

CITY OF PRINCETON, TEXAS
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

h. Subsequent Events

The EDC has evaluated all events or transactions that occurred after September 30, 2014 up through March 23, 2015, the date the financial statements were available to be issued. During this period, management was unaware of any subsequent events requiring disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PRINCETON, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014

SCHEDULE OF PENSION TRUST - TMRS FUNDING PROGRESS AND CONTRIBUTIONS
LAST EIGHT FISCAL YEARS (UNAUDITED)

Actuarial Valuation Date	12/31/2013	12/31/2012	12/31/2011	12/31/2010	12/31/2009	12/31/2008	12/31/2007	12/31/2006
Value of Assets	\$ 3,576,543	\$ 3,258,017	\$ 2,940,847	\$ 2,715,798	\$ 1,577,061	\$ 1,318,766	\$ 1,153,470	\$ 978,468
Accrued Liability	3,987,431	3,385,994	3,164,265	3,086,373	1,966,364	1,629,304	1,435,364	799,305
(Unfunded) Accrued Liability	\$ (410,888)	\$ (127,977)	\$ (223,418)	\$ (370,575)	\$ (389,303)	\$ (310,538)	\$ (281,894)	\$ 179,163
Percentage Funded	89.7%	96.2%	92.9%	88.0%	80.2%	80.9%	80.4%	122.4%
Annual Covered Payroll	\$ 1,509,757	\$ 1,486,329	\$ 1,438,064	\$ 1,677,830	\$ 1,699,836	\$ 1,394,327	\$ 1,436,773	\$ 1,324,565
Ratio of Funded (Unfunded) to Annual Covered Payroll	-27.2%	-8.6%	-15.5%	-22.1%	-22.9%	-22.3%	-19.6%	13.5%
Financial Year Ended September 30,	2014	2013	2012	2011	2010	2009	2008	2007
Annual Required Contributions	\$ 150,300	\$ 119,356	\$ 130,694	\$ 148,991	\$ 143,654	\$ 111,833	\$ 102,088	\$ 99,193
Contributions Made	\$ 150,300	\$ 119,356	\$ 130,694	\$ 148,991	\$ 143,654	\$ 111,833	\$ 102,088	\$ 99,193
Percent Contributed	100%	100%	100%	100%	100%	100%	100%	100%

INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CITY OF PRINCETON, TEXAS
BUDGETARY COMPARISON SCHEDULE - DEBT SERVICE FUND
(MODIFIED ACCRUAL BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUE				
Property taxes	\$ 695,777	\$ 695,777	\$ 684,552	\$ (11,225)
Intergovernmental	-	-	-	-
Investment income	330	330	119	(211)
Total Revenues	<u>696,107</u>	<u>696,107</u>	<u>684,671</u>	<u>(11,436)</u>
EXPENDITURES				
Current:				
Administrative	2,000	2,000	7,176	(5,176)
Debt service:				
Principal retirement	419,750	419,750	398,200	21,550
Interest	263,527	263,527	200,596	62,931
Total expenditures	<u>685,277</u>	<u>685,277</u>	<u>605,972</u>	<u>79,305</u>
Excess (deficiency) of revenues over (under) expenditures	10,830	10,830	78,699	67,869
Other revenues and financing sources (uses)				
Transfers	-	-	(84,550)	(84,550)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(84,550)</u>	<u>(84,550)</u>
Net change in fund balance	10,830	10,830	(5,851)	(16,681)
Fund Balances/Equity, October 1	<u>436,983</u>	<u>436,983</u>	<u>436,983</u>	
Fund Balances/Equity, September 30	<u>\$ 447,813</u>	<u>\$ 447,813</u>	<u>\$ 431,132</u>	

**CITY OF PRINCETON, TEXAS
BALANCE SHEET - COMPONENT UNIT
COMMUNITY DEVELOPMENT CORPORATION
SEPTEMBER 30, 2014**

	CDC Fund
ASSETS	
Receivables (net of allowances for uncollectibles)	\$ 48,114
Total assets	<u>48,114</u>
LIABILITIES	
Accounts payable	927
Due to primary government	101,147
Accrued expenses	845
Total Liabilities	<u>102,919</u>
FUND BALANCE	
Unassigned	(54,805)
Total fund balance	<u>(54,805)</u>
Total liabilities and fund balance	<u>\$ 48,114</u>

CITY OF PRINCETON, TEXAS
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION - COMMUNITY DEVELOPMENT CORPORATION
SEPTEMBER 30, 2014

Total fund balances - governmental funds balance sheet	<u>\$ (54,805)</u>
Amounts reported for governmental activities 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 funds.	9,275
Accumulated depreciation has not been included in the governmental fund financial statements.	(9,275)
Notes payable to the primary government are not included in the governmental fund financial statements.	(701,466)
Accrued liabilities for compensated absences are not included in the fund financial statements.	(4,665)
Net position of governmental activities - statement of net position	<u><u>\$ (760,936)</u></u>

**CITY OF PRINCETON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - COMPONENT UNIT
COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>CDC Fund</u>
REVENUE	
Sales and use tax	\$ 286,258
Investment income	64
Total revenues	<u>286,322</u>
EXPENDITURES	
Current:	
Personnel costs	23,203
Contract services	1,501
Repairs and maintenance	4,209
Supplies and materials	1,063
Administration	18,459
Community contributions	221,308
Debt service:	
Principal retirement	<u>81,051</u>
Total expenditures	<u>350,794</u>
Excess (deficiency) of revenues over (under) expenditures	 (64,472)
Other revenues and financing sources (uses)	<u> </u>
Total other financing sources (uses)	<u>-</u>
Net change in fund balance	(64,472)
Fund balance - beginning of year	<u>9,667</u>
Fund balance - end of year	<u>\$ (54,805)</u>

**CITY OF PRINCETON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES - COMMUNITY DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Net change in fund balance - total governmental fund	\$ (64,472)
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Amounts reported for governmental activities in the statement of activities are different because:

Changes to accrued compensated absences are not shown in the fund financial statements. The net effect of the current year is to decrease net position.	(424)
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Current year long-term debt principal payments on tax notes payable are expenditures in the fund financial statements but are shown as reductions in long-term debt in the government-wide financial statements.	81,051
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Change in net position of governmental activities - statement of activities	<u>\$ 16,155</u>
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CITY OF PRINCETON, TEXAS
BALANCE SHEET - COMPONENT UNIT
ECONOMIC DEVELOPMENT CORPORATION
SEPTEMBER 30, 2014

	<u>EDC Fund</u>
ASSETS	
Cash and cash equivalents	\$ 580,386
Receivables (net of allowance for uncollectibles)	48,114
Total assets	<u>628,500</u>
LIABILITIES	
Accounts payable	1,179
Accrued expenses	831
Total liabilities	<u>2,010</u>
FUND BALANCE	
Unassigned	626,490
Total fund balance	<u>626,490</u>
Total liabilities and fund balance	<u>\$ 628,500</u>

**CITY OF PRINCETON, TEXAS
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION - ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Total fund balance - governmental fund balance sheet	\$ 626,490
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Amounts reported for governmental activities 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 funds.	1,279,901
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Tax notes payable and contractual obligations are not included in the governmental fund financial statements.	(992,436)
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Accrued liabilities for compensated absences are not included in the fund financial statements.	(4,665)
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Net position of governmental activities - statement of net position	<u>\$ 909,290</u>
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**CITY OF PRINCETON, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - COMPONENT UNIT
ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>EDC Fund</u>
REVENUE	
Sales and use tax	\$ 286,258
Investment income	188
Total revenues	<u>286,446</u>
EXPENDITURES	
Current:	
Personnel costs	23,853
Administrative Costs	18,343
Contract Services	5,695
Supplies and materials	332
Repairs and maintenance	4,206
Contributions	45,000
Debt Service:	
Principal retirement	35,854
Interest	51,202
Capital Outlay	37,901
Total expenditures	<u>222,386</u>
 Excess (deficiency) of revenues over (under) expenditures	 64,060
 Other Revenues and Financing Sources (uses)	
Total Other Financing Sources (uses)	<u>-</u>
 Net Change in Fund Balance	 64,060
 Fund Balance, beginning of year	 <u>562,430</u>
Fund Balance, end of year	<u><u>\$ 626,490</u></u>

**CITY OF PRINCETON, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES - ECONOMIC DEVELOPMENT CORPORATION
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Net change in fund balance - total governmental funds	\$ 64,060
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Amounts reported for governmental activities in the statement of activities are different because:

Current year capital outlays are expenditures in the fund financial statements, but these are shown as an increase in capital assets in the government-wide financial statements. The effect of removing the current year capital outlays is to increase net position.	37,901
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Current year long term debt principal payments on bonds payable are expenditures in the fund financial statements but are shown as reduction in long term debt in the government-wide financial statements.	35,854
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Changes to accrued compensated absences are not shown in the fund financial statements. The net effect of the current year is to increase net position.	3,622
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Change in net position of governmental activities - statement of activities	<u><u>\$ 141,437</u></u>
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CITY OF PRINCETON, TEXAS
BUDGETARY COMPARISON SCHEDULE - COMMUNITY DEVELOPMENT CORPORATION
(MODIFIED ACCRUAL BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUE				
Sales and use tax	\$ 243,586	\$ 243,586	\$ 286,258	\$ 42,672
Investment income	168	168	64	(104)
Total revenues	<u>243,754</u>	<u>243,754</u>	<u>286,322</u>	<u>42,568</u>
EXPENDITURES				
Current:				
Personnel costs	24,160	24,160	23,203	957
Contract services	1,500	1,500	1,501	(1)
Repairs and maintenance	1,320	1,320	4,209	(2,889)
Supplies and materials	670	670	1,063	(393)
Administration	23,015	23,015	18,459	4,556
Community contributions	221,820	221,820	221,308	512
Debt service:				
Principal retirement	63,000	63,000	81,051	(18,051)
Interest	18,051	18,051	-	18,051
Capital Outlay	-	-	-	-
Total expenditures	<u>353,536</u>	<u>353,536</u>	<u>350,794</u>	<u>2,742</u>
Excess (deficiency) of revenues over (under) expenditures	(109,782)	(109,782)	(64,472)	45,310
Other revenues and financing sources (uses)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(109,782)	(109,782)	(64,472)	45,310
Fund balance - beginning of year	9,667	9,667	9,667	
Fund balance - end of year	<u>\$ (100,115)</u>	<u>\$ (100,115)</u>	<u>\$ (54,805)</u>	

CITY OF PRINCETON, TEXAS
BUDGETARY COMPARISON SCHEDULE - ECONOMIC DEVELOPMENT CORPORATION
(MODIFIED ACCRUAL BASIS)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUE				
Sales and use tax	\$ 243,418	\$ 243,418	\$ 286,258	\$ 42,840
Investment income	609	609	188	(421)
Total revenues	<u>244,027</u>	<u>244,027</u>	<u>286,446</u>	<u>42,419</u>
EXPENDITURES				
Current:				
Personnel costs	24,160	24,160	23,853	307
Administrative Costs	20,515	20,515	18,343	2,172
Contract Services	6,500	6,500	5,695	805
Supplies and materials	620	620	332	288
Repairs and maintenance	1,320	1,320	4,206	(2,886)
Contributions	-	-	45,000	(45,000)
Debt Service:				
Principal retirement	35,854	35,854	35,854	-
Interest	50,565	50,565	51,202	(637)
Capital Outlay	45,000	45,000	37,901	7,099
Total expenditures	<u>184,534</u>	<u>184,534</u>	<u>222,386</u>	<u>(37,852)</u>
Excess (deficiency) of revenues over (under) expenditures	59,493	59,493	64,060	4,567
Other Revenues and Financing Sources (uses)				
Total Other Financing Sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	59,493	59,493	64,060	4,567
Fund Balance/Equity, beginning of year	562,430	562,430	562,430	
Fund Balance/Equity, end of year	<u>\$ 621,923</u>	<u>\$ 621,923</u>	<u>\$ 626,490</u>	

STATISTICAL SECTION (UNAUDITED)

STATISTICAL SECTION
(unaudited)

This part of the City of Princeton'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 City's overall financial health. This information has not been audited by the independent auditor.

Contents

Table Numbers

Financial Trends

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

1-5

Revenue Capacity

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

6-9

Debt Capacity

These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

10-14

Economic and Demographic Information

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

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Operating Information

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

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Source: Unless otherwise noted, the information in these tables is derived from the Comprehensive Annual Financial Report for the relevant year. The City implemented GASB Statement 34 in fiscal year 2004. Tables presenting government-wide information begin that year.

CITY OF PRINCETON, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ (159,274)	\$ (180,691)	\$ 78,809	\$ 629,151	\$ 582,670	\$ 3,603,140	\$ 2,472,934	\$ 5,151,105	\$ 6,626,161	\$ 6,640,339
Restricted	657,956	2,194,006	2,504,528	601,405	935,212	354,706	5,128,261	2,162,925	642,768	2,990,401
Unrestricted	1,008,610	(252,092)	(1,505,169)	162,639	344,025	731,737	70,229	666,375	2,317,036	483,094
Total governmental activities net position	1,507,292	1,761,223	1,078,168	1,393,195	1,861,907	4,689,583	7,671,424	7,980,405	9,585,965	10,113,834
Business-type activities										
Net investment in capital assets	1,047,505	311,908	2,530,802	2,268,482	3,060,969	1,924,566	3,828,257	3,572,269	3,460,166	4,876,332
Restricted	303,745	44,135	567,909	431,377	124,237	323,770	734,362	620,769	766,049	808,064
Unrestricted	1,908,931	3,663,659	1,199,545	2,074,815	2,279,014	2,983,938	968,438	1,115,827	1,192,221	1,839,812
Total business-type activities net position	3,260,181	4,019,702	4,298,256	4,774,674	5,464,220	5,232,274	5,531,057	5,308,865	5,418,436	7,524,208
Primary government										
Net investment in capital assets	888,231	131,217	2,609,611	2,897,633	3,643,639	5,527,706	6,301,191	8,723,374	10,086,327	11,516,671
Restricted	961,701	2,238,141	3,072,437	1,032,782	1,059,449	678,476	5,862,623	2,783,694	1,408,817	3,798,465
Unrestricted	2,917,541	3,411,567	(305,624)	2,237,454	2,623,039	3,715,675	1,038,667	1,782,202	3,509,257	2,322,906
Total primary government net position	\$ 4,767,473	\$ 5,780,925	\$ 5,376,424	\$ 6,167,869	\$ 7,326,127	\$ 9,921,857	\$ 13,202,481	\$ 13,289,270	\$ 15,004,401	\$ 17,638,042

CITY OF PRINCETON, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (accrual basis of accounting - unaudited)

Table 2

	FISCAL YEAR				
	2005	2006	2007	2008	2009
EXPENSES					
Government Activities					
General Government	\$ 596,939	\$ 635,509	\$ 699,201	\$ 650,757	\$ 444,068
Public Safety	873,334	1,207,121	1,202,927	1,203,205	1,308,389
Public Works	233,942	342,815	687,112	763,902	539,521
Public Services and Operations	143,526	295,156	267,581	282,444	254,443
Parks and Recreation	143,449	117,000	120,946	94,347	184,002
Sanitation	184,785	-	-	-	-
Development	180,976	-	-	-	-
Economic Development	-	27,201	-	-	-
Interest Expense	87,015	107,601	147,574	162,894	210,986
Total government activities expenses	<u>2,443,966</u>	<u>2,732,403</u>	<u>3,125,341</u>	<u>3,157,549</u>	<u>2,941,409</u>
Business-Type Activities					
Water and Sewer	1,303,209	1,771,179	2,107,528	2,308,804	2,670,635
Total Business-Type Activities	<u>1,303,209</u>	<u>1,771,179</u>	<u>2,107,528</u>	<u>2,308,804</u>	<u>2,670,635</u>
Total Primary Government Expenses	<u>3,747,175</u>	<u>4,503,582</u>	<u>5,232,869</u>	<u>5,466,353</u>	<u>5,612,044</u>
PROGRAM REVENUES					
Governmental Activities					
Charge for Services:					
General Government	13,555	54,472	2,657	97,644	2,240
Public Safety	117,745	463,018	419,736	271,835	309,225
Public Works	3,813	390,388	321,266	227,078	240,098
Sanitation	216,008	-	-	-	-
Development	555,526	-	-	-	-
Parks and Recreation	-	-	180	32,230	8,325
Operating Grants and Contributions	31,374	-	8,998	242,133	55,802
Capital Grants and Contributions	20,100	35,314	64,307	-	-
Total Governmental Activities Program Revenues	<u>958,121</u>	<u>943,192</u>	<u>817,144</u>	<u>870,920</u>	<u>615,690</u>
Business-Type Activities					
Charge for Services:					
Water and Sewer	1,510,046	2,470,716	2,292,262	2,598,224	2,540,971
Capital Grants and Contributions	-	-	-	23,332	300,121
Total Business-Type Activities Program Revenues	<u>1,510,046</u>	<u>2,470,716</u>	<u>2,292,262</u>	<u>2,621,556</u>	<u>2,841,092</u>
Total Primary Government Program Revenues	<u>2,468,167</u>	<u>3,413,908</u>	<u>3,109,406</u>	<u>3,492,476</u>	<u>3,456,782</u>
NET (EXPENSE) REVENUES					
Governmental Activities	(1,485,845)	(1,789,211)	(2,308,197)	(2,286,629)	(2,325,719)
Business-Type Activities	206,837	699,537	184,734	312,752	170,457
Total Primary Government Program Revenues	<u>(1,279,008)</u>	<u>(1,089,674)</u>	<u>(2,123,463)</u>	<u>(1,973,877)</u>	<u>(2,155,262)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Property	\$ 914,998	\$ 1,088,605	\$ 1,512,827	\$ 1,620,974	\$ 2,065,415
Sales	406,240	604,080	341,644	365,080	342,593
Franchise	104,851	122,484	127,119	152,796	190,349
Beverage	-	2,257	2,539	3,137	3,113
Investment Income	45,962	121,844	186,603	129,242	34,295
Donations	-	-	-	-	22,883
Miscellaneous	33,425	13,716	25,160	25,996	47,680
Insurance refunds	-	-	-	4,309	-
Intergovernmental	-	19,372	89,315	-	138,019
Transfers	-	23,096	25,142	24,476	(350,449)
Total Governmental Activities	<u>1,505,476</u>	<u>1,995,454</u>	<u>2,310,349</u>	<u>2,326,010</u>	<u>2,493,898</u>
Business-Type Activities:					
Investment Income	52,361	69,392	71,135	185,504	41,805
Miscellaneous	241,225	61,376	139	2,638	31,911
Extraordinary Items	-	-	-	-	-
Transfers	-	(23,096)	(25,142)	(24,476)	350,449
Total Business-Type Activities	<u>293,586</u>	<u>107,672</u>	<u>46,132</u>	<u>163,666</u>	<u>424,165</u>
Total Primary Government Revenues	<u>1,799,062</u>	<u>2,103,126</u>	<u>2,356,481</u>	<u>2,489,676</u>	<u>2,918,063</u>
CHANGE IN NET POSITION					
Governmental Activities:	19,631	206,243	2,152	39,381	168,179
Business-Type Activities:	500,423	807,209	230,866	476,418	594,622
Total Primary Government Program Net Expenses	<u>\$ 520,054</u>	<u>\$ 1,013,452</u>	<u>\$ 233,018</u>	<u>\$ 515,799</u>	<u>\$ 762,801</u>

CITY OF PRINCETON, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS (accrual basis of accounting - unaudited)

Table 2
(continued)

	FISCAL YEAR				
	2010	2011	2012	2013	2014
EXPENSES					
Government Activities					
General Government	\$ 525,180	\$ 787,033	\$ 541,838	\$ 704,619	\$ 728,324
Public Safety	1,233,166	1,310,826	1,374,721	1,380,786	1,244,648
Public Works	409,971	562,550	442,915	603,570	1,113,223
Public Services and Operations	246,159	272,659	274,184	294,647	497,095
Parks and Recreation	242,239	197,735	294,768	307,933	245,950
Sanitation	-	-	-	-	-
Development	-	-	-	-	-
Economic Development	-	-	-	-	-
Interest Expense	328,953	322,897	289,026	262,039	215,011
Total government activities expenses	2,985,668	3,453,700	3,217,452	3,553,594	4,044,251
Business-Type Activities					
Water and Sewer	3,220,575	3,837,065	3,837,603	4,318,861	4,449,142
Total Business-Type Activities	3,220,575	3,837,065	3,837,603	4,318,861	4,449,142
Total Primary Government Expenses	6,206,243	7,290,765	7,055,055	7,872,455	8,493,393
PROGRAM REVENUES					
Governmental Activities					
Charge for Services:					
General Government	-	-	-	-	-
Public Safety	249,280	267,848	234,570	271,837	353,545
Public Works	246,784	224,209	259,738	291,606	724,455
Sanitation	-	-	-	-	-
Development	-	-	-	-	-
Parks , Recreation, and Public Services	14,119	9,421	15,489	17,972	83,217
Operating Grants and Contributions	16,321	39,182	213,574	1,015,344	148,283
Capital Grants and Contributions	21,045	3,400	200,014	849,804	266,308
Total Governmental Activities Program Revenues	547,549	544,060	923,385	2,446,563	1,575,808
Business-Type Activities					
Charge for Services:					
Water and Sewer	3,191,055	3,850,211	3,694,915	4,382,048	4,812,038
Capital Grants and Contributions	-	239,917	145,353	74,680	-
Total Business-Type Activities Program Revenues	3,191,055	4,090,128	3,840,268	4,456,728	4,812,038
Total Primary Government Program Revenues	3,738,604	4,634,188	4,763,653	6,903,291	6,387,846
NET (EXPENSE) REVENUES					
Governmental Activities	(2,438,119)	(2,909,640)	(2,294,067)	(1,107,031)	(2,468,443)
Business-Type Activities	(29,520)	253,063	2,665	137,867	362,896
Total Primary Government Program Revenues					
Net Expenses	(2,467,639)	(2,656,577)	(2,291,402)	(969,164)	(2,105,547)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION					
Governmental Activities:					
Taxes:					
Property	\$ 2,082,305	\$ 2,060,352	\$ 2,072,551	\$ 2,131,994	\$ 2,228,700
Sales	368,307	387,708	447,973	501,970	572,515
Franchise	211,703	227,551	225,711	189,738	216,724
Beverage	2,724	-	2,368	3,190	1,861
Investment Income	18,541	9,552	15,913	11,114	6,702
Donations	11,496	306,348	7,135	8,800	17,010
Miscellaneous	19,368	30,382	38,630	38,226	37,350
Insurance refunds	-	-	-	-	-
Intergovernmental	2,592,361	2,896,341	-	-	-
Transfers	(54,097)	(26,753)	609	(32,841)	(84,550)
Total Governmental Activities	5,252,708	5,891,481	2,810,890	2,852,191	2,996,312
Business-Type Activities:					
Investment Income	3,293	757	256	332	4,167
Miscellaneous	22,381	18,210	1,491	1,931	3,856
Extraordinary Items	75,000	-	-	-	-
Transfers	54,097	26,753	(609)	32,841	84,550
Total Business-Type Activities	154,771	45,720	1,138	35,104	92,573
Total Primary Government Revenues	5,407,479	5,937,201	2,812,028	2,887,295	3,088,885
CHANGE IN NET POSITION					
Governmental Activities:	2,814,589	2,981,841	516,823	1,745,160	527,869
Business-Type Activities:	125,251	298,783	3,803	172,971	455,469
Total Primary Government Program Net Expenses	\$ 2,939,840	\$ 3,280,624	\$ 520,626	\$ 1,918,131	\$ 983,338

CITY OF PRINCETON, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(unaudited)

Table 3

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Alcoholic Beverage Tax	Total
2005	\$ 914,998	\$ 406,240	\$ 104,851	\$ -	\$ 1,426,089
2006	1,088,605	604,080	112,484	2,257 *	1,807,426
2007	1,512,827	341,644	127,119	2,539	1,984,129
2008	1,620,974	365,080	152,796	3,137	2,141,987
2009	2,065,415	342,593	190,349	3,113	2,601,470
2010	2,082,305	368,307	211,703	2,724	2,665,039
2011	2,060,352	387,708	227,551	3,542	2,679,153
2012	2,072,551	447,973	225,711	2,368	2,748,603
2013	2,131,994	501,970	189,738	3,190	2,826,892
2014	\$ 2,228,700	\$ 572,515	\$ 216,724	\$ 1,861	\$ 3,019,800

* First year of beverage tax

CITY OF PRINCETON, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable-prepaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,751.00	\$ -	\$ -
Restricted for:										
Court and Child Safety	-	44,445	-	-	74,217	64,418	8,828	11,136	13,472	82,263
Park Improvements	-	-	-	-	-	-	-	-	-	69,761
PEG Capital	-	-	-	-	-	-	-	7,478	16,915	23,965
Committed for:										
Fire	-	-	-	-	-	-	18,731	89,034	101,675	99,824
Capital Improvements	184,318	1,641,735	1,863,864	1,612,820	5,431,819	3,468,661	-	-	-	-
Assigned for:										
Police	-	-	-	-	-	1,084	1,084	4,015	2,439	2,439
Scholarships	-	-	-	-	-	-	-	-	-	2,362
Unassigned	663,073	716,592	348,902	351,407	245,609	402,869	(273,162)	(144,933)	8,211	517,024
Total General Fund	847,391	2,402,772	2,212,766	1,964,227	5,751,645	3,937,032	(244,519)	(23,519)	142,712	797,638
All Other Government Funds *										
Restricted for:										
Debt Service	473,638	507,828	640,664	590,964	277,778	290,288	342,532	372,018	436,983	431,132
Capital Improvements	227,347	518,878	-	(152,474)	(203,476)	122,361	4,771,097	2,496,018	2,641,610	2,452,981
Committed for:										
Capital Improvements Parks	-	-	-	-	-	-	-	-	239,739	-
Total All Other Governmental Fund	\$ 700,985	\$ 1,026,704	\$ 640,664	\$ 438,490	\$ 74,302	\$ 412,649	\$ 5,113,629	\$ 2,868,036	\$ 3,318,332	\$ 2,884,113

* The Special Revenue Fund consisted of the EDC and CDC. These were reclassified as discretely presented component units beginning in 2007.

CITY OF PRINCETON, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 5

	FISCAL YEAR				
	2005	2006	2007	2008	2009
REVENUES					
Property Taxes	\$ 899,443	\$ 1,076,646	\$ 1,512,827	\$ 1,620,974	\$ 2,075,209
Non-Property Taxes	511,091	728,821	471,302	521,013	536,055
License and Permits	551,668	-	321,266	227,078	240,298
Development	-	603,408	-	-	-
Sanitation	216,008	252,500	-	-	-
Impact Fees	20,100	-	-	-	-
Fines/Court	117,700	304,006	375,862	241,470	267,448
Investment Income	45,962	121,844	186,604	129,242	34,296
Intergovernmental	-	-	89,316	87,927	139,520
Parks	-	435	180	-	-
Library	-	16,825	-	-	-
Public Safety	-	2,576	46,531	-	-
Grants	-	-	73,305	242,133	55,802
Charge for Services	-	-	-	72,312	50,641
Donations	-	-	-	-	22,883
Miscellaneous	78,354	49,030	25,160	25,996	47,679
Total Revenues	2,440,326	3,156,091	3,102,353	3,168,145	3,469,831
EXPENDITURES					
General Government	549,594	623,429	659,547	630,669	437,374
Public Safety	755,353	1,094,516	1,141,785	1,233,888	1,125,917
Public Works	247,773	296,310	615,888	692,185	555,308
Sanitation	184,785	204,812	-	-	-
Public Services and Operations	-	-	270,878	280,392	251,771
Development	180,976	293,217	-	-	-
Parks	113,858	82,504	84,303	22,879	141,724
Library	25,306	33,447	31,962	78,828	26,052
Community Development*	-	1,939	-	-	-
Economic Development*	-	27,201	-	-	-
Capital Outlay	795,203	25,795	-	392,433	1,002,291
Debt Service:					
Principal	138,481	153,647	183,000	204,000	1,581,501
Interest and Other Charges	105,321	96,270	147,574	151,353	160,197
Issuance Cost and Bond Refunding	-	-	-	-	-
Total Expenditures	3,096,650	2,933,087	3,134,937	3,686,627	5,282,135
OTHER FINANCING SOURCES (USES)					
Note/Bond Proceeds	-	1,635,000	-	-	5,431,819
Payments to Bond Refunding Escrow Agent	-	-	-	-	-
Insurance Refund	-	-	-	15,241	-
Sale of Assets	-	-	-	-	-
Capital Leases	67,172	-	-	28,052	-
Transfers	(37,432)	23,096	25,142	24,476	(350,449)
Total Other Financing Sources (Uses)	29,740	1,658,096	25,142	67,769	5,081,370
NET CHANGE IN FUND BALANCES	(626,584)	1,881,100	(7,442)	(450,713)	3,269,066
Debt Service as a percentage of Non-Capital Expenditures	10.59%	8.60%	10.54%	10.79%	40.70%

Note: With the adoption of GASB63 which issued a change in accounting principles, bond issuance costs have been expensed.

* The Special Revenue Fund consisted of the EDC and CDC. These were reclassified as discretely presented component units beginning in 2007.

CITY OF PRINCETON, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(unaudited)

Table 5
(continued)

	FISCAL YEAR				
	2010	2011	2012	2013	2014
REVENUES					
Property Taxes	\$ 2,102,158	\$ 2,052,550	\$ 2,108,665	\$ 2,148,647	\$ 2,229,646
Non-Property Taxes	582,734	618,801	676,052	694,898	791,100
License and Permits	246,784	222,194	259,738	291,606	724,455
Development	-	-	-	-	-
Sanitation	-	-	-	-	-
Impact Fees	-	-	-	-	-
Fines/Court	210,408	204,011	195,497	223,980	325,175
Investment Income	18,542	9,552	15,913	11,114	6,702
Intergovernmental	2,592,361	2,862,740	246,248	768,746	217,809
Parks	-	-	-	-	-
Library	-	-	-	-	-
Public Safety	-	-	-	-	-
Grants	37,366	40,484	159,988	85,994	11,525
Charge for Services	52,991	48,252	69,510	91,097	83,217
Donations	11,496	306,348	11,722	17,680	17,010
Miscellaneous	19,367	26,843	38,630	40,186	29,947
Total Revenues	5,874,207	6,391,775	3,781,963	4,373,948	4,436,586
EXPENDITURES					
General Government	469,005	744,937	490,861	609,017	725,630
Public Safety	1,144,097	1,304,248	1,174,580	1,151,292	1,293,428
Public Works	342,198	444,451	333,393	429,004	460,504
Sanitation	-	-	-	-	-
Public Services and Operations	244,025	268,658	269,557	291,680	276,377
Development	-	-	-	-	-
Parks	190,555	185,225	229,804	109,854	95,038
Library	40,913	-	210	133,852	95,733
Community Development*	-	-	-	-	-
Economic Development*	-	-	-	-	-
Capital Outlay	4,386,064	2,234,246	2,604,944	1,696,947	494,965
Debt Service:					
Principal	386,840	638,357	494,283	566,061	478,089
Interest and Other Charges	355,766	324,670	287,818	258,593	211,565
Issuance Cost and Bond Refunding	-	65,000	-	28,143	-
Total Expenditures	7,559,463	6,209,792	5,885,450	5,274,443	4,131,329
OTHER FINANCING SOURCES (USES)					
Note/Bond Proceeds	250,000	1,481,682	114,066	1,549,861	-
Payments to Bond Refunding Escrow Agent	-	(1,144,500)	-	-	-
Insurance Refund	-	-	-	-	-
Sale of Assets	-	27,021	-	-	-
Capital Leases	-	-	-	-	-
Transfers	(54,097)	(26,753)	609	(32,841)	(84,550)
Total Other Financing Sources (Uses)	195,903	337,450	114,675	1,517,020	(84,550)
NET CHANGE IN FUND BALANCES	(1,489,353)	519,433	(1,988,812)	616,525	220,707
Debt Service as a percentage of Non-Capital Expenditures	23.40%	24.22%	23.84%	23.05%	18.97%

Note: With the adoption of GASB63 which issued a change in accounting principles, bond issuance costs have been expensed.

* The Special Revenue Fund consisted of the EDC and CDC. These were reclassified as discretely presented component units beginning in 2007.

Table 6

CITY OF PRINCETON, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (unaudited)

Fiscal Year Ended Sept. 30	Real Property		Personal Property Other	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Gross Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2005	\$ 113,180,344	\$ 28,143,731	\$ 10,791,812	\$ (17,216,564)	\$ 134,899,323	\$ 0.675000	\$ 152,115,887	88.68%
2006	139,957,854	30,662,869	9,233,721	(22,883,994)	156,970,450	0.675000	179,854,444	87.28%
2007	199,332,938	30,950,271	13,162,445	(40,088,236)	203,357,418	0.649700	243,445,654	83.53%
2008	273,868,089	34,332,079	15,228,146	(52,816,440)	270,611,874	0.649600	323,428,314	83.67%
2009	289,549,844	37,574,527	16,142,134	(61,900,306)	281,366,199	0.728394	343,266,505	81.97%
2010	278,538,937	31,462,248	24,609,961	(53,436,205)	281,174,941	0.728394	334,611,146	84.03%
2011	278,592,732	33,766,205	27,487,082	(58,979,246)	280,866,773	0.728394	339,846,019	82.65%
2012	295,401,109	42,701,207	2,497,520	(59,111,138)	281,488,698	0.756932	340,599,836	82.64%
2013	293,259,335	44,359,953	2,333,729	(62,018,127)	277,934,890	0.756320	339,953,017	81.76%
2014	364,887,976	52,483,026	2,471,089	(75,771,626)	344,070,465	0.738999	419,842,091	81.95%

Source: Collin County Appraisal District

Note: Property is reassessed annually. Property is assessed at actual value; therefore, the assessed values are equal to the actual value. Tax rates are per \$100 of assessed value.

CITY OF PRINCETON, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(PER \$100 OF ASSESSED VALUE)
(unaudited)

Table 7

Fiscal Year Ended Sept. 30	City Direct Rates			Overlapping Rates*		
	Operating/ General Rage	General Obligation Debt Service	Total Direct	Princeton Independent School District	Collin County	Collin County Community College
2005	\$ 0.443996	\$ 0.231004	\$ 0.675000	\$ 1.747760	\$ 0.250000	-
2006	0.432182	0.242818	0.675000	1.591400	0.245000	-
2007	0.405500	0.244200	0.649700	1.368700	0.245000	-
2008	0.439990	0.288404	0.728394	1.490000	0.245000	-
2009	0.439990	0.288404	0.728394	1.490000	0.245000	-
2010	0.439990	0.288404	0.728394	1.591400	0.245000	0.086300
2011	0.439990	0.288404	0.728394	1.490000	0.240000	0.863000
2012	0.439990	0.288404	0.728394	1.473600	0.240000	0.863000
2013	0.489487	0.267445	0.756932	1.480000	0.240000	0.862990
2014	\$ 0.511969	\$ 0.227030	\$ 0.738999	\$ 1.510000	\$ 0.237500	0.836430

CITY OF PRINCETON, TEXAS
 PRINCIPAL TAXPAYERS
 SEPTEMBER 30, 2014
 (unaudited)

Table 8

Taxpayer	Assessed Taxable Value FY2014	Rank	Percentage of Assessed Taxable Value	Assessed Taxable Value FY2005	Rank	Percentage of Assessed Taxable Value
EDISON DEVELOPMENT CO.	4,918,508	1	1.43%			
D.R. HORTON - TEXAS LTD	3,702,298	2	1.08%			
311 PRINCETON DRIVE LLC	2,621,909	3	0.76%			
CHARLEY'S CONCRETE CO.	2,014,667	4	0.59%			
FIRST BANK OF FARMERSVILLE	1,754,968	5	0.51%			
JOMC PROPERTIES INC.	1,370,642	6	0.40%			
CVS CORPORATION	1,169,312	7	0.34%			
KING MEADOWS CROSSING MGMT.	1,163,185	8	0.34%			
PRINCETON VILLAGE LLC	1,133,185	9	0.33%			
CREEKVIEW AT 380 LLC	1,130,731	10	0.33%			
	<u>\$ 20,979,405</u>		<u>6.10%</u>			
Total Assessed Valuation	<u>344,070,465</u>					
FG PARTNERS LP				\$ 2,656,267	1	1.97%
ACOSTA EDUARDO G				2,577,659	2	1.91%
PRINCETON VILLAGE LLC				2,481,269	3	1.84%
PMR LAND / PRINCETON LP				1,690,771	4	1.25%
SOUTHWESTERN BELL TELEPHONE				1,281,170	5	0.95%
TEXAS-NEW MEXICO POWER CO.				1,215,652	6	0.90%
NEWMARK HOMES LP				1,197,798	7	0.89%
RESLAND DEVELOPMENT CORP.				1,153,971	8	0.86%
WRIGHT, WILLIAMS, AND MILDRED				1,134,149	9	0.84%
PRINCETON MEADOWS LP				1,116,448	10	0.83%
				<u>\$ 16,505,154</u>		<u>12.24%</u>
Total Assessed Valuation				<u>\$ 134,899,323</u>		

Source: Collin County Appraisal District

CITY OF PRINCETON, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
(unaudited)

Table 9

<u>Fiscal Year</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>% of Levy</u>		<u>Amount</u>	<u>% of Levy</u>
2005	\$ 910,571	\$ 871,990	97.24%	\$ 13,419	\$ 885,409	97.24%
2006	1,061,587	1,025,639	96.61%	18,462	1,044,101	98.35%
2007	1,321,213	1,272,627	96.32%	11,779	1,284,406	97.21%
2008	1,608,415	1,550,664	96.41%	13,532	1,564,196	97.25%
2009	1,997,108	1,955,460	97.91%	27,660	1,983,120	99.30%
2010	2,046,391	1,997,250	97.60%	47,941	2,045,191	99.94%
2011	2,041,553	1,999,672	97.95%	34,240	2,033,912	99.63%
2012	2,048,174	2,024,856	98.86%	7,014	2,031,870	99.20%
2013	2,101,230	2,093,767	99.64%	3,281	2,097,048	99.80%
2014	\$ 2,210,407	\$ 2,198,054	99.44%	\$ 15,300	\$ 2,213,354	100.13%

Source: Collin County Appraisal District

Table 10

CITY OF PRINCETON, TEXAS
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(unaudited)

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita (1)	
	General Obligation Bonds	Certificates of Obligations	Other Obligations	Limited Tax Note	General Obligation Bonds	Certificates of Obligations	Other Obligations				Revenue Bonds
2005	\$ 452,000	\$ 1,255,000	\$ 67,172	\$ -	\$ -	\$ 1,940,000	\$ -	\$ 60,000	\$ 3,774,172	2.06%	\$ 944
2006	351,000	1,235,000	34,524	1,635,000	-	1,865,000	-	41,000	5,161,524	N/A	894
2007	130,000	1,215,000	128,000	1,565,000	-	1,790,000	-	21,000	4,849,000	3.86%	673
2008	99,000	1,190,000	65,000	1,480,000	1,250,000	8,805,000	-	-	12,889,000	9.82%	2,242
2009	1,270,500	4,315,000	19,236	1,325,000	1,754,500	8,120,000	-	-	16,804,236	13.44%	2,675
2010	1,218,000	4,565,000	9,896	1,025,000	1,687,000	7,985,000	-	-	16,489,896	12.95%	2,577
2011	1,439,500	4,315,000	31,521	695,000	1,610,500	7,845,000	17,756	-	15,954,277	11.78%	2,344
2012	1,325,600	4,315,000	105,204	355,000	1,521,400	7,700,000	11,482	-	15,333,686	10.14%	2,061
2013	1,321,622	4,254,295	284,804	1,285,000	1,455,971	7,665,640	3,516	-	16,270,848	9.64%	2,178
2014	\$ 1,206,200	\$ 4,149,963	\$ 204,915	\$ 1,110,000	\$ 1,361,644	\$ 11,845,825	\$ -	\$ -	\$ 19,878,547	10.59%	\$ 2,290

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

(1) See Table 15 for personal income and population data.

CITY OF PRINCETON, TEXAS
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(unaudited)

Table 11

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Assessed Property Value (1)</u>	<u>Gross Bonded Debt (2)</u>	<u>Less Debt Service Funds (3)</u>	<u>Net Bonded Debt</u>	<u>% Net Bonded Debt to Assessed Property Value</u>	<u>Net Bonded Debt Per Capita</u>
2005	4,000	\$ 134,899,323	\$ 3,707,000	\$ 243,802	\$ 3,463,198	2.57%	\$ 866
2006	5,773	156,940,450	5,127,000	473,638	4,653,362	2.96%	806
2007	5,843	203,357,418	4,721,000	640,664	4,080,336	2.01%	698
2008	5,750	270,611,874	12,824,000	590,964	12,233,036	4.52%	2,127
2009	6,282	281,366,199	16,785,000	277,778	16,507,222	5.87%	2,628
2010	6,400	281,174,941	16,479,000	328,806	16,150,194	5.74%	2,523
2011	6,807	280,866,773	15,905,000	342,532	15,562,468	5.54%	2,286
2012	7,440	281,488,698	15,217,000	372,018	14,844,982	5.27%	1,995
2013	7,469	277,934,890	15,982,528	429,895	15,552,633	5.60%	2,082
2014	8,769	\$ 344,070,465	\$ 19,673,632	\$ 431,132	\$ 19,242,500	5.72%	\$ 2,217

Source:

(1) Collin County Appraisal Office

(2) Schedule of Bonds Payable and Total bonds for fiscal year

(3) Schedule of General Long-Term Debt and Statistical Section

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

CITY OF PRINCETON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(unaudited)

Table 12

<u>Governmental Subdivision</u>	<u>Gross Bonded Debt</u>	<u>Percentage of Debt Applicable to Area</u>	<u>City Share of Overlapping Debt</u>
Collin County	\$ 372,693,054	0.37%	\$ 1,378,964
Collin County CCD	33,491,213	0.37%	123,917
McKinney Independent School District	471,946,039	0.11%	519,141
Princeton Independent School District	80,858,293	49.36%	39,911,653
	<u>\$ 958,988,599</u>		<u>\$ 41,933,676</u>
City of Princeton			<u>\$ 7,053,483</u>
			<u>\$ 48,987,159</u>
Ratio of overlapping debt to taxable assessed valuation (valued at 100% of market value)			<u>15.33%</u>
Per capita overlapping bonded debt			<u>\$ 5,644</u>

Source: "Texas Municipal Report" as of September 30, 2014, prepared by the Municipal Advisory Council.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Princeton. This process recognizes that, when considering the City of Princeton'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.

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

CITY OF PRINCETON, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(unaudited)

Table 13

	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Tax Limit Rate	\$ 1.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
Current Tax Rate	0.6750	0.6750	0.6497	0.728394	0.728394	0.728394	0.728394	0.728394	0.756932	0.738999
Available Tax Rate	\$ 0.8250	\$ 1.8250	\$ 1.8503	\$ 1.7716	\$ 1.7716	\$ 1.7716	\$ 1.7716	\$ 1.7716	\$ 1.7431	\$ 1.7610
Legal Debt Margin Calculation for Fiscal Year 2014										
Assessed value										\$ 344,070,465
Add back exempt real property										75,771,626
Total assessed value										\$ 419,842,091
Debt limit (10% of total assessed value)										\$ 4,198,421
Debt applicable to limit:										
Property tax supported debt										\$ 6,541,200
Less: Amount set aside for repayment of general debt										(431,132)
Total net debt applicable to limit										\$ 6,110,068
Legal debt margin										1.46%

**CITY OF PRINCETON, TEXAS
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (unaudited)**

Table 14

Fiscal Year	Water and Sewer Revenue Bonds					
	Total Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Annual Requirements		Times Coverage
				Principal	Interest	
2005	\$ 1,510,046	\$ 1,303,209	\$ 206,837	\$ 118,000	\$ 62,737	1.14
2006	2,218,216	1,566,367	651,849	115,000	95,162	3.10
2007	2,292,262	1,911,852	380,410	113,000	86,719	1.90
2008	2,600,862	2,127,043	473,819	101,000	98,719	2.37
2009	2,546,595	2,534,718	11,877	220,000	479,206	0.02
2010	3,198,875	2,567,725	631,150	352,500	345,119	0.90
2011	3,868,421	3,324,228	544,193	216,500	463,160	0.80
2012	3,841,759	3,094,483	747,276	239,100	436,766	1.11
2013	4,383,979	3,449,737	934,242	251,800	429,508	1.37
2014	4,815,894	3,223,135	1,592,759	477,000	643,890	1.42

Note: (1) Total Revenues does not include non-operating revenues
 (2) Operating Expenses only - does not include transfers or depreciation

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

CITY OF PRINCETON, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(unaudited)

Table 15

<u>Fiscal Year</u>	<u>Estimated Population</u> ¹	<u>Personal Income</u>	<u>Per Capita Income</u> ²	<u>Average Age</u> ³	<u>Grade School Enrollment</u> ⁴	<u>Unemployment Rate</u> ⁵
2005	4,000	\$ 182,880,000	\$ 45,720	N/A	2,352	4.60%
2006	5,773	N/A	N/A	31	2,477	4.30%
2007	7,200	125,467,200	* 17,426	35	2,584	* 6.5%
2008	5,750	131,197,750	22,817	37	2,767	4.80%
2009	6,282	125,024,364	* 19,902	45	5,608	8.20%
2010	6,400	127,372,800	* 19,902	35	2,183	7.50%
2011	6,807	135,472,914	* 19,902	35	2,347	8.50%
2012	7,440	151,255,200	20,330	32	1,999	9.60%
2013	7,469	168,844,214	22,606	31	1,853	8.30%
2014	8,679	\$ 187,761,486	\$ 21,634	34	1,954	5.70%

Sources:

1 North Central Texas Council of Governments (NCTCOG)

2 Texas Workforce Commission - (data for Collin County)

3 North Central Texas Council of Governments (NCTCOG)

4 Princeton I.S.D.

5 Texas Workforce Commission - (data for Collin County)

N/A - per NCTCOG, data not available for some small population cities

* - Estimated by NCTCOG

**CITY OF PRINCETON, TEXAS
PRINCIPAL EMPLOYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2014
(unaudited)**

Table 16

	2014	
Name of Employer	No. of Employees	Rank
Princeton Independent School District	480	1
City of Princeton	75	2
Villa Asuncion Independent	70	4
McDonalds	36	3
Jack in the Box	25	5
Taco Bell	12	6
Citizens State Bank	10	8
O'Reilly Auto Parts	7	7
Dollar General	6	9
Big G Auto	4	10
Totals	<u>725</u>	

Note: Total employment within City not available.

CITY OF PRINCETON, TEXAS

Table 17

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

(unaudited)

Function / Program	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	4	5	6	6	5	5	5	5	5	5
Police	9	12	12	12	12	12	12	11	12	12
Fire	0	0	0	0	0	0	0	0	1	1
Municipal Court	2	3	3	3	2	2	2	2	3	3
Code Enforcement	1	1	1	1	2	1	2	2	1	1
Library	0	0	0	0	1	1	1	1	1	1
Development Services	0	2	2	1	1	1	2	2	1	3
Municipal Services	3	3	3	3*	8*	8	3	3	0	0
Streets	1	1	1	0*	0*	1	2	2	2	2
Parks and Recreation	1	1	1	0*	0*	1	2	2	2	2
Utility Administration	2	3	4	4	4	4	3	3	3	3
Water, Wastewater	3	3	3	3	12	10	2	3	5	6
	26	34	36	30	39	46	36	36	36	39

Source: City of Princeton Finance Director

Note1: * Beginning in FY 08, Parks/Streets and MS were combined.

Table 18

CITY OF PRINCETON
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(unaudited)

Function/Program	FISCAL YEAR									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Physical Arrests	296	261	304	768	245	293	267	291	296	352
Parking Violations	n/a	n/a	n/a	n/a	1	2	4	-	-	-
Traffic Violations	622	1,818	2,777	3,015	2,911	2,142	2,210	2,775	2,750	2,706
Fire										
Number of calls answered	643	799	858	553	1,032	973	1,215	1,254	1,355	1,536
Inspections	37	44	57	43	32	60	35	42	33	155
Highways and Streets										
Potholes repaired	n/a	1	14	1	354	2,500	600	540	712	690
Water										
New Connections	n/a	572	389	301	95	114	316	282	593	568
Water Main Breaks	n/a	1	7	1	4	24	50	100	175	188
Avg Daily Consumption (gallons)	280	246	223	260	219	6,155	373	1,163	1,153	1,054

Source: City departments, North Texas Municipal Water District

CITY OF PRINCETON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(unaudited)

Table 19

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	5	7	8	8	8	9	10	12	12	11
Fire Stations	1	1	1	1	1	1	1	1	1	1
Highways and Streets										
Streets (miles)	23	23	23	23	23	23	23	23	24	26
Streetlights	175	175	175	175	175	175	175	175	202	232
Culture and Recreation										
Parks (acreage)	104	104	104	104	104	125	125	125	126	126
Parks	2	2	2	2	2	3	3	3	4	4
Water										
Water Mains (miles)	23	23	23	24	24	27	27	27	27.5	27.5
Fire Hydrants	354	354	354	354	354	360	275	275	280	290
Maximum Daily Capacity (thousands gallons)	n/a	2,430	3,024	3,024	3,024	1M	1.37M	1.5M	1.9M	1.9M
Sewer										
Sanitary Sewer (miles)	20	20	20	20	20	50	50	50	50.5	50.5

Sources:
City departments, North Texas Municipal Water District



APPENDIX 4

Princeton

Balance Sheet

CITY OF PRINCETON
BALANCE SHEET
AS OF SEPTEMBER 30TH, 2015
UNAUDITED

02 -ENTERPRISE FUND

ASSETS

CLAIM ON POOLED CASH	849,985.31		
2007 CERT OF OBLIG #00004	5,595.76		
UTILITY DEPOSITS #00005	105,071.00		
WATER DEPOSITS (6006589)	400,675.32		
CHASE MMKT SHARES -SEWER	25.54		
1997 CO'S SWR IMPROV 6015069	2,725.00		
NSF-CHECK CLEARING	2,476.33		
PETTY CASH-CITY HALL	600.00		
UNBILLED REVENUE RECEIVABLE	166,578.00		
DEP'S HELD IN TRUST-GTUA	836,204.63		
LAND	180,353.22		
ACCTS REC-UTILITY BILLING	603,808.70		
ALLOWANCE-FOR BAD ACCOUNTS	(88,072.54)		
BOND DISCOUNT	32,155.88		
WATER/SEWER SYSTEM	20,631,963.93		
ACCUMULATED DEPRECIATION	(4,576,871.00)		
UNAPPLIED CREDITS ACCOUNT	(8,105.94)		
VEHICLES AND EQUIPMENT	526,603.27		
BUILDINGS & IMPROVEMENTS	235,326.10		
CIP-CONSTRUCTION	60,366.88		
		19,967,465.39	
		TOTAL ASSETS	19,967,465.39

LIABILITIES

=====

ACCOUNTS PAYABLE - PENDING	228,236.48	
FEDERAL INCOME TAX PAYABLE	-	
F.I.C.A. TAX PAYABLE	70.59	
T.M.R.S. CONTRIBUTIONS PAYABLE	(1,375.83)	
TML LIFE INSURANCE PAYABLE	(951.48)	
I.R.S. GARNISHMENT PAYABLE	-	
CHILD SUPPORT W/H PAYABLE	150.77	
NATIONWIDE DEFERRED COMP	-	
AFLAC INSURANCE PAYABLE	47.38	
VISION CARE	0.19	
DEPOSIT REFUND PAYABLE	2,487.30	
PAYROLL ACCURAL	33,111.31	
CURRENT COMPENSATED ABSENCES	16,724.29	
COMPENSATED ABSENCES PAYABLE	50,172.88	
SALES TAX PAYABLE	3,344.42	
CUSTOMER DEPOSITS	409,801.28	
CONSTRUCTION METER DEPOSITS	20,000.00	
CAPITAL LEASES PAYABLE	105,990.24	
EARNINGS-RETAINED-UNRESERVED	221,363.79	
UNRECONCILED DIFFERENCES	121.09	
NFCL INSURANCE PAYABLE	78.22	
GTUA BONDS PAYABLE-2009	4,135,000.00	
2007 BOND SERIES A GO	915,000.00	
UNAMORTIZED BOND PREMIUM	110,825.30	
2007 BOND SERIES B CO	7,230,000.00	
B/P 2011 GO REFUNDING	371,800.00	
	<u>TOTAL LIABILITIES</u>	<u>13,851,998.22</u>

EQUITY

=====

FUND BALANCE UNRESERVED	2,044,272.09	
FUND BALANCE -RESERVED FOR CIP	4,152,033.00	
TOTAL BEGINNING EQUITY	<u>6,196,305.09</u>	
TOTAL REVENUE	4,908,161.61	

TOTAL EXPEN	4,988,999.53	
TOTAL REVENUE OVER/(UNDER) EXPENSES	<u>(80,837.92)</u>	

TOTAL EQUITY & REV. OVER/(UNDER) EXP.	<u>6,115,467.17</u>	
---------------------------------------	---------------------	--

TOTAL LIABILITIES, EQUITY & REV.OVER/(U DER) EXP.		<u>19,967,465.39</u>
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APPENDIX 5

Most Recent Sewer System TCEQ Inspection (October 2010)

Texas Commission on Environmental Quality

Investigation Report

CITY OF PRINCETON
CN600654602

PRINCETON WW COLLECTION SYSTEM

RN106035892

Investigation # 880305

Incident # 146020

Investigator: PIXIE WETMORE

Site Classification

DOMESTIC WASTEWATER

Conducted: 10/15/2010 -- 10/15/2010

SIC Code: 4952

NAIC Code: 221320

Program(s): WASTEWATER

COPY

Investigation Type : Compliance Investigation

Location : 2000 FT N OF INTX OF US HWY
380 AND N 4TH ST

Additional ID(s) :

Address: 123 W PRINCETON DR;
PRINCETON, TX 75407

Activity Type : REGION 04 - DFW METROPLEX
WWCMPL - WW Complaint

Principal(s) :

Role	Name
RESPONDENT	CITY OF PRINCETON

Contact(s) :

Role	Title	Name	Phone
Regulated Entity Contact	ACTING PUBLIC WORKS DIRECTOR	MR BILL CLOSE	Work (972) 736-2416 Cell (469) 525-0416

Other Staff Member(s) :

Role	Name
Investigator	CAROL MOULTON
Supervisor	KAREN SMITH
Investigator	KIMBERLI FOWLER

Associated Check List

<u>Checklist Name</u>	<u>Unit Name</u>
WQ COMPLAINT INVESTIGATION	Princeton Lift Station
WQ INVESTIGATION - EQUIPMENT MONITORING AND SAMPLING	Princeton Lift Station

Investigation Comments :

INTRODUCTION

The City of Princeton's College Street Lift Station, located off E. College Ave. and Wilson in the City of Princeton, Collin County, TX was investigated on October 15, 2010, by Water Quality Program Investigators Pixie Wetmore and Carol Moulton and Air Program Investigator Kimberli Fowler to determine compliance with applicable wastewater treatment and air regulations. This investigation is considered a complaint investigation and addresses the water quality portion of the investigation only. More information regarding the Air Program investigation can be found in CCEDS investigation #877926. A final letter was issued to the City of Princeton to acknowledge

10/15/2010 Inv. # - 880305

Page 2 of 3

compliance. Also, a letter and a copy of this report were sent to the complainant.

GENERAL FACILITY AND PROCESS INFORMATION

The City of Princeton operates a collection system only. All wastewater from the Princeton collection system is sent to the North Texas Municipal Water District Wilson Creek WWTF for treatment.

BACKGROUND

A file review was conducted and there was an unannounced complaint investigation of the E. College lift station conducted on May 18, 2007 which resulted in a Notice of Violation for unauthorized discharge being issued on July 6, 2007.

ADDITIONAL INFORMATION

Investigators Wetmore, Moulton and Fowler arrived on site at approximately 10:10 am on October 15th and found two City of Princeton employees, Mr. John Alexander and another gentleman, working to change the connection for the discharge system on the pumps. No evidence of unauthorized discharge was observed at the lift station. Investigator Wetmore walked to the immediate upstream manhole and also did not observe any evidence of unauthorized discharge.

Mr. Alexander indicated that the City was using the following products to control grease in the lift station: Prime, Bacto Dose, and Dawn dishwashing detergent.

TCEQ investigators followed Princeton employees to the 6th St. lift station where repair work was also in progress.

A copy of this report was distributed to the complainant and the City of Princeton on December 6, 2010.

No Violations Associated to this Investigation

Signed *El Pirio Wetmore*
Environmental Investigator

Date 12-3-10

Signed *Karen Smith*
Supervisor

Date 12/6/2010

Attachments: (in order of final report submittal)

- ☐ Enforcement Action Request (EAR)
- ☒ Letter to Facility (specify type): gun comp.
- ☐ Investigation Report
- ☐ Sample Analysis Results
- ☐ Manifests
- ☐ NOR

IN files:

- ☐ Maps, Plans, Sketches
- ☒ Photographs
- ☐ Correspondence from the facility
- ☐ Other (specify):

PHOTOGRAPHIC DOCUMENT N

TPDES Permit No: N/A
RN106035892

Location: City of Princeton

County: Collin

Investigation & Photograph Date: October 15, 2010

Investigator/Photographer: E.R. Pixie Wetmore



Picture #1

Comments: View of College Street lift station at the time of the investigation. Personnel were working on the discharge connections of the pumps. Only very minor odors was observed while standing adjacent to the lift station opening.



Picture #2

Comments: View of upstream manhole at College St. lift station. No evidence of unauthorized discharges that could cause odors was observed.

P. PHOTOGRAPHIC DOCUMENTATION

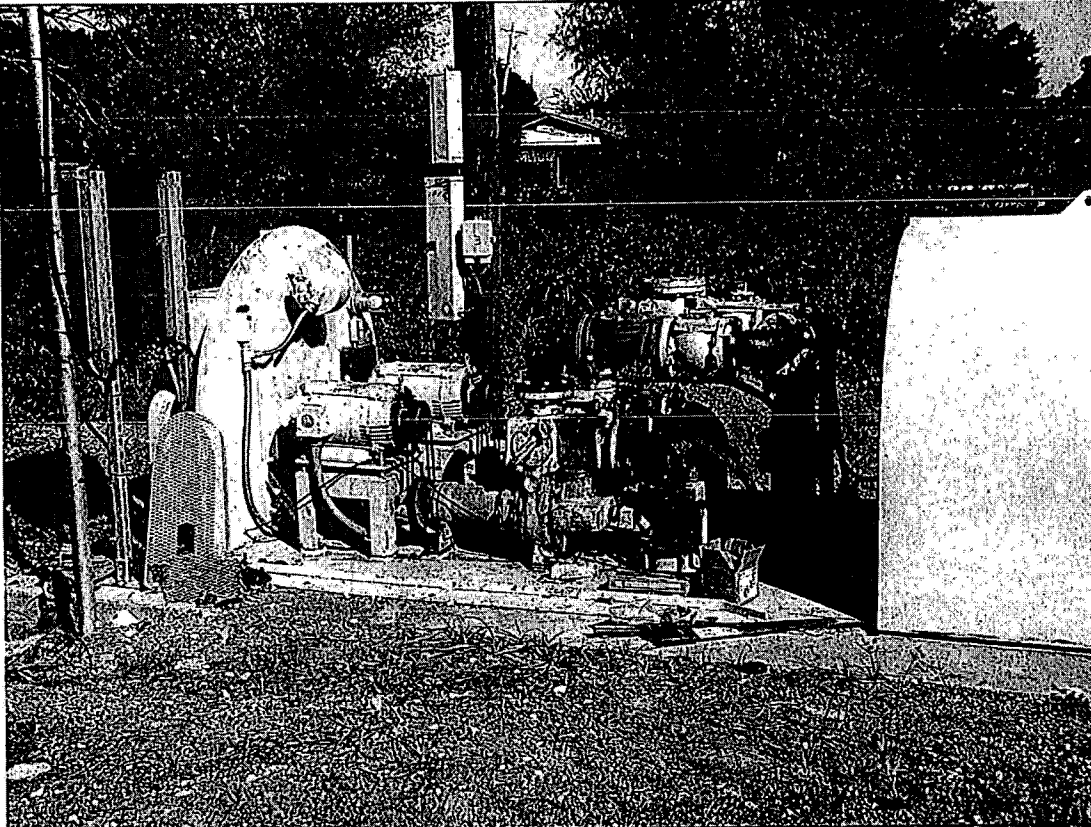
TPDES Permit No: N/A
RN106035892

Location: City of Princeton

County: Collin

Investigation & Photograph Date: October 15, 2010

Investigator/Photographer: E.R. Pixie Wetmore



Picture #3

Comments: View of 6th St. lift station with maintenance operations being performed.



Picture #4

Comments: Old brick manhole adjacent to 6th St. lift station.

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
Protecting Texas by Reducing and Preventing Pollution

December 6, 2010

Mr. Bill Close, Interim Public Works Director
City of Princeton
305 N. Main St.
Princeton, TX 75407

Re: Complaint Incident No. 146020
Investigation #880305

Dear Mr. Close:

On October 15, 2010, Water Quality Investigator Ms. Pixie Wetmore and Ms. Carol Moulton and Air Quality Investigator Ms. Kimberli Fowler of the Texas Commission on Environmental Quality (TCEQ) Dallas-Fort Worth (DFW) Region Office completed an odor complaint investigation at the College Street Lift Station. The alleged complaint could not be substantiated at this time.

The enclosed report describes the findings that were noted during the investigation.

The TCEQ appreciates your interest in protecting the quality of our environment. If you have any questions concerning these findings, or if we can be of further assistance, please contact Ms. Wetmore directly at (817) 588-5849 or the DFW Region Office at (817) 588-5800.

Sincerely,

A handwritten signature in cursive script that reads "Sid Slocum".

Sid Slocum,
Water Section Manager
Dallas/Fort Worth Region Office

SS/pw

Enclosure: Incident Investigation Report No. 880305

Texas Commission on Environmental Quality

Investigation Report

CITY OF PRINCETON
CN600654602

PRINCETON WW COLLECTION SYSTEM

RN106035892

Investigation # 880305

Incident # 146020

Investigator: PIXIE WETMORE

Site Classification

DOMESTIC WASTEWATER

Conducted: 10/15/2010 -- 10/15/2010

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Program(s): WASTEWATER

COPY

Investigation Type : Compliance Investigation

Location : 2000 FT N OF INTX OF US HWY
380 AND N 4TH ST

Additional ID(s) :

Address: 123 W PRINCETON DR;
PRINCETON, TX 75407

Activity Type : REGION 04 - DFW METROPLEX
WWCMPL - WW Complaint

Principal(s) :

Role	Name
RESPONDENT	CITY OF PRINCETON

Contact(s) :

Role	Title	Name	Phone
Regulated Entity Contact	ACTING PUBLIC WORKS DIRECTOR	MR BILL CLOSE	Work (972) 736-2416 Cell (469) 525-0416

Other Staff Member(s) :

Role	Name
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Supervisor	KAREN SMITH
Investigator	KIMBERLI FOWLER

Associated Check List

<u>Checklist Name</u>	<u>Unit Name</u>
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WQ INVESTIGATION - EQUIPMENT MONITORING AND SAMPLING	Princeton Lift Station

Investigation Comments :

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