



**LITTLE ELM**

**Tax Increment Reinvestment Zone #5  
(TIRZ #5)**

**ANNUAL REPORT**

**FISCAL YEAR 2023**

**TOWN OF LITTLE ELM, TEXAS  
TAX INCREMENT REINVESTMENT ZONE #5**

**As of September 30, 2023**

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## ***I. YEAR END SUMMARY OF MEETINGS/TOWN COUNCIL/BOARD ACTIONS***

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In 2014, the Town of Little Elm Town Council appointed members for the Tax Increment Reinvestment Zone #5 (“TIRZ #5”) Board of Directors. TIRZ #5 was created to identify and assist in financing various road improvements, water distribution system improvements, sanitary sewer collection system improvements, storm sewer collection system improvements, parks and trail improvements, public utilities purchase, and economic development grants to benefit the property within TIRZ #5 and which are outlined in greater detail in Section II of this report.

Board members appointed and currently serving are: Town—Mayor Curtis Cornelious, Mayor Pro-Tem Jamell Johnson, and Councilmembers Tony Singh, Neil Blais, Lisa Norman, Andrew Evans, and Michel Hambrick.

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## ***II. PUBLIC INFRASTRUCTURE & PROJECT COSTS***

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**TIRZ #5**  
**Estimated Project Costs<sup>1</sup>**

		<b>Status</b>
Roadway Improvements, Water Distribution System Improvements, Sanitary Sewer management Improvements, Storm Water Management Improvements, Parks, Trails, landscaping and hardscaping, Public Utilities Purchase, Economic Development Grants (including applicable interest and other soft and miscellaneous costs)	\$184,000,000	Ongoing and are anticipated to be completed with the completion of the Spiritas Ranch and Spiritas East developments
<b>Total</b>	<b>\$184,000,000</b>	

1 – As provided in the Amended Project and Financing Plan approved on May 4, 2021 by the Town.

**TIRZ #5**  
**Estimated Non-Project Costs**

For additional details regarding the TIRZ #5 estimated Non-Project Costs, please refer to Appendix B of this report.

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### ***III. TIRZ EXPENDITURES – CAPITAL IMPROVEMENTS***

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#### ***TIRZ #5 TIRZ Expenditures***

***As of Fiscal Year ending September 30, 2023***

<b>Expenditure</b>	<b>Period<sup>1</sup></b>	<b>Total<sup>2,3</sup></b>
Repayment of TIRZ Bonds	FY2022	\$692,232
Repayment of TIRZ Bonds	FY2023	\$1,024,456
<b>Total</b>		<b>\$1,716,688</b>

1 – Represents applicable periods of expenditures since issuance of TIRZ bonds and the amendment of the TIRZ #5 Project and Financing Plan.

2 – Represent 50% of the incremental Town taxes levied and collected. Amounts collected are according to the Denton County Tax Office records as of September 30, 2023.

3 – Amounts collected do not include applicable administrative expenses withheld by the Town for TIRZ #5.

#### ***TIRZ #5 Outstanding TIRZ Projects Obligations***

<b>TIRZ Projects Obligation</b>	<b>Period</b>	<b>Total<sup>1</sup></b>
<b>\$184,000,000</b>		
	FY2022	\$692,232
	FY2023	\$1,024,456
<b>Outstanding Obligation</b>		<b>\$182,283,312</b>

1 – As of September 30, 2023.

## IV. ANNUAL FINANCIALS

Pursuant to State Law (Section 311.016, Tax Code), the following financial information is required for the fiscal year ending September 30, 2023 (unless otherwise noted):

**1. Amount and source of revenue in the tax increment fund established for TIRZ #5:**

Tax Increments received	\$1,062,466
Interest income earned	(\$1,117)
Total Revenue	\$1,061,349

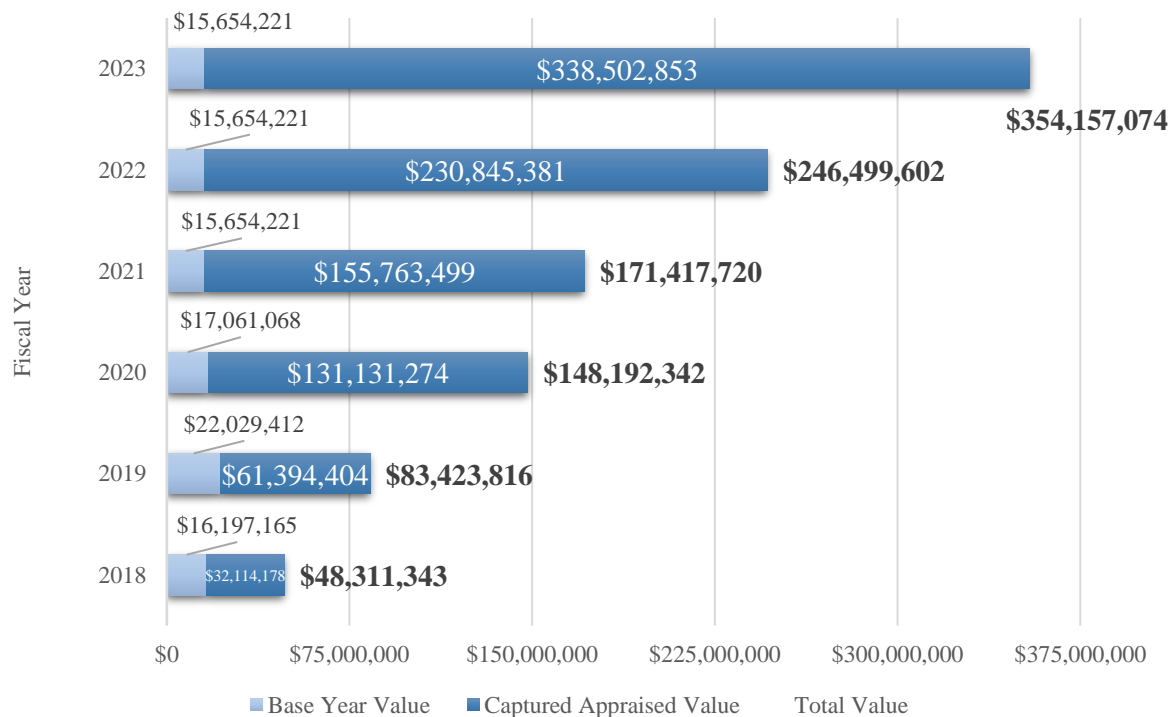
**2. Amount and purpose of expenditures from the tax increment fund established for TIRZ #5:**

Repayment of TIRZ Bonds	\$1,024,456
Professional Services	\$50,000
Total Expenditures	\$1,074,456

**3. Amount of principal and interest due on outstanding indebtedness:**

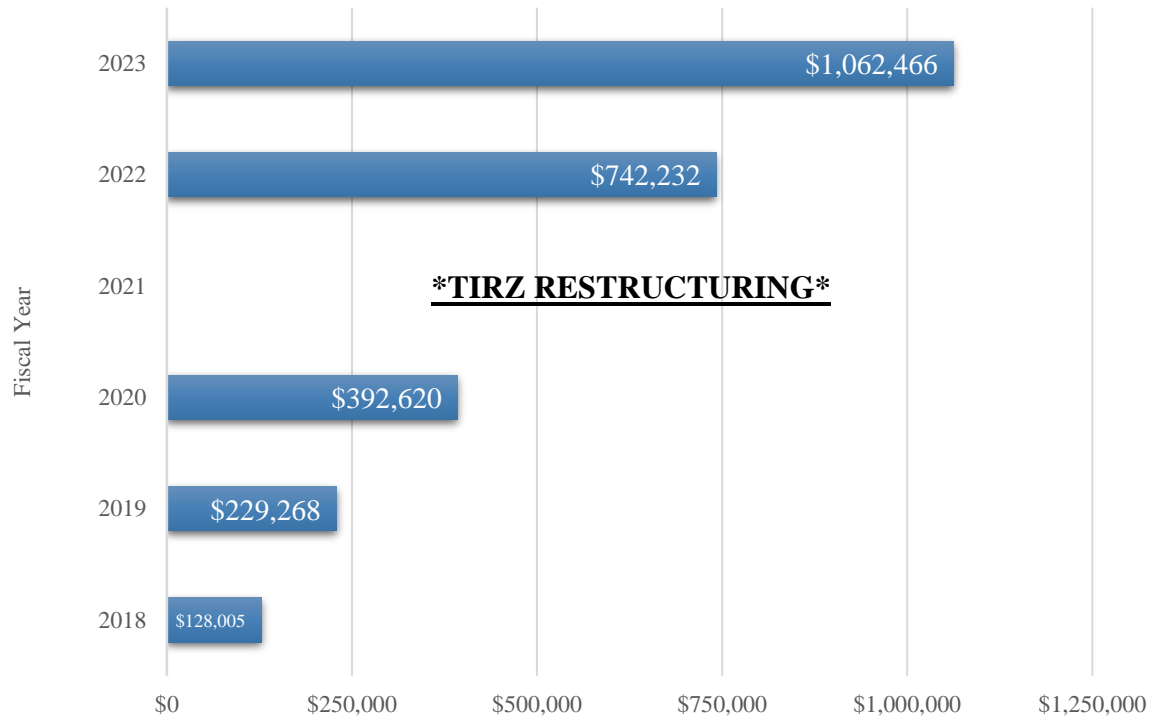
The total TIRZ commitment is \$184,000,000 less amounts paid through September 30, 2023 of \$1,709,810 resulting in a current outstanding indebtedness of \$182,290,190.

**4. Tax Increment base and current captured appraised value retained by TIRZ #5<sup>1</sup>:**



1 – TIRZ #5 was restructured in 2021. Prior to restructuring, the Town committed 46% of incremental ad valorem property taxes and 50% of sales tax generated within the TIRZ. The current TIRZ structure eliminated the sales tax commitment and adjusted the Town's participation of incremental ad valorem property taxes to 50%.

5. Total amount of the tax incremental revenue received, and any additional information necessary to demonstrate compliance with the tax increment project and financing plan adopted by the governing body of the municipality<sup>1</sup>



1 – Due to the restructuring of TIRZ #5 in fiscal year 2021, the Town was permitted to sweep any remaining balance at the conclusion of fiscal year 2021. Commencing in fiscal year 2022, the Town began collecting and calculating incremental revenues pursuant to the terms of the TIRZ #5 restructuring.

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## ***V. TIRZ FUND FINANCIAL STATEMENT***

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### **TIRZ FUND FINANCIAL STATEMENT** **As of Fiscal Year ending September 30, 2023**

		<b>Total</b>
<b>Beginning Balance:</b>		
	10/1/2022	\$ -
<b>Revenues:</b>		
Property Tax:		
Town	\$	1,062,466
Delinquent		
County	\$	-
Property Rollback Taxes	\$	-
Sales Tax	\$	-
Interest	\$	(1,117)
<b>TOTAL REVENUES</b>	\$	1,061,349
<b>Expenditures:</b>		
Land Purchases	\$	-
Professional Services	\$	50,000
Economic Development Grant	\$	-
TIRZ Bonds	\$	1,024,456
Construction/Improvements	\$	-
Interest Expense	\$	-
<b>TOTAL EXPENDITURES</b>	\$	1,074,456
<b>Ending Balance:</b>		
	9/30/2023	\$ (13,108)

1 – Ending fiscal year 2023 balance reflects excess funds transferred to the TIRZ #5 bond trustee. The Town is working with the trustee to correct the balance with future transfers.