FINANCIAL STATEMENTS**

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**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

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|                                  | <u>Primary Government</u>          |
|----------------------------------|------------------------------------|
|                                  | <u>Governmental<br/>Activities</u> |
| <b>ASSETS</b>                    |                                    |
| Cash and Investments             | \$ 470,385                         |
| Receivables:                     |                                    |
| Sales Taxes                      | 100,786                            |
| Due from City of Lake Dallas     | 1,889                              |
| Capital Assets                   | <u>399,138</u>                     |
| <br>Total Assets                 | <br><u>972,198</u>                 |
| <br><b>LIABILITIES</b>           |                                    |
| Accounts Payable                 | 573                                |
| Accrued Interest Payable         | 3,780                              |
| Noncurrent Liabilities:          |                                    |
| Due Within One Year              | 60,000                             |
| Due in More Than One Year        | <u>480,000</u>                     |
| <br>Total Liabilities            | <br><u>544,353</u>                 |
| <br><b>NET POSITION</b>          |                                    |
| Net Investment in Capital Assets | (140,862)                          |
| Unrestricted Net Position        | <u>568,707</u>                     |
| <br>Total Net Position           | <br><u>\$ 427,845</u>              |

The accompanying Notes are an integral part of this statement.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

| <u>Functions/Programs</u>       | <u>Expenses</u>   | <u>Program Revenues</u>         |   |
|---------------------------------|-------------------|---------------------------------|---|
|                                 |                   | <u>Charges for<br/>Services</u> | <u>Capital Grants<br/>and Contributions</u> |
| <b>GOVERNMENTAL ACTIVITIES:</b> |                   |                                 |   |
| Administration                  | \$ 56,929         | \$ -                            | \$ -  |
| Community Development           | 677,817           | -                               | 190,000                                     |
| Debt Service-Interest           | 24,780            | -                               | -   |
| Total Governmental Activities   | 759,526           | -                               | 190,000                                     |
| <b>TOTAL PRIMARY GOVERNMENT</b> | <b>\$ 759,526</b> | <b>\$ -</b>                     | <b>\$ 190,000</b>                           |

**GENERAL REVENUES:**

Taxes:

Sales taxes

Interest earnings

Gain (loss) on sale of asset

Transfers in (out)

Total General Revenues

Change in Net Position

NET POSITION, October 1 (beginning)

NET POSITION, September 30 (ending)

The accompanying Notes are an integral part of this statement.

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Net (Expense) Revenue and  
Change in Net Position

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Governmental  
Activities

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\$ (56,929)  
(487,817)  
(24,780)  
(569,526)  
  
(569,526)

576,759  
11,504  
(228,292)  
(148,368)  
211,603  
  
(357,923)  
  
785,768  
  
\$ 427,845

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

BALANCE SHEET – GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2024

|   | <u>General<br/>Fund</u>  | <u>Total<br/>Governmental<br/>Funds</u> |
|---|--------------------------|---|
| <b>ASSETS</b>                           |                          |   |
| Cash and Investments                    | \$ 470,385               | \$ 470,385                              |
| Receivables:                            |                          |   |
| Sales taxes                             | 100,786                  | 100,786                                 |
| Due from City of Lake Dallas            | <u>1,889</u>             | <u>1,889</u>                            |
| Total Assets                            | <u><u>\$ 573,060</u></u> | <u><u>\$ 573,060</u></u>                |
| <br><b>LIABILITIES AND FUND BALANCE</b> |                          |   |
| Liabilities:                            |                          |   |
| Current Liabilities:                    |                          |   |
| Accounts Payable                        | <u>\$ 573</u>            | <u>\$ 573</u>                           |
| Total Current Liabilities               | <u>573</u>               | <u>573</u>                              |
| <br>Fund Balance:                       |                          |   |
| Unassigned Fund Balance                 | <u>572,487</u>           | <u>572,487</u>                          |
| Total Fund Balance                      | <u>572,487</u>           | <u>572,487</u>                          |
| Total Liabilities and Fund Balance      | <u><u>\$ 573,060</u></u> | <u><u>\$ 573,060</u></u>                |

The accompanying Notes are an integral part of this statement.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2024

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|  |                          |
|--|--------------------------|
| <b>Total Fund Balances – Governmental Funds</b>  | \$ 572,487               |
| Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statement.                               | 399,138                  |
| Bonds payable are not reported in the fund financial statements.   | (540,000)                |
| Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due. | <u>(3,780)</u>           |
| <b>Net Position of Governmental Activities</b>   | <u><u>\$ 427,845</u></u> |

The accompanying Notes are an integral part of this statement.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

|                                      | <u>General<br/>Fund</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--------------------------------------|-------------------------|---|
| Revenues:                            |                         |   |
| Sales tax                            | \$ 576,759              | \$ 576,759                              |
| City of Lake Dallas Grant            | \$ 190,000              | \$ 190,000                              |
| Interest income                      | 11,504                  | 11,504                                  |
| Total Revenues                       | <u>778,263</u>          | <u>778,263</u>                          |
| Expenditures:                        |                         |   |
| Downtown BIG grant                   | 619,934                 | 619,934                                 |
| Consultants and professionals        | 16,046                  | 16,046                                  |
| Audit fees                           | 3,600                   | 3,600                                   |
| Legal                                | 9,329                   | 9,329                                   |
| Park maintenance and operations      | 41,837                  | 41,837                                  |
| Staff services                       | 44,000                  | 44,000                                  |
| Capital outlay                       | 215,000                 | 215,000                                 |
| Debt service:                        |                         |   |
| Principal                            | 60,000                  | 60,000                                  |
| Interest                             | 25,200                  | 25,200                                  |
| Total Expenditures                   | <u>1,034,946</u>        | <u>1,034,946</u>                        |
| Excess of Expenditures Over Revenues | <u>(256,683)</u>        | <u>(256,683)</u>                        |
| Other Resources (Uses):              |                         |   |
| Sale proceeds                        | 665,000                 | 665,000                                 |
| Transfers out                        | <u>(148,368)</u>        | <u>(148,368)</u>                        |
| Total Other Resources (Uses)         | <u>516,632</u>          | <u>516,632</u>                          |
| Net Change in Fund Balance           | 259,949                 | 259,949                                 |
| Fund Balance – October 1 (beginning) | <u>312,538</u>          | <u>312,538</u>                          |
| Fund Balance – September 30 (ending) | <u>\$ 572,487</u>       | <u>\$ 572,487</u>                       |

The accompanying Notes are an integral part of this statement.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGE IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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|  |                            |
|--|----------------------------|
| <b>Total Net Change in Fund Balances – Governmental Funds</b>  | \$ 259,949                 |
| Current year capital asset additions are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of reclassifying the current year capital asset additions is to increase net position. | 215,000                    |
| Basis of capital assets sold is not reflected in the fund financial statements but is shown as a decrease in capital assets in the government-wide financial statements.   | (893,292)                  |
| Principal payments on long-term debt are expenditures in the fund financial statements, but they are shown as decreases in long-term debt in the government-wide financial statements.   | 60,000                     |
| Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due.   | <u>420</u>                 |
| <b>Change in Net Position of Governmental Activities</b>   | <u><u>\$ (357,923)</u></u> |

The accompanying Notes are an integral part of this statement.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Lake Dallas Community Development Corporation (the "Corporation") are presented in accordance with generally accepted accounting principles applicable to state and local governmental units as set forth by the Governmental Accounting Standards Board ("GASB").

In fiscal year 2004, the Corporation implemented GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for the State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* which provides additional guidance for the implementation of GASB Statement 34, GASB Statement No. 38, *Certain Financial Statement Disclosures*, which changes note disclosures requirements for governmental entities, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, which clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where difference have arisen, or potentially could arise, in interpretation and practice of GASB Statement No. 34.

GASB Statements No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis, government-wide financial statements, required supplementary information and the elimination of the use of account groups to the already required fund financial statements and notes. GASB Statement No. 37 provides additional guidance in reporting infrastructure, program revenues and major criteria.

The GASB determined that fund accounting has and will continue to be essential in helping governments to achieve fiscal accountability and should, therefore, be retained. The GASB also determined that government-wide financial statements are needed to allow users of financial reports to assess a government's operational accountability. The new GASB model integrates fund-based financial reporting and government-wide financial reporting as complementary components of a single comprehensive financial reporting model.

The following is a summary of the more significant accounting policies.

**A. Reporting Entity**

Lake Dallas Community Development Corporation is a Texas non-profit industrial development corporation formed on January 1, 2003 under the Development Corporation Act of 1979, with the approval of the City Council of the City of Lake Dallas, Texas, and governed by Section 4B of the Act. The Corporation is managed by a seven-member Board of Directors.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

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The purpose of the Corporation is to promote economic development within the City of Lake Dallas, Texas in order to eliminate unemployment and underemployment, to promote and encourage employment and the public welfare of the City, and to provide parks, park facilities and municipal buildings such as library facilities by developing, implementing and financing such projects. The primary source of funding for the Corporation is a one-quarter cent sales tax approved by the voters of the City of Lake Dallas in Fall, 2002.

The accompanying financial statements present the Corporation and its component units, entities for which the Corporation is considered to be financially accountable. The criteria for including organizations as component units within the Corporation's reporting entity, as set forth in Section 2100 GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Corporation holds the corporate powers of the organization
- the Corporation appoints a voting majority of the organization's board
- the Corporation is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Corporation
- there is fiscal dependency by the organization on the Corporation

No component units, as defined by GASB standards, have been identified for inclusion in the reporting entity. However, because the Board of Directors of the Corporation are appointed by and serve at the pleasure of the City Council of the City of Lake Dallas, and because the Corporation exists primarily to benefit the City of Lake Dallas, the Corporation's financial activity is also included as a component unit in the financial statements of the City of Lake Dallas, Texas.

**B. Government-wide and Fund 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 non-fiduciary activities of the Corporation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Corporation had no business-type activities during the period.

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

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

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Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded for the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The Corporation had no proprietary funds or fiduciary funds during the period.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements 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 Corporation 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.

Sales taxes and interest associated with the current fiscal period are both considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Corporation. The amount shown as sales tax receivable on the balance sheet consists of sales tax received from the State in October and November, 2024.

The Corporation reports the following major governmental fund:

*General Fund* – The General fund accounts for the resources used to finance the fundamental operations of the Corporation. It is the basic fund of the Corporation and includes all activities except those required to be accounted for in another fund. Currently, the Corporation uses no funds other than the General Fund.

Program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

**D. Cash and Investments**

The Corporation's cash consists of demand deposits. The Corporation's investments consists of deposits in State investment pools.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

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**E. Capital Assets**

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., streets, roads, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. The Corporation defines capital assets as assets with an initial individual cost of more than \$1,000 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 are recorded as estimated fair market value at the time received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Net interest incurred during the construction phase of capital assets of governmental activities is not included as part of the capitalized value of the assets constructed.

Depreciation expense is calculated on the straight-line method. Depreciation methods are designed to amortize the cost of the assets over their estimated useful lives. Land is not depreciated.

**F. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**G. Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Corporation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**H. Budgets and Budgetary Accounting**

The Corporation follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. A proposed operating budget for the fiscal year commencing the following October 1, is submitted to the City of Lake Dallas City Council. The operating budget includes proposed expenditures and the means of financing them for the general fund.
- b. A public hearing is conducted to obtain taxpayer comments.
- c. The budget is legally enacted through passage of an ordinance.
- d. Any revisions that alter the total expenditures for governmental type funds must be approved by the City of Lake Dallas City Council.

The budget for the general fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). The budget was not amended during the year by the Corporation.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

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**I. Fund Balance**

The Corporation implemented GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions” in a prior year. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Corporation is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Corporation has no nonspendable fund balance at September 30, 2024.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Corporation has no restricted fund balance at September 30, 2024.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Corporation's Board of Directors. The Board of Directors establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This can also be done through adoption and amendment of the budget. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Corporation has no committed fund balance at September 30, 2024.
- Assigned: This classification includes amounts that are constrained by the Corporation’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to other individuals in the Corporation. Under the Corporation's adopted policy, only the Board of Directors may assign amounts for specific purposes. The Corporation has assigned no fund balance at September 30, 2024.
- Unassigned: This classification includes all amounts not included in other spendable classifications, including the residual fund balance for the General Fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Corporation considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Corporation considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Directors has provided otherwise in its commitment or assignment actions.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

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The policy of the Board of Directors expresses an intent to maintain a level of assigned and unassigned fund balance in the general fund equal to 25 percent of the fund's operating expenditures.

The details of the fund balances are included in the Governmental Funds Balance Sheet on page 16.

**2. DEPOSITS AND INVESTMENTS**

The Corporation's funds are required to be deposited and invested under the terms of a depository agreement. The depository bank deposits for safekeeping and trust with the Corporation's agent bank approved pledged securities in an amount sufficient to protect Corporation funds on a day-to-day basis during the period of the agreement. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

**1. Cash Deposits:**

At September 30, 2024, the carrying amount of the Corporation's deposits in checking accounts was \$228,029 and the bank balance was \$230,618. The Corporation's cash deposits at September 30, 2024 were entirely covered by FDIC insurance or by pledged collateral held by the Corporation's agent bank in the Corporation's name.

**2. Investments:**

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Corporation to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the Corporation to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptance, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the Corporation to have independent auditors perform test procedures related to investment practices as provided by the Act. The Corporation is in substantial compliance with the requirements of the Act and with local policies.

In compliance with the Public Funds Investment Act, the Corporation has adopted a deposit and investment policy. That policy addresses the following risks:

- a. **Custodial Credit Risk – Deposits:** In the case of deposits, this is the risk that, in the event of a bank failure, the Corporation's deposits may not be returned to it. As of September 30, 2024 the Corporation's cash balances totaled \$230,618. This entire amount was either collateralized with securities held by the Corporation's financial institution's agent in the Corporation's name or covered by FDIC insurance. Thus, the Corporation's deposits are not exposed to custodial credit risk.

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

- b. Custodial Credit Risk – Investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At September 30, 2024, the Corporation held all of its investments in LOGIC public funds investment pools. Investments in external investment pools are considered unclassified as to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.
- c. Credit Risk: This is the risk that an issuer or other counterparty to an investment will be unable to fulfill its obligation. The rating of securities by nationally recognized rating agencies is designed to give an indication of credit risk. The credit quality rating for LOGIC at year-end was AAA (Standard & Poor’s).
- d. Interest Rate Risk: This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Corporation manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year from the time of purchase. The weighted average maturity for the LOGIC investment pools is less than 60 days.
- e. Foreign Currency Risk: This is the risk that exchange rates will adversely affect the fair value of an investment. At September 30, 2024, the Corporation was not exposed to foreign currency risk.
- f. Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of the Corporation's investment in a single issuer (i.e., lack of diversification). Concentration risk is defined as positions of 5 percent or more in the securities of a single issuer. Investment pools are excluded from the 5 percent disclosure requirement.

The Corporation's investment at September 30, 2024 is shown below:

| Name                  | Carrying<br>Amount | Market<br>Value |
|-----------------------|--------------------|-----------------|
| LOGIC Investment Pool | \$ 242,356         | \$ 242,356      |
| Total                 | \$ 242,356         | \$ 242,356      |

**3. EXPENDITURES BY CHARACTER**

The format of the Statement of Revenues, Expenditures, and Change in Fund Balance-Governmental Funds shows expenditures classified by project, meaning capital outlay directly associated with a particular project is charged to that account. Expenditures by character are as follows:

|                |              |
|----------------|--------------|
| Current        | \$ 734,746   |
| Debt service   | \$ 85,200    |
| Capital outlay | 215,000      |
| Total          | \$ 1,034,946 |

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

**4. CAPITAL ASSETS**

During the prior fiscal year, the Corporation purchased various properties in the City to hold for future development.

Capital asset activity for the year ended September 30, 2024 is as follows:

| Governmental activities:                    | Beginning          |                  |                   | Ending            |
|---|--------------------|------------------|-------------------|-------------------|
| Capital assets, not being depreciated:      | Balance            | Increases        | Decreases         | Balance           |
| Land  | <u>\$1,077,430</u> | <u>\$215,000</u> | <u>\$ 893,292</u> | <u>\$ 399,138</u> |
| Total capital assets, not being depreciated | <u>1,077,430</u>   | <u>215,000</u>   | <u>893,292</u>    | <u>399,138</u>    |
| Governmental activities capital assets      | <u>\$1,077,430</u> | <u>\$215,000</u> | <u>\$ 893,292</u> | <u>\$ 399,138</u> |

**5. LONG-TERM DEBT**

During a prior fiscal year, the Corporation issued \$700,000 City of Lake Dallas, Texas Community Development Corporation sales tax revenue bonds, Series 2019. Payments of principal and interest on the bonds are paid from sales tax revenue received by the Corporation. All long-term debt represents transactions in the Corporation's governmental activities.

Long-term debt activity for the year ended September 30, 2024 is as follows:

| <u>Description</u>               | <u>Interest<br/>Rate<br/>Payable</u> | <u>Amounts<br/>Outstanding<br/>10/1/2023</u> | <u>Additions</u> | <u>Refunded/<br/>Retired</u> | <u>Amounts<br/>Outstanding<br/>9/30/2024</u> | <u>Due<br/>Within<br/>One Year</u> |
|----------------------------------|--------------------------------------|--|------------------|------------------------------|--|------------------------------------|
| Bonded Indebtedness:             |                                      |  |                  |                              |  |                                    |
| Series 2019 Sales<br>Tax Revenue | 4.20%                                | <u>\$ 600,000</u>                            | <u>\$ -</u>      | <u>\$ 60,000</u>             | <u>\$ 540,000</u>                            | <u>\$ 60,000</u>                   |
| Total Long-Term Debt             |                                      | <u>\$ 600,000</u>                            | <u>\$ -</u>      | <u>\$ 60,000</u>             | <u>\$ 540,000</u>                            | <u>\$ 60,000</u>                   |

A summary of sales tax revenue bond requirements to maturity is as follows:

| Year Ended<br>September 30, | <u>Principal</u>  | <u>Interest</u>  | <u>Total<br/>Requirements</u> |
|-----------------------------|-------------------|------------------|-------------------------------|
| 2025                        | \$ 60,000         | \$ 22,680        | \$ 82,680                     |
| 2026                        | 60,000            | 20,160           | 80,160                        |
| 2027                        | 135,000           | 17,640           | 152,640                       |
| 2028                        | 140,000           | 11,970           | 151,970                       |
| 2029                        | 145,000           | 6,090            | 151,090                       |
| Total                       | <u>\$ 540,000</u> | <u>\$ 78,540</u> | <u>\$ 618,540</u>             |

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2024

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**6. TRANSFERS OUT**

Transfers out consists of \$148,368 funds transferred to the City of Lake Dallas to use in making long-term debt payments on various general obligation bonds of the City.

**7. SUBSEQUENT EVENTS**

Management has reviewed events subsequent to September 30, 2024 through February 11, 2025, which is the date the financial statements were available to be issued. No events were identified that are required to be disclosed in the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**LAKE DALLAS COMMUNITY  
DEVELOPMENT CORPORATION**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2024

|   | <u>Budgeted Amounts</u> |                   | Actual<br>Amounts<br>(GAAP BASIS) | Variance<br>With<br>Final Budget |
|---|-------------------------|-------------------|-----------------------------------|----------------------------------|
|   | <u>Original</u>         | <u>Final</u>      |                                   |                                  |
| Revenues:   |                         |                   |                                   |                                  |
| Sales tax   | \$ 500,000              | \$ 500,000        | \$ 576,759                        | \$ 76,759                        |
| City of Lake Dallas grant                         | -                       | -                 | 190,000                           | 190,000                          |
| Interest income                                   | 4,000                   | 4,000             | 11,504                            | 7,504                            |
| Total Revenues                                    | <u>504,000</u>          | <u>504,000</u>    | <u>778,263</u>                    | <u>274,263</u>                   |
| Expenditures:                                     |                         |                   |                                   |                                  |
| Advertising                                       | 1,000                   | 1,000             | -                                 | 1,000                            |
| Downtown BIG grant                                | -                       | -                 | 619,934                           | (619,934)                        |
| Rental property maintenance                       | 4,000                   | 4,000             | -                                 | 4,000                            |
| Audit fees  | 3,200                   | 3,200             | 3,600                             | (400)                            |
| Park maintenance and operations                   | 42,000                  | 42,000            | 41,837                            | 163                              |
| Staff services                                    | 44,000                  | 44,000            | 44,000                            | -                                |
| Consultants and professionals                     | -                       | -                 | 16,046                            | (16,046)                         |
| Travel and training                               | 1,500                   | 1,500             | -                                 | 1,500                            |
| Legal   | 20,000                  | 20,000            | 9,329                             | 10,671                           |
| Capital outlay                                    | 30,000                  | 30,000            | 215,000                           | (185,000)                        |
| Debt service:                                     |                         |                   |                                   |                                  |
| Principal   | 60,000                  | 60,000            | 60,000                            | -                                |
| Interest  | 25,200                  | 25,200            | 25,200                            | -                                |
| Total Expenditures                                | <u>230,900</u>          | <u>230,900</u>    | <u>1,034,946</u>                  | <u>(804,046)</u>                 |
| Excess (Deficit) of Revenues<br>Over Expenditures | <u>273,100</u>          | <u>273,100</u>    | <u>(256,683)</u>                  | <u>(529,783)</u>                 |
| Other Resources (Uses):                           |                         |                   |                                   |                                  |
| Sale proceeds                                     | -                       | -                 | 665,000                           | 665,000                          |
| Transfers out                                     | (148,397)               | (148,397)         | (148,368)                         | 29                               |
| Total Other Resources (Uses)                      | <u>(148,397)</u>        | <u>(148,397)</u>  | <u>516,632</u>                    | <u>665,029</u>                   |
| Net Change in Fund Balance                        | 124,703                 | 124,703           | 259,949                           | 135,246                          |
| Fund Balance – October 1 (beginning)              | <u>312,538</u>          | <u>312,538</u>    | <u>312,538</u>                    | <u>-</u>                         |
| Fund Balance – September 30 (ending)              | <u>\$ 437,241</u>       | <u>\$ 437,241</u> | <u>\$ 572,487</u>                 | <u>\$ 135,246</u>                |

Members:  
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CERTIFIED PUBLIC  
ACCOUNTANTS  
TEXAS SOCIETY OF CERTIFIED  
PUBLIC ACCOUNTANTS

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**HANKINS, EASTUP, DEATON,  
TONN, SEAY & SCARBOROUGH**  
A Limited Liability Company

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CERTIFIED PUBLIC ACCOUNTANTS

902 NORTH LOCUST  
P.O. BOX 977  
DENTON, TX 76202-0977

TEL. (940) 387-8563  
FAX (940) 383-4746

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Lake Dallas Community Development Corporation  
Lake Dallas, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Lake Dallas Community Development Corporation (the "Corporation"), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise The Lake Dallas Community Development Corporation's basic financial statements, and have issued our report dated February 11, 2025.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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



Hankins, Eastup, Deaton, Tonn, Seay & Scarborough, LLC  
Denton, Texas

February 11, 2025

**City of Lake Dallas**  
**Business Improvement Grant (B.I.G.) Program Guidelines**

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**I. INTRODUCTION**

The Development Corporation Act, Chapter 501-505 of the Texas Local Government Code, authorizes the Lake Dallas Community Development Corporation (LDCDC) to provide economic development grants for land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation's directors to promote new or expanded business development. To this end, the LDCDC has implemented a Business Improvement Grant (BIG) Program. The Program provides technical and financial assistance to real property owners seeking to renovate, restore or add exterior signage, lighting, building façades, or premises improvements at a specific business location. The primary objective of the BIG Program is to promote business development by enhancing the City's commercial corridors through improving the physical appearance of storefronts and the premises of individual businesses.

The BIG Program offers a 1:1 (50%) matching grant up to \$10,000 for the funding of well-designed improvements. Improvements may include the restoration of architectural details, installation of new windows and doors up to current energy code, and well-proportioned signage and lighting. City staff will be available to provide assistance to the applicant through the conceptual stage at no cost to the applicant.

Projects in the City's Downtown Overlay district may be eligible for 2:1 (66%) matching grant up to \$10,000.

**II. ELIGIBILITY CRITERIA**

To be eligible for participation in the Business Improvement Grant Program, an applicant and the applicant's project must comply with the following criteria:

1. Applicant must be the owner of the commercial real property to which the proposed improvements will be made.
2. The business storefront must be located within the Lake Dallas city limits.
3. Nonconforming signs located on the applicant's property, if any, must be permanently removed as part of the improvements to be made on the property, unless the sign(s) can be established as being historically significant.
4. Applicants must be current on the payment of all ad valorem and local sales and use taxes owed to the City by the applicant or any business entity owned or controlled by the applicant, including those which may be owed with respect to property or businesses that are not the subject to the grant application.

5. The applicant shall have no pending investigations and/or complaints for violations of city ordinances relating to operation and/or condition of the property at the time of application other than those that will be specifically addressed/mitigated by the proposed project.
6. The applicant must be willing to enter into an Economic Development Agreement with the LDCDC setting the terms and conditions of the grant.
7. An applicant shall not have been awarded a BIG Program grant for the same physical address less than three years after the date the reimbursement check was issued for a previous BIG Program grant.

### **III. DESIGN PRINCIPLES AND GUIDELINES**

Improvements to be funded by a Program grant must be compatible with the character and architecture of the individual building as well as, to the extent appropriate, with other buildings along the street on which the participating storefront is located. Owners of buildings with significant architectural characteristics are strongly encouraged to restore and maintain those features. Improvements for buildings not having such architectural features should still be carefully considered and be seen as an opportunity to substantially enhance the appearance of the buildings and their streetscapes and conform to the City's targeted image for the area.

#### **A. Eligible Façade, Premises, and Signage Improvements**

Storefronts should be oriented to the pedestrian and provide visual interest both day and night. Efforts should be made to facilitate access into the building and to create a business identity unique to Lake Dallas and/or the respective neighborhood. The following improvements are grant eligible:

1. Restoring details of historically-contributing or significant buildings and removal of elements which cover architectural details.
2. Replacing, adding, or repairing window display areas which are appropriately scaled and facilitate night viewing.
3. Window replacement and window framing which is visible from the street and appropriately scaled to the building.
4. Replacing, repairing, or adding exterior signs that is integrated into the architecture of the building, including the window area, awnings or canopies, and entryways.
5. Replacing, repairing, or adding exterior light fixtures that appropriately illuminate signs, storefront window displays, walkways, and recessed areas of a building façade.
6. Replacing, repairing, or adding awnings or canopies.

7. Installing curbing, irrigation, approved trees (from the Lake Dallas approved tree list), landscaping beds, or other landscaping features attached to the building, where appropriate. All newly-installed landscapes must have underground or drip irrigation or a water harvesting system.
8. Cleaning, repainting, re-bricking, or re-siding of the building.
9. Constructing a new, appropriately-scaled storefront on an existing building.
10. Removing or altering architectural barriers to public accessibility unless removal or alteration significantly changes the historic facade.
11. Installing screening, gates, and dumpster revetments. All installations must comply with construction standards established by the Lake Dallas zoning ordinance. Additionally, fences shall be constructed with the structural members/framing/poles facing the interior of the commercial property, and wood fences and gates are required to be sealed from the elements.

**Other improvements will be considered with written approval from the City Manager if they meet the objectives of the Business Improvement Grant Program and are project-eligible per statute and program purpose.**

**B. Prior Improvements**

Alterations and improvements made prior to entering into an Economic Development Agreement with the LDCDC are not eligible for reimbursement.

**C. Alterations**

The applicant must agree not to change or alter the improvements without prior written approval from the LDCDC for three (3) years from the date the reimbursement check is issued under the Program. The applicant agrees to return a pro-rated amount of the grant money received if the improvement is removed or altered within three (3) years.

**IV. PROGRAM ASSISTANCE**

**A. Financial Assistance**

Funding offered is a matching grant in which the LDCDC reimburses the applicant fifty percent (50%) of total project costs, up to a \$10,000 maximum match for eligible exterior improvements.

Projects in the city's Downtown Overlay district may be eligible for sixty six percent (66%) of total project costs, up to a \$10,000 maximum match for eligible exterior improvements.

Upon completion, the City Manager will review the project. Receipts for labor and materials should be submitted to city staff for review. There will be no reimbursement for work performed by the business or property owner or for work that is reimbursable under insurance. A reimbursement check will only be issued after the project is determined complete and all receipts have been reconciled by the Lake Dallas Business Improvement Grant Program.

The LDCDC reserves the right to award an amount less than the full amount for which an applicant may be eligible. The award of grants by the LDCDC pursuant to the Program is discretionary and, notwithstanding the eligibility of an applicant to apply for a grant pursuant to the Program, no applicant is entitled to be awarded a grant pursuant to the Program.

#### **B. Technical Assistance**

City staff can provide guidance on improvements specific to individual storefronts. City staff can provide limited conceptual ideas, but the applicant will be expected to hire his/her own licensed architect or designer for actual detailed concept plans and designs.

#### **C. Application and Information**

If a real property or business owner wishes to apply for a Business Improvement Grant, he/she must contact the City of Lake Dallas City Manager's Office at (940) 497-2226.

### **V. PROCEDURES**

All applicants must follow the procedures in the order outlined below.

1. Applicants must meet with City staff for initial project discussions prior to submitting a grant application.
2. Completed applications with all required documents must be submitted to staff.
3. Staff will review the application packet to determine completeness.
4. Staff will meet with the applicant at least once prior to the application being submitted to the Community Development Corporation.
5. The application is reviewed by the LDCDC Board in a LDCDC meeting. The applicant is required to attend the meeting to present the applicant's project and answer questions.
6. If the application is approved, the city attorney will draft an agreement to be signed by an authorized representative of the LDCDC, the owner of the property, and, if determined appropriate, the business owner if the business owner is a tenant of the property being improved.

7. After the agreement has been signed by all parties and returned to the City, and all necessary permits have been issued, project work may begin.
8. A reimbursement check will be issued after the project is determined complete and all receipts have been reconciled by the Lake Dallas Business Improvement Grant Program.
9. All work for approved projects must be commenced within ninety (90) days after the effective date of the Economic Development Agreement and must be completed within one year of the effective date of the Economic Development Agreement, unless an extension is granted by the LDCDC board. Grant extension requests must come through the City Manager's Office.

**The Lake Dallas Community Development Corporation reserves the right to make adjustments regarding conditions and parameters outlined in these guidelines.**

#### **VI. General Conditions**

1. The applicant shall be solely responsible for all safety conditions and compliance with all safety regulations, building codes, ordinances, and other applicable regulations. Neither approval of a grant application nor payment of the grant upon completion of the project shall constitute approval of the project by any City department or staff, nor shall approval of such grant application or payment of the grant upon completion constitute a waiver by the City of any safety regulation, building code, ordinance, and other applicable regulation.
2. The applicant shall be solely responsible for overseeing the work, and will not seek to hold the Lake Dallas Community Development Corporation, the City of Lake Dallas, and/or their agents, employees, officers, and/or directors liable for any property damage, personal injury, or other loss related in any way to the Business Improvement Grant Program. By submission of an application, the applicant agrees to indemnify the Lake Dallas Community Development Corporation, the City of Lake Dallas, and/or their agents, employees, officers, and/or directors from any claims or damages resulting from the project, including reasonable attorneys' fees.
3. The applicant shall be responsible for maintaining sufficient insurance coverage for property damage and personal injury liability relating to the Business Improvement Grant Program.
4. The applicant authorizes the City of Lake Dallas to promote an approved project, including but not limited to displaying a sign at the site during and after construction, and using photographs and descriptions of the project in material and press releases.

#### **VII. ADJUSTMENTS and TERMINATION**

The applicant understands that the Lake Dallas Community Development Corporation and the City of Lake Dallas reserve the right to make changes in the conditions of the BIG Program as they determine in their sole discretion as warranted at any time, including for applications already pending.

If the applicant seeks to modify their project plan after a grant has been approved, the applicant must meet with the City Manager. Any changes to the plan must be presented to the City Manager prior to any work being performed in order for the project to remain reimbursement eligible. If the modification is a change of scope, i.e. the addition or deletion of a project element(s), the City Manager shall place the item on a future LDCDC agenda for reconsideration. Minor modifications to the project plan such as changes to the construction materials or the color palette may be approved by the City Manager. City Manager-approved changes shall be documented and attached to the signed Economic Development Agreement. All work for approved projects must be completed within one year of the effective date of the Economic Development Agreement unless an extension is granted by the Community Development Corporation.

The City of Lake Dallas has the right to terminate any agreement under the BIG Program if a participant is found to be in violation of any conditions set forth in these guidelines or if the project has been started prior to an executed agreement with the City of Lake Dallas.

**City of Lake Dallas Community Development Corporation  
Business Improvement Grant (BIG) Program Application**

The Business Improvement Grant Program contract is an agreement between the real property owner and the Lake Dallas Community Development Corporation. The application, as well as the agreement, are to be signed by the real property owner.

**Real Property Owner:** \_\_\_\_\_

**Real Property Owner's Phone Number:** \_\_\_\_\_

**Business Owner:** \_\_\_\_\_

**Business Owner's Phone Number:** \_\_\_\_\_

**Business Name:** \_\_\_\_\_

**Business Address:** \_\_\_\_\_

**Contact Person:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Business Description:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Describe the scope of work for the proposed Business Improvement project:** \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**How will this project benefit Lake Dallas?** \_\_\_\_\_

\_\_\_\_\_

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**Does this business pay sales tax to the City of Lake Dallas?** \_\_\_\_\_

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**Grant Amount Requested:** \_\_\_\_\_

**Estimated Cost of the Project:** \_\_\_\_\_

You MUST include the following information with your application:

1. Photographs of the existing building and premises
2. Drawings or renderings of the proposed improvements
3. A plot plan (drawn on a plat or survey) for premises improvements such as fencing, landscaping, or free-standing signage
4. Written description of the proposed improvements
  - Include building materials and color schemes
5. A copy of contractor bids. The bids should be less than 91 days old.
6. A copy of the business Certificate of Occupancy and the Texas Sales Tax Permit, if applicable.

By affixing your signature, the applicant acknowledges they have read and agree to the City of Lake Dallas Community Development Corporation BIG Program Guidelines. The applicant understands that all grants are awarded on a reimbursement basis after all work has been certified as completed by the City Manager or his designee. It is expressly understood that work commenced or completed prior to the final approval of the grant is ineligible for funding. The applicant is solely responsible for overseeing the work and will not seek to hold the City of Lake Dallas or the Lake Dallas Community Development Corporation liable for any property damage, personal injury, or other loss related to the BIG Program. The applicant agrees to indemnify the City of Lake Dallas, the Lake Dallas Community Development Corporation and/or their agents, employees, officers and/or directors from any claims or damages resulting from the project, including reasonable attorneys' fees.

**Real Property Owner Printed Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Business Owner Printed Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## Lake Dallas Business Improvement Grant Application Assessment Tool

|                    |  |
|--------------------|--|
| Business Name      |  |
| Address of Project |  |
| Assessor's Name    |  |

### Recommendations

|       |       |   |
|-------|-------|---|
| 24-30 | Score | Up to \$10,000                                |
| 16-23 | Score | Up to \$7,000                                 |
| 8-15  | Score | Up to \$4,000                                 |
| 0-7   | Score | Does not meet criteria to receive grant funds |

Rate this grant application by providing your score for each criteria.  
Scores range 0 – 5, with 5 being the highest score for each criteria listed.

| SCORING CRITERIA  | SCORE | NOTES |
|---|-------|-------|
| <b>Economic Impact (0 – 5 points)</b><br>(Increases property value, sales tax, jobs)  |       |       |
| <b>Project Design Quality (0 – 5 points)</b>  |       |       |
| <b>Upgrades to Utilities (0 – 5 points)</b><br>(Increases capacity to area)   |       |       |
| <b>Increases Population (0 – 5 points)</b><br>(Residents; day or night-time users)  |       |       |
| <b>Structure Improvements (0 – 5 points)</b> (New storefront, entry door(s), windows, lighting, signage, awnings/canopies, cleaning/painting/re-siding, restoring architectural details, removal/alteration of accessibility barriers, attached landscape features, etc.) |       |       |
| <b>Premises Improvements (0 – 5 points)</b><br>(Parking lot, screening, dumpster revetments, curbing, irrigation, approved trees, landscaping beds, etc.)   |       |       |
| <b>TOTAL SCORE</b>  |       |       |