

**TOWN OF LITTLE ELM, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2014**

NOTE 15. SUBSEQUENT EVENTS

On October 21, 2014, Town Council authorized four Interlocal Agreements with the Town of Lincoln Park which authorized Little Elm to annex Lincoln Park's ETJ directly into Little Elm's corporate limits. The Interlocal Agreements with the City of Lincoln Park obligate the Town of Little Elm Economic Development Corporation to purchase Lincoln Park's utility system for \$2,500,000, with a payment of \$1,300,000 to occur on November 15, 2014, and four payments of \$400,000 each on November 15 of 2015 through 2018.

On November 18, 2014, the Town approved a Chapter 380 Economic Development Program and Agreement between the Town of Little Elm and the Little Elm Economic Development Corporation concerning a loan in the amount of \$2,600,000.00 for economic development purposes.

On November 18, 2014, Council approved the issuance and sale of the Town of Little Elm Tax Notes, Series 2014 including the adoption of Ordinance No. 1239, authorizing the issuance of such notes in aggregate amount of \$1,990,000 for the purpose of acquiring public safety equipment.

On November 21, 2014, a Special Council Meeting was held for the public hearings on the Lincoln Park annexations.

On December 16, 2014, the following annexations were adopted:

- Ordinance #1246 Annexation Sullivan Tract
- Ordinance #1247 Annexation Lincoln Park Tract A&D
- Ordinance #1248 Annexation Lincoln Park Tract B
- Ordinance #1249 Annexation Lincoln Park Tract C
- Ordinance #1250 Annexation Lincoln part Tract F
- TIRZ #5 – Ordinance #1255 for creation of TIRZ #5 for area around E. University Drive (US 280) and Oak Grove Parkway (FM 720)

NOTE 16. BUDGETARY COMPLIANCE

General Fund and General Obligation Debt Service Fund expenditures exceeded appropriations by approximately \$58,000 and \$56,000, respectively, during the year ended September 30, 2014.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF LITTLE ELM, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
Revenues:				
Taxes:				
Property taxes, penalty, and interest	\$ 8,963,791	\$ 8,817,500	\$ 8,809,373	\$ (8,127)
General sales and use taxes	2,445,098	2,446,098	2,385,844	(60,254)
Other taxes and franchise fees	1,683,500	1,834,600	1,803,152	(31,448)
Licenses and permits	1,934,000	3,467,450	3,814,451	347,001
Intergovernmental revenue	155,000	144,225	153,394	9,169
Charges for services	982,500	1,370,850	1,421,402	50,552
Fines	360,000	350,200	346,424	(3,776)
Interest	85,000	66,000	64,834	(1,166)
Contributions	-	-	600,000	600,000
Miscellaneous	494,500	1,068,175	1,106,988	38,813
Total revenues	<u>17,103,389</u>	<u>19,565,098</u>	<u>20,505,862</u>	<u>940,764</u>
Expenditures:				
General government				
Town council	31,111	31,327	30,905	422
Town manager	888,712	279,000	275,686	3,314
Town secretary	137,847	134,205	131,673	2,532
Municipal court	307,638	316,339	313,002	3,337
Finance	949,051	971,455	984,668	(13,213)
Information technology	932,202	818,963	810,391	8,572
Human resources	369,106	392,084	403,241	(11,157)
Town attorney	225,000	445,600	447,361	(1,761)
Total general government	<u>3,840,667</u>	<u>3,388,973</u>	<u>3,396,927</u>	<u>(7,954)</u>
Community services				
Inspections	1,851,120	1,802,885	1,898,075	(95,190)
Total community services	<u>1,851,120</u>	<u>1,802,885</u>	<u>1,898,075</u>	<u>(95,190)</u>
Public safety				
Police	3,975,911	4,261,166	4,205,326	55,840
Fire	4,432,259	4,768,345	4,769,070	(725)
Animal control	130,776	128,050	127,869	181
Total public safety	<u>8,538,946</u>	<u>9,157,561</u>	<u>9,102,265</u>	<u>55,296</u>
Public works				
Streets	948,184	886,100	898,296	(12,196)
Fleet maintenance	243,570	249,512	248,796	716
Facility maintenance	687,577	714,710	760,629	(45,919)
Total public works	<u>1,879,331</u>	<u>1,850,322</u>	<u>1,907,721</u>	<u>(57,399)</u>

TOWN OF LITTLE ELM, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES (CONCLUDED)
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
Culture and recreation				
Library	471,316	462,875	467,886	(5,011)
Parks and recreation	2,134,139	2,008,470	2,053,046	(44,576)
Total culture and recreation	<u>2,605,455</u>	<u>2,471,345</u>	<u>2,520,932</u>	<u>(49,587)</u>
Capital outlay	719,161	786,090	689,582	96,508
Total expenditures	<u>19,434,680</u>	<u>19,457,176</u>	<u>19,515,502</u>	<u>(58,326)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,331,291)</u>	<u>107,922</u>	<u>990,360</u>	<u>882,438</u>
Other financing sources (uses):				
Transfers in	1,468,524	1,474,488	1,431,084	(43,404)
Gain on sale of assets	-	-	18,171	18,171
Capital lease proceeds	-	144,913	144,913	-
Transfers out	(925,000)	(1,050,000)	(1,083,477)	(33,477)
Total other financing sources (uses)	<u>543,524</u>	<u>569,401</u>	<u>510,691</u>	<u>(58,710)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,787,767)</u>	<u>677,323</u>	<u>1,501,051</u>	<u>823,728</u>
Fund balance at beginning of year	6,950,785	6,950,785	6,950,785	-
Fund balance, end of year	<u>\$ 5,163,018</u>	<u>\$ 7,628,108</u>	<u>\$ 8,451,836</u>	<u>\$ 823,728</u>

TOWN OF LITTLE ELM, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the general fund, debt service fund, and water and sewer fund. All annual appropriations lapse at fiscal year-end.

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

- (1) Prior to September 1, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes the proposed expenditures and the means of financing them.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to October 1, the budget is legally enacted through the passage of an ordinance.
- (4) The Town Manager is authorized to transfer budgeted amounts between departments within any fund. Any revisions that alter the total expenditures of any fund must be approved by the Town Council.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

TOWN OF LITTLE ELM, TEXAS
BUDGETARY COMPARISON SCHEDULE (GAAP BASIS)
GENERAL OBLIGATION DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance from Final Budget</u>
Revenues:				
Property taxes	\$ 2,889,311	\$ 2,993,000	\$ 3,009,745	\$ 16,745
Intergovernmental	583,055	525,521	577,857	52,336
Interest	16,000	16,000	12,760	(3,240)
Total revenues	<u>3,488,366</u>	<u>3,534,521</u>	<u>3,600,362</u>	<u>65,841</u>
Expenditures:				
Principal retirement	2,097,789	2,097,789	2,097,789	-
Interest and fiscal charges	1,580,521	1,622,462	1,678,252	(55,790)
Total expenditures	<u>3,678,310</u>	<u>3,720,251</u>	<u>3,776,041</u>	<u>(55,790)</u>
Deficiency of revenues under expenditures	<u>(189,944)</u>	<u>(185,730)</u>	<u>(175,679)</u>	<u>10,051</u>
Other financing sources (uses):				
Refunding bonds issued	-	-	2,020,000	2,020,000
Premium on bonds	-	-	145,086	145,086
Payment to refunded bond escrow agent	-	(79,000)	(2,190,000)	(2,111,000)
Total other financing sources (uses)	<u>-</u>	<u>(79,000)</u>	<u>(24,914)</u>	<u>54,086</u>
Net change in fund balance	<u>(189,944)</u>	<u>(264,730)</u>	<u>(200,593)</u>	<u>64,137</u>
Fund balances, beginning	<u>567,931</u>	<u>567,931</u>	<u>567,931</u>	<u>-</u>
Fund balances, ending	<u>\$ 377,987</u>	<u>\$ 303,201</u>	<u>\$ 367,338</u>	<u>\$ 64,137</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

GRANTS FUND

Accounts for donations made by civic organizations, businesses, and citizens for specific uses which include the Library, animal control center, police, and fire departments. Donations are generally donated for the purchase of equipment.

DONATIONS FUND

Accounts for grants distributed to the Town by the Texas State Comptroller of Public Accounts, the Department of Homeland Security, and other organizations such as the Texas Library Archives, and the Law Enforcement Officer Safety Education Program.

FORFEITURES FUND

Accounts for fines and forfeiture of property resulting from criminal cases within the boundaries of the Town that have been adjudicated by the State of Texas in District Court.

STREET MAINTENANCE FUND

Accounts for the Town's 1/4 cent sales tax, which was approved by the citizens of Little Elm in May of 2009 and is restricted for the purpose of street maintenance.

RED LIGHT CAMERA FUND

Accounts for proceeds and expenses related to red-light cameras.

STORMWATER DRAINAGE FUND

Accounts for fees charged for storm water drainage services.

PEG FUND

Accounts for fees used to defer the cost of streaming Council meeting videos of all meetings to meet the objective of local government transparency.

FARMERS MARKET FUND

Accounts for proceeds and expenditures relating to the Farmers Market grant.

**TOWN OF LITTLE ELM, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	<u>Grants</u>	<u>Donations</u>	<u>Forfeitures</u>	<u>Street Maintenance</u>
ASSETS				
Cash and cash equivalents	\$ 119,194	\$ 20,847	\$ 23,952	\$ 371,091
Receivables (net of allowance for uncollectibles)				
Taxes	-	-	-	111,009
Other	-	-	-	-
Prepays	-	-	-	-
Total assets	<u>\$ 119,194</u>	<u>\$ 20,847</u>	<u>\$ 23,952</u>	<u>\$ 482,100</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and other current liabilities	\$ 787	\$ 662	\$ -	\$ 100,609
Due to other funds	-	-	-	-
Retainage payable	-	-	-	5,294
Total liabilities	<u>787</u>	<u>662</u>	<u>-</u>	<u>105,903</u>
Deferred inflows of resources:				
Unavailable resources	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Non-spendable	-	-	-	-
Spendable				
Restricted	118,407	20,185	23,952	376,197
Total fund balances	<u>118,407</u>	<u>20,185</u>	<u>23,952</u>	<u>376,197</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 119,194</u>	<u>\$ 20,847</u>	<u>\$ 23,952</u>	<u>\$ 482,100</u>

<u>Red Light Camera</u>	<u>Stormwater Drainage</u>	<u>PEG Fund</u>	<u>Farmers Market Grant</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 110,712	\$ 435,530	\$ 19,858	\$ 289	\$ 1,101,473
-	-	-	-	111,009
30,459	100,749	14,503	29,576	175,287
2,101	3,151	-	1,050	6,302
<u>\$ 143,272</u>	<u>\$ 539,430</u>	<u>\$ 34,361</u>	<u>\$ 30,915</u>	<u>\$ 1,394,071</u>

\$ 83,433	\$ 19,330	\$ -	\$ 6,687	\$ 211,508
-	-	-	15,772	15,772
-	-	-	-	5,294
<u>83,433</u>	<u>19,330</u>	<u>-</u>	<u>22,459</u>	<u>232,574</u>

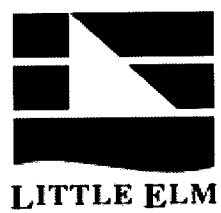
<u>24,402</u>				<u>24,402</u>
<u>24,402</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,402</u>

2,101	3,151	-	1,050	6,302
<u>33,336</u>	<u>516,949</u>	<u>34,361</u>	<u>7,406</u>	<u>1,130,793</u>
<u>35,437</u>	<u>520,100</u>	<u>34,361</u>	<u>8,456</u>	<u>1,137,095</u>
<u>\$ 143,272</u>	<u>\$ 539,430</u>	<u>\$ 34,361</u>	<u>\$ 30,915</u>	<u>\$ 1,394,071</u>

**TOWN OF LITTLE ELM, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE- NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Grants</u>	<u>Donations</u>	<u>Forfeitures</u>	<u>Street Maintenance</u>
Revenues:				
Taxes				
General sales and use taxes	\$ -	\$ -	\$ -	\$ 601,318
Franchise taxes and other	-	-	-	-
Charges for service	-	-	-	-
Intergovernmental	55,741	9,821	-	-
Fines	21,806	-	-	-
Interest	813	175	268	3,798
Contributions	22,346	-	-	-
Other revenues	-	450	33,998	-
Total revenues	<u>100,706</u>	<u>10,446</u>	<u>34,266</u>	<u>605,116</u>
Expenditures:				
Current:				
General government	-	-	42,223	-
Public safety	56,590	3,080	850	-
Public works	-	-	-	616,014
Culture and recreation	53,115	5,747	-	-
Capital outlay	10,953	-	-	-
Total expenditures	<u>120,658</u>	<u>8,827</u>	<u>43,073</u>	<u>616,014</u>
Excess (deficiency) of revenues over (under) expenditures	(19,952)	1,619	(8,807)	(10,898)
Other financing uses:				
Transfers out	(8,580)	-	-	-
Total other financing uses	<u>(8,580)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	(28,532)	1,619	(8,807)	(10,898)
Fund balance at beginning of year	146,939	18,566	32,759	387,095
Fund balance, end of year	<u>\$ 118,407</u>	<u>\$ 20,185</u>	<u>\$ 23,952</u>	<u>\$ 376,197</u>

Red Light Camera	Stormwater Drainage	PEG Fund	Farmers Market Grant	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 601,318
-	-	53,541	-	53,541
-	462,779	-	-	462,779
-	-	-	35,981	101,543
221,542	-	-	-	243,348
810	2,689	238	59	8,850
-	-	-	-	22,346
-	-	-	3,135	37,583
<u>222,352</u>	<u>465,468</u>	<u>53,779</u>	<u>39,175</u>	<u>1,531,308</u>
-	-	-	-	42,223
291,459	-	-	-	351,979
-	271,256	-	-	887,270
-	-	-	59,550	118,412
17,008	-	94,873	-	122,834
<u>308,467</u>	<u>271,256</u>	<u>94,873</u>	<u>59,550</u>	<u>1,522,718</u>
(86,115)	194,212	(41,094)	(20,375)	8,590
-	-	-	-	(8,580)
-	-	-	-	(8,580)
(86,115)	194,212	(41,094)	(20,375)	10
<u>121,552</u>	<u>325,888</u>	<u>75,455</u>	<u>28,831</u>	<u>1,137,085</u>
<u>\$ 35,437</u>	<u>\$ 520,100</u>	<u>\$ 34,361</u>	<u>\$ 8,456</u>	<u>\$ 1,137,095</u>



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DISCRETELY PRESENTED COMPONENT UNITS

ECONOMIC DEVELOPMENT CORPORATION – purpose is to promote and develop new and expanded business enterprises to promote and encourage employment in the furtherance of public welfare within the Town.

COMMUNITY DEVELOPMENT CORPORATION – purpose is to improve and expand park and recreational facilities from revenue generated through the Type 4B sales tax.

**TOWN OF LITTLE ELM, TEXAS
BALANCE SHEET
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2014**

ASSETS

Cash and cash equivalents	\$ 1,213,572
Receivables	222,019
Prepays	<u>1,050</u>
Total assets	<u><u>\$ 1,436,641</u></u>

LIABILITIES

Accounts payable and other current liabilities	<u>\$ 29,690</u>
Total liabilities	<u>29,690</u>

FUND BALANCES

Non-spendable	
Prepays	1,050
Restricted	1,378,369
Unassigned	<u>27,532</u>
Total fund balances	<u>1,406,951</u>

Total liabilities and fund balances	<u><u>\$ 1,436,641</u></u>
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**TOWN OF LITTLE ELM, TEXAS
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2014**

Total fund balance - governmental funds \$ 1,406,951

Amounts reported in the Statement of Net Position
are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the governmental funds
financial statements. \$ 9,041,546

Notes payable are not due and payable in the current period and
therefore are not reported in the governmental funds financial
statements. (8,795,627)

Accrued interest on governmental activities debt is not reported in
the governmental funds financial statements until paid. (23,920)

Compensated absences are not due and payable in the current
period and therefore are not reported in the governmental funds
financial statements. (9,657)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,619,293

**TOWN OF LITTLE ELM, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Revenues:

Taxes	
General sales and use taxes	\$ 1,202,637
Interest	10,608
Other revenues	8,684
Total revenues	<u>1,221,929</u>

Expenditures:

Current:	
General government	30,000
Economic and physical development	675,474
Principal	380,466
Interest and other fiscal charges	370,767
Capital outlay	441,084
Total expenditures	<u>1,897,791</u>

Deficiency of revenues under expenditures	(675,862)
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Fund balance, beginning of year	<u>2,082,813</u>
Fund balance, end of year	<u><u>\$ 1,406,951</u></u>

**TOWN OF LITTLE ELM, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Net change in fund balances - governmental funds	\$ (675,862)
Amounts reported for component unit funds in the statement of activities are different because:	
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	1,055
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets are capitalized.	441,084
Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	380,466
Some expenses reported in the statement of activities such as compensated absences do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(2,734)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 144,009</u></u>

**TOWN OF LITTLE ELM, TEXAS
BALANCE SHEET
COMMUNITY DEVELOPMENT CORPORATION
SEPTEMBER 30, 2014**

ASSETS

Cash and cash equivalents	\$ 1,032,261
Receivables	<u>111,009</u>
Total assets	<u>\$ 1,143,270</u>

LIABILITIES

Accounts payable and other current liabilities	<u>\$ 1,393</u>
Total liabilities	<u>1,393</u>

FUND BALANCES

Spendable	
Restricted	<u>1,141,877</u>
Total fund balances	<u>1,141,877</u>
Total liabilities and fund balances	<u>\$ 1,143,270</u>

**TOWN OF LITTLE ELM, TEXAS
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
COMMUNITY DEVELOPMENT CORPORATION
SEPTEMBER 30, 2014**

Total fund balance - governmental funds \$ 1,141,877

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds financial statements.

(7,930,000)

NET POSITION (DEFICIT) OF GOVERNMENTAL ACTIVITIES

\$ (6,788,123)

**TOWN OF LITTLE ELM, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Revenues:

Taxes	
General sales and use taxes	\$ 601,319
Interest	8,534
Total revenues	<u>609,853</u>

Expenditures:

Current:	
General government	162,000
Economic and physical development	97,653
Debt service:	
Principal	240,000
Debt interest	266,788
Total expenditures	<u>766,441</u>

Net change in fund balance (156,588)

Fund balance, beginning of year 1,298,465

Fund balance, end of year \$ 1,141,877

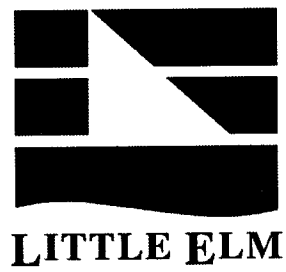
**TOWN OF LITTLE ELM, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Net change in fund balances - governmental funds \$ (156,588)

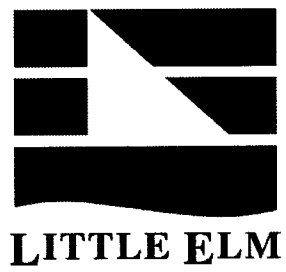
Amounts reported for component unit funds in the statement of
activities are different because:

Repayment of long-term liabilities is an expenditure in the governmental funds,
but the repayment reduces long-term liabilities in the statement of net position. 240,000

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 83,412



STATISTICAL SECTION



**TOWN OF LITTLE ELM, TEXAS
STATISTICAL SECTION
TABLE OF CONTENTS**

STATISTICAL SECTION

This part of the Town of Little Elm's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the Town's overall financial health. This information has not been audited by the independent auditor.

Contents

Table #s

Financial Trends

A-1 to A-4

These tables contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

B-1 to B-5

These tables contain information to help the reader assess the Town's two most significant local revenue sources, the property and sales taxes.

Debt Capacity

C-1 to C-5

These tables 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.

Economic and Demographic Information

D-1 to D-2

These tables offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

E-1 to E-3

These tables contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides.

Source: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 in fiscal year 2004: tables presenting government-wide information include information beginning in that year.

**TOWN OF LITTLE ELM, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2005	2006	2007	2008 ^a
Governmental activities				
Net investment in capital assets	\$ 11,459,359	\$ 17,666,776	\$ 19,470,253	\$ 34,946,833
Restricted	2,531,729	2,531,729	2,714,442	2,020,133
Unrestricted	6,027,986	3,287,263	5,599,224	7,104,984
Total governmental activities net assets ^a	<u>\$ 20,019,074</u>	<u>\$ 23,485,768</u>	<u>\$ 27,783,919</u>	<u>\$ 44,071,950</u>
Business-type activities				
Net investment in capital assets	\$ 5,892,867	\$ 8,246,435	\$ 10,616,127	\$ 11,108,371
Restricted	3,832,517	4,421,129	4,026,887	3,739,824
Unrestricted	5,430,243	5,129,690	5,120,843	5,409,835
Total business-type activities net assets	<u>\$ 15,155,627</u>	<u>\$ 17,797,254</u>	<u>\$ 19,763,857</u>	<u>\$ 20,258,030</u>
Primary government				
Net investment in capital assets	\$ 17,352,226	\$ 25,913,211	\$ 30,086,380	\$ 46,055,204
Restricted	6,364,246	6,952,858	6,741,329	5,759,957
Unrestricted	11,458,229	8,416,953	10,720,067	12,514,819
Total primary governmental net assets	<u>\$ 35,174,701</u>	<u>\$ 41,283,022</u>	<u>\$ 47,547,776</u>	<u>\$ 64,329,980</u>

Source: Comprehensive Annual Financial Report

Notes: ^a Fiscal year 2008 net assets were restated for prior period adjustments and reclassification of funds

TABLE A-1

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 42,980,036	\$ 47,903,977	\$ 50,204,248	\$ 52,815,876	\$ 63,117,552	\$ 69,289,961
456,110	2,111,443	2,752,458	4,171,809	1,456,437	11,901,273
5,297,621	2,902,375	5,760,237	8,639,473	13,561,477	13,397,901
<u>\$ 48,733,767</u>	<u>\$ 52,917,795</u>	<u>\$ 58,716,943</u>	<u>\$ 65,627,158</u>	<u>\$ 78,135,466</u>	<u>\$ 94,589,135</u>
\$ 12,953,757	\$ 17,697,671	\$ 18,965,595	\$ 23,568,624	\$ 27,797,915	\$ 33,308,054
6,226,635	3,020,299	3,420,742	2,678,605	1,545,571	1,286,723
2,624,238	3,233,394	4,738,358	3,395,564	2,792,130	1,253,792
<u>\$ 21,804,630</u>	<u>\$ 23,951,364</u>	<u>\$ 27,124,695</u>	<u>\$ 29,642,793</u>	<u>\$ 32,135,616</u>	<u>\$ 35,848,569</u>
\$ 55,933,793	\$ 65,601,648	\$ 69,169,843	\$ 76,384,500	\$ 90,915,467	\$ 102,598,015
6,682,745	5,273,739	6,173,200	6,850,414	3,002,008	13,187,996
7,921,859	5,993,772	10,498,595	12,035,037	16,353,607	14,651,693
<u>\$ 70,538,397</u>	<u>\$ 76,869,159</u>	<u>\$ 85,841,638</u>	<u>\$ 95,269,951</u>	<u>\$ 110,271,082</u>	<u>\$ 130,437,704</u>

**TOWN OF LITTLE ELM, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2005	2006	2007 ^b	2008
Expenses				
Governmental activities:				
General government	\$ 1,746,332	\$ 2,046,546	\$ 1,165,132	\$ 1,880,759
Public safety	3,817,912	3,904,491	4,735,242	5,756,355
Public works	2,870,899	3,652,686	3,334,704	4,155,141
Culture and recreation	815,792	811,641	1,033,235	1,091,693
Community services	612,772	658,666	1,231,869	937,464
Interest on long-term debt	260,137	235,890	217,332	908,921
Total governmental activities expenses	\$ 10,123,844	\$ 11,309,920	\$ 11,717,514	\$ 14,730,333
Business-type activities:				
Water and sewer	\$ 4,645,710	\$ 4,616,233	\$ 4,641,202	\$ 6,474,575
Solid waste	-	-	-	-
Total business-type activities expenses	4,645,710	4,616,233	4,641,202	6,474,575
Total primary government expenses	\$ 14,769,554	\$ 15,926,153	\$ 16,358,716	\$ 21,204,908
Program Revenues				
Governmental activities:				
Charges for Services:				
General government	\$ 461,562	\$ 679,877	\$ 472,491	\$ 2,268,637
Public safety	412,446	793,118	883,435	898,538
Public works	215,455	185,928	129,384	1,264,387
Culture and recreation	38,205	49,412	47,779	-
Community services	456,953	498,279	288,518	-
Operating grants and contributions	14,951	27,540	149,774	304,349
Capital grants and contributions	4,708,563	4,141,707	2,478,539	8,360
Total governmental activities program revenues	\$ 6,308,135	\$ 6,375,861	\$ 4,449,920	\$ 4,744,271
Business-type activities:				
Charges for services:				
Water and sewer	\$ 4,429,192	\$ 5,218,473	\$ 4,385,488	\$ 6,694,244
Solid waste	-	-	-	-
Operating grants and contributions	55,299	-	-	-
Capital grants and contributions	1,514,799	741,816	1,900,735	-
Total business-type activities program revenues	\$ 5,999,290	\$ 5,960,289	\$ 6,286,223	\$ 6,694,244
Total primary government program revenues	\$ 12,307,425	\$ 12,336,150	\$ 10,736,143	\$ 11,438,515

Source: Comprehensive Annual Financial Report

Notes: ^b General Revenue classifications modified.

TABLE A-2 (CONTINUED)

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 2,286,941	\$ 2,540,722	\$ 2,464,445	\$ 2,576,483	\$ 5,867,144	\$ 5,289,827
6,431,906	1,530,292	7,190,910	8,002,813	9,335,742	10,433,709
3,990,855	8,839,262	4,435,870	5,344,115	6,021,562	6,499,936
1,358,796	2,853,899	1,483,761	1,674,950	2,667,072	3,104,651
1,086,952	1,346,593	1,364,740	1,238,188	1,638,809	1,918,695
1,058,944	1,385,300	1,715,179	1,655,901	1,473,694	3,388,234
\$ 16,214,394	\$ 18,496,068	\$ 18,654,905	\$ 20,492,450	\$ 27,004,023	\$ 30,635,052
\$ 6,817,172	\$ 6,763,043	\$ 6,950,429	\$ 8,576,299	\$ 8,938,110	\$ 9,018,321
1,827,534	1,641,111	1,465,030	1,542,812	1,828,285	1,983,776
8,644,706	8,404,154	8,415,459	10,119,111	10,766,395	11,002,097
\$ 24,859,100	\$ 26,900,222	\$ 27,070,364	\$ 30,611,561	\$ 37,770,418	\$ 41,637,149
\$ 413,046	\$ 139,313	\$ 168,475	\$ 203,194	\$ 225,645	\$ 142,850
576,564	854,090	1,049,754	1,316,490	1,421,556	1,408,432
-	29,398	37,297	36,968	18,219	52,660
43,395	55,853	115,981	229,245	367,880	548,339
1,028,110	1,386,646	1,620,331	3,067,120	3,219,516	4,826,558
182,174	308,121	220,617	296,234	8,481,366	877,283
4,398,954	4,705,395	4,767,318	5,072,076	8,196,369	20,153,631
\$ 6,642,243	\$ 7,478,816	\$ 7,979,773	\$ 10,221,327	\$ 21,930,551	\$ 28,009,753
\$ 8,565,303	\$ 8,755,653	\$ 9,743,392	\$ 10,088,464	\$ 10,843,125	\$ 11,206,850
1,845,096	1,965,611	1,645,533	1,758,790	1,919,103	2,038,990
-	-	-	-	22,395	-
-	-	473,422	2,382,570	1,828,359	3,595,837
\$ 10,410,399	\$ 10,721,264	\$ 11,862,347	\$ 14,229,824	\$ 14,612,982	\$ 16,841,677
\$ 17,052,642	\$ 18,200,080	\$ 19,842,120	\$ 24,451,151	\$ 36,543,533	\$ 44,851,430

TOWN OF LITTLE ELM, TEXAS
CHANGES IN NET POSITION – CONTINUED
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2005	2006	2007 ^b	2008
Net (Expenses) Revenue				
Governmental activities	\$ (3,815,709)	\$ (4,934,060)	\$ (7,267,594)	\$ (9,986,062)
Business-type activities	1,353,580	1,344,056	1,645,021	219,669
Total primary government net expenses	<u>\$ (2,462,129)</u>	<u>\$ (3,590,004)</u>	<u>\$ (5,622,573)</u>	<u>\$ (9,766,393)</u>
 General Revenues and other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 4,842,770	\$ 5,154,268	\$ 5,790,305	\$ 7,563,027
Sales & Other taxes	1,992,412	1,735,286	3,310,322	3,199,197
Penalties and interest	44,256	50,504	-	-
Unrestricted investment earnings	213,359	388,712	367,476	539,838
Gains on sale of assets	-	78,482	(7,805)	-
Developer contributions	-	-	-	-
Impact Fees	-	-	-	-
Miscellaneous	85,503	100,660	94,695	1,614,934
Transfers	210,932	263,260	367,145	897,379
Total governmental activities	<u>\$ 7,389,232</u>	<u>\$ 7,771,172</u>	<u>\$ 9,922,138</u>	<u>\$ 13,814,375</u>
Business-type activities:				
Taxes	\$ -	\$ -	\$ -	\$ -
Unrestricted investment earnings	77,650	144,682	204,514	288,977
Gains on sale of assets	-	-	9,694	-
Miscellaneous	-	-	-	596,409
Developer contributions	-	-	-	-
Transfers	(210,932)	(263,260)	(367,145)	(867,379)
Total business-type activities	<u>\$ (133,282)</u>	<u>\$ (118,578)</u>	<u>\$ (152,937)</u>	<u>\$ 18,007</u>
Total primary government	<u>\$ 7,255,950</u>	<u>\$ 7,652,594</u>	<u>\$ 9,769,201</u>	<u>\$ 13,832,382</u>
 Change in Net Position				
Governmental activities	\$ 3,573,523	\$ 2,837,112	\$ 2,654,544	\$ 3,828,313
Business-type activities	1,220,298	1,225,478	1,492,084	237,676
Total primary government	<u>\$ 4,793,821</u>	<u>\$ 4,062,590</u>	<u>\$ 4,146,628</u>	<u>\$ 4,065,989</u>

Source: Comprehensive Annual Financial Report

Notes: ^a General Revenue classifications modified.

TABLE A-2 (CONCLUDED)

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ (9,572,151)	\$ (11,017,252)	\$ (10,675,132)	\$ (10,271,123)	\$ (5,073,472)	\$ (2,625,299)
1,765,693	2,317,110	3,446,888	4,110,713	3,846,587	5,839,580
\$ (7,806,458)	\$ (8,700,142)	\$ (7,228,244)	\$ (6,160,410)	\$ (1,226,885)	\$ 3,214,281
\$ 8,828,874	\$ 9,668,429	\$ 10,195,279	\$ 10,662,787	\$ 10,864,585	\$ 11,851,416
2,904,368	3,221,191	3,438,665	4,039,591	4,506,310	4,843,855
-	-	-	-	-	-
334,206	388,935	271,988	199,751	136,752	156,577
-	31,158	-	-	9,330	18,171
-	-	-	-	-	-
-	-	-	-	-	-
1,148,956	561,919	1,329,395	464,013	513,343	1,158,653
1,017,564	1,329,648	1,238,953	1,815,196	1,551,460	1,697,504
\$ 14,233,968	\$ 15,201,280	\$ 16,474,280	\$ 17,181,338	\$ 17,581,780	\$ 19,726,176
\$ -	\$ -	\$ 56,342	\$ 82,977	\$ 92,009	\$ 106,872
455,159	333,428	150,655	139,604	96,344	44,010
-	-	-	-	9,343	7,214
307,312	566,639	758,399	-	-	-
-	-	-	-	-	-
(981,564)	(1,070,443)	(1,238,953)	(1,815,196)	(1,551,460)	(1,697,504)
\$ (219,093)	\$ (170,376)	\$ (273,557)	\$ (1,592,615)	\$ (1,353,764)	\$ (1,539,408)
\$ 14,014,875	\$ 15,030,904	\$ 16,200,723	\$ 15,588,723	\$ 16,228,016	\$ 18,186,768
\$ 4,661,817	\$ 4,184,028	\$ 5,799,148	\$ 6,910,215	\$ 12,508,308	\$ 17,100,877
1,546,600	2,146,734	3,173,331	2,518,098	2,492,823	4,300,172
\$ 6,208,417	\$ 6,330,762	\$ 8,972,479	\$ 9,428,313	\$ 15,001,131	\$ 21,401,049

**TOWN OF LITTLE ELM, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund				
Reserved ^a	\$ 2,545,432	\$ 2,552,744	\$ 2,793,187	\$ 2,020,133
Nonspendable ^a				
Restricted				
Committed				
Assigned				
Unassigned				
Unreserved, designated for				
Unbudgeted expenditures	-	-	-	-
Unreserved, undesignated	2,328,596	3,283,945	3,356,355	5,398,287
Total general fund	<u>\$ 4,874,028</u>	<u>\$ 5,836,689</u>	<u>\$ 6,149,542</u>	<u>\$ 7,418,420</u>
All Other				
Governme				
ntal Funds				
Reserved for:				
Debt service	-	10,363	76,933	-
Nonspendable ^a				
Restricted				
Committed				
Assigned				
Unassigned				
Unreserved, reported in:				
Special revenue funds	662,364	1,131,265	1,447,159	227,961
Debt service				218,843
Capital projects funds	2,996,670	10,111,140	7,855,095	5,614,493
Total all other governmental funds	<u>\$ 3,659,034</u>	<u>\$ 11,252,768</u>	<u>\$ 9,379,187</u>	<u>\$ 6,061,297</u>

Source: Comprehensive Annual Financial Report

Notes: ^a Includes inventory and prepaid

^b The Town implemented GASB No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" which impacted both the classifications of funds and classifications of and balances within funds

TABLE A-3

Fiscal Year					
<u>2009</u>	<u>2010</u>	<u>2011^b</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$ 26,117	\$ 35,410	\$ -	\$ -	\$ -	\$ -
		48,944	56,704	274,054	200,487
			221,155		
		3,326,289			
		1,519,500	693,600	925,000	4,938,437
		943,210	6,130,718	5,751,731	3,312,912
1,153,325	1,662,286				
3,086,147	3,309,224				
\$ 4,265,589	\$ 5,006,920	\$ 5,837,943	\$ 7,102,177	\$ 6,950,785	\$ 8,451,836
-	-	-	-	-	-
			150	150	6,302
		14,255,397	4,346,848	8,113,910	17,979,664
		702,364	1,273,852	620,602	241,487
					-
		(42,361)			
759,750	544,399				
226,226	301,863				
19,196,982	25,980,408				
\$ 20,182,958	\$ 26,826,670	\$ 14,915,400	\$ 5,620,850	\$ 8,734,662	\$ 18,227,453

TOWN OF LITTLE ELM, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
REVENUES				
Property taxes, penalties and interest	\$ 2,962,576	\$ 3,952,201	\$ 5,644,249	\$ 7,678,109
Sales tax	1,667,422	1,554,438	1,751,857	1,814,759
Franchise and other taxes	614,367	868,904	971,299	1,395,846
Licenses and permits	1,926,686	2,065,029	1,542,637	1,264,387
Charges for services	1,232,031	1,504,403	1,905,967	2,268,637
Impact fees	-	-	-	-
Fines and forfeitures	250,796	698,938	622,940	898,538
Intergovernmental revenue and grants	342,532	618,983	323,297	312,709
Contributions	-	-	-	-
Interest earnings	243,196	729,047	951,392	539,838
Other revenue	177,674	513,296	300,864	266,466
Total revenues	<u>9,417,280</u>	<u>12,505,239</u>	<u>14,014,502</u>	<u>16,439,289</u>
EXPENDITURES				
General government	1,302,788	1,694,438	2,067,815	2,410,803
Public safety	2,902,564	3,684,917	4,827,076	5,527,997
Public works	2,304,509	2,359,076	2,763,980	3,530,078
Culture and recreation	479,282	670,386	891,579	951,798
Community services	363,251	442,312	176,853	-
Capital outlay	3,749,115	7,236,375	6,424,139	5,686,126
Debt service				
Principal retirement	464,655	955,245	863,504	1,132,700
Interest and fiscal charges	445,811	683,790	943,950	921,717
Total expenditures	<u>12,011,975</u>	<u>17,726,539</u>	<u>18,958,896</u>	<u>20,161,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,594,695)</u>	<u>(5,221,300)</u>	<u>(4,944,394)</u>	<u>(3,721,930)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from bonds	3,914,080	12,136,709	-	-
Proceeds from sale of capital assets	-	-	-	-
Proceeds from capital lease obligation	-	-	178,905	342,168
Developer fees and contributions	944,595	1,389,369	2,758,921	1,240,467
Premium on bonds issued	-	-	-	30,000
Payment to refunded bond escrow agent	-	-	-	-
Transfer from other funds	299,672	796,918	931,123	1,837,105
Transfer to other funds	(472,343)	(545,301)	(485,283)	(969,725)
Total other financing sources (uses)	<u>4,686,004</u>	<u>13,777,695</u>	<u>3,383,666</u>	<u>2,480,015</u>
NET CHANGE IN FUND BALANCES	<u>\$ 2,091,309</u>	<u>\$ 8,556,395</u>	<u>\$ (1,560,728)</u>	<u>\$ (1,241,915)</u>
Debt service as a percentage of noncapital expenditures	11.0%	15.6%	14.4%	14.2%

Source: Comprehensive Annual Financial Report

TABLE A-4

Fiscal Year					
2009	2010	2011	2012	2013	2014
\$ 8,717,659	\$ 9,613,969	\$ 10,246,572	\$ 10,459,636	\$ 10,968,977	\$ 11,819,118
1,787,109	1,959,630	2,125,984	2,369,358	2,775,736	2,987,162
1,117,259	1,261,561	1,312,681	1,670,233	1,730,574	1,856,693
966,645	1,419,336	1,629,588	2,386,244	2,280,136	3,814,451
535,005	598,873	662,181	1,227,622	1,521,394	1,884,181
-	-	-	1,555,857	1,274,372	514,220
288,748	526,084	698,289	628,399	667,479	589,772
4,702,445	4,887,144	4,219,559	2,996,983	2,055,690	1,365,490
-	-	-	5,500	-	18,756,088
361,633	388,935	271,988	199,751	136,281	154,060
1,108,938	812,000	1,153,103	1,312,349	1,134,249	1,310,971
19,585,441	21,467,532	22,319,945	24,811,932	24,544,888	45,052,206
2,160,346	2,321,233	2,317,911	2,501,809	5,662,076	3,459,553
6,041,672	6,455,094	6,865,071	7,577,815	8,185,886	9,454,244
1,447,644	2,123,823	2,658,522	1,766,131	2,417,222	2,794,991
1,230,166	1,322,676	1,307,687	1,533,497	2,211,489	2,639,344
1,062,917	1,278,090	1,364,740	1,261,237	1,604,716	1,910,740
6,593,015	8,041,519	16,817,298	17,189,209	8,758,950	12,815,066
1,185,222	1,489,211	1,537,070	1,671,146	1,837,728	2,097,789
874,526	1,514,543	1,770,846	1,609,606	1,649,588	3,579,358
20,595,508	24,546,189	34,639,145	35,110,450	32,327,655	38,751,085
(1,010,067)	(3,078,657)	(12,319,200)	(10,298,518)	(7,782,767)	6,301,121
12,500,000	9,353,007	-	3,885,000	8,735,000	5,020,000
-	-	-	-	509,233	18,171
-	-	-	386,487	-	144,913
-	-	-	-	-	-
-	-	-	180,716	143,094	235,610
-	-	-	(3,999,197)	-	(2,190,000)
3,127,865	1,535,132	4,160,575	3,523,887	3,035,883	2,556,084
(2,110,301)	(424,439)	(2,921,622)	(1,708,691)	(1,678,023)	(1,092,057)
13,517,564	10,463,700	1,238,953	2,268,202	10,745,187	4,692,721
\$ 12,507,497	\$ 7,385,043	\$ (11,080,247)	\$ (8,030,316)	\$ 2,962,420	\$ 10,993,842
14.7%	18.2%	18.6%	18.2%	14.8%	20.7%

**TOWN OF LITTLE ELM, TEXAS
APPRAISED VALUE OF PROPERTY
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE B-1

Fiscal Year	Market Valuation			Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property	Less: Tax- Exempt Property		
2005	\$ 829,864,748	\$ 19,728,820	\$ 62,170,135	\$ 787,423,433	0.35750
2006	1,011,635,024	27,648,064	50,140,143	989,142,945	0.39902
2007	1,248,468,966	23,323,625	87,911,083	1,183,881,508	0.47000
2008	1,511,223,287	36,738,700	140,574,678	1,407,387,309	0.53580
2009	1,634,323,354	52,518,511	166,456,684	1,520,385,181	0.56996
2010	1,611,491,597	54,925,483	169,295,917	1,497,121,163	0.63449
2011	1,618,970,465	55,366,141	169,498,939	1,504,837,667	0.66523
2012	1,691,659,713	55,542,364	175,488,594	1,571,713,483	0.66497
2013	1,661,535,865	64,223,721	181,089,163	1,544,670,423	0.66497
2014	1,811,983,598	70,371,887	199,149,794	1,683,205,691	0.66497

Source: Denton County Appraisal District

TOWN OF LITTLE ELM, TEXAS

TABLE B-2

**DIRECT AND OVERLAPPING PROPERTY TAX RATES (PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Town Direct Rates			Overlapping Rates ^a		Total Direct and Overlapping Rates
	Operating Rate	Debt Service Rate	Total Town Rate	Little Elm Independent School District	Denton County	
2005	0.28740	0.07010	0.35750	1.82000	0.25480	2.43230
2006	0.28252	0.11650	0.39902	1.84000	0.24648	2.48550
2007	0.32363	0.14637	0.47000	1.74000	0.23192	2.44192
2008	0.39625	0.13955	0.53580	1.46000	0.23589	2.23169
2009	0.44636	0.12360	0.56996	1.53000	0.23577	2.33573
2010	0.46218	0.17231	0.63449	1.54000	0.24980	2.42429
2011	0.45279	0.21244	0.66523	1.54000	0.27390	2.47913
2012	0.46691	0.19807	0.66497	1.54000	0.27736	2.48233
2013	0.48129	0.18369	0.66497	1.54000	0.28287	2.48784
2014	0.49665	0.16833	0.66497	1.54000	0.28491	2.48989

^a Overlapping rates are those of local and county governments that apply to property owners within the Town of Little Elm. A typical property tax bill would consist of the Town, School District, and County taxes.

Source: Town of Little Elm, Denton County and Little Elm ISD

Note: Tax rates are applied on each \$100 of assessed value and are levied on 100% of assessed value.

TABLE B-3

**TOWN OF LITTLE ELM, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

FY 2013-2014 (2013 Certified Tax Roll)			FY 2004-2005 (2004 Certified Tax Roll)		
Taxpayer	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Percentage of Total Town Taxable Assessed Value
LETC Dunhill LLC	\$ 21,174,680	1 26%	Lennar Homes of TX	\$ 29,409,343	3 73%
Retractable Technologies INC	16,423,109	0 98%	Eldorado West, LLC	9,055,605	1 15%
Kroger Texas LP	13,216,475	0 79%	Centex Homes P/S	6,283,592	0 80%
Eldorado Village LLC	9,690,000	0 58%	CoServ Electric CO-OP	4,678,630	0 59%
Western Rim Investors 2011-5 LP	7,964,926	0 47%	KB Home Lone Star LP	4,608,631	0 59%
Paloma Creek All Storage LTD	6,505,175	0 39%	Landstar Homes Dal LTD	4,360,607	0 55%
The Kroger Company	6,142,112	0 36%	CMH Parks, INC	4,225,793	0 54%
CoServ Electric Co Op	6,030,640	0 36%	Little Elm /2000, LTD	3,711,199	0 47%
NWC FM 423 and Eldorado Parkway LTD	5,595,987	0 33%	Pulte Homes of Texas, LP	3,481,363	0 44%
Western Rim Investors 2011-6 LP	4,769,388	0 28%	Lakeshore Crossing LP	3,180,946	0 40%
Total	<u>\$ 97,512,492</u>	<u>5 79%</u>	Total	<u>\$ 72,995,709</u>	<u>9 27%</u>
Total Assessed Valuation	\$ 1,683,205,691	100 00%	Total Assessed Valuation	\$ 787,423,433	100 00%

Source: Denton Central Appraisal District

Note: Property is assessed as of January 1 and certified to the town by July 25 for taxable values

**TOWN OF LITTLE ELM, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE B-4

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 2,842,365	\$ 2,786,851	98.05%	\$ 52,863	\$ 2,839,714	99.91%
2006	3,906,167	3,836,765	98.22%	65,042	3,901,807	99.89%
2007	5,461,711	5,446,283	99.72%	11,592	5,457,875	99.93%
2008	7,499,616	7,395,195	98.61%	98,900	7,494,095	99.93%
2009	8,604,592	8,506,674	98.86%	90,674	8,597,348	99.92%
2010	9,415,320	9,303,185	98.81%	98,199	9,401,384	99.85%
2011	9,913,611	9,858,712	99.45%	34,097	9,892,809	99.79%
2012	10,358,921	10,279,526	99.23%	55,192	10,334,718	99.77%
2013	10,554,328	10,514,194	99.62%	-	10,514,194	99.62%
2014	11,692,922	11,648,622	99.62%	-	11,648,622	99.62%

Source: Denton Central Appraisal District

**TOWN OF LITTLE ELM, TEXAS
MUNICIPAL SALES TAX AND RATIO TO AD VALOREM TAX LEVY
AND AD VALOREM TAX RATE
LAST TEN YEARS (UNAUDITED)**

TABLE B-5

The Town has adopted the provisions of Chapter 321, as amended, Texas Tax Code (the "Municipal Sales and Use Tax Act") which provides for the maximum levy of a one percent sales tax which may be used for any lawful purpose except that the sales tax revenue may not be pledged to the payment of debt. The voters of the Town approved a 1/2% sales tax for the benefit of economic development on January 16, 1993, with collections beginning June 1993. The voters of the Town approved a 1/4% sales tax for street maintenance on May 7, 2005, with collections beginning October 6, 2005. The voters of the Town approved a 1/4% sales tax for 4B community development purposes on May 12, 2007, with collections beginning October 1, 2007. Net collections on a fiscal year basis are shown below.

Fiscal Year Ended Sept 30	Total Collected	1¼% ^(a) City	% of Ad Valorem Tax Levy	(\$) Equivalent of Ad Valorem Tax Rate	0.50% 4A EDC	0.25% 4B CDC
2005	\$ 1,661,170	\$ 1,107,447	38.96%	0.13929	\$ 553,723	N/A
2006	1,584,272	1,131,623	28.97%	0.11560	452,649	N/A
2007	1,751,857	1,250,277	23.37%	0.10985	501,580	N/A
2008 ^(b)	2,877,072	1,814,759	22.41%	0.12006	726,203	\$ 336,110
2009	2,873,899	1,787,100	21.05%	0.11998	724,533	362,266
2010 ^(c)	3,126,064	1,947,430	20.26%	0.12852	785,756	392,878
2011	3,392,058	2,111,001	21.29%	0.14165	854,038	427,019
2012	3,861,036	2,413,148	23.30%	0.15491	965,259	482,630
2013	4,479,710	2,799,819	26.53%	0.17640	1,119,927	559,964
2014	4,810,546	3,006,591	25.71%	0.17098	1,202,636	601,318

^(a) The Town's portion of the sales tax collections increased from 1% to 1¼% beginning October 1, 2005 as the result of the May 2005 authorization for an additional ¼% for street maintenance.

^(b) Collections include the 0.25% 4B CDC collections.

^(c) The Town has entered into a Limited Partnership Agreement (LPA) with Denton County Fresh Water District 8c & 8b for sharing sales tax in the Extra Territorial Jurisdiction (ETJ).

Source: Texas Comptroller of Public Affairs Website (<http://www.window.state.tx.us/taxinfo/sales>)

TOWN OF LITTLE ELM, TEXAS
RATIO OF OUTSTANDING BONDED DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE C-1

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income ^b	Per Capita ^b
	General Obligation Bonds	Certificates of Obligation	Other Obligations ^a	Revenue Bonds	General Obligation Bonds	Certificates of Obligation	Other Obligations ^a			
2005	\$ 3,290,000	\$ 6,239,000	\$ 1,158,346	\$ 8,555,000	\$ -	\$ 7,376,000	\$ -	\$ 26,618,346	7.06%	1,552
2006	9,340,000	10,758,300	1,836,354	8,405,000	-	7,131,700	-	37,471,354	8.46%	1,881
2007	13,795,000	5,766,450	1,688,606	8,155,000	-	6,878,550	-	36,283,606	7.32%	1,665
2008	13,350,000	5,513,450	1,113,569	7,820,000	-	6,676,550	-	34,473,569	6.85%	1,521
2009	22,885,000	7,749,300	657,496	11,670,000	-	18,760,700	-	61,722,496	11.31%	2,572
2010	31,684,000	6,980,000	273,586	11,225,000	2,106,000	16,500,000	270,000	69,038,586	10.92%	2,666
2011	30,679,400	6,630,000	90,000	10,755,000	1,950,600	16,500,000	270,000	66,875,000	10.58%	2,582
2012	33,348,254	2,260,000	321,018	6,740,000	4,866,746	22,340,000	125,000	70,001,018	9.52%	2,428
2013	34,335,527	8,170,000	202,689	3,055,000	7,504,473	21,890,000	-	75,157,689	8.11%	2,144
2014	32,307,738	10,930,000	175,177	-	9,407,262	21,060,000	-	73,880,177	8.23%	2,291

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

^aIncludes Tax Notes and Capital Leases

^bSee Table D-1 for personal income and population data

TOWN OF LITTLE ELM, TEXAS
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET VALUE BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE C-2

Fiscal Year	General Bonded Debt Outstanding ^c				Net General Bonded Debt	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Certificates of Obligation	Total	Less. Available Debt Service Funds			
2005	\$ 3,290,000	\$ 6,239,000	\$ 9,529,000	\$ -	\$ 9,529,000	1.21%	556
2006	9,340,000	10,758,300	20,098,300	-	20,098,300	2.03%	1,009
2007	13,795,000	5,766,450	19,561,450	-	19,561,450	1.65%	898
2008	13,350,000	5,513,450	18,863,450	-	18,863,450	1.34%	832
2009	22,885,000	7,749,300	30,634,300	-	30,634,300	2.01%	1,276
2010	31,684,000	6,980,000	38,664,000	-	38,664,000	2.58%	1,493
2011	30,679,400	6,630,000	37,309,400	451,192	36,858,208	2.48%	1,390
2012	38,215,000	2,260,000	40,475,000	554,894	39,920,106	2.58%	1,384
2013	41,840,000	8,170,000	50,010,000	567,931	49,442,069	2.94%	1,410
2014	41,715,000	10,930,000	52,645,000	367,338	52,277,662	3.11%	1,621

Notes: Details regarding the town's outstanding debt can be found in the notes to the financial statements

^a See Table B-1 for property value data

^b See Table D-1 for population data

^c This does not include Certificates of Obligations from Business-Type Activities. See Table C-1 for Business-Type Activities revenue based ratios

**TOWN OF LITTLE ELM, TEXAS
DIRECT AND OVERLAPPING DEBT
AS OF SEPTEMBER 30, 2014 (UNAUDITED)**

TABLE C-3

Governmental Unit	As of	Bonded Debt Principal	Percentage of Debt Applicable to Area ^d	Town of Little Elm Share of Overlapping Debt ^c
Debt repaid with property taxes				
Frisco I S D	Sep-14	\$ 1,581,733,571	2 45%	\$ 38,752,472
Little Elm I S D	Sep-14	141,381,817	55 35%	78,254,835
Denton County	Sep-14	614,975,000	2 96%	18,203,260
Subtotal, overlapping debt		\$ 2,338,090,388		135,210,567
Town of Little Elm Direct Debt ^a	Sep-13	\$ 73,705,000	100 00%	73,705,000
Total direct and overlapping debt				\$ 208,915,567
Ratio of direct and overlapping debt principal to taxable values ^b				12 41%
Ratio of direct and overlapping debt principal to actual market values ^b				11 10%

Source: Municipal Advisory Council of Texas

Notes: ^a Includes Governmental Activities debt

^b See Table B-1 for property value data

^c Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Little Elm, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

^d The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the various government's taxable assessed value that is within the government's boundaries and dividing it by the total taxable assessed value.

**TOWN OF LITTLE ELM, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS (UNAUDITED)**

TABLE C-4

The Town of Little Elm, Texas does not have a legal debt limit prescribed by state law. However, Article XI, Section 5 of the Texas Constitution applicable to cities of more than 5,000 population limits ad valorem tax rates to \$2.50 per \$100 assessed valuation for cities operating under a Home Rule Charter. Accordingly, the Town's tax margin for the previous ten years was:

	Fiscal Year									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Maximum Rate	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
Total Tax Rate	0.3575	0.3990	0.4700	0.5358	0.5700	0.6345	0.6652	0.6650	0.6650	0.6650
Legal Debt Margin	<u>\$ 2,142.5</u>	<u>\$ 2,101.0</u>	<u>\$ 2,030.0</u>	<u>\$ 1,964.2</u>	<u>\$ 1,930.0</u>	<u>\$ 1,865.5</u>	<u>\$ 1,834.8</u>	<u>\$ 1,835.0</u>	<u>\$ 1,835.0</u>	<u>\$ 1,835.0</u>

**TOWN OF LITTLE ELM, TEXAS
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS (UNAUDITED)**

TABLE C-5

Water and Sewer System Revenue Bonds

Fiscal Year	Total Revenues ^a	Less: Operating Expenses ^b	Net Available Revenue	Annual Requirement ^c	Times Coverage
2005	\$ 5,390,762	\$ 3,488,294	\$ 1,902,468	\$ 1,236,386	1.54
2006	7,295,428	4,291,128	3,004,300	1,388,991	2.16
2007	6,354,101	4,321,359	2,032,742	1,447,980	1.40
2008	7,041,071	5,862,757	1,178,314	1,400,696	0.84
2009	9,326,523	5,725,257	3,601,266	1,009,520	3.57
2010	9,654,239	4,778,442	4,875,797	1,399,923	3.48
2011	10,650,297	5,045,588	5,604,709	2,737,299	2.05
2012	11,319,089	5,495,379	5,823,710	1,283,032	4.54
2013	12,194,625	5,889,534	6,305,091	1,558,701	4.05
2014	12,908,682	6,275,068	6,633,614	1,645,568	4.03

Notes: ^aIncludes operating and non-operating revenues.

^bIncludes operating expenses minus depreciation.

^cIncludes annual debt service requirements for all bonds paid from system revenues

**TOWN OF LITTLE ELM, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)**

TABLE D-1

<u>Year</u>	<u>Estimated Population^a</u>	<u>Personal Income</u>	<u>Per Capita Personal Income^b</u>	<u>School Enrollment^c Little ELM ISD</u>	<u>Unemployment Rate^d Denton County</u>
2005	17,150	\$ 377,042,750	\$ 21,985	4,070	4.2%
2006	19,925	443,072,225	22,237	4,643	3.8%
2007	21,793	496,008,680	22,760	5,147	4.0%
2008	22,668	503,252,268	22,201	5,371	5.1%
2009	24,000	545,736,000	22,739	5,855	7.2%
2010	25,898	632,377,364	24,418	6,044	7.5%
2011	26,840	674,999,160	25,149	6,245	7.1%
2012	28,835	735,407,840	25,504	6,344	6.3%
2013	35,059	926,188,662	26,418	6,606	5.5%
2014	32,248	897,558,584	27,833	6,910	4.5%

Sources: ^aEstimated population provided North Central Texas Council of Governments

^bPer Capita Income provided by Census.gov

^cLittle Elm Independent School Districts.

^dFederal Deposit Insurance Corporation, FDIC.gov

Note: Personal income is calculated by multiplying estimated population by per capita personal income.

**TOWN OF LITTLE ELM, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

TABLE D-2

<u>2014</u>			<u>2005</u>		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Little Elm ISD	757	21.32%	Little Elm ISD	390	22.29%
Kroger	250	7.04%	Retractable Technologies	137	7.83%
Town of Little Elm	226	6.37%	Town of Little Elm	115	6.57%
Retractable Technologies	157	4.42%	G P E	50	2.86%
Lowes Home Center	141	3.97%	Sonic Drive-in	40	2.29%
Applebee's	70	1.97%	Animal Quackers	20	1.14%
24 Hour Fitness	35	0.99%	Key's Supermarket	20	1.14%
Hobby Lobby	30	0.85%	U S Post Office	17	0.97%
Children's Lighthouse	26	0.73%	Chef Jeff	15	0.86%
Discount Tire Company	20	0.56%	Dollar General	14	0.80%
Total	<u>1,712</u>	<u>48.22%</u>		<u>818</u>	<u>46.74%</u>
Total Little Elm Daytime Employees	3,550		Total Little Elm Daytime Employees	1,750	

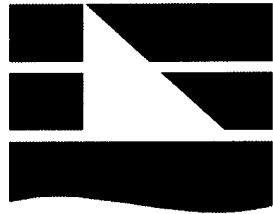
Source: Top ten employers and employee count provided by Little Elm Economic Development Corporation

TOWN OF LITTLE ELM, TEXAS
FULL-TIME EQUIVALENT GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE E-1

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	11 00	14 00	14 00	14 50	15 00	15 00	16 00	15 50	21 00	19 50
Public Safety	50 00	57 00	65 00	69 00	74 00	75 00	76 00	80 00	85 50	90 00
Public Works	9 00	11 00	12 00	13 00	16 00	18 00	20 00	22 00	21 00	18 50
Culture and Recreational	15 50	16 00	17 50	21 00	24 50	24 00	21 00	29 50	31 50	32 50
Planning and Development	10 00	10 00	10 00	10 50	11 00	8 00	7 00	13 00	10 00	15 00
Water and Sewer	20 00	23 00	29 00	29 00	30 00	26 00	30 00	23 50	27 00	30 00
Total	<u>115 50</u>	<u>131 00</u>	<u>147 50</u>	<u>157 00</u>	<u>170 50</u>	<u>166 00</u>	<u>170 00</u>	<u>183 50</u>	<u>196 00</u>	<u>205 50</u>

Source: Town Departments



LITTLE ELM