



Comprehensive Annual Financial Report

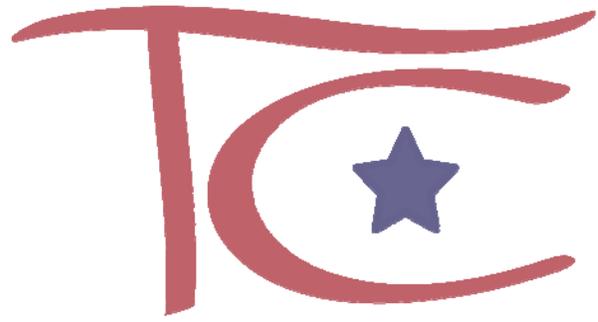
for the fiscal year ending September 30, 2014



Trophy Club, Texas

TOWN OF TROPHY CLUB, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED SEPTEMBER 30, 2014

As Prepared By The
FINANCE DEPARTMENT



TOWN OF
TROPHY CLUB

**TOWN OF TROPHY CLUB, TEXAS
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014**

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTORY SECTION	
Letter of Transmittal	i
Certificate of Achievement	vi
Organization Structure	vii
Elected Officials, Appointed Officials and Key Staff	viii
II. FINANCIAL SECTION	
Independent Auditor's Report	1
A. MANAGEMENT'S DISCUSSION AND ANALYSIS	5
B. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances	22
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	24
Proprietary Funds Financial Statements	
Statement of Net Position	25
Statement of Revenues, Expenses, and Changes in Net Position	26
Statement of Cash Flows	27
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position - Agency Fund	28
Discretely Presented Component Units	
Combining Statement of Net Position	29
Combining Statement of Activities	30
Notes to the Basic Financial Statements	31
C. REQUIRED SUPPLEMENTARY INFORMATION	
Texas Municipal Retirement System - Schedule of Funding Progress	56
Retiree Health Plan - Schedule of Funding Progress	57
Budgetary Comparison Schedule - General Fund	58
Notes to Required Supplementary Information	59

D. COMBINING AND BUDGETARY COMPARISON SCHEDULES

Major Governmental Funds

Budgetary Comparison Schedule - Debt Service Fund 62

Nonmajor Governmental Funds

Combining Balance Sheet 64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances 66

Fiduciary Funds

Statement of Changes in Agency Assets and Liabilities 69

Discretely Presented Component Units

Budgetary Comparison Schedule-4A Economic Development Fund 71
Budgetary Comparison Schedule-4B Economic Development Fund 72

III. STATISTICAL SECTION

Table of Contents 74
Net Position By Component 1 75
Changes in Net Position 2 76
Fund Balances, Governmental Funds 3 78
Changes in Fund Balances, Governmental Funds 4 80
Assessed Value and Estimated Actual Value of Taxable Property 5 82
Direct and Overlapping Property Tax Rates 6 84
Principal Property Tax Payers 7 86
Ad Valorem Tax Levies and Collections 8 87
Ratios of Outstanding Bonded Debt by Type 9 88
Ratios of General Bonded Debt Outstanding 10 89
Direct and Overlapping Debt 11 90
Demographic and Economic Statistics 12 91
Principal Employers 13 92
Full-Time City Government Employees by Function/Program 14 93
Operating Indicators by Function/Program 15 94



Town of Trophy Club
100 Municipal Drive
Trophy Club, TX 76262
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April 28, 2015

Honorable Mayor, Members of the Town Council,
And the Citizens of the
Town of Trophy Club, Texas

The Town's Finance Department has prepared a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) which were audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Comprehensive Annual Financial Report (CAFR) for the Town of Trophy Club, Texas for the fiscal year ended September 30, 2014 is hereby issued.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making the representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the Town's financial statements in conformity with GAAP. Internal controls should not outweigh their benefits; therefore, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial records have been audited by Weaver LLP, Certified Public Accountants, as required by the Town Charter. This CAFR has been prepared based upon those audited records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town are presented fairly, in all material respects, for the fiscal year ended September 30, 2014. This independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town

The Town of Trophy Club, Texas incorporated in 1985 as Texas' first premiere master planned community, is located in the North Central portion of Texas. This area of the State has proven to be one of the top

growth areas in Texas and the United States. The Town currently occupies a land area of just over 4 square miles and serves a growing population of approximately 12,000. The Town is empowered to levy a property tax on real property located within its boundaries. Trophy Club is also empowered, by State statute, to extend its corporate limits by annexation, which has occurred periodically when deemed appropriate by the governing council of the Town.

Trophy Club has operated as a Home Rule municipality utilizing the Council-Manager form of government since 2004. With the Charter Amendments passed at the May 11, 2013, election policy-making and legislative authority are vested in the Town Council consisting of the Mayor and six other council members. The Town Council is responsible for, among other things, passing ordinances, adopting the budget, appointing boards and committees, and hiring the Town Manager, Town Secretary, Municipal Judge, and Town Attorney. The Town Council is elected on a non-partisan basis. With the Charter Amendments passed at the May 9, 2009 election, Council members are elected from the Town at-large-by-place in the manner, for a term of three (3) years or until their successors have been elected and take office. Each Council member shall be elected to and occupy a place on the Council, such Places being numbered (e.g., Place 1, Place 2, Place 3, etc.). No person shall serve as Mayor or Council member for successive elected full terms totaling more than six years. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, overseeing the day-to-day operations of the government and for appointing the heads of the various Town departments.

The Town of Trophy Club provides a full range of municipal services including general government, public safety (police and EMS), streets, parks and recreation, planning and zoning, code enforcement, and drainage utilities. Water/wastewater and Fire protection are provided through the Municipal Utility District.

Local Economy

Fast-paced growth is one of the Town's identifying characteristics, identified by both the Dallas Business Journal and Fort Worth Builders Association. Trophy Club's location between DFW and Alliance Airports is ideal for businesses and residents, as well as those who commute to Dallas, Denton, Las Colinas, and Fort Worth. Trophy Club maintains a small-town, picturesque feel while taking advantage of nearby metro areas. The Town offers an outstanding quality of life, with great educational and recreational amenities as well as two 18-hole premier golf courses including the only course designed by Ben Hogan.

The North Texas region possesses diverse research and education institutions, logistics, oil and gas, manufacturing and industrial, and a professional services base that has contributed to the relative stability of the unemployment rate with approximately half of the local workforce employed in management, professional, and related occupations. Figures from the Texas Workforce Commission indicate a Denton County unemployment rate of 3.6% while the national unemployment rate is 5.8% as of February 2015.

Trophy Club has worked diligently to position itself for a significant future within DFW and the Alliance corridor. The Town has issued over 1,000 building permits for high end homes over the past 5 years, with another 150 building permits anticipated for Fiscal Year 2015. Additionally, the Town's tax base exceeded \$1 billion net taxable value in 2013. Business growth continues to be strong in Trophy Club and the Highway 114 region. The Town directly benefits from those businesses locating within the Town or professionals moving to our neighborhoods who work at nearby corporations.

Long-Term Financial Planning

In FY 2014, the Town issued Certificates of Obligation, Series 2014 in the amount of \$2,500,000 related to street reconstruction and drainage improvements. A portion of Indian Creek Drive, a major thoroughfare, is scheduled to complete reconstruction in the Summer of 2015. In addition, the Town

issued a \$600,000 tax anticipation note to fund roadway reconstruction in Fiscal Year 2015. The Town also completed two major drainage improvements in Fiscal Year 2014.

Budgeting Process

The Town of Trophy Club uses a program-based budgeting process. Each budgeting unit provides for the expenditures associated with services and supplies appropriated for in the prior year budget. Personnel expenditures are compiled by the Finance and Human Resource departments. Any funding request that represents new expenditures and programs must be submitted as a separate supplemental request. Capital items are funded based on a replacement schedule, need, and available resources.

Revenue Projection

The budget revenue projections for the new fiscal year begin early in the current fiscal year. The projections are made by the departments responsible for the revenues with help from the Finance staff. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information.

Proposed Budget Analysis/Compilation

The Finance Department reviews and compiles a preliminary departmental budget to present to the Budget Team, which is comprised of the Town Manager, Assistant Town Manager, Director of Finance, and Budget Analyst. During Budget Team discussions, each department director answers questions from the entire group concerning their budget.

Given revenue projections and baseline funding requirements, budget funding changes are made according to necessity and priority. A total recommended funding level is determined and is weighed against available resources.

Proposed Budget Development

The Town Manager, no later than July 31 each year (Charter Section 9.02), shall prepare and submit to the Town Secretary, the annual budget covering the next fiscal year. The Town Manager's proposed budget should assume, for each fund, operating revenues and resources that are equal to, or exceed operating expenditures. The Town Manager's budget message summarizes funding requirements, major changes in programs, and alternatives for funding.

Town Council Budget Study

A budget work session is held with the Town Council to review and discuss the proposed budget. Discussions and study may follow at subsequent work sessions up until budget adoption.

Capital Program

The Town Manager shall prepare and submit to the Council a five (5) year capital program no later than three months before the final date for submission of the budget. The capital program shall be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition (Charter Section 9.08).

Public Hearing/Budget Adoption

A public hearing on the proposed budget and two public hearings on the tax rate are held in August and September prior to final budget consideration. At the public hearings, citizens may make formal

comments concerning the proposed budget. The public also has the opportunity to attend Town Council budget work sessions in August and September.

Budget adoption occurs in September after Town Council deliberations and the public hearings. The Town Council adopts a tax rate to support adopted funding levels. Pursuant to Town Charter, the budget in place for the preceding year shall remain in place on a month-to-month basis until such time as a new budget has been adopted if no Town Council action is taken before the end of the fiscal year, September 30.

Compilation of Adopted Budget/Budget Maintenance

The adopted budget is compiled and published during the first months of the new fiscal year. The adopted budget in the form of an amended proposed budget is available for public inspection in October. Ledger accounts are prepared for the new fiscal year prior to October 1.

Budget maintenance is a year-round activity of divisions/departments and Finance Department staff. Other spending control mechanisms include monthly review of expenditures by Finance Department staff. During the budget process, departments make revenue and expenditure estimates for the current year.

Finally, program goals, objectives, and measures are evaluated during budget implementation to determine the effectiveness of program activities and levels of appropriate funding for subsequent years.

Relevant Financial Policies

During Fiscal Year 2010, the Town established a Cash Management Program and Policy for the purpose of ensuring adequate internal controls to account for the handling of Town cash and to maintain public trust.

Staff also created the Town's Investment Policy. The purpose of the investment policy was to comply with Chapter 2256 of the Government Code ("Public Funds Investment Act"), which requires the Town of Trophy Club to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of Trophy Club's funds. The investment policy received the Government Treasurers' of Texas Certificate of Distinction for Investment Policy in June 2011.

The Town Council adopted a fund balance policy in September 2011 which established new fund balance categories (as recommended by Statement No. 54 of the Governmental Accounting Standards Board) and established a minimum unassigned fund balance goal (30% of annual operating expenditures).

In December 2013, Town Council adopted a debt management policy in order to provide parameters for the issuance and management of debt used to construct or acquire major capital assets.

Major Initiatives

The Town Council has continued its strategic planning process to identify goals and objectives for long range planning. Each year, the Council meets in strategic planning retreats to review and refine those goals. Management Team members utilize the strategic planning documents to help guide their budget planning and service/program implementation.

The Town recently completed Vision Trophy Club which was a citizen committee tasked with planning the next 20 years. It is anticipated that an updated Comprehensive Plan primarily focused on redevelopment will occur within the next two years.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Trophy Club for its CAFR for the fiscal year ended September 30, 2013. This was the fourth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

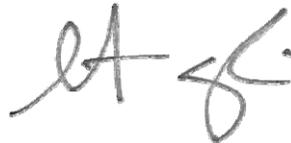
The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. We would also like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. Acknowledgement is also given to representatives of Weaver, LLP, Certified Public Accountants.

Special acknowledgement is given to the Mayor and the members of the Town Council for their support for maintaining the highest standards of professionalism in the management of the Town of Trophy Club finances.

Respectively submitted,



Stephen Seidel
Town Manager



Steven Glickman
Assistant Town Manager/CFO



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

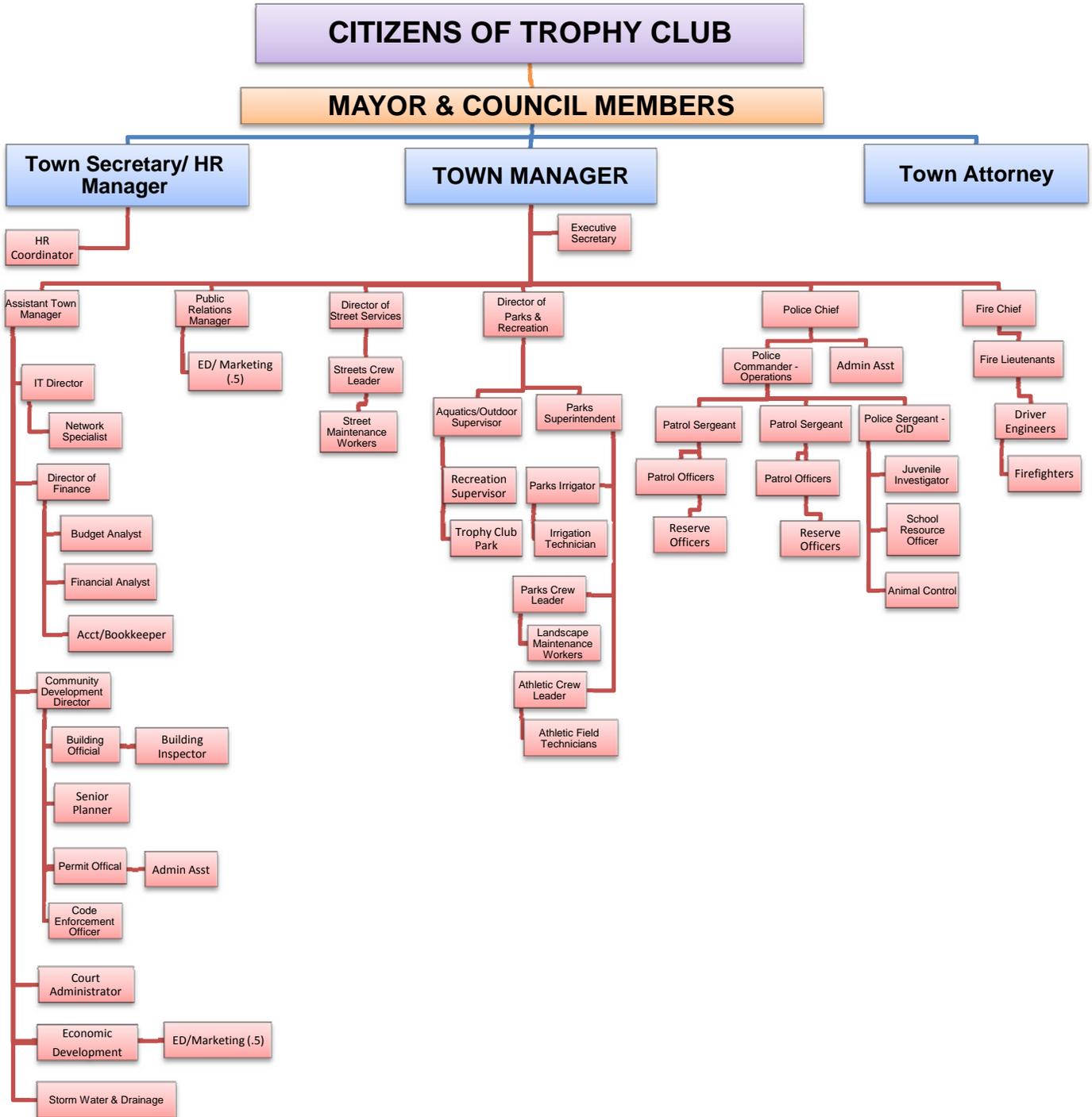
**Town of Trophy Club
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013



Executive Director/CEO



ELECTED OFFICIALS

Mayor	Nick Sanders
Mayor Pro Tem	Greg Lamont
Council Member	Tim Kurtz
Council Member	Philip Shoffner
Council Member	Garrett Reed
Council Member	Jim Parrow
Council Member	Rhylan Rowe

APPOINTED OFFICIALS

Town Manager	Stephen Seidel
Town Attorney	Patricia Adams
Town Secretary	Holly Fimbres
Municipal Judge	Honorable Mark Chambers

KEY STAFF

Assistant Town Manager/CFO	Steven Glickman
Emergency Medical Services & Fire Chief	Danny Thomas
Information Systems Director	Mike Pastor
Parks & Recreation Director	Adam Adams
Police Chief	Patrick Arata
Public Information Officer/Marketing Manager	April Reiling
Streets Director	Ed Helton



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,
Town Council, and Town Manager
Town of Trophy Club, TX

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Trophy Club (the Town), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 14 to the financial statements, beginning fund balance of the general fund and capital projects fund and net position of the governmental activities have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 15 to the financial statements, the Town adopted new accounting guidance, GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", in 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5-12), schedules of funding progress (pages 56-57), and budgetary comparison information (pages 58-59) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining

Town of Trophy Club
April 28, 2015

Page 3

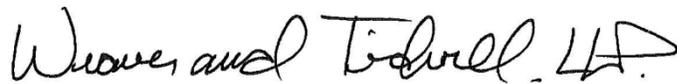
and budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2015, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.



WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
April 28, 2015



**TOWN OF TROPHY CLUB, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

As management of the Town of Trophy Club, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Trophy Club for the fiscal year ended September 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through v of this report.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the fiscal year ended September 30, 2014, by \$57,826,530 (net position). Of this amount, \$3,114,686 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.
- In total, the Town's total net position increased \$1,921 primarily as a result of the cumulative effect of a change in accounting principle that reduced net position in the amount of \$198,637 (See Note 15 in Notes to the Financial Statements) and ongoing revenues in excess of expenses of \$200,558.
- The Town's governmental funds reported combined ending fund balances of \$8,130,374, an increase of \$3,205,893 over the prior year. The increase was primarily due to the issuance of new debt, including \$2,500,000 in Certificates of Obligation and \$600,000 in Tax Notes.
- The unassigned portion of the General Fund balance at the end of the year was \$2,816,087 or 36.5% of total General Fund expenditures.
- The governmental activities long-term debt obligations of the Town increased by \$2,102,000 during the fiscal year. This increase was comprised primarily of debt service principal payments totaling \$998,000 offset by the addition of \$2,500,000 in certificates of obligation and \$600,000 in Tax Notes.

Overview of the Financial Statements

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

Government-wide financial statements--The government-wide financial statements are designed to provide readers with a broad overview of the Town of Trophy Club's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The Statement of Net Position presents information on all of the Town's assets, liabilities and deferred inflows/ outflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**TOWN OF TROPHY CLUB, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Both of the government-wide statements distinguish between governmental activities and business-type activities. Governmental activities primarily account for those activities supported by taxes and intergovernmental revenues. On the other hand, business-type activities are primarily supported by user fees and charges. Most Town services are reported in governmental activities while Proprietary Funds are reported in the business-type activities.

In the above statements, the Town's operations are presented as Governmental Activities - where most of the Town's basic activities are reported, including police, emergency medical services, public works, court, council and administration. Normally, these operations are financed by property taxes, sales taxes, and franchise fees.

The 4A Economic Development Corporation and 4B Economic Development Corporation are considered (discretely presented) component units of the Town. Their balances and activities have been combined and reported separately from those of the Town in the above statements.

Fund financial statements--The Town, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds--Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains eleven individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Debt Service Fund, the Capital Projects Fund, and the Grant Fund, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds--The Town maintains two proprietary funds: the Trophy Club Park Fund and the Town Storm Drainage Fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses proprietary funds to account for parks and recreation and storm water operations. Proprietary fund financial statements provide the same type of information as the government-wide financial statements only in more detail.

The 4A Economic Development Corporation and 4B Economic Development Corporation are reported as discretely presented component units. Information on these component units is presented in the Combining Statement of Net Position - Component Units and the Combining Statement of Activities - Component Units. In Fiscal Year 2013 the sales tax attributable to the

**TOWN OF TROPHY CLUB, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

4A Economic Development Corporation was reallocated to the 4B Economic Development Corporation and a newly created Crime Control Prevention District. The residual funds were transferred to the General Fund in Fiscal Year 2014.

The Town adopts annual appropriated budgets for the general fund, debt service fund and the Trophy Club Park Enterprise Fund. Budgets for capital projects funds are adopted on a project length basis. A budgetary comparison statement is provided for each budgeted governmental fund to demonstrate compliance with its budget.

Notes to the financial statements--The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-53.

Other information--In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found after the notes to the financial statements on pages 56-59.

Government-wide Financial Analysis

At the end of fiscal year 2014, the Town's net position (assets exceeding liabilities) totaled \$57,826,530. This analysis focuses on the net position (Table 1) and changes in net position (Table 2).

Net Position--The largest portion of the Town's net position, \$54,147,372 or 93.6%, reflects its net investment in capital assets (land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A portion of the Town's net position, \$564,472 or 1.0% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$3,114,686 or 5.4% may be used to meet the government's ongoing obligations to citizens and creditors.

**Table 1
Net Position**

	Governmental Activities		Business Type Activities		Total	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Current and other assets	\$ 9,428,347	\$ 6,259,874	\$ 914,954	\$ 1,950,844	\$ 10,343,301	\$ 8,210,718
Capital assets	62,447,934	63,539,371	1,403,885	96,304	63,851,819	63,635,675
Total Assets	71,876,281	69,799,245	2,318,839	2,047,148	74,195,120	71,846,393
Total deferred outflows of resources	33,499	-	-	-	33,499	-
Long-term liabilities outstanding	13,560,104	11,227,570	1,599,038	1,743,456	15,159,142	12,971,026
Other liabilities	1,079,232	933,786	163,715	20,252	1,242,947	954,038
Total Liabilities	14,639,336	12,161,356	1,762,753	1,763,708	16,402,089	13,925,064
Net Position						
Net investment in capital assets	53,586,441	54,425,735	560,931	52,848	54,147,372	54,478,583
Restricted	564,472	315,480	-	-	564,472	315,480
Unrestricted	3,119,531	2,896,674	(4,845)	230,592	3,114,686	3,127,266
Total Net Position	\$ 57,270,444	\$ 57,637,889	\$ 556,086	\$ 283,440	\$ 57,826,530	\$ 57,921,329

**TOWN OF TROPHY CLUB, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Changes in Net Position--In total, the Town's total net position increased \$1,921 primarily as a result of a \$198,637 reduction related to a cumulative change in accounting principle and ongoing revenues in excess of expenses of \$200,558.

Governmental Activities. Coupled with the cumulative effect of a change in accounting principle of \$160,873, governmental activities decreased the Town's net position by \$270,725 from the prior year. This was primarily the result of expenses (including depreciation expenses of \$2,681,137) in excess of revenues of \$109,852.

Business-type Activities. The cumulative effect of a change in accounting principle reduced net position \$37,764 and business-type activities increased it by \$310,410. This increase is primarily due to a \$302,110 increase in net position in the Town Storm Drainage fund despite \$27,067 in transfers out to other funds.

**Table 2
Changes in Net Position**

	Governmental Activities		Business Type Activities		Total	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Revenues:						
Program revenues:						
Charges for services	\$ 1,678,867	\$ 1,761,490	\$ 550,617	\$ 506,205	\$ 2,229,484	\$ 2,267,695
Operating grants and contributions	423,960	952,648	-	-	423,960	952,648
Capital grants and contributions	761,196	4,793,132	-	-	761,196	4,793,132
General revenues:						
Ad valorem taxes	5,955,398	5,334,140	-	-	5,955,398	5,334,140
Sales and mixed beverage taxes	965,969	781,054	-	-	965,969	781,054
Franchise taxes	784,758	720,168	-	-	784,758	720,168
Occupancy taxes	235,796	108,170	-	-	235,796	108,170
Investment income	4,973	7,193	25	-	4,998	7,193
Miscellaneous revenues	185,922	379,896	26,001	-	211,923	379,896
Total revenues	10,996,839	14,837,891	576,643	506,205	11,573,482	15,344,096
Expenses:						
General government	164,769	51,412	-	-	164,769	51,412
Town storm drainage	231,370	227,067	-	-	231,370	227,067
Emergency medical services	890,454	783,795	-	-	890,454	783,795
Manager's office	838,182	762,013	-	-	838,182	762,013
Human resources	74,282	102,361	-	-	74,282	102,361
Finance	393,946	372,496	-	-	393,946	372,496
Information systems	364,415	367,838	-	-	364,415	367,838
Legal	196,520	171,157	-	-	196,520	171,157
Police	2,147,093	2,046,422	-	-	2,147,093	2,046,422
Court	88,030	68,520	-	-	88,030	68,520
Recreation	564,180	543,672	-	-	564,180	543,672
Facilities management	81,550	75,344	-	-	81,550	75,344
Parks	1,991,664	1,493,918	-	-	1,991,664	1,493,918
Community development	358,334	341,566	-	-	358,334	341,566
Planning and zoning	261,875	258,306	-	-	261,875	258,306
Streets	1,764,396	2,234,140	-	-	1,764,396	2,234,140
Water and sewer	311,677	261,106	-	-	311,677	261,106
Interest on long-term debt	412,561	489,337	-	-	412,561	489,337
Trophy Club Park	-	-	134,625	98,718	134,625	98,718
Storm drainage	-	-	103,001	121,269	103,001	121,269
Total expenses	11,135,298	10,650,470	237,626	219,987	11,372,924	10,870,457
Increase (decrease) in net position before transfers	(138,459)	4,187,421	339,017	286,218	200,558	4,473,639
Transfers	28,607	49,644	(28,607)	(49,644)	-	-
Increase (decrease) in net position	(109,852)	4,237,065	310,410	236,574	200,558	4,473,639
Net Position - Beginning, as restated	57,541,169	53,400,824	283,440	46,866	57,824,609	53,447,690
Cumulative effect of change in accounting principle	(160,873)	-	(37,764)	-	(198,637)	-
Net Position - Ending	\$ 57,270,444	\$ 57,637,889	\$ 556,086	\$ 283,440	\$ 57,826,530	\$ 57,921,329

**TOWN OF TROPHY CLUB, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Financial Analysis of the Town's Funds

Governmental funds--The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$8,130,374.

The General Fund is the main operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$2,816,087. The fund balance of the General Fund increased by \$514,627 during the fiscal year. The increase can be attributed to revenues in excess of expenditures and repayments of \$299,458 from the Economic Development Corporation. Other revenue categories experiencing significant increases/decreases include:

- Property tax revenue increased from the previous year - \$398,001
- Sales tax revenue increased from the previous year - \$52,834
- Franchise tax revenue increased from the previous year - \$53,669
- Licenses and permits decreased from the previous year - \$64,034
- Fines decreased from the previous year - \$41,843

The Debt Service Fund experienced a decrease of \$1,630 in fund balance. Funds are restricted for the payment of debt service. The Capital Projects Fund experienced an increase in fund balance of \$2,439,364, which is due to the issuance of \$2,500,000 in certificates of obligation and \$600,000 in tax notes. The Grant Fund had an increase in fund balance of \$5,184. Other governmental funds had a total increases in fund balance of \$248,348. This increase was primarily due to increased collection of hotel occupancy taxes and the Crime Control and Prevention District.

In the General Fund, the Town originally budgeted for a fund balance increase in the current year of \$56,554. Due primarily to actual revenues being more than budgeted and expenditures less than budgeted, the actual budget basis fund balance variance from budget was an increase of \$458,073 for fiscal year 2014.

Proprietary funds--The Town's proprietary funds provide the same type of information found in the government-wide statements, but in more detail.

The unrestricted net position of the Trophy Club Park Fund amounted to \$1,830 at year end while the unrestricted net position of the Town Storm Drainage Fund amounted to (\$6,675). Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

Revenue: Significant variances between budgeted and actual revenues included: intergovernmental revenue was \$174,225 over budget, franchise taxes were \$42,751 over budget; licenses and permits were (\$40,109) under budget; revenues from charges for services were \$46,061 over budget; miscellaneous revenue was \$10,546 over budget, and grant revenue was (\$18,126) under budget. Overall, in the general fund, actual revenues exceeded final budgeted amounts by \$156,953.

**TOWN OF TROPHY CLUB, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Expenditures: Overall expenditures were below the budgeted amount by \$311,941 in fiscal year 2014. The Police Department exceeded its budget by \$24,999 primarily due personnel expenditures. The Parks Department exceeded the budgeted amount by \$8,608 due to increased water usage, property maintenance, and storage rentals. The Community Development Department came in \$70,605 under budget due to position vacancies during the fiscal year. The Recreation Department had a budget savings of \$67,565 due to decreased water usage, a change in the chemical vendor, and personnel savings.

Capital Assets

Capital Assets: The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$63,851,819 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings, utility system, machinery and equipment, and construction in progress. The total increase in the Town's investment in capital assets for the current year was 0.3%.

Major capital asset events during the current fiscal year included the following:

- Construction in progress:
 - Indian Creek pavement reconstruction
 - Indian Creek, Timber Ridge/Fresh Meadow drainage projects
 - Municipal complex professional services
 - Dino playground
- Trophy Club Park trail system improvements
- Christmas tree
- Pool pump and filter equipment
- Police taser equipment
- Police vehicles and equipment

**Table 3
Capital Assets at Year-End
Net of Accumulated Depreciation**

	Governmental Activities		Business Type Activities		Total	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Land	\$ 9,099,889	\$ 9,099,889	\$ -	\$ -	\$ 9,099,889	\$ 9,099,889
Construction in progress	722,046	140,523	1,403,885	96,304	2,125,931	236,827
Buildings	1,308,939	1,359,569	-	-	1,308,939	1,359,569
Improvements other than buildings	35,370,104	36,795,038	-	-	35,370,104	36,795,038
Machinery and equipment	761,956	746,486	-	-	761,956	746,486
Vehicles	360,573	350,025	-	-	360,573	350,025
Water system	4,784,702	4,849,140	-	-	4,784,702	4,849,140
Infrastructure	10,039,725	10,198,701	-	-	10,039,725	10,198,701
Total	\$ 62,447,934	\$ 63,539,371	\$ 1,403,885	\$ 96,304	\$ 63,851,819	\$ 63,635,675

Additional information on the Town's capital assets can be found in Note 4 on pages 43-44 of this report.

**TOWN OF TROPHY CLUB, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Debt Administration

At the end of the current fiscal year, the Town of Trophy Club had total debt principal outstanding of \$14,727,000. Of this amount, \$9,035,000 comprises bonded debt backed by the full faith and credit of the Town and \$5,692,000 represents contractual obligations. The Town maintains fair ratings from bond rating agencies as follows.

Bond Ratings:

	<u>Standard & Poor's</u>	<u>Moody's</u>
General obligation bonds	AA	Aa3
Contractual obligations	AA	Aa3

The Town's General obligation, contractual obligations, compensated absence obligations, and OPEB obligations are as follows.

**Table 4
Outstanding Debt at Year-End**

	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
General obligation bonds	\$ 9,035,000	\$9,400,000	\$ -	\$ -	\$ 9,035,000	\$9,400,000
Contractual obligations	4,132,000	1,665,000	1,560,000	1,700,000	5,692,000	3,365,000
Issuance premium	130,699	97,495	39,038	43,456	169,737	140,951
OPEB Liability	57,136	41,995	-	-	57,136	41,995
Compensated absences	205,269	73,330	-	-	205,269	73,330
Totals	\$ 13,560,104	\$11,277,820	\$ 1,599,038	\$ 1,743,456	\$15,159,142	\$13,021,276

Additional information on the Town's long-term debt can be found in Note 6 on pages 45-47 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town continues to experience high residential growth as well as limited commercial and retail development. The Town issued 193 residential construction permits in FY 2014, a decrease of 75 from the previous year. The permits are averaging approximately \$516,000. The Town budgeted for 150 residential building permits for FY15. Residential development is expected to decrease significantly beginning in FY 2015 as the Town approaches substantial build out.

In addition to the strong residential growth, the Town is experiencing moderate commercial development as well. The Town is set for the opening of two more hotels within its boundaries during FY 16 as well as three new restaurants.

In fiscal year 2015, General Fund revenues are budgeted to increase 5.6% over FY 2014 estimated revenues while expenditures are budgeted to increase by 4.7% over FY 2014 estimated expenditures. For fiscal year 2015, the Tarrant County plus Denton County certified net taxable property values of \$1,382,004,799 which reflected an increase of 15.5% over the previous fiscal year 2014 net taxable property values of \$1,196,664,060. The fiscal year 2015 budget decreased the ad valorem tax rate to \$0.4900 per hundred dollars of assessed value, down from \$0.4993 in fiscal year 2014.

**TOWN OF TROPHY CLUB, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2014**

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Trophy Club Chief Financial Officer, 100 Municipal Drive, Trophy Club, Texas, 76262. This information can also be accessed on the Town of Trophy Club's website at www.trophyclub.org.



BASIC FINANCIAL STATEMENTS

**TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 9,448,086	\$ 151,255	\$ 9,599,341	\$ 278,680
Sales taxes receivable	176,147	-	176,147	58,939
Ad valorem taxes receivable	95,521	-	95,521	-
Franchise fees receivable	119,872	-	119,872	-
Accounts, net	224,583	33,671	258,254	-
Due from other governments	78,630	9,568	88,198	4,374
Internal balances	(715,288)	715,288	-	-
Prepaid items	796	5,172	5,968	-
Total current assets	<u>9,428,347</u>	<u>914,954</u>	<u>10,343,301</u>	<u>341,993</u>
Noncurrent assets:				
Land	9,099,889	-	9,099,889	-
Construction in progress	722,046	1,403,885	2,125,931	-
Buildings	1,993,440	-	1,993,440	-
Improvements other than buildings	52,070,710	-	52,070,710	-
Machinery and equipment	1,814,415	-	1,814,415	-
Vehicles	1,096,062	-	1,096,062	-
Water System	5,362,005	-	5,362,005	-
Infrastructure	14,096,106	-	14,096,106	-
Accumulated depreciation	(23,806,739)	-	(23,806,739)	-
Total noncurrent assets	<u>62,447,934</u>	<u>1,403,885</u>	<u>63,851,819</u>	<u>-</u>
Total assets	<u>71,876,281</u>	<u>2,318,839</u>	<u>74,195,120</u>	<u>341,993</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	33,499	-	33,499	-
Total deferred outflows of resources	<u>33,499</u>	<u>-</u>	<u>33,499</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	447,232	157,472	604,704	2,278
Accrued liabilities	341,021	-	341,021	-
Interest payable	54,034	6,243	60,277	-
Unearned revenue	232,571	-	232,571	-
Due to other governments	4,374	-	4,374	-
Total current liabilities	<u>1,079,232</u>	<u>163,715</u>	<u>1,242,947</u>	<u>2,278</u>
Noncurrent liabilities:				
Debt due within one year	1,119,870	144,419	1,264,289	-
Debt due in more than one year	12,440,234	1,454,619	13,894,853	-
Total noncurrent liabilities	<u>13,560,104</u>	<u>1,599,038</u>	<u>15,159,142</u>	<u>-</u>
Total liabilities	<u>14,639,336</u>	<u>1,762,753</u>	<u>16,402,089</u>	<u>2,278</u>
NET POSITION				
Net investment in capital assets	53,586,441	560,931	54,147,372	-
Restricted for:				
Anniversary Events	2,114	-	2,114	-
Court	46,253	-	46,253	-
Crime Control	93,746	-	93,746	-
Debt Service	96,151	-	96,151	-
Recreation programs	2,812	-	2,812	-
Street Maintenance	39,915	-	39,915	-
Tourism	283,481	-	283,481	-
Unrestricted	3,119,531	(4,845)	3,114,686	339,715
Total net position	<u>\$ 57,270,444</u>	<u>\$ 556,086</u>	<u>\$ 57,826,530</u>	<u>\$ 339,715</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	\$ 164,769	\$ 133,453	\$ 309,832	\$ -
Emergency medical services	890,454	193,797	-	-
Manager's office	838,182	-	-	-
Human resources	74,282	-	-	-
Finance	393,946	-	-	-
Information Services	364,415	-	-	-
Legal	196,520	-	-	-
Court	88,030	140,947	-	-
Police	2,147,093	2,156	114,128	-
Recreation	564,180	304,263	-	-
Facilities management	81,550	-	-	-
Parks	1,991,664	-	-	-
Community Development	358,334	895,508	-	-
Planning and zoning	261,875	8,743	-	-
Streets	1,764,396	-	-	435,516
Water and sewer	311,677	-	-	221,289
Interest on long-term debt	412,561	-	-	-
Town Storm Drainage	231,370	-	-	104,391
Total governmental activities	11,135,298	1,678,867	423,960	761,196
Business-type activities:				
Storm Drainage Utility	103,001	399,692	-	-
Trophy Club Park	134,625	150,925	-	-
Total business-type activities	237,626	550,617	-	-
Total primary government	\$ 11,372,924	\$ 2,229,484	\$ 423,960	\$ 761,196
Component units:				
Economic Development Corporation	\$ 353,786	\$ 3,938	\$ -	\$ -
Total component units	\$ 353,786	\$ 3,938	\$ -	\$ -

General revenues and transfers:
Ad valorem
Sales and mixed beverage
Franchise taxes
Occupancy taxes
Investment income
Miscellaneous revenues
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning, as restated
Cumulative effect of change in accounting principle
Net position - ending

The Notes to Basic Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ 278,516	\$ -	\$ 278,516	\$ -
(696,657)	-	(696,657)	-
(838,182)	-	(838,182)	-
(74,282)	-	(74,282)	-
(393,946)	-	(393,946)	-
(364,415)	-	(364,415)	-
(196,520)	-	(196,520)	-
52,917	-	52,917	-
(2,030,809)	-	(2,030,809)	-
(259,917)	-	(259,917)	-
(81,550)	-	(81,550)	-
(1,991,664)	-	(1,991,664)	-
537,174	-	537,174	-
(253,132)	-	(253,132)	-
(1,328,880)	-	(1,328,880)	-
(90,388)	-	(90,388)	-
(412,561)	-	(412,561)	-
(126,979)	-	(126,979)	-
<u>(8,271,275)</u>	<u>-</u>	<u>(8,271,275)</u>	<u>-</u>
-	296,691	296,691	-
-	16,300	16,300	-
-	312,991	312,991	-
<u>(8,271,275)</u>	<u>312,991</u>	<u>(7,958,284)</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ (349,848)
-	-	-	(349,848)
5,955,398	-	5,955,398	-
965,969	-	965,969	322,784
784,758	-	784,758	-
235,796	-	235,796	-
4,973	25	4,998	179
185,922	26,001	211,923	-
28,607	(28,607)	-	-
<u>8,161,423</u>	<u>(2,581)</u>	<u>8,158,842</u>	<u>322,963</u>
(109,852)	310,410	200,558	(26,885)
57,541,169	283,440	57,824,609	366,600
(160,873)	(37,764)	(198,637)	-
<u>\$ 57,270,444</u>	<u>\$ 556,086</u>	<u>\$ 57,826,530</u>	<u>\$ 339,715</u>

**TOWN OF TROPHY CLUB, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014**

	<u>General</u>	<u>Debt Service</u>
ASSETS		
Cash and cash equivalents	\$ 4,025,482	\$ 134,237
Ad Valorem Taxes Receivable	75,199	20,322
Sales taxes receivable	119,807	-
Franchise fees receivable	119,872	-
Accounts, net	203,477	-
Due from other governments	78,630	-
Due from other Funds	92,736	-
Prepays	796	-
Total assets	\$ 4,715,999	\$ 154,559
LIABILITIES		
Accounts Payable	278,554	-
Accrued liabilities	341,021	-
Due to other governments	-	4,374
Due to other funds	578,150	-
Unearned revenue	232,571	-
Accrued Interest	-	12,598
Total liabilities	1,430,296	16,972
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-ad valorem taxes	72,428	19,495
Unavailable revenue-court fines	26,419	-
Unavailable revenue-emergency medical services	89,817	-
Unavailable revenue-property liens	3,666	-
Unavailable revenue-franchise fees	48,352	-
Total deferred inflows of resources	240,682	19,495
FUND BALANCES (DEFICITS)		
Nonspendable for:		
Prepays	796	-
Restricted for:		
Debt Service	-	118,092
Capital projects	-	-
Tourism	-	-
Street maintenance	-	-
Crime control and prevention	-	-
Town 25th anniversary	-	-
Court	-	-
Recreation programs	-	-
Assigned for:		
Capital expenditures	228,138	-
Unassigned	2,816,087	-
Total fund balances (deficits)	3,045,021	118,092
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 4,715,999	\$ 154,559

The Notes to Basic Financial Statements are an integral part of this statement.

<u>Capital Projects</u>	<u>Grant</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 4,803,841	\$ 56,658	\$ 427,868	\$ 9,448,086
-	-	-	95,521
-	-	56,340	176,147
-	-	-	119,872
-	-	21,106	224,583
-	-	-	78,630
578,150	-	-	670,886
-	-	-	796
<u>\$ 5,381,991</u>	<u>\$ 56,658</u>	<u>\$ 505,314</u>	<u>\$ 10,814,521</u>
120,635	11,050	36,993	447,232
-	-	-	341,021
-	-	-	4,374
756,083	51,941	-	1,386,174
-	-	-	232,571
-	-	-	12,598
<u>876,718</u>	<u>62,991</u>	<u>36,993</u>	<u>2,423,970</u>
-	-	-	91,923
-	-	-	26,419
-	-	-	89,817
-	-	-	3,666
-	-	-	48,352
<u>-</u>	<u>-</u>	<u>-</u>	<u>260,177</u>
-	-	-	796
-	-	-	118,092
4,505,273	-	-	4,505,273
-	-	283,481	283,481
-	-	39,915	39,915
-	-	93,746	93,746
-	-	2,114	2,114
-	-	46,253	46,253
-	-	2,812	2,812
-	-	-	228,138
-	(6,333)	-	2,809,754
<u>4,505,273</u>	<u>(6,333)</u>	<u>468,321</u>	<u>8,130,374</u>
<u>\$ 5,381,991</u>	<u>\$ 56,658</u>	<u>\$ 505,314</u>	<u>\$ 10,814,521</u>

**TOWN OF TROPHY CLUB, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014**

Total fund balances of governmental funds \$8,130,374

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 62,447,934

Long term liabilities are not due and payable in the current period and, therefore are not reported in the governmental fund financial statements. This amount is the net effect of:

General Obligation Bonds	(8,335,000)	
Contractual Obligations	(4,132,000)	
Tax Notes	(700,000)	
Issuance premiums	(130,699)	
OPEB liability	(57,136)	
Compensated absences	(205,269)	(13,560,104)

Deferred loss on refunding of governmental long-term debt is capitalized and amortized over the life of the debt in the government-wide financial statements. 33,499

Interest payable on long-term debt does not require the use of current financial resources; therefore, interest payable is not reported as liability in the governmental funds balance sheet. (41,436)

Revenues earned but not available within sixty days of year-end are not recognized as revenue in the fund financial statements. 260,177

Net position of governmental activities \$57,270,444



**TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2014**

	<u>General</u>	<u>Debt Service</u>
REVENUES		
Ad valorem taxes	\$ 4,547,901	\$ 1,360,863
Sales and mixed beverage taxes	662,722	-
Franchise taxes	772,621	-
Occupancy taxes	-	-
Licenses and permits	904,251	-
Intergovernmental	376,470	-
Charges for service	596,188	-
Fines	118,771	-
Investment income	2,942	246
Miscellaneous	183,172	-
Grant revenue	58,892	-
Total revenues	<u>8,223,930</u>	<u>1,361,109</u>
EXPENDITURES		
Current:		
General Government	-	-
Emergency medical services	808,788	-
Manager's office	829,603	-
Human resources	74,282	-
Finance	392,220	-
Information Services	333,769	-
Legal	196,520	-
Court	79,573	-
Police	2,015,923	-
Recreation	542,178	-
Facilities management	81,550	-
Parks	1,280,781	-
Community Development	326,821	-
Planning and zoning	260,939	-
Streets	403,868	-
Debt service:		
Administrative charges	-	6,250
Interest	-	398,872
Principal retirement	-	998,000
Capital outlay:		
Manager's office	-	-
Court	-	-
Police	49,105	-
Parks	33,565	-
Streets	-	-
Total expenditures	<u>7,709,485</u>	<u>1,403,122</u>
Excess (deficiency) of revenues over expenditures	<u>514,445</u>	<u>(42,013)</u>
OTHER FINANCING SOURCES (USES)		
Issuance of Contractual Obligations	-	-
Issuance of Tax Notes	-	-
Issue premium	-	-
Transfers in	11,000	40,383
Transfers out	(10,818)	-
Total other financing source (uses)	<u>182</u>	<u>40,383</u>
Net change in fund balances	514,627	(1,630)
Fund Balances - beginning, as restated	<u>2,530,394</u>	<u>119,722</u>
Fund Balances - ending	<u>\$ 3,045,021</u>	<u>\$ 118,092</u>

The Notes to Basic Financial Statements are an integral part of this statement.

<u>Capital Projects</u>	<u>Grant</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 5,908,764
-	-	303,247	965,969
-	-	-	772,621
-	-	235,796	235,796
-	-	-	904,251
55,992	-	-	432,462
-	-	15,593	611,781
-	-	7,340	126,111
1,548	30	208	4,974
-	-	2,750	185,922
-	2,491	-	61,383
<u>57,540</u>	<u>2,521</u>	<u>564,934</u>	<u>10,210,034</u>
-	-	39,703	39,703
-	-	-	808,788
-	-	-	829,603
-	-	-	74,282
-	-	-	392,220
-	-	-	333,769
-	-	-	196,520
-	-	8,324	87,897
-	1,695	4,185	2,021,803
-	-	12,781	554,959
-	-	-	81,550
18,070	-	-	1,298,851
-	-	-	326,821
-	-	-	260,939
-	-	114,096	517,964
68,850	-	-	75,100
-	-	-	398,872
-	-	-	998,000
159,595	-	-	159,595
-	-	13,440	13,440
-	-	66,976	116,081
205,278	-	-	238,843
<u>316,683</u>	<u>-</u>	<u>40,794</u>	<u>357,477</u>
<u>768,476</u>	<u>1,695</u>	<u>300,299</u>	<u>10,183,077</u>
(710,936)	826	264,635	26,957
2,500,000	-	-	2,500,000
600,000	-	-	600,000
50,329	-	-	50,329
-	4,358	-	55,741
(29)	-	(16,287)	(27,134)
<u>3,150,300</u>	<u>4,358</u>	<u>(16,287)</u>	<u>3,178,936</u>
2,439,364	5,184	248,348	3,205,893
2,065,909	(11,517)	219,973	4,924,481
<u>\$ 4,505,273</u>	<u>\$ (6,333)</u>	<u>\$ 468,321</u>	<u>\$ 8,130,374</u>

**TOWN OF TROPHY CLUB, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014**

Net change in fund balances - total governmental funds \$3,205,893

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays and developer infrastructure contributions in the current period.

Capital outlays	885,436	
Developer infrastructure contributions	704,264	
Depreciation expense	<u>(2,681,137)</u>	(1,091,437)

The issuance of long term debt provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

2014 Certificates of obligation proceeds	(2,500,000)	
2014 tax notes proceeds	(600,000)	
Premium on debt issues	(50,329)	
Debt principal paid	<u>998,000</u>	(2,152,329)

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of premium	17,125	
Amortization of deferred loss on refunding	<u>(16,751)</u>	374

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Ad valorem taxes	46,634	
Emergency medical services	19,734	
Franchise fees	12,133	
Court fines	<u>4,040</u>	82,541

Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(131,939)	
Accrued interest	(7,814)	
OPEB	<u>(15,141)</u>	(154,894)

Change in net position of governmental activities		<u><u>(\$109,852)</u></u>
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The Notes to Basic Financial Statements are an integral part of this statement.

**TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014**

	Business-type Activities		
	Trophy Club Park	Storm Drainage Utility	Total Enterprise Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 39,550	\$ 111,705	\$ 151,255
Accounts, net	-	33,671	33,671
Due from other governments	-	9,568	9,568
Due from other Funds	-	756,083	756,083
Prepays	5,170	2	5,172
Total current assets	44,720	911,029	955,749
Noncurrent assets:			
Nondepreciable capital assets	-	1,403,885	1,403,885
Total noncurrent assets	-	1,403,885	1,403,885
Total assets	44,720	2,314,914	2,359,634
LIABILITIES			
Current liabilities:			
Accounts Payable	3,193	154,279	157,472
Due to other funds	39,697	1,098	40,795
Accrued Interest	-	6,243	6,243
Current portion of long-term debt	-	144,419	144,419
Total current liabilities	42,890	306,039	348,929
Noncurrent liabilities:			
Noncurrent portion of long-term debt	-	1,454,619	1,454,619
Total noncurrent liabilities	-	1,454,619	1,454,619
Total liabilities	42,890	1,760,658	1,803,548
NET POSITION			
Net investment in capital assets	-	560,931	560,931
Unrestricted	1,830	(6,675)	(4,845)
Total net position	\$ 1,830	\$ 554,256	\$ 556,086

The Notes to Basic Financial Statements are an integral part of this statement.

TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2014

	Business-type Activities		
	Trophy Club Park	Storm Drainage Utility	Total Enterprise Funds
OPERATING REVENUES			
Charges for service	\$ 150,925	\$ 399,692	\$ 550,617
Miscellaneous	-	26,001	26,001
Total operating revenues	150,925	425,693	576,618
OPERATING EXPENSES			
Salaries and benefits	51,383	35,812	87,195
Supplies and materials	12,085	-	12,085
Repairs and maintenance	32,725	7,187	39,912
Utilities	7,867	-	7,867
Other operating expenses	30,565	36,957	67,522
Total operating expenses	134,625	79,956	214,581
Operating income	16,300	345,737	362,037
NONOPERATING REVENUES (EXPENSES)			
Interest and fiscal charges	-	(23,045)	(23,045)
Investment income	-	25	25
Total nonoperating revenues (expenses)	-	(23,020)	(23,020)
Income before transfers	16,300	322,717	339,017
Transfers in	-	6,460	6,460
Transfers out	(8,000)	(27,067)	(35,067)
Change in net position	8,300	302,110	310,410
Total net position - beginning	(6,470)	289,910	283,440
Cumulative effect of change in accounting principle	-	(37,764)	(37,764)
Total net position - ending	\$ 1,830	\$ 554,256	\$ 556,086

The Notes to Basic Financial Statements are an integral part of this statement.

**TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2014**

	Business-type Activities - Enterprise Funds		
	Trophy Club Park	Storm Drainage Utility	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Other	\$ -	\$ 26,001	\$ 26,001
Cash received from customers	150,925	396,666	547,591
Other payments	(81)	-	(81)
Payments to employees	(51,383)	(35,812)	(87,195)
Payments to suppliers	(83,442)	102,037	18,595
Net cash provided by operating activities	16,019	488,892	504,911
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Repayments of amounts from other funds	10	943,241	943,251
Transfers from other funds	-	6,460	6,460
Transfers to other funds	(8,000)	(27,067)	(35,067)
Net cash provided (used) by noncapital financing activities	(7,990)	922,634	914,644
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(1,307,581)	(1,307,581)
Interest and fiscal charges paid on debt	-	(28,681)	(28,681)
Principal paid on debt	-	(140,000)	(140,000)
Net cash provided (used) by capital and related financing activities	-	(1,476,262)	(1,476,262)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	-	25	25
Net cash provided (used) by investing activities	-	25	25
Net increase (decrease) in cash and cash equivalents	8,029	(64,711)	(56,682)
Balances - beginning of year	31,521	176,416	207,937
Balances - end of the year	\$ 39,550	\$ 111,705	\$ 151,255
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating Income	\$ 16,300	\$ 345,737	\$ 362,037
Changes in assets and liabilities:			
Accounts Payable - Other	(81)	-	(81)
Accounts Payable - Supplier	(200)	146,182	145,982
Customer Receivables	-	(3,027)	(3,027)
Net cash provided by operating activities	\$ 16,019	\$ 488,892	\$ 504,911

The Notes to Basic Financial Statements are an integral part of this statement.

**TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
SEPTEMBER 30, 2014**

	Agency Fund PID No. 1 Debt Service
ASSETS	
Cash and cash equivalents	\$ 4,233,214
Total assets	4,233,214
LIABILITIES	
Due to debt holders	4,233,214
Total liabilities	\$ 4,233,214

The Notes to Basic Financial Statements are an integral part of this statement.

**TOWN OF TROPHY CLUB, TEXAS
 COMBINING STATEMENT OF NET POSITION
 DISCRETELY PRESENTED COMPONENT UNITS
 SEPTEMBER 30, 2014**

	4A Economic Development Corporation	4B Economic Development Corporation	Total Component Units
ASSETS			
Cash and cash equivalents	\$ -	\$ 278,680	\$ 278,680
Sales taxes receivable	-	58,939	58,939
Due from other governments	-	4,374	4,374
	<u>-</u>	<u>341,993</u>	<u>341,993</u>
LIABILITIES			
Accounts payable	-	2,278	2,278
	<u>-</u>	<u>2,278</u>	<u>2,278</u>
NET POSITION			
Unrestricted	-	339,715	339,715
	<u>-</u>	<u>339,715</u>	<u>339,715</u>
Total net position	<u>\$ -</u>	<u>\$ 339,715</u>	<u>\$ 339,715</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**TOWN OF TROPHY CLUB, TEXAS
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Position		Total Component Units
		Charges for Services	4A Economic Development Corporation	4B Economic Development Corporation	
Economic Development Corporation					
4A Economic Development Corp.	\$ 177,896	\$ -	\$ (177,896)	\$ -	\$ (177,896)
4B Economic Development Corp.	175,890	3,938	-	(171,952)	(171,952)
Total Economic Development Corporation	353,786	3,938	(177,896)	(171,952)	(349,848)
Total component units	353,786	3,938	(177,896)	(171,952)	(349,848)
General revenues:					
Sales taxes			-	322,784	322,784
Investment income			-	179	179
Total general revenues			-	322,963	322,963
Change in net position			(177,896)	151,011	(26,885)
Net position - beginning			177,896	188,704	366,600
Net position - ending			\$ -	\$ 339,715	\$ 339,715

The Notes to Basic Financial Statements are an integral part of this statement.

TOWN OF TROPHY CLUB, TEXAS

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The Town of Trophy Club (the "Town") is a "home rule town" incorporated in 1985. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: council, public safety (police and emergency medical services), parks, public works (public improvements, streets, planning and zoning), and general administrative services.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the Town are described below.

B. Financial Reporting Entity

The Town of Trophy Club is a municipal corporation governed by an elected mayor and a six-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

**TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Financial Reporting Entity – Continued

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

The following entities were found to be discretely presented component units of the Town and are included in the financial statements:

Discretely Presented Component Units

The 4A Economic Development Corporation (4A) serves all citizens of the Town and is governed by a board appointed by the Town's elected council. The Town can impose its will on the 4A and affect the day-to-day operations of the 4A by removing appointed board members at will. The scope of public service of 4A benefits the Town and its citizens and is operated primarily within the geographic boundaries of the Town. In May 2013, voters approved to dissolve the 4A and replace it with a Crime Control Prevention District (CCPD).

The 4B Economic Development Corporation (4B) serves all citizens of the Town and is governed by a board appointed by the Town's elected council. The Town can impose its will on the 4B and affect the day-to-day operations of the 4B by removing appointed board members at will. The scope of public service of the 4B benefits the Town and its citizens and is operated primarily within the geographic boundaries of the Town.

Separate financial statements for the individual component units are not prepared.

The following entity was found to be a blended component unit

The Crime Control and Prevention District (the District) was formed under Chapter 363 of the Texas Local Government Code, the Crime Control and Prevention Act. The District is organized exclusively to act on behalf of the Town for the financing, development and crime control throughout the Town. The District is governed by a seven member board appointed by the Town Council. The annual budget and issuance of debt must be approved by the Town Council. Since the District provides services entirely to the Town, it has been reported as a blended component unit.

C. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. As a general rule, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the consolidation process.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

C. Government-Wide and Fund Financial Statements - Continued

Fund Financial Statements

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental, proprietary and fiduciary activities. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. A separate financial statement is provided for the agency fund even though it is excluded from the government-wide statements.

1. Governmental Funds:

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

The Town has presented the following major governmental funds:

General Fund

The General Fund is the main operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the Town. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

Capital Projects Fund

The Capital Projects Fund is used to account for funds received and expended for acquisition and construction of infrastructure and other capital assets.

Grant Fund

This fund is used to account for grant monies received by and expended by the Town.

**TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Government-Wide and Fund Financial Statements – Continued

Fund Financial Statements Continued

In addition, the Town reports the following non-major governmental funds:

Hotel/Motel Fund

This fund is used to account for local hotel and motel occupancy tax receipts, as well as expenses (events).

Street Maintenance Sales Tax Fund

Accounts for sales taxes specifically restricted for street improvements.

25th Anniversary Fund

Accounts for contributions restricted for the Town's 25th anniversary celebration.

Court Technology Fund

Accounts for court fees specifically restricted for court technology expenses.

Court Security Fund

Accounts for court fees specifically restricted for court security expenses.

Crime Control and Prevention District

Accounts for sales taxes specifically restricted for crime control and prevention.

Recreation Programs

Accounts for revenues and expenditures associated with recreational programs.

2. Proprietary Funds:

Proprietary Funds are accounted for using an economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Trophy Club Park enterprise fund and the Town Storm Drainage enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and service, administrative expenses, and repairs and maintenance. All revenues and expenses not meeting the above definitions are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

The Town has presented the following major Proprietary funds:

**TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Government-Wide and Fund Financial Statements – Continued

Fund Financial Statements - Continued

Trophy Club Park Fund

This fund is utilized to account for funds received and expended for the maintenance of park land.

Town Storm Drainage Fund

Accounts for the storm drainage utility fee designated for the maintenance of the Town's storm drainage system.

3. Fiduciary Funds:

The Town reports the following fiduciary fund:

Public Improvement District (PID) No. 1 Debt Service Agency Fund

This fund accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the Town as an agent for the Public Improvement District.

D. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary fund financial statements are reported using the accrual basis of accounting, but have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Cash and Investments

The Town's cash and cash equivalents includes cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Because the Town, at its option, can withdraw funds within a twenty-four hour period from local government investment pools these investments are considered to be cash equivalents.

State statutes authorize the Town to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) – (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the Town, and placed through a primary government securities dealer. The Town's investments are governed by the same state statutes.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

F. Prepaid Items

Prepaid items represent costs such as postage deferred to subsequent periods.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental and business-type activities columns in the government-wide financial statements as well as in the proprietary fund financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest in the amount of \$17,466 was capitalized during the current fiscal year.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	30 Years
Improvements other than buildings	10-30 Years
Improvements other than buildings (streets)	30 Years
Machinery and equipment	7-15 Years
Vehicles	6 Years
Water system	25 Years
Infrastructure (storm drainage system)	40 Years

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Accumulated Vacation, Compensated Time and Sick Leave

It is the Town's policy to permit employees to accumulate earned but unused vacation pay benefits. No liability is reported for unpaid accumulated sick leave. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Bond premiums and discounts, and any deferred loss on the refunding of bonds are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Fund Equity

The Town has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe the constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable fund balance represents fund balance that is (a) not in a spendable form such as prepaid items or (b) legally or contractually required to be maintained intact such as an endowment.

Restricted fund balance consists of amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources.

Committed fund balances are self-imposed limitations set in place prior to the end of the fiscal period. These amounts can be used only for the specific purposes determined and approved via a motion of the Town Council, which is the highest level of decision-making authority for the Town. The same level of formal action is required to remove the constraint.

Assigned fund balance consists of amounts that are subject to a purpose constraint that represents an intended use established by the Town Council or by their designated body or the Finance Director. The intention of use must be provided, in writing, by the Town Council or their designated body to the Finance Director, or by the Finance Director to the Town Council or their designated body.

Unassigned fund balance represents the residual classification of fund balance and includes all

**TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Fund Equity - Continued

spendable amounts not contained within the other classifications.

When multiple categories of fund balance are available for expenditure, the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Additionally, the implementation of GASB No. 54 required the Town to evaluate the classification of Special Revenue Funds. In accordance with GASB No. 54 Special Revenue Funds are used only to account for specific revenue sources that are externally restricted or committed by the government's highest level of decision making authority for specific purposes other than debt service or capital projects.

K. Deferred outflows/ inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Town only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, which arises only under the modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from five sources: ad valorem taxes, court fines, emergency medical services (EMS), special assessments and franchise fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Net Position

In the government-wide financial statements, net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 2. CASH AND INVESTMENTS

At September 30, 2014, the carrying amount of the Town's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$5,596,621 and the bank balance was \$5,675,435. The Town's cash deposits at September 30, 2014 and during the year ended September 30, 2014 were entirely covered by FDIC insurance or by pledged collateral held by the Town's agent bank in the Town's name.

Legal and contractual provisions governing deposits and investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Town to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes and the Town's investment policy authorized the Town to invest in the following investments as summarized in the table below:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	2 years	85%	NA
U.S. Agencies Securities	2 years	85%	NA
State of Texas Securities	2 years	85%	NA
Certificates of Deposits	2 years	85%	NA
Municipal Securities	2 years	85%	NA
Money Market	2 years	50%	NA
Mutual Funds	2 years	50%	NA
Investment pools	2 years	100%	NA

The Act also requires the Town to have independent auditors perform test procedures related to investment practices as provided by the Act. The Town is in substantial compliance with the requirements of the Act and with local policies.

Cash and investments as of September 30, 2014 are classified in the accompanying financial statements as follows:

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS - CONTINUED

Statement of Net Position

Primary Government:	
Cash and cash equivalents	\$ 9,599,341
Fiduciary Fund:	
Cash and cash equivalents	4,233,214
Component Unit:	
Cash and cash equivalents	<u>278,680</u>
Total cash and cash equivalents	<u>\$ 14,111,235</u>

Cash and investments as of September 30, 2014 consist of the following:

Cash on hand	\$ 1,299
Deposits with financial institutions	5,596,621
Investments	<u>8,513,315</u>
Total cash and investments	<u>\$ 14,111,235</u>

Disclosures relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days, thus reducing the interest rate risk. The Town monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The Town has no specific limitations with respect to this metric.

As of September 30, 2014, the Town had the following investments:

Local Government Investment Pool	Amount	Weighted Average Maturity
Lone Star	\$ 1,578,414	52 days
LOGIC	1,500,423	54 days
TexPool	<u>5,434,478</u>	44 days
Total Investments	<u>\$ 8,513,315</u>	

As of September 30, 2014, the Town did not invest in any securities which are highly sensitive to interest rate fluctuations.

Disclosures relating to credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the Town's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

**TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 2. CASH AND INVESTMENTS - CONTINUED

Local Government Investment Pool	Minimum Legal Rating	Rating as of Year End
Lone Star	AAAm	AAAm
LOGIC	AAAm	AAAm
TexPool	AAAm	AAAm

Concentration of credit risk

The investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2014, other than external investment pools, the Town did not have 5% or more of its investment with one issuer.

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Public Funds Investment Act and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less FDIC insurance at all times.

As of September 30, 2014, the Town deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

Investment in state investment pools

The Town is a voluntary participant in TexPool. The State Comptroller of Public Accounts exercises responsibility over TexPool. This oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized costs rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS - CONTINUED

The Town is a voluntary participant in Local Government Investment Cooperative (LOGIC). LOGIC is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256, of the Texas Government Code. The pool was created in April 1994 through a contract among its participating governments, and is governed by a board of directors to provide for the joint investments of participant's public funds and funds under their control. Day to day administration of LOGIC is performed by First Southwest Company and J.P. Morgan Investment Management Inc.

The Town is a voluntary participant in Lonestar Investment Pool. The LoneStar Investment Pool is an investment pool available to governmental entities. The pool was established under the guidance of the Texas Public Funds Investment Act. A board of directors made up of members of the pool is responsible for the overall operation of the pool. The Board has employed various third party organizations to assist in the operations. These third parties are as follows: American Beacon Advisors and BNY Mellon Cash Investment Strategies-Investment Managers, RBC Wealth Management- Investment Consultant, Bank of New York Mellon- Custodian, First Public-Administration. In combination with these third party organizations, the pool has received an AAAm rating from Standard & Poor's. This rating allows the pool to meet the standards required by the Texas Public Funds Investment Act.

NOTE 3. RECEIVABLES

Year-end receivable balances for the government's individual major funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Activities	Storm Drainage Utility
Governmental Funds					
Receivables					
Property taxes	\$ 75,199	\$ 20,322	\$ -	\$ 95,521	\$ -
Franchise taxes	119,872	-	-	119,872	-
Sales taxes	119,807	-	56,340	176,147	-
Hotel occupancy taxes	-	-	21,106	21,106	-
Accounts	1,173,209	-	-	1,173,209	33,671
Grants	20,039	-	-	20,039	-
	<u>1,508,126</u>	<u>20,322</u>	<u>77,446</u>	<u>1,605,894</u>	<u>33,671</u>
Gross receivables					
Less: allowance	<u>(989,771)</u>	<u>-</u>	<u>-</u>	<u>(989,771)</u>	<u>-</u>
Net total receivables	<u>\$ 518,355</u>	<u>\$ 20,322</u>	<u>\$ 77,446</u>	<u>\$ 616,123</u>	<u>\$ 33,671</u>

The September 30, 2014 Due from Other Governments of governmental activities balance is comprised of \$78,630 due from the PID administrator for purchases made by the Town. The September 30, 2014 Due from Other Governments of business-type activities balance is comprised of \$9,568 due from the Trophy Club Municipal District No. 1 for storm water drainage services rendered while the balance of component units is comprised of amounts due from the Debt Service Fund.

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2014, was as follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not depreciated:				
Land	\$ 9,099,889	\$ -	\$ -	\$ 9,099,889
Construction in progress	140,523	581,523	-	722,046
Total capital assets not depreciated	<u>9,240,412</u>	<u>581,523</u>	<u>-</u>	<u>9,821,935</u>
Capital assets being depreciated:				
Buildings	1,993,440	-	-	1,993,440
Improvements other than buildings	51,667,087	403,623	-	52,070,710
Machinery and equipment	1,669,037	145,378	-	1,814,415
Vehicles	962,566	133,496	-	1,096,062
Water system	5,252,201	109,804	-	5,362,005
Infrastructure	13,880,230	215,876	-	14,096,106
Total capital assets being depreciated	<u>75,424,561</u>	<u>1,008,177</u>	<u>-</u>	<u>76,432,738</u>
Less accumulated depreciation for:				
Buildings	(633,871)	(50,630)	-	(684,501)
Improvements other than buildings	(14,872,049)	(1,828,557)	-	(16,700,606)
Machinery and equipment	(922,551)	(129,908)	-	(1,052,459)
Vehicles	(612,541)	(122,948)	-	(735,489)
Water system	(403,061)	(174,242)	-	(577,303)
Infrastructure	(3,681,529)	(374,852)	-	(4,056,381)
Total accumulated depreciation	<u>(21,125,602)</u>	<u>(2,681,137)</u>	<u>-</u>	<u>(23,806,739)</u>
Total capital assets being depreciated, net	<u>54,298,959</u>	<u>(1,672,960)</u>	<u>-</u>	<u>52,625,999</u>
Governmental activities capital assets, net	<u>\$ 63,539,371</u>	<u>\$ (1,091,437)</u>	<u>\$ -</u>	<u>\$ 62,447,934</u>

Depreciation expense was charged as direct expense to programs of the primary government as follows:

General government	\$ 41,076
Emergency medical services	51,767
Information systems	22,466
Police	74,895
Parks and recreation	683,739
Community development	23,306
Streets and drainage	1,472,211
Water and sewer	<u>311,677</u>
Total depreciation expense	<u>\$ 2,681,137</u>

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 4. CAPITAL ASSETS - CONTINUED

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
<u>Business-Type Activities:</u>				
Capital assets not depreciated:				
Construction in progress	\$ 96,304	\$ 1,307,581	\$ -	\$ 1,403,885
Total capital assets not depreciated	96,304	1,307,581	-	1,403,885
Business-type activities capital assets, net	\$ 96,304	\$ 1,307,581	\$ -	\$ 1,403,885

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund receivables and payables balances at September 30, 2014 is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Grant Fund	\$ 51,941	Reimbursable expenditures moved to General Fund
General Fund	Trophy Club Park Fund	39,697	Transfers for administrative and public safety services
General Fund	Storm Drainage Fund	1,098	Reimbursable expenditures moved to General Fund
Capital Projects	General Fund	578,150	2014 Tax Note Proceeds
Storm Drainage	Capital Projects	756,083	Storm Drainage Portion of 2013 CO Proceeds
	Total	<u>\$ 1,426,969</u>	

Transfers between funds during the year are as follows:

Transfer In	Transfer Out	Amount	Purpose
Debt Service Fund	Storm Drainage Fund	\$ 27,067	Debt Service
Debt Service Fund	Non-major Governmental Funds	13,287	Debt Service
General Fund	Trophy Club Park Fund	8,000	Administrative Support
Storm Drainage Fund	General Fund	6,460	Move HMAP Reimbursement to Drainage Fund
Grant Fund	General Fund	4,358	Move TCLOSE Grant Resources to Grant Fund
General Fund	Non-major Governmental Funds	3,000	Administrative Support
Debt Service Fund	Capital Projects	29	Debt Service
	Total	<u>\$ 62,201</u>	

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT

The Town periodically issues general obligation bonds and contractual obligations to provide funds for general government purposes. The Town also periodically utilizes notes and capital leases to provide financing for general government purposes.

During 2014, the Town issued \$2,500,000 Combination Tax and Revenue Certificates of Obligation, Series 2014. Proceeds from the sale of the certificates will be used for the purpose of purchasing land for a joint police and town hall facility project, and paying professional services of professionals in connection with the project and the issuance of the certificates.

During 2014, the Town issued \$600,000 of Tax Notes, Series 2014. Proceeds of the notes will be used for streets reconstruction.

At September 30, 2014, the Town's long-term debt consisted of the following:

Governmental Activities:

Description	Interest Rate	Year of Issue	Final Maturity	Average Annual Payment	Original Amount	Balance 9/30/2014
General Obligation Bonds:						
Improvements	4.00-5.00 %	2007	2027	\$ 175,000	\$ 3,260,000	\$ 2,465,000
Improvements	3.00-4.13 %	2010	2030	250,000	5,000,000	4,365,000
Refunding	2.00-4.00 %	2010	2022	232,500	2,790,000	1,505,000
Tax notes	4.24 %	2012	2015	166,667	500,000	100,000
Tax notes	0.89% %	2014	2016	302,507	600,000	600,000
						<u>\$ 9,035,000</u>

Contractual Obligations:

Combination Tax and Revenue-Series 2004	3.50-4.75 %	2004	2024	\$ 45,620	\$ 650,000	\$ 332,000
Certificates of Obligation Series 2013	2.50-3.25 %	2013	2028	86,667	1,300,000	1,300,000
Certificates of Obligation Series 2014	2.00-3.75 %	2014	2034	173,605	2,500,000	2,500,000
						<u>\$ 4,132,000</u>

Business-type Activities:

Description	Interest Rate	Year of Issue	Final Maturity	Average Annual Payment	Original Amount	Balance 9/30/2014
Contractual Obligations:						
Certificates of Obligation Series 2013	2.50-3.00 %	2013	2024	\$ 170,000	\$ 1,700,000	\$ 1,560,000
						<u>\$ 1,560,000</u>

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT - CONTINUED

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 9,400,000	\$ 600,000	\$ (965,000)	\$ 9,035,000	\$ 910,000
Contractual Obligations	1,665,000	2,500,000	(33,000)	4,132,000	178,000
Issuance Premium	97,495	50,329	(17,125)	130,699	20,795
OPEB Liability	41,995	15,141	-	57,136	-
Compensated Absences	73,330	342,080	(210,141)	205,269	11,075
Total Governmental Activities					
Long-term Liabilities	<u>\$11,277,820</u>	<u>\$ 3,507,550</u>	<u>\$(1,225,266)</u>	<u>\$ 13,560,104</u>	<u>\$ 1,119,870</u>
Business-type Activities:					
Contractual Obligations	\$ 1,700,000	\$ -	\$ (140,000)	\$ 1,560,000	\$ 140,000
Issuance Premium	43,456	-	(4,418)	39,038	4,419
Total Business-type Activities					
Long-term Liabilities	<u>\$ 1,743,456</u>	<u>\$ -</u>	<u>\$ (144,418)</u>	<u>\$ 1,599,038</u>	<u>\$ 144,419</u>

The annual requirements to amortize long-term debt outstanding of governmental activities as of September 30, 2014, are as follows:

General Obligation Bonds

Year Ending September 30,	Governmental Activities		Total Requirements
	Principal	Interest	
2015	\$ 910,000	\$ 320,376	\$ 1,230,376
2016	825,000	301,409	1,126,409
2017	545,000	283,699	828,699
2018	570,000	265,799	835,799
2019	590,000	247,049	837,049
2020-2024	2,895,000	895,824	3,790,824
2025-2029	2,330,000	342,376	2,672,376
2030-2034	370,000	15,263	385,263
Total	<u>\$ 9,035,000</u>	<u>\$ 2,671,795</u>	<u>\$ 11,706,795</u>

**TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 6. LONG-TERM DEBT - CONTINUED

Contractual Obligations

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>		<u>Total Requirements</u>
	<u>Principal</u>	<u>Interest</u>	
2015	\$ 178,000	\$ 159,996	\$ 337,996
2016	203,000	120,877	323,877
2017	213,000	115,498	328,498
2018	218,000	109,893	327,893
2019	223,000	104,163	327,163
2020-2024	1,192,000	423,756	1,615,756
2025-2029	1,130,000	234,913	1,364,913
2030-2034	775,000	86,788	861,788
Total	<u>\$ 4,132,000</u>	<u>\$ 1,355,884</u>	<u>\$ 5,487,884</u>

The annual requirements to amortize long-term debt outstanding of business-type activities as of September 30, 2014, are as follows:

Contractual Obligations

<u>Year Ending September 30,</u>	<u>Business-type Activities</u>		<u>Total Requirements</u>
	<u>Principal</u>	<u>Interest</u>	
2015	\$ 140,000	\$ 38,962	\$ 178,962
2016	145,000	35,400	180,400
2017	145,000	31,775	176,775
2018	150,000	28,088	178,088
2019	155,000	24,275	179,275
2020-2024	825,000	59,269	884,269
Total	<u>\$ 1,560,000</u>	<u>\$ 217,769</u>	<u>\$ 1,777,769</u>

The general fund has been used to liquidate compensated absences and capital lease liabilities.

NOTE 7. AD VALOREM TAX

Ad Valorem Tax is levied each October 1 on the assessed value listed as of the prior January 1 for all residential and commercial property located in the Town. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the Town Council.

Taxes are due on October 1, the levy date, and are delinquent if unpaid by the following January 31; after which time the Town has an enforceable lien with respect to both real and personal property.

Under state law, Ad Valorem Taxes levied on real property constitute a perpetual lien which cannot be forgiven without specific approval of the State Legislature. Penalties and interest are included for any payment received after January 31.

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 7. AD VALOREM TAX - CONTINUED

Ad valorem taxes at the fund level are recorded as receivables and deferred inflows of resources at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual have been recognized as revenue. Ad valorem taxes are recorded net of the allowance for uncollectible taxes. Uncollectible personal ad valorem taxes can be written off upon expiration of the five year statute of limitations.

NOTE 8. PENSION PLAN

Texas Municipal Retirement System

Plan Description

The Town of Trophy Club provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and Town-financed monetary credits, with interest. At the date the plan began, the Town granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percentage (200%) of the employee's accumulated contributions.

In addition, the Town can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and the Town matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Plan provisions for the Town were as follows:

Deposit rate	7%
Matching ratio (Town to employee)	2-1
A member is vested after	5 years

Members can retire at certain ages, based on the years of service with the Town. The service retirement eligibilities for the Town are 5 years at 60 years of age, or 20 years at any age.

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN - CONTINUED

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. Both the employees and the Town make contributions monthly.

Since the Town needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2012 valuation is effective for rates beginning January 2014).

Annual Pension Cost

Three Year Trend Information

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension (Obligation) Asset
2012	\$ 467,621	100%	\$ -
2013	\$ 526,301	100%	\$ -
2014	\$ 662,072	100%	\$ -

As of December 31, 2013, the most recent actuarial valuation date, the plan was 74.1% funded. The actuarial accrued liability for benefits was \$15,231,441, and the actuarial value of assets was \$11,280,091 resulting in an unfunded actuarial accrued liability (UAAL) of \$3,951,350. The covered payroll (annual payroll of active employees covered by the plan) was \$4,346,566, and the ratio of the UAAL to the covered payroll was 90.9%.

The following actuarial assumptions were used:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll
Remaining Amortization	30.0 years – closed period
Asset Valuation Method	10-year smoothed market
Investment Rate of Return	7.0%
Projected Salary Increases	Varies by age and service
Includes Inflation at	3.0%
Cost of Living Adjustments	2.1%

All assumptions for the December 31, 2013 valuations are contained in the December 31, 2013 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

**TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Town provides post-employment medical, dental, and vision benefits (OPEB) for eligible retirees, their spouses and dependents through TML Intergovernmental Employee Benefits Pool, which covers both active and retired members.

As of September 30, 2014, membership consisted of:

Retirees and beneficiaries receiving benefits	-
Active employees	73
Total	<u>73</u>

The three optional benefit levels, TML Plan P85-50-20, TML Plan P85-100-25 and TML Plan P96-200-5, are the same for retirees as those afforded to active employees. Regular full-time employees retiring from the Town have the option to continue medical insurance coverage until the retiree becomes eligible for Medicare or is eligible to be covered under another medical plan.

Funding Policy

The benefit levels and contribution rates are approved annually by the Town management and the Town Council as part of the budget process. By the Town not contributing anything toward this plan in advance, the Town employs a pay-as-you-go method through ensuring the annual retiree contributions are equal to the benefits that are paid on behalf of the retirees.

The monthly Retiree health coverage contribution rates for offered benefit levels are as follows:

	TML Plan P85-50-20	TML Plan P85-100-25	TML Plan P96-200-5
Single Coverage	\$ 442	\$ 378	\$ 293
Single + Spouse	\$ 1,231	\$ 1,012	\$ 782
Single + Children	\$ 864	\$ 717	\$ 555
Single + Family	\$ 1,559	\$ 1,276	\$ 986

An irrevocable trust has not been established; therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost is calculated based on the annual required contribution of the Town (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the Town's annual OPEB cost for the year, the amount contributed to the plan, and changes in the Town's net OPEB obligation.

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Annual required contribution	\$ 15,002
Interest on net OPEB obligation	1,890
Adjustment to annual required contribution	<u>(1,751)</u>
Annual OPEB cost	15,141
Contributions made	<u>-</u>
Change in OPEB obligation	15,141
Net OPEB obligation (asset) - beginning of year	<u>41,995</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ 57,136</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012, 2013, and 2014 were as follows:

Fiscal Year	Annual OPEB Costs	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 16,274	60.57%	\$ 32,099
2013	\$ 13,990	29.26%	\$ 41,995
2014	\$ 15,141	0.00%	\$ 57,136

Funded Status and Funding Progress

As of November 19, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$88,691, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for fiscal year 2014 was \$4,346,566, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 2.04%.

Actuarial Methods and Assumptions

Projections of benefits are based on substantive plan (the plan understood by the employer and plan members) and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the Town and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

In the November 19, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 4.5% after 7 years. The rate of inflation is assumed to be 3%.

NOTE 10. CONTRIBUTIONS

The Town received contributions of \$177,897 from the 4A Economic Development Corporation (4A), and \$54,964 from the 4B Economic Development Corporation (4B) during the year ended September 30, 2014 in order to repay debt payments related to the both the 4A and 4B. Additionally, the Town received contributions in the amount of \$66,597 from 4B during the year ended September 30, 2014. These contributions represent payment for various items such as property maintenance and administrative services. The contributions have been recorded as part of intergovernmental revenue

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 10. CONTRIBUTIONS - CONTINUED

in the Town's statement of revenues, expenditures, and changes in fund balance – governmental funds, and as expenses in the statement of activities for 4A and 4B.

NOTE 11. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has purchased commercial insurance to protect against these various risks of loss. There was no significant reduction in insurance coverage from the previous year. Settled claims for risks have not exceeded insurance coverage for the past three years.

NOTE 12. PUBLIC UTILITY DISTRICT NO. 1

On May 7, 2007, the Trophy Club Town Council approved Resolution 2007-08 authorizing and providing for the creation of a Public Improvement District. Trophy Club Public Improvement District No.1 consists of approximately 609.68 acres within the corporate limits of the Town of Trophy Club. This District was created in accordance with Chapter 372 of the Texas Local Government Code.

On December 13, 2007 the Trophy Club Town Council approved the issuance and sale of \$27,500,000 in bonds, known as Trophy Club Public Improvement No. 1 Special Assessment Revenue Bonds, Series 2007. These bonds were authorized in order to finance the authorized improvements found in the Service and Assessment Plan. An Assessment on each property located in the District will repay the bonds. The Town is acting only as an agent and has no obligation to support payment of the bonds, directly or indirectly.

The Service and Assessment Plan included the following projects: Thoroughfare Improvements, Water Distribution System Improvements, Wastewater Collection System Improvements, Trails and Open Space, Elevated Water Storage, Thoroughfare Landscaping and Irrigation, Screening Walls and Entry Features, Public Parks, Drainage Improvements, and Construction Administration.

NOTE 13. TROPHY CLUB MUNICIPAL UTILITY DISTRICT No.1

The Town entered into an agreement with Trophy Club Municipal Utility District No.1 ("the District") in 2011 to provide support services to the District. Total payments received for services provided to the District under this agreement totaled \$87,422 during the fiscal year ended September 30, 2014, and are recorded as miscellaneous revenue of the General Fund in the Town's statement of revenues, expenditures and changes in fund balance.

**TOWN OF TROPHY CLUB, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 14. RESTATEMENT OF BEGINNING NET POSITION AND FUND BALANCE

	<u>General Fund</u>	<u>Governmental Activities</u>	<u>Capital Projects Fund</u>
Net Position at September 30, 2013 as previously reported:		\$ 57,637,889	
Restatements:			
Prior year account corrections:		(96,720)	
Net position at September 30, 2013, restated		<u>\$ 57,541,169</u>	
Fund Balance, September 30, 2013 as previously reported:	\$ 2,627,264		\$ 2,065,759
Restatements:			
Adjustments for revenue related items:	76,269		
Adjustments for vendor payable related items:	(173,139)		150
	<u>\$ 2,530,394</u>		<u>\$ 2,065,909</u>

NOTE 15. CUMULATIVE EFFECT OF ADOPTION OF GASB STATEMENT NO. 65

As a result of the implementation of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, an adjustment has been made to write off all unamortized bond issuance costs from previous years. As a result, governmental activities beginning net position has been decreased by \$160,873 and the beginning net position of business-type activities and the storm drainage utility fund has been decreased by \$37,764.

NOTE 16. NEW AND FUTURE FINANCIAL REPORTING REQUIREMENTS

Statement No. 68, "Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27." – This statement changes the focus of pension accounting for employers from whether they are responsibly funding their plan over time to a point-in-time liability that is reflected in the employer's financial statements for any actuarially unfunded portion of pension benefits earned to date. This statement will become effective for the Town in fiscal year 2015.

Management has not yet determined the effect of this statement on the financial statements; however, the impact of Statement No. 68 is expected to be significant as the Town will now reflect a previously unrecorded liability. The Town also expects the largest deferred inflows and outflows to be pension related.

NOTE 17. SUBSEQUENT EVENTS

The Town has evaluated all events and transactions that have occurred from September 30, 2014 up until April 28, 2015, the date the financial statements were issued, and determined that there are no transactions requiring additional recognition or disclosure.



REQUIRED SUPPLEMENTARY INFORMATION

**TOWN OF TROPHY CLUB, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED SEPTEMBER 30, 2014**

	FY2011-12 <u>12/31/2011</u>	FY2012-13 <u>12/31/2012</u>	FY2013-14 <u>12/31/2013</u>
Actuarial valuation date			
Actuarial value of assets	\$ 8,701,754	\$ 10,054,928	\$ 11,280,091
Actuarial accrued liability	12,685,291	14,114,964	15,231,441
Percentage funded	68.6%	71.2%	74.1%
Unfunded actuarial accrued liability	3,983,537	4,060,036	3,951,350
Annual covered payroll	4,465,244	4,957,838	4,346,566
Unfunded actuarial accrued liability as a percentage of covered payroll	89.2%	81.9%	90.9%
Net pension obligation at beginning of period	-	-	-
Annual pension cost:			
Annual required contribution	467,621	526,301	662,072
Less: contributions made	<u>(467,621)</u>	<u>(526,301)</u>	<u>(662,072)</u>
Net pension obligation at end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF TROPHY CLUB, TEXAS
RETIREE HEALTH PLAN
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED SEPTEMBER 30, 2014**

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Annual required contribution	\$ 15,002	\$ 13,990	\$ 16,274
Interest on prior year Net OPEB obligation	1,890	1,444	1,156
Adjustment to annual required contribution	<u>(1,751)</u>	<u>(1,444)</u>	<u>(1,156)</u>
Annual OPEB cost	15,141	13,990	16,274
Contributions made	<u>-</u>	<u>4,094</u>	<u>9,857</u>
Increase in net OPEB obligation	15,141	9,896	6,417
Net Obligation - beginning of year	<u>41,995</u>	<u>32,099</u>	<u>25,682</u>
Net Obligation - end of year	<u><u>\$ 57,136</u></u>	<u><u>\$ 41,995</u></u>	<u><u>\$ 32,099</u></u>
Percentage of OPEB costs contributed	0.00%	29.26%	60.57%
Actuarial accrued liability	\$ 88,691	\$ 81,122	\$ 109,475
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability	<u><u>\$ 88,691</u></u>	<u><u>\$ 81,122</u></u>	<u><u>\$ 109,475</u></u>
Funded ratio	0.0%	0.0%	0.0%
Covered payroll	4,346,566	4,957,838	4,465,244
Unfunded actuarial accrued liability as a percentage of covered payroll	2.04%	1.64%	2.45%

**TOWN OF TROPHY CLUB, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 4,589,856	\$ 4,589,856	\$ 4,547,901	\$ (41,955)
Sales and mixed beverage taxes	625,375	655,375	662,722	7,347
Franchise taxes	729,870	729,870	772,621	42,751
Licenses and permits	944,360	944,360	904,251	(40,109)
Intergovernmental	202,245	202,245	376,470	174,225
Charges for service	474,127	550,127	596,188	46,061
Fines	140,000	140,000	118,771	(21,229)
Investment income	5,500	5,500	2,942	(2,558)
Miscellaneous	172,626	172,626	183,172	10,546
Grant revenue	-	77,018	58,892	(18,126)
Total revenues	7,883,959	8,066,977	8,223,930	156,953
EXPENDITURES				
Current:				
Emergency medical services	853,933	853,933	808,788	45,145
Manager's office	872,641	864,641	829,603	35,038
Human resources	98,382	92,382	74,282	18,100
Finance	395,440	392,440	392,220	220
Information Services	374,271	377,271	333,769	43,502
Legal	184,246	199,246	196,520	2,726
Court	84,994	84,994	79,573	5,421
Police	1,929,005	2,006,023	2,015,923	(9,900)
Recreation	609,743	609,743	542,178	67,565
Facilities management	72,200	87,200	81,550	5,650
Parks	1,226,257	1,271,257	1,280,781	(9,524)
Community Development	355,601	397,426	326,821	70,605
Planning and zoning	241,753	275,928	260,939	14,989
Streets	444,452	440,452	403,868	36,584
Total current	7,742,918	7,952,936	7,626,815	326,121
Capital outlay:				
Police	34,006	34,006	49,105	(15,099)
Parks	61,481	34,481	33,565	916
Total capital outlay	95,487	68,487	82,670	(14,183)
Total expenditures	7,838,405	8,021,423	7,709,485	311,938
Excess (deficiency) of revenues over expenditures	45,554	45,554	514,445	468,891
OTHER FINANCING SOURCES (USES)				
Transfers in	227,209	182,209	11,000	(171,209)
Transfers out	(216,209)	(171,209)	(10,818)	160,391
Total other financing source (uses)	11,000	11,000	182	(10,818)
Net change in fund balances	56,554	56,554	514,627	458,073
Fund balances - beginning, as restated	2,530,394	2,530,394	2,530,394	-
Fund balances - ending	\$ 2,586,948	\$ 2,586,948	\$ 3,045,021	\$ 458,073

**TOWN OF TROPHY CLUB, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2014**

NOTE 1. BUDGETARY CONTROL

The Town follows these procedures in establishing the budgetary data reflected in the 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 proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance.
4. The Town Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.

Annual appropriated budgets are consistent with U.S. generally accepted accounting principles and are legally adopted for the general fund, the Trophy Club park fund and the debt service fund.

All appropriations lapse on September 30 of the fiscal year.

Expenditures were in excess of appropriations for the following:

- Police (\$24,999)
- Parks (\$8,608)



COMBINING AND BUDGETARY COMPARISON SCHEDULE

**TOWN OF TROPHY CLUB, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,369,864	\$ 1,369,864	\$ 1,360,863	\$ (9,001)
Investment income	1,000	1,000	246	(754)
Miscellaneous	1,300	1,300	-	(1,300)
Total revenues	<u>1,372,164</u>	<u>1,372,164</u>	<u>1,361,109</u>	<u>(11,055)</u>
EXPENDITURES				
Debt service:				
Administrative charges	2,000	2,000	6,250	(4,250)
Interest	445,092	445,092	398,872	46,220
Principal retirement	1,138,000	1,138,000	998,000	140,000
Total debt service	<u>1,585,092</u>	<u>1,585,092</u>	<u>1,403,122</u>	<u>181,970</u>
Total expenditures	<u>1,585,092</u>	<u>1,585,092</u>	<u>1,403,122</u>	<u>181,970</u>
Excess (deficiency) of revenues over expenditures	<u>(212,928)</u>	<u>(212,928)</u>	<u>(42,013)</u>	<u>170,915</u>
OTHER FINANCING SOURCES				
Transfers in	285,862	218,362	40,383	(177,979)
Total other financing sources	<u>285,862</u>	<u>218,362</u>	<u>40,383</u>	<u>(177,979)</u>
Net change in fund balances	72,934	5,434	(1,630)	(7,064)
Fund balances - beginning	119,722	119,722	119,722	-
Fund balances - ending	<u>\$ 192,656</u>	<u>\$ 125,156</u>	<u>\$ 118,092</u>	<u>\$ (7,064)</u>

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

HOTEL/ MOTEL FUND

Accounts for occupancy taxes charged to hotels.

STREET MAINTENANCE SALES TAX FUND

Accounts for sales taxes specifically restricted for street improvements.

25TH ANNIVERSARY FUND

Accounts for contributions designated for the Town's 25th anniversary celebration.

COURT TECHNOLOGY FUND

Accounts for court fees specifically restricted for court technology expenditures.

COURT SECURITY FUND

Accounts for court fees specifically restricted for court security expenditures.

CRIME CONTROL AND PREVENTION DISTRICT FUND

Accounts for sales taxes specifically restricted for crime control and prevention.

RECREATION PROGRAMS

Accounts for recreation fees and associated programs.

**TOWN OF TROPHY CLUB, TEXAS
 COMBINING BALANCE SHEET-
 NON MAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2014**

	Hotel/ Motel Tax	Street Maintenance Sales Tax	25th Anniversary
ASSETS			
Cash and cash equivalents	\$ 267,750	\$ 13,166	\$ 2,114
Sales taxes receivable	-	29,469	-
Accounts, net	21,106	-	-
Total assets	<u>288,856</u>	<u>42,635</u>	<u>2,114</u>
LIABILITIES			
Accounts payable	5,375	2,720	-
Total liabilities	<u>5,375</u>	<u>2,720</u>	<u>-</u>
FUND BALANCES			
Restricted for:			
Tourism	283,481	-	-
Street maintenance	-	39,915	-
Town 25th anniversary	-	-	2,114
Crime control and prevention	-	-	-
Court	-	-	-
Recreation programs	-	-	-
Total fund balances	<u>283,481</u>	<u>39,915</u>	<u>2,114</u>
Total liabilities and fund balances	<u>\$ 288,856</u>	<u>\$ 42,635</u>	<u>\$ 2,114</u>

Court Technology	Court Security	Crime Control and Prevention	Recreation Programs	Total Nonmajor Governmental Funds
\$ 37,400	\$ 22,293	\$ 82,240	\$ 2,905	\$ 427,868
-	-	26,871	-	56,340
-	-	-	-	21,106
<u>37,400</u>	<u>22,293</u>	<u>109,111</u>	<u>2,905</u>	<u>505,314</u>
13,440	-	15,365	93	36,993
<u>13,440</u>	<u>-</u>	<u>15,365</u>	<u>93</u>	<u>36,993</u>
-	-	-	-	283,481
-	-	-	-	39,915
-	-	-	-	2,114
-	-	93,746	-	93,746
23,960	22,293	-	-	46,253
-	-	-	2,812	2,812
<u>23,960</u>	<u>22,293</u>	<u>93,746</u>	<u>2,812</u>	<u>468,321</u>
\$ 37,400	\$ 22,293	\$ 109,111	\$ 2,905	\$ 505,314

**TOWN OF TROPHY CLUB, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2014**

	Hotel/ Motel Tax	Street Maintenance Sales Tax	25th Anniversary
REVENUES			
Ad valorem taxes	\$ -	\$ -	\$ -
Sales and mixed beverage taxes	-	161,392	-
Occupancy taxes	235,796	-	-
Charges for service	-	-	-
Fines	-	-	-
Investment income	163	-	-
Miscellaneous	-	-	-
Total revenues	<u>235,959</u>	<u>161,392</u>	<u>-</u>
EXPENDITURES			
Current:			
General government	39,703	-	-
Court	-	-	-
Police	-	-	-
Recreation	-	-	-
Streets	-	114,096	-
Debt service:			
Capital outlay:			
Court	-	-	-
Police	-	-	-
Streets	-	40,794	-
Total expenditures	<u>39,703</u>	<u>154,890</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>196,256</u>	<u>6,502</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(13,287)	-
Total other financing source (uses)	<u>-</u>	<u>(13,287)</u>	<u>-</u>
Net change in fund balances	196,256	(6,785)	-
Fund balances - beginning	87,225	46,700	2,114
Fund balances - ending	<u>\$ 283,481</u>	<u>\$ 39,915</u>	<u>\$ 2,114</u>

<u>Court Technology</u>	<u>Cout Security</u>	<u>Crime Control and Prevention</u>	<u>Recreation Programs</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	141,855	-	303,247
-	-	-	-	235,796
-	-	-	15,593	15,593
4,194	3,146	-	-	7,340
-	-	45	-	208
2,750	-	-	-	2,750
<u>6,944</u>	<u>3,146</u>	<u>141,900</u>	<u>15,593</u>	<u>564,934</u>
-	-	-	-	39,703
8,324	-	-	-	8,324
-	-	4,185	-	4,185
-	-	-	12,781	12,781
-	-	-	-	114,096
13,440	-	-	-	13,440
-	-	66,976	-	66,976
-	-	-	-	40,794
<u>21,764</u>	<u>-</u>	<u>71,161</u>	<u>12,781</u>	<u>300,299</u>
(14,820)	3,146	70,739	2,812	264,635
-	(3,000)	-	-	(16,287)
-	(3,000)	-	-	(16,287)
(14,820)	146	70,739	2,812	248,348
38,780	22,147	23,007	-	219,973
<u>\$ 23,960</u>	<u>\$ 22,293</u>	<u>\$ 93,746</u>	<u>\$ 2,812</u>	<u>\$ 468,321</u>

FIDUCIARY FUND

PUBLIC IMPROVEMENT DISTRICT (PID) NO. 1 DEBT SERVICE AGENCY FUND

Accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the town as an agent for the Public Improvement District.

**TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2014**

ASSETS:	Balance September 2013	ADDITIONS	DEDUCTIONS	Balance September 2014
Cash and cash equivalents	\$ 4,298,547	_____	\$ 65,333	\$ 4,233,214
Total Assets	\$ 4,298,547	\$ -	\$ 65,333	\$ 4,233,214
LIABILITIES:				
Due to debt holders	\$ 4,298,547	_____	\$ 65,333	\$ 4,233,214
Total Liabilities	\$ 4,298,547	\$ -	\$ 65,333	\$ 4,233,214

DISCRETELY PRESENTED COMPONENT UNITS

4A ECONOMIC DEVELOPMENT FUND

Accounts for the use of 4A economic development sales tax revenue.

4B ECONOMIC DEVELOPMENT FUND

Accounts for the use of 4B economic development sales tax revenue.

**TOWN OF TROPHY CLUB, TEXAS
4A ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales taxes	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
General government	<u>-</u>	<u>177,896</u>	<u>177,896</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>177,896</u>	<u>177,896</u>	<u>-</u>
Deficiency of revenues over expenditures	-	(177,896)	(177,896)	-
Fund Balance - beginning of year	<u>177,896</u>	<u>177,896</u>	<u>177,896</u>	<u>-</u>
Fund Balance - end of year	<u>\$ 177,896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TOWN OF TROPHY CLUB, TEXAS
4B ECONOMIC DEVELOPMENT FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues				
Miscellaneous	\$ 35,000	\$ 35,000	\$ -	\$ (35,000)
Sales taxes	305,000	305,000	322,784	17,784
Investment income	100	100	179	79
Charges for services	-	-	3,938	3,938
Total revenues	<u>340,100</u>	<u>340,100</u>	<u>326,901</u>	<u>(13,199)</u>
Expenditures:				
General government	<u>340,100</u>	<u>340,100</u>	<u>175,890</u>	<u>164,210</u>
Total expenditures	<u>340,100</u>	<u>340,100</u>	<u>175,890</u>	<u>164,210</u>
Excess of revenues over expenditures	-	-	151,011	151,011
Fund Balances - beginning of year	<u>188,704</u>	<u>188,704</u>	<u>188,704</u>	<u>-</u>
Fund Balances - end of year	<u>\$ 188,704</u>	<u>\$ 188,704</u>	<u>\$ 339,715</u>	<u>\$ 151,011</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Town of Trophy Club's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Tables
Financial Trends	1-4
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	5-8
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	9-11
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	12-13
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	14-15
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

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

TABLE 1

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 12,937,027	\$ 18,482,623	\$ 12,598,102	\$ 24,467,178	\$ 33,443,249	\$ 36,491,021	\$ 47,668,302	\$ 50,050,855	\$ 54,425,735	\$ 53,586,441
Restricted for debt service	-	663	42,164	130,709	40,716	39,003	57,471	65,590	95,507	96,151
Restricted for capital projects	-	-	-	-	-	-	-	996,425	-	-
Restricted for crime control and prevention	-	-	-	-	-	-	-	-	23,007	93,746
Restricted for tourism	-	-	-	-	-	-	-	1,321	87,225	283,481
Restricted for street maintenance	-	-	-	-	-	-	-	75,999	46,700	39,915
Restricted for anniversary events	-	-	-	-	-	-	-	2,114	2,114	2,114
Restricted for recreation programs	-	-	-	-	-	-	-	-	-	2,812
Restricted for court	-	-	-	-	-	-	-	49,962	60,927	46,253
Unrestricted	1,740,263	(4,334,834)	1,689,440	11,115,277	6,197,041	4,569,344	2,689,482	2,158,558	2,896,674	3,119,531
Total governmental activities net position	\$ 14,677,290	\$ 14,148,452	\$ 14,329,706	\$ 35,713,164	\$ 39,681,006	\$ 41,099,368	\$ 50,415,255	\$ 53,400,824	\$ 57,637,889	\$ 57,270,444
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,848	\$ 560,931
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	12,541	46,866	230,592	(4,845)
Total business-type activities net position	\$ -	\$ 12,541	\$ 46,866	\$ 283,440	\$ 556,086					
Primary government										
Net investment in capital assets	\$ 12,937,027	\$ 18,482,623	\$ 12,598,102	\$ 24,467,178	\$ 33,443,249	\$ 36,491,021	\$ 47,668,302	\$ 50,050,855	\$ 54,478,583	\$ 54,147,372
Restricted for debt service	-	663	42,164	130,709	40,716	39,003	57,471	65,590	95,507	96,151
Restricted for capital projects	-	-	-	-	-	-	-	996,425	-	-
Restricted for crime control and prevention	-	-	-	-	-	-	-	-	23,007	93,746
Restricted for tourism	-	-	-	-	-	-	-	1,321	87,225	283,481
Restricted for street maintenance	-	-	-	-	-	-	-	75,999	46,700	39,915
Restricted for anniversary events	-	-	-	-	-	-	-	2,114	2,114	2,114
Restricted for recreation programs	-	-	-	-	-	-	-	-	-	2,812
Restricted for court	-	-	-	-	-	-	-	49,962	60,927	46,253
Unrestricted	1,740,263	(4,334,834)	1,689,440	11,115,277	6,197,041	4,569,344	2,702,023	2,205,424	3,127,266	3,114,686
Total primary governmental net position	\$ 14,677,290	\$ 14,148,452	\$ 14,329,706	\$ 35,713,164	\$ 39,681,006	\$ 41,099,368	\$ 50,427,796	\$ 53,447,690	\$ 57,921,329	\$ 57,826,530

Source: City audited financial records

(1) The Town implemented the GASB 34 model of reporting fiscal year ending September 30, 2004.

Note: The Town did not have business-type activities prior to fiscal year 2011.

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

TABLE 2

	<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>
Expenses										
Governmental activities:										
General government	\$ 1,165,820	\$ 1,009,358	\$ 1,026,163	\$ 1,475,709	\$ 1,421,942	\$ 1,717,961	\$ 2,807,237	\$ 1,984,137	\$ 1,902,621	\$ 2,113,664
Public safety	2,315,846	2,380,610	2,312,318	3,041,753	2,013,822	2,211,108	2,275,778	2,392,798	2,898,737	3,125,577
Highways & streets	142,116	198,671	131,922	526,621	1,326,986	1,335,674	1,372,501	1,829,799	2,234,140	1,764,396
Community development	388,260	1,405,385	982,406	415,552	298,287	353,894	345,804	485,614	599,872	620,209
Water and sewer	-	-	-	-	-	-	617,001	92	261,106	311,677
Storm Drainage	-	-	-	-	-	-	-	-	227,067	231,370
Culture and recreation	1,682,217	1,176,295	1,539,859	1,930,105	1,224,521	1,596,619	1,844,573	1,564,660	2,037,590	2,555,844
Interest on long-term debt	266,346	249,829	261,125	2,532,457	391,346	391,593	558,473	498,569	489,337	412,561
Total governmental activities expenses	<u>5,960,605</u>	<u>6,420,148</u>	<u>6,253,793</u>	<u>9,922,197</u>	<u>6,676,904</u>	<u>7,606,849</u>	<u>9,821,367</u>	<u>8,755,669</u>	<u>10,650,470</u>	<u>11,135,298</u>
Business-type activities:										
Trophy Club Park	-	-	-	-	-	-	98,935	130,185	98,718	134,625
Town Storm Drainage	-	-	-	-	-	-	156,461	96,488	121,269	103,001
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,396</u>	<u>226,673</u>	<u>219,987</u>	<u>237,626</u>
Total primary government expenses	<u>\$ 5,960,605</u>	<u>\$ 6,420,148</u>	<u>\$ 6,253,793</u>	<u>\$ 9,922,197</u>	<u>\$ 6,676,904</u>	<u>\$ 7,606,849</u>	<u>\$ 10,076,763</u>	<u>\$ 8,982,342</u>	<u>\$ 10,870,457</u>	<u>\$ 11,372,924</u>
Program Revenues										
Governmental activities:										
Charges for services										
Community Development	-	-	-	-	-	713,920	792,065	1,128,234	968,285	895,508
Water and Sewer	-	-	-	-	-	305,580	612,722	2,040	-	-
Other	710,275	687,476	931,685	1,284,324	1,551,633	688,554	669,827	854,349	793,205	783,359
Operating grants and contributions	799,680	895,044	909,784	977,774	55,801	385,429	340,748	342,894	952,648	423,960
Capital grants and contributions	-	-	-	27,776,510	3,736,920	323,822	10,627,098	2,682,302	4,793,132	761,196
Total governmental activities program revenues	<u>1,509,955</u>	<u>1,582,520</u>	<u>1,841,469</u>	<u>30,038,608</u>	<u>5,344,354</u>	<u>2,417,305</u>	<u>13,042,460</u>	<u>5,009,819</u>	<u>7,507,270</u>	<u>2,864,023</u>
Business-type activities:										
Charges for services	-	-	-	-	-	-	253,034	325,380	506,205	550,617
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,034</u>	<u>325,380</u>	<u>506,205</u>	<u>550,617</u>
Total primary government program revenues	<u>\$ 1,509,955</u>	<u>\$ 1,582,520</u>	<u>\$ 1,841,469</u>	<u>\$ 30,038,608</u>	<u>\$ 5,344,354</u>	<u>\$ 2,417,305</u>	<u>\$ 13,295,494</u>	<u>\$ 5,335,199</u>	<u>\$ 8,013,475</u>	<u>\$ 3,414,640</u>

(continued)

(continued)

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

TABLE 2 – CONTINUED

	<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>
Net (Expenses) Revenue										
Governmental activities	\$ (4,450,650)	\$ (4,837,628)	\$ (4,412,324)	\$ 20,116,411	\$ (1,332,550)	\$ (5,189,544)	\$ 3,221,093	\$ (3,745,850)	\$ (3,143,200)	\$ (8,271,275)
Business-type activities	-	-	-	-	-	-	(2,362)	98,707	286,218	312,991
Total primary government net expenses	<u>\$ (4,450,650)</u>	<u>\$ (4,837,628)</u>	<u>\$ (4,412,324)</u>	<u>\$ 20,116,411</u>	<u>\$ (1,332,550)</u>	<u>\$ (5,189,544)</u>	<u>\$ 3,218,731</u>	<u>\$ (3,647,143)</u>	<u>\$ (2,856,982)</u>	<u>\$ (7,958,284)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 2,531,828	\$ 2,650,351	\$ 2,906,229	\$ 3,217,051	\$ 3,639,192	\$ 3,889,157	\$ 4,480,999	\$ 4,897,615	\$ 5,334,140	\$ 5,955,398
Sales and mixed beverage taxes	347,716	430,950	605,776	608,218	588,362	674,131	631,561	754,105	781,054	965,969
Other taxes	404,337	466,794	455,944	515,205	563,340	537,644	648,400	706,065	828,338	1,020,554
Intergovernmental revenue	271,190	264,885	280,086	254,572	260,507	409,454	-	-	-	-
Investment income	80,815	91,439	176,939	465,064	85,800	17,634	15,162	7,983	7,193	4,973
Miscellaneous revenues	138,531	159,487	168,604	629,225	163,192	126,949	333,497	301,269	379,896	185,922
Transfers	-	-	-	(4,422,288)	-	-	75,819	64,382	49,644	28,607
Total governmental activities	<u>3,774,417</u>	<u>4,063,906</u>	<u>4,593,578</u>	<u>1,267,047</u>	<u>5,300,393</u>	<u>5,654,969</u>	<u>6,185,438</u>	<u>6,731,419</u>	<u>7,380,265</u>	<u>8,161,423</u>
Business-type activities:										
Investment income	-	-	-	-	-	-	78	-	-	25
Special items	-	-	-	-	-	-	-	-	-	26,001
Transfers	-	-	-	-	-	-	(75,819)	(64,382)	(49,644)	(28,607)
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,741)</u>	<u>(64,382)</u>	<u>(49,644)</u>	<u>(2,581)</u>
Total primary government	<u>\$ 3,774,417</u>	<u>\$ 4,063,906</u>	<u>\$ 4,593,578</u>	<u>\$ 1,267,047</u>	<u>\$ 5,300,393</u>	<u>\$ 5,654,969</u>	<u>\$ 6,109,697</u>	<u>\$ 6,667,037</u>	<u>\$ 7,330,621</u>	<u>\$ 8,158,842</u>
Change in Net Position										
Governmental activities	\$ (676,233)	\$ (773,722)	\$ 181,254	\$ 21,383,458	\$ 3,967,843	\$ 465,425	\$ 9,406,531	\$ 2,985,569	\$ 4,237,065	\$ (109,852)
Business-type activities	-	-	-	-	-	-	(78,103)	34,325	236,574	310,410
Total primary government	<u>\$ (676,233)</u>	<u>\$ (773,722)</u>	<u>\$ 181,254</u>	<u>\$ 21,383,458</u>	<u>\$ 3,967,843</u>	<u>\$ 465,425</u>	<u>\$ 9,328,428</u>	<u>\$ 3,019,894</u>	<u>\$ 4,473,639</u>	<u>\$ 200,558</u>

Source: Town audited financial records

**TOWN OF TROPHY CLUB, TEXAS
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)**

	2005	2006	2007	2008
General Fund				
Nonspendable for prepaids	\$ -	\$ -	\$ -	\$ -
Assigned for capital expenditures				
Unassigned				
Reserved	27,564	122,236	71,195	97,355
Unreserved	1,452,181	1,005,073	1,335,796	1,830,233
Total general fund	\$ 1,479,745	\$ 1,127,309	\$ 1,406,991	\$ 1,927,588
All Other Governmental Funds				
Restricted for:				
Debt Service	\$ -	\$ -	\$ -	\$ -
Capital Projects	-	-	-	-
Tourism	-	-	-	-
Street Maintenance	-	-	-	-
Town 25th anniversary	-	-	-	-
Water Services	-	-	-	-
Court	-	-	-	-
Recreation programs	-	-	-	-
Crime Control and Prevention	-	-	-	-
Unassigned	-	-	-	-
Reserved for:				
Debt service	\$ 10,009	\$ 13,326	\$ 74,060	\$ 152,253
Prepaid items	-	-	-	-
Encumbrances	-	-	-	-
Capital projects funds	-	-	-	-
Unreserved, reported in:				
Debt service	-	-	-	-
Special revenue funds	7,482	246	(1,531)	18,607
Capital projects funds	811,140	80	3,065,681	10,193,492
Total all other governmental funds	\$ 828,631	\$ 13,652	\$ 3,138,210	\$ 10,364,352

Source: Town audited financial records

(1) The Town implemented the GASB 54 during fiscal year ended September 30, 2011.

TABLE 3

2009	2010	2011	2012	2013	2014
\$ -	\$ -	\$ 2,620	\$ 796	\$ 796	\$ 796
		228,138	228,138	228,138	228,138
		2,412,034	2,902,168	2,398,330	2,816,087
56,968	57,486	-	-	-	-
2,010,869	2,056,334	-	-	-	-
<u>\$ 2,067,837</u>	<u>\$ 2,113,820</u>	<u>\$ 2,642,792</u>	<u>\$ 3,131,102</u>	<u>\$ 2,627,264</u>	<u>\$ 3,045,021</u>
\$ -	\$ -	\$ 85,388	\$ 94,267	\$ 119,722	\$ 118,092
-	-	1,599,988	996,425	2,065,759	4,505,273
-	-	1,890	1,321	87,225	283,481
-	-	34,750	75,999	46,700	39,915
-	-	2,114	2,114	2,114	2,114
-	-	12,788	-	-	-
-	-	-	49,962	60,927	46,253
-	-	-	-	-	2,812
-	-	-	-	23,007	93,746
-	-	(26,477)	(257,350)	(11,517)	(6,333)
\$ 63,305	\$ 83,067	\$ -	\$ -	\$ -	\$ -
-	1,567	-	-	-	-
-	48,000	-	-	-	-
3,750,206	6,709,402	-	-	-	-
-	-	-	-	-	-
8,231	151,970	-	-	-	-
-	-	-	-	-	-
<u>\$ 3,821,742</u>	<u>\$ 6,994,006</u>	<u>\$ 1,710,441</u>	<u>\$ 962,738</u>	<u>\$ 2,393,937</u>	<u>\$ 5,085,353</u>

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

	2005	2006	2007	2008
Revenues				
Taxes				
Ad valorem taxes	\$ 2,525,331	\$ 2,627,333	\$ 2,903,193	\$ 3,219,061
Sales and mixed beverage taxes	347,716	430,950	605,776	608,218
Franchise taxes	400,759	444,095	447,956	481,459
Hotel/motel	-	-	-	25,705
Licenses, permits & fees	331,218	207,539	215,251	376,628
Inter-governmental	1,084,687	1,173,462	1,104,134	1,232,346
Charges for services	304,499	320,926	570,063	776,088
Fines	88,950	138,801	99,541	106,092
Contributions	-	-	-	27,415,006
Investment Income	80,814	91,439	176,939	465,064
Grant revenue	-	-	-	361,504
Sales taxes	-	-	-	-
Miscellaneous	128,964	159,412	207,719	659,254
Total revenues	5,292,938	5,593,957	6,330,572	35,726,425
Expenditures				
Current:				
General government	1,247,417	1,034,432	1,091,305	1,458,474
Public safety	2,310,747	2,415,056	2,360,669	3,082,797
Highways & streets	10,195	66,750	-	593,444
Community development	419,919	847,830	871,553	317,973
Water and sewer	-	-	-	-
Culture & recreation	1,025,036	1,057,322	1,229,661	1,296,752
Debt Service:				
Principal	280,000	290,000	305,000	447,000
Interest	266,701	250,897	291,924	460,741
Other charges	-	-	-	2,078,496
Capital Outlay	736,589	820,629	629,681	14,078,557
Total expenditures	6,296,604	6,782,916	6,779,793	23,814,234
Excess of revenues over (under) expenditures	(1,003,666)	(1,188,959)	(449,221)	11,912,191
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease obligation	72,743	21,544	119,461	256,836
Proceeds from contractual obligations	-	-	474,000	-
Proceeds of bank loan	-	-	-	-
Proceeds from bonds	688,000	-	3,260,000	-
Premium on bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfer from other funds	129,146	-	60,002	123,280
Transfer to other funds	(129,146)	-	(60,002)	(4,545,568)
Total other financing sources (uses)	760,743	21,544	3,853,461	(4,165,452)
NET CHANGE IN FUND BALANCES	\$ (242,923)	\$ (1,167,415)	\$ 3,404,240	\$ 7,746,739
Debt service as a percentage of non-capital expenditures	14.52%	12.33%	13.38%	17.16%

Source: Town audited financial records

TABLE 4

	2009	2010	2011	2012	2013	2014
\$	3,623,124	\$ 3,890,927	\$ 4,457,829	\$ 4,916,886	\$ 5,330,778	\$ 5,908,764
	588,362	541,711	631,561	754,105	781,054	965,969
	546,271	519,959	608,806	693,722	718,952	772,621
	17,069	17,685	22,644	20,543	108,170	235,796
	631,895	719,333	798,520	1,128,234	968,285	904,251
	235,715	237,756	375,749	342,894	888,896	133,004
	794,185	868,571	1,140,556	670,186	592,146	611,781
	140,553	120,151	167,461	157,143	171,579	126,111
	3,736,920	709,251	265,426	322,536	1,472	-
	85,800	17,634	15,162	7,983	7,193	4,974
	50,191	171,698	318,954	1,400,252	490,850	61,383
	-	132,420	-	-	-	-
	178,594	126,949	335,796	82,057	388,894	485,380
	<u>10,628,679</u>	<u>8,074,045</u>	<u>9,138,464</u>	<u>10,496,541</u>	<u>10,448,269</u>	<u>10,210,034</u>
	1,523,604	1,722,229	1,763,048	1,968,287	1,844,939	1,947,650
	1,944,643	2,169,477	2,237,263	2,408,103	2,905,923	2,918,484
	791,304	568,619	811,854	2,017,548	1,067,962	517,964
	265,162	344,278	189,425	481,473	576,306	587,760
	-	-	617,001	92	-	-
	1,230,193	1,393,751	1,523,133	1,659,656	1,491,496	1,853,811
	515,000	540,000	803,000	885,000	2,294,000	998,000
	389,921	371,721	551,955	475,266	456,417	398,872
	-	82,245	74,324	21,200	29,367	75,100
	<u>10,394,523</u>	<u>3,223,478</u>	<u>5,390,630</u>	<u>1,403,691</u>	<u>237,936</u>	<u>885,436</u>
	<u>17,054,350</u>	<u>10,415,798</u>	<u>13,961,633</u>	<u>11,320,316</u>	<u>10,904,346</u>	<u>10,183,077</u>
	<u>(6,425,671)</u>	<u>(2,341,753)</u>	<u>(4,823,169)</u>	<u>(823,775)</u>	<u>(456,077)</u>	<u>26,957</u>
	23,310	-	-	-	-	-
	-	5,560,000	-	-	-	2,500,000
	-	-	-	-	-	-
	-	-	2,790,000	500,000	1,300,000	600,000
	-	-	118,904	-	33,794	50,329
	-	-	(2,825,503)	-	-	-
	104,700	276,317	185,835	191,878	876,553	55,741
	<u>(104,700)</u>	<u>(276,317)</u>	<u>(110,016)</u>	<u>(127,496)</u>	<u>(826,909)</u>	<u>(27,134)</u>
	<u>23,310</u>	<u>5,560,000</u>	<u>159,220</u>	<u>564,382</u>	<u>1,383,438</u>	<u>3,178,936</u>
\$	<u>(6,402,361)</u>	<u>\$ 3,218,247</u>	<u>\$ (4,663,949)</u>	<u>\$ (259,393)</u>	<u>\$ 927,361</u>	<u>\$ 3,205,893</u>
	14.47%	12.79%	16.66%	16.93%	26.71%	15.83%

**TOWN OF TROPHY CLUB, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL
 VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

TABLE 5

Fiscal Year	Estimated Market Value		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Non Real Property			
2005	563,361,650	12,932,189	13,860,232	562,433,607	0.43051
2006	557,098,576	20,565,996	14,477,096	563,187,476	0.43051
2007	669,790,841	15,603,238	18,941,759	666,452,320	0.43051
2008	728,292,523	31,439,675	30,732,229	728,999,969	0.43051
2009*	802,085,464	30,781,322	43,426,286	789,440,500	0.45551
2010	861,983,993	28,133,834	49,316,322	840,801,505	0.47000
2011	901,333,893	24,792,616	52,794,045	873,332,464	0.51500
2012	971,822,347	23,862,338	54,212,507	941,472,178	0.53000
2013	1,068,605,127	24,460,719	59,911,204	1,033,154,642	0.51854
2014	1,248,084,615	25,845,178	60,160,746	1,213,769,047	0.49930

Source: Denton & Tarrant County Central Appraisal District Certified Roll

Note: Total Taxable Assessed Value is not adjusted for tax ceilings.

* Tarrant County included beginning in FY 2009 (Tax year 2008)



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

Town of Trophy Club							
Fiscal Year	Operating Mileage	Debt Service Mileage	Total City Mileage	Northwest ISD	Trophy Club MUD #1	Trophy Club MUD #2	Denton County
2005	0.377510	0.053000	0.430510	1.819300	0.280000	0.349000	0.254800
2006	0.359630	0.070880	0.430510	1.819300	0.280000	0.349000	0.246480
2007	0.367230	0.063280	0.430510	1.665000	0.250000	0.299000	0.231920
2008	0.351040	0.079470	0.430510	1.335050	0.230000	0.279230	0.235890
2009	0.374310	0.081200	0.455510	1.335000	0.225000	0.264230	0.235770
2010	0.388380	0.081620	0.470000	1.355000	0.205000	0.205000	0.249800
2011	0.397220	0.117780	0.515000	1.375000	0.195000	-	0.273900
2012	0.415013	0.114987	0.530000	1.375000	0.175000	-	0.277357
2013	0.403543	0.115000	0.518543	1.375000	0.133390	-	0.282867
2014	0.384300	0.115000	0.499300	1.452500	0.133390	-	0.284914

Source: Denton & Tarrant County Appraisal Districts

TABLE 6

Overlapping Rates						Total
Trophy Club PID #1 ESD	Tarrant County	Tarrant County College	Tarrant County Hospital	Total MUD #1 Mileage	Total MUD #2 Mileage	Direct & Overlapping Rates
-	-	-	-	\$ 2.837610	\$ 2.853610	\$ 3.133610
-	-	-	-	\$ 2.847170	\$ 2.845290	\$ 3.125290
-	-	-	-	\$ 2.640710	\$ 2.626430	\$ 2.876430
-	-	-	-	\$ 2.310920	\$ 2.280680	\$ 2.510680
-	0.264000	0.137960	0.227897	\$ 2.734440	\$ 2.920367	\$ 3.145367
0.109140	0.264000	0.137670	0.227897	\$ 2.872230	\$ 3.018507	\$ 3.223507
0.109250	0.264000	0.137640	0.227897	\$ 2.987570	N/A	\$ 3.097687
0.109250	0.264000	0.148970	0.227897	\$ 2.994564	N/A	\$ 3.107474
0.104000	0.264000	0.149500	0.227897	\$ 2.942300	N/A	\$ 3.055197
0.087380	0.026400	0.149500	0.227897	\$ 2.748384	N/A	\$ 2.861281

**TOWN OF TROPHY CLUB, TEXAS
 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT FISCAL YEAR AND NINE YEARS EARLIER
 (UNAUDITED)**

TABLE 7

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (2)
Cnl Retmt CRSI Trophy Cl Tx LP	18,000,000	1	1.48%			
Trophy Club 12 LLC	13,100,000	2	1.08%			
Armored Trophy Club LLC	7,700,000	3	0.63%			
Trophy Club Medical Center	5,808,648	4	0.48%			
4663 Okeechobee Blvd. and Palm Beach Holdings	5,700,000	5	0.47%			
Clubcorp Golf Tex LP P/S	4,362,406	6	0.36%			
First Texas Homes INC	3,897,287	7	0.32%			
BDMR Development	3,895,520	8	0.32%			
Hydra Hotels LLC	3,862,253	9	0.32%			
Trophy Club Equities	3,575,000	10	0.29%			
Regency Centers LP				9,789,852	1	1.74%
Clubcorp Golf Tex LP P/S				5,983,845	2	1.06%
Beck Property Trophy Club LP				4,666,226	3	0.83%
Oncor Electric Delivery Company				4,118,290	4	0.73%
Highway 114 Prospect LTD				3,644,019	5	0.65%
Trophy Club 114 LP S/P				3,337,800	6	0.59%
TC Plantations LTD P/S				3,268,850	7	0.58%
Oakmont Ent Inc				2,703,013	8	0.48%
Terra/Knoll LTD				2,462,768	9	0.44%
JSB Properties LP				2,274,700	10	0.40%
Totals	<u>\$ 69,901,114</u>		<u>5.75%</u>	<u>\$ 42,249,363</u>		<u>7.50%</u>

Source: Denton County Appraisal District and Tarrant County Appraisal District

(1) Total taxable value including real and personal property for tax year 2013 (fiscal year 2014) is \$1,213,769,047

(2) Total taxable value including real and personal property for tax year 2004 (fiscal year 2005) is \$562,433,607

**TOWN OF TROPHY CLUB, TEXAS
AD VALOREM TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 8

<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>Percentage of levy</u>		<u>Amount</u>	<u>Percentage of levy</u>
2005	2,634,681	2,609,652	99.05%	24,458	2,634,109	99.98%
2006	2,881,601	2,851,921	98.97%	29,841	2,881,762	100.01%
2007	3,196,891	3,161,725	98.90%	35,694	3,197,419	100.02%
2008	3,650,949	3,621,376	99.19%	28,133	3,649,509	99.96%
2009	3,563,202	3,525,248	98.93%	35,693	3,560,941	99.94%
2010	3,864,014	3,836,568	99.29%	23,937	3,860,505	99.91%
2011	4,446,960	4,414,699	99.27%	22,926	4,437,625	99.79%
2012	4,858,136	4,838,092	99.59%	9,863	4,847,955	99.79%
2013	5,259,719	5,244,699	99.71%	-	5,244,699	99.71%
2014	5,919,919	5,877,500	99.28%	17,587	5,895,087	99.58%

Source: Denton County Tax Assessor Collector

**TOWN OF TROPHY CLUB, TEXAS
RATIOS OF OUTSTANDING BONDED DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 9

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (2)	Per Capita
	General Obligation Bonds	Certificates of Obligation	Capital Leases	General Obligation Bonds	Certificates of Obligation	Capital Leases			
2005	5,470,000	620,000	-	-	-	-	6,090,000	2.87%	809
2006	5,180,000	590,000	-	-	-	-	5,770,000	2.35%	749
2007	8,135,000	989,000	-	-	-	-	9,124,000	3.62%	1,175
2008	7,755,000	922,000	-	-	-	-	8,677,000	3.40%	1,152
2009	7,310,000	852,000	-	-	-	-	8,162,000	3.28%	1,074
2010	12,400,000	782,000	92,240	-	-	-	13,274,240	4.92%	1,618
2011	11,735,000	709,000	30,570	-	-	-	12,474,570	3.66%	1,519
2012	11,425,000	634,000	-	-	-	-	12,059,000	3.00%	1,339
2013	9,400,000	1,665,000	-	-	1,700,000	-	12,765,000	2.78%	1,216
2014	9,035,000	4,132,000	-	-	1,560,000	-	14,727,000	2.85%	1,227

**TOWN OF TROPHY CLUB, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

TABLE 10

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Percentage of Actual Taxable Value of Property^a	Per Capita^b
2005	5,470,000	620,000	1.08%	\$ 809
2006	5,180,000	590,000	1.02%	\$ 749
2007	8,135,000	989,000	1.37%	\$ 1,175
2008	7,755,000	922,000	1.19%	\$ 1,152
2009	7,310,000	852,000	1.03%	\$ 1,074
2010	12,400,000	782,000	1.57%	\$ 1,607
2011	11,735,000	709,000	1.42%	\$ 1,516
2012	11,425,000	634,000	1.28%	\$ 1,339
2013	9,400,000	1,665,000	1.07%	\$ 1,054
2014	9,035,000	5,692,000	1.21%	\$ 1,403

^a Property values are from table 5.

^b Populations are from table 12.

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

TABLE 11

<u>Governmental Unit</u>	<u>Debt Principal Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Denton County	\$ 613,985,000	1.36%	\$ 8,350,196
Northwest Independent School District	629,896,474	9.65%	60,785,010
Tarrant County	336,635,000	0.05%	168,318
Tarrant County College District	22,705,000	0.05%	11,353
Tarrant County Hospital District	47,440,000	0.05%	23,720
Trophy Club MUD #1	6,884,955	72.13%	4,966,118
Subtotal, overlapping debt	<u>\$ 1,657,546,429</u>		<u>\$ 74,304,715</u>
Town of Trophy Club, direct debt	<u>14,727,000</u>	100.00%	<u>14,727,000</u>
Total Direct and Overlapping Debt Principal	<u><u>\$ 1,672,273,429</u></u>		<u><u>\$ 89,031,715</u></u>

Note: 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 Trophy Club. 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.

Source: Most recent Texas Municipal Reports ("TMR") published by the Municipal Advisory Council of Texas.

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

TABLE 12

Year	Estimated Population^a	Total Households^a	Median Household Income	Total Personal Income
2005	7,530	2,690	92,492	248,803,480
2006	7,703	2,824	92,492	261,197,408
2007	7,763	2,850	92,492	263,602,200
2008	7,531	2,289	92,492	211,714,188
2009	7,600	2,763	92,492	255,555,396
2010	8,204	2,930	92,492	271,001,560
2011	8,210	3,179	107,150	340,629,850
2012	9,005	3,395	118,595	402,630,025
2013	10,500	3,750	122,539	459,521,250
2014	12,000	4,145	124,593	516,437,985

Sources: a Data provided by the 2010 US Census

**TOWN OF TROPHY CLUB, TEXAS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND EIGHT YEARS AGO
 (UNAUDITED)**

TABLE 13

2014			2006		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Northwest Independent School District	353	29.66%	Trophy Club Country Club	100	13.50%
Trophy Club Country Club	169	14.20%	Tom Thumb	75	10.12%
Baylor Medical Center at Trophy Club	130	10.92%	Town of Trophy Club	73	9.85%
Tom Thumb	97	8.15%	Ivy Glen	31	4.18%
Town of Trophy Club	86	7.23%	Blockbuster	12	1.62%
Cristina's Mexican Restaurant	47	3.94%	Bank of America	7	0.94%
Respiratory Sleep Solutions	42	3.53%	Texas National Bank	6	0.81%
Premier Academy - Trophy Club	40	3.36%	Quizno's	4	0.54%
Fellowship United Methodist Church	39	3.28%	Beck Properties/Centurion	4	0.54%
Church at Trophy Lake	30	2.52%			
Total	1,033	86.80%		312	42.11%

(1) The Town implemented the GASB 34 model of reporting fiscal year ending September 30, 2004.

(2) Staff estimated total city employment of 1,190 for fiscal year 2014

(3) Staff estimated total city employment of 741 for fiscal year 2006 (Data for 2005 was not available)

**TOWN OF TROPHY CLUB, TEXAS
 FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

TABLE 14

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government and Administration	8.50	7.50	10.00	9.00	9.00	10.00	12.00	12.80	12.00	17.80
Public Safety	25.50	26.00	25.00	29.00	21.87	21.80	22.30	23.10	27.60	30.50
Streets	-	-	-	5.00	6.00	4.90	4.90	4.90	5.00	5.00
Parks and Recreation	10.67	12.19	13.28	10.00	11.00	11.00	11.00	16.30	16.00	16.70
Community Development	1.00	4.00	6.00	4.00	2.50	2.50	3.00	4.50	6.00	6.80
Total	45.67	49.69	54.28	57.00	50.37	50.20	53.20	61.60	66.60	76.80

Source: Departmental records

**TOWN OF TROPHY CLUB, TEXAS
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Function	2005	2006	2007	2008
Public Safety				
Police				
Number of stations	1	1	1	1
Number of police personnel	14	15	15	15
Number of arrests	73	82	81	152
Number of traffic stops	2,083	2,379	2,346	2,939
Fire				
Number of stations	1	1	1	1
Number of fire personnel	14	14	14	14
Number of calls answered	561	633	608	597
Developmental				
Miles of streets ^a	N/A	N/A	31	34
Cultural/Recreational Changes				
Parks	6	6	5	8
Park acreage	916	916	907	1,037

Source: Departmental records

TABLE 15

2009	2010	2011	2012	2013	2014
1	1	1	1	1	1
15	16	17	15	18	23
121	125	128	102	101	82
3,608	2,696	2,821	2,602	2,443	2004
1	1	1	1	1	1
14	14	14	14	14	15
689	651	741	845	945	907
36	39	42	43	43	43
8	8	7	6	6	6
1,037	1,037	1,037	1,039	1,039	1039