

**BRUSHY CREEK  
MUNICIPAL UTILITY DISTRICT**

**Financial Statements and  
Supplemental Information for the  
Year Ended September 30, 2014 and  
Independent Auditors' Report**

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TABLE OF CONTENTS

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	<u>Page</u>
ANNUAL FILING AFFIDAVIT	1
INDEPENDENT AUDITORS' REPORT	ii
MANAGEMENT'S DISCUSSION AND ANALYSIS	5
BASIC FINANCIAL STATEMENTS:	
Statement of Net Position and Governmental Funds Balance Sheet	12
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances	13
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	14
Notes to Basic Financial Statements	15
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY SUPPLEMENTAL INFORMATION:	
Index of Supplemental Schedules Required by the Texas Commission on Environmental Quality	32
Supplemental Schedules Required by the Texas Commission on Environmental Quality	33
OTHER SUPPLEMENTAL INFORMATION:	
Principal Taxpayers	51
Assessed Value by Classification	53

# ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

I, \_\_\_\_\_  
(Name of Duly Authorized District Representative)

of the BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the Board of Directors of the District on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, its annual audit report for the fiscal year ended September 30, 2014 and that copies of the annual audit report have been filed in the District office, located at 16318 Great Oaks Drive, Round Rock, Texas 78681.

The annual filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code.

Date: \_\_\_\_\_, 20\_\_\_\_. By: \_\_\_\_\_  
(Signature of District Representative)

Rebecca B. Tullos, Board President  
(Typed Name and Title of above District Representative)

Sworn to and subscribed to before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Signature of Notary)

(SEAL)

\_\_\_\_\_  
(Printed Name of Notary)

My Commission Expires On: \_\_\_\_\_  
Notary Public in and for the State of Texas.



MAXWELL LOCKE & RITTER LLP

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*An Affiliate of CPAmerica International*

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Austin, TX 78701

Round Rock: 303 East Main Street

Round Rock, TX 78664

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Brushy Creek Municipal Utility District:

We have audited the accompanying financial statements of the governmental activities and each major fund of Brushy Creek Municipal Utility District (the "District"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District'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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion 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. 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 auditors' 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.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

*"A Registered Investment Advisor"*

*This firm is not a CPA firm*

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 and each major fund of the District as of September 30, 2014, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 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 District's basic financial statements. The Texas Commission on Environmental Quality supplemental information and other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Texas Commission on Environmental Quality supplemental information listed in the table of contents is the responsibility of management and was derived from and relates 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 Texas Commission on Environmental Quality supplemental information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other supplemental information listed in the table of contents has 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 it.

Maxwell Locke & Ritter LLP

Austin, Texas  
January 15, 2015

# **BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

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## **Management's Discussion and Analysis Year Ended September 30, 2014**

In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, the management of Brushy Creek Municipal Utility District (the "District") offers the following narrative on the financial performance of the District for the year ended September 30, 2014. Please read it in connection with the District's financial statements that follow.

For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Total Governmental Funds" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

### **Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent period by \$18,521,704 (*net position*). Of this amount, \$14,486,607 (*unrestricted net position*) may be used to meet the government's ongoing obligations.
- The District's net property tax values increased by approximately \$85 million or 7.1% from \$1,193,911,500 to \$1,278,996,832. The District-wide and Defined Area tax rates remained the same as prior year at \$0.50 and \$0.36, respectively, per \$100 of assessed value. Total tax revenue increased by approximately \$527,000.

### **Overview of the Basic Financial Statements**

The District's reporting is comprised of two parts:

- *Management's Discussion and Analysis* (this section)
- *Basic Financial Statements*
  - *Statement of Net Position and Governmental Funds Balance Sheet*
  - *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*
  - *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund*
  - *Notes to Basic Financial Statements*

Other supplementary information is also included.

The *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled "Total Governmental Funds") that represents a balance sheet prepared using the modified accrual basis of accounting. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

The *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances* includes a column (titled “Total Governmental Funds”) that derives the change in fund balances resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund* presents a comparison statement between the District’s adopted budget to its actual results.

The *Notes to Basic Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*.

Schedules required by the Texas Commission on Environmental Quality and other supplemental information are presented immediately following the *Notes to Basic Financial Statements*.

## Comparative Financial Statements

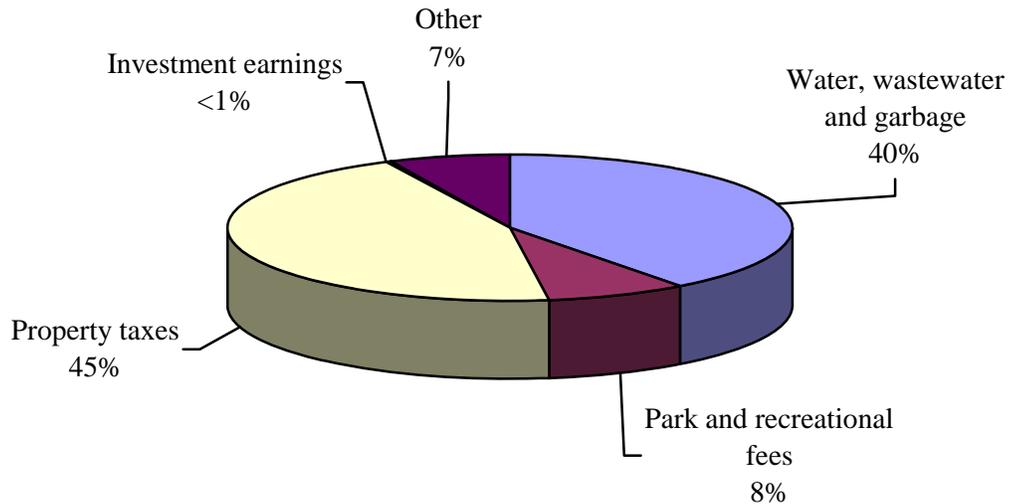
### Statement of Net Position

	Governmental Activities		
	2014	2013	% Change
Current and other assets	\$ 22,761,794	\$ 22,334,585	1.9%
Capital assets	45,510,805	46,291,019	(1.7%)
<b>Total assets</b>	<b>\$ 68,272,599</b>	<b>\$ 68,625,604</b>	<b>(0.5%)</b>
<b>Deferred outflows of resources</b>	<b>\$ -</b>	<b>473,691</b>	<b>(100.0%)</b>
Current liabilities	\$ 5,249,113	\$ 5,047,861	4.0%
Long-term liabilities	44,501,782	47,956,247	(7.2%)
<b>Total liabilities</b>	<b>\$ 49,750,895</b>	<b>\$ 53,004,108</b>	<b>(6.1%)</b>
Net investments in capital assets	\$ (624,308)	\$ (3,028,194)	79.4%
Restricted	4,659,405	5,482,131	(15.0%)
Unrestricted	14,486,607	13,641,250	6.2%
<b>Total net position</b>	<b>\$ 18,521,704</b>	<b>\$ 16,095,187</b>	<b>15.1%</b>

The District’s total assets were approximately \$68.3 million as of September 30, 2014. Of this amount, approximately \$45.5 million is accounted for by capital assets. The District had outstanding liabilities of approximately \$49.8 million of which approximately \$44.5 million represent bonds and capital lease payable.

The District’s property tax assessed value in fiscal year 2014 (which was based on the 2013 tax levy) was approximately \$1,279 million compared to approximately \$1,194 million in fiscal year 2013. The tax rate is set after reviewing operations and maintenance requirements, interest and sinking fund requirements, and proposed water and wastewater rates. The District’s main revenue sources are utility services, property taxes, and recreational fees.

## Sources of Revenue



## Statement of Activities

	Governmental Activities		
	2014	2013	% Change
Water, wastewater and garbage	\$ 6,232,542	\$ 6,391,702	(2.5%)
Property taxes	7,141,820	6,615,089	8.0%
Parks and recreational fees	1,222,387	1,333,474	(8.3%)
Investment earnings	47,192	101,647	(53.6%)
Contributed capital assets	-	1,952,945	(100.0%)
Other	1,117,813	1,339,162	(16.5%)
<b>Total revenues</b>	<b>15,761,754</b>	<b>17,734,019</b>	<b>(11.1%)</b>
Water, wastewater and garbage	2,496,818	2,600,850	(4.0%)
Salary and related expenditures	3,068,389	2,955,637	3.8%
Administrative	1,030,381	1,212,155	(15.0%)
Repairs and maintenance	656,193	722,269	(9.1%)
Utilities	589,144	606,394	(2.8%)
Professional fees	332,304	352,583	(5.8%)
Contracted services	383,313	365,273	4.9%
Other	349,300	364,808	(4.3%)
Debt service	2,191,267	2,744,505	(20.2%)
Depreciation	2,183,019	3,040,679	(28.2%)
<b>Total expenses</b>	<b>13,280,128</b>	<b>14,965,153</b>	<b>(11.3%)</b>
Loss on disposal of capital assets	(55,109)	-	(100.0%)
<b>Change in net position</b>	<b>2,426,517</b>	<b>2,768,866</b>	<b>(12.4%)</b>
Beginning net position	16,095,187	13,326,321	20.8%
<b>Ending net position</b>	<b>\$ 18,521,704</b>	<b>\$ 16,095,187</b>	<b>15.1%</b>

Operating revenues decreased by approximately \$2.0 million to approximately \$15.8 million for the fiscal year ended September 30, 2014. Water, wastewater and garbage service provided approximately \$6.2 million, and property taxes, including penalties and interest, generated approximately \$7.1 million in revenues. The primary decrease in revenues is due to a decrease in contributed capital assets from the developer in the previous year. Total expenses decreased approximately \$1.7 million to approximately \$13.3 million for the fiscal year ended September 30, 2014. Net position increased approximately \$2.4 million for the fiscal year ended September 30, 2014 compared to an increase of approximately \$2.8 million for the fiscal year ended September 30, 2013.

### Analysis of Governmental Funds

	<b>2014</b>	<b>2013</b>
Cash and cash equivalents	\$ 4,456,351	\$ 6,556,065
Investments	17,429,301	14,817,582
Receivables	844,901	953,303
Interfund receivable	108,487	552,104
Prepays and other assets	31,241	7,635
<b>Total assets</b>	<b>\$ 22,870,281</b>	<b>\$ 22,886,689</b>
Accounts payable	\$ 389,874	\$ 445,270
Refundable deposits	621,306	601,250
Other liabilities	133,531	137,610
Interfund payable	108,487	552,104
Unearned revenue	106,356	561
<b>Total liabilities</b>	<b>1,359,554</b>	<b>1,736,795</b>
<b>Deferred inflows of resources - property taxes</b>	<b>36,383</b>	<b>33,235</b>
Nonspendable fund balance	30,581	7,635
Restricted fund balance	7,969,364	8,331,990
Committed fund balance	4,282,084	4,222,655
Unassigned fund balance	9,192,315	8,554,379
<b>Total fund balances</b>	<b>21,474,344</b>	<b>21,116,659</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 22,870,281</b>	<b>\$ 22,886,689</b>

The *General Fund* pays for daily operating expenditures. Fiscal year 2014 revenues exceeded the budget by 3%. The increase in revenues was across the board and seen in utilities, recreation, fees, and services. Growth in recreation revenue was driven by increased participation in outdoor leagues, contract programs and rentals. Waste water revenue was the source of utility revenues exceeding the budget. This was due to higher water consumption during the winter averaging months than was expected.

Fiscal year 2014 expenditures were under budget by 5%. This was due to several projects not being completed during the budget year including park lighting (\$350,000), trail repairs (\$125,000), and intake pond cleaning at the water facility (\$150,000). Funding for these projects was set aside in reserves and the projects have begun in fiscal year 2015.

For the year ended September 30, 2014, the District came in ahead of budget for the General Fund by approximately \$852,000. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

In addition to the General Fund commitments noted above, the Board of Directors has approved a resolution to set aside \$5,181,628 for a 6-month Operating Reserve and \$1,941,880 for a Revenue Protection Reserve. These amounts are included in unassigned fund balance at year-end.

The *Debt Service Fund* includes property taxes collected to retire bond principal and to pay interest due.

The *Capital Projects Fund* primarily purchases the District's infrastructure.

### Capital Assets

	2014	2013
Land	\$ 3,366,372	\$ 3,363,452
Construction in process	783,085	638,665
Water, wastewater, and drainage systems	78,843,836	78,813,981
Easements and rights-of-way	901,891	901,891
Buildings and improvements	4,284,292	4,284,292
Furniture and equipment	418,660	953,699
Park and recreational facilities	6,115,833	5,137,565
Automobiles and trucks	252,650	290,223
Subtotal	94,966,619	94,383,768
Accumulated depreciation	(49,455,814)	(48,092,749)
<b>Total</b>	<b>\$ 45,510,805</b>	<b>\$ 46,291,019</b>

The increase in park and recreational facilities is primarily due to the District completing the Shirley McDonald Park improvement project at a total cost of approximately \$652,000 and the trail extension project which had a total cost of approximately \$166,000.

Management made a decision this year to write off some assets which are fully depreciated. As a result, furniture and equipment and automobiles and trucks decreased approximately \$577,000.

More detailed information about the District's capital assets is presented in the *Notes to Basic Financial Statements*.

## Long-Term Debt Activity

	2014	2013
District-wide:		
Series 2002 Revenue Bonds	\$ 370,000	\$ 445,000
Series 2005 Bonds	1,265,000	1,365,000
Series 2007 Bonds	650,000	680,000
Series 2009 Refunding Bonds	3,955,000	5,485,000
Series 2010 Refunding Bonds	13,260,000	14,280,000
Series 2011 Refunding Bonds	2,070,000	2,075,000
Series 2012 Refunding	9,070,000	9,240,000
Series 2013 Refunding	6,070,000	6,080,000
Capital leases payable	4,934	15,665
Total District-wide	36,714,934	39,665,665
Defined Area:		
Series 2008 Bonds	1,695,000	1,755,000
Series 2009 Bonds	2,165,000	2,220,000
Series 2011 Bonds	2,235,000	2,305,000
Series 2013 Bonds	3,420,000	3,500,000
Total Defined Area	9,515,000	9,780,000
<b>Total</b>	<b>\$ 46,229,934</b>	<b>\$ 49,445,665</b>

Debt service requirements to maturity for District's bonds are summarized as follows:

### District-wide:

Fiscal Year	Principal	Interest	Total Requirement
2015	\$ 3,065,000	1,292,407	4,357,407
2016	2,295,000	1,180,290	3,475,290
2017	2,165,000	1,098,683	3,263,683
2018	2,240,000	1,023,566	3,263,566
2019	2,245,000	945,187	3,190,187
2020-2024	12,585,000	3,437,107	16,022,107
2025-2028	12,115,000	1,053,889	13,168,889
Total	\$ 36,710,000	10,031,129	46,741,129

### Defined Area:

Fiscal Year	Principal	Interest	Total Requirement
2015	\$ 270,000	455,013	725,013
2016	285,000	443,725	728,725
2017	300,000	432,493	732,493
2018	320,000	420,713	740,713
2019	330,000	407,513	737,513
2020-2024	1,930,000	1,811,963	3,741,963
2025-2029	2,500,000	1,307,762	3,807,762
2030-2034	2,720,000	595,321	3,315,321
2035-2038	860,000	110,000	970,000
Total	\$ 9,515,000	5,984,503	15,499,503

The District owes approximately \$46.2 million to bond holders. Overall, the principal balance of outstanding bonds and capital leases payable decreased approximately \$3.2 million during the year. More detailed information about the District's long-term debt is presented in the *Notes to Basic Financial Statements*.

### **Currently Known Facts, Decisions, or Conditions**

The District-wide 2014 tax rate has been set at \$0.48 per \$100 of assessed valuation. The Sendero Springs/Cornerstone Defined Area has set a 2014 tax rate of \$0.35 per \$100 of assessed valuation. The adopted budget for 2015 projects the General Fund fund balance will remain the same.

The planning and design for a number of other large projects occurred during fiscal year 2014. These projects are also set to start in fiscal year 2015. This includes an expansion of the Community Center which will be funded by a combination of reserves and revenue bonds, water line replacements in Brushy Creek North to be funded by reserves, and a new pavilion in Cat Hollow Park to be funded by current year revenues.

Construction of homes in the last residential development in the District will start in January 2015. As the District reaches residential build out, the last remaining commercial properties are also being developed in the RR 620 and FM 1431 corridors. The slowdown and eventual stop to new development will have an impact on revenue growth in the District.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District at 16318 Great Oaks Drive, Round Rock, Texas 78681.

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET SEPTEMBER 30, 2014

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	ADJUSTMENTS (NOTE 2)	STATEMENT OF NET POSITION
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,169,967	284,382	2,002	4,456,351	-	4,456,351
Investments	10,572,976	5,029,646	1,721,142	17,323,764	-	17,323,764
Receivables:						
Service accounts, net	805,461	-	-	805,461	-	805,461
Taxes	16,227	20,156	-	36,383	-	36,383
Other	3,057	-	-	3,057	-	3,057
Due from other funds	91,946	16,541	-	108,487	(108,487)	-
Other assets	660	-	-	660	-	660
Prepaid items	26,359	3,968	254	30,581	-	30,581
Investments held for customer deposits	105,537	-	-	105,537	-	105,537
Capital assets (net of accumulated depreciation):						
Land	-	-	-	-	3,366,372	3,366,372
Construction in process	-	-	-	-	783,085	783,085
Easements and rights-of-way	-	-	-	-	662,037	662,037
Water, wastewater and drainage systems	-	-	-	-	34,497,922	34,497,922
Building and improvements	-	-	-	-	2,585,775	2,585,775
Furniture and equipment	-	-	-	-	144,412	144,412
Park and recreational facilities	-	-	-	-	3,357,417	3,357,417
Automobiles and trucks	-	-	-	-	113,785	113,785
Total assets	\$ 15,792,190	5,354,693	1,723,398	22,870,281	45,402,318	68,272,599
<b>LIABILITIES</b>						
Accounts payable	\$ 382,681	7,193	-	389,874	-	389,874
Customer deposits	621,306	-	-	621,306	-	621,306
Other liabilities	133,531	-	-	133,531	-	133,531
Due to other funds	-	91,946	16,541	108,487	(108,487)	-
Accrued bond interest payable	-	-	-	-	592,181	592,181
Unearned revenue	106,356	-	-	106,356	-	106,356
Accrued vacation leave	-	-	-	-	65,931	65,931
Long-term liabilities:						
Due within one year	-	-	-	-	3,339,934	3,339,934
Due after one year	-	-	-	-	44,501,782	44,501,782
Total liabilities	1,243,874	99,139	16,541	1,359,554	48,391,341	49,750,895
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenue - property taxes	16,227	20,156	-	36,383	(36,383)	-
<b>FUND BALANCES/NET POSITION</b>						
Fund balances:						
Nonspendable-						
Prepaid items	26,359	3,968	254	30,581	(30,581)	-
Restricted for:						
Debt service	-	5,231,430	-	5,231,430	(5,231,430)	-
Capital projects	-	-	1,706,603	1,706,603	(1,706,603)	-
Parks capital fees	921,331	-	-	921,331	(921,331)	-
Texas Water Development Board Reserve	110,000	-	-	110,000	(110,000)	-
Committed for repair and replacement of capital assets	4,282,084	-	-	4,282,084	(4,282,084)	-
Unassigned	9,192,315	-	-	9,192,315	(9,192,315)	-
Total fund balances	14,532,089	5,235,398	1,706,857	21,474,344	(21,474,344)	-
Total liabilities, deferred inflows of resources and fund balances	\$ 15,792,190	5,354,693	1,723,398	22,870,281		
Net position:						
Net investments in capital assets					(624,308)	(624,308)
Restricted for debt service					4,659,405	4,659,405
Unrestricted					14,486,607	14,486,607
Total net position					\$ 18,521,704	18,521,704

The notes to the financial statements are an integral part of this statement.

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED SEPTEMBER 30, 2014

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	ADJUSTMENTS (NOTE 2)	STATEMENT OF ACTIVITIES
<b>EXPENDITURES/EXPENSES:</b>						
Service operations:						
Personnel (including benefits)	\$ 3,059,569	-	-	3,059,569	8,820	3,068,389
Water and wastewater purchases	1,443,292	-	-	1,443,292	-	1,443,292
Garbage fees	1,053,526	-	-	1,053,526	-	1,053,526
Administrative	1,030,381	-	-	1,030,381	-	1,030,381
Repairs and maintenance	656,193	-	-	656,193	-	656,193
Utilities	589,144	-	-	589,144	-	589,144
Contracted services	383,313	-	-	383,313	-	383,313
Other consulting	203,208	-	-	203,208	-	203,208
Engineering fees	106,561	-	-	106,561	-	106,561
Legal fees	103,962	-	-	103,962	-	103,962
Security fees	82,781	-	-	82,781	-	82,781
Insurance	54,704	-	-	54,704	-	54,704
Tax appraisal/collection fees	-	56,691	-	56,691	-	56,691
Audit fees	39,000	-	-	39,000	-	39,000
Directors' fees	28,639	-	-	28,639	-	28,639
Other	5,965	44	49	6,058	-	6,058
Capital outlay	1,457,914	-	-	1,457,914	(1,457,914)	-
Debt service:						
Principal payments	85,731	3,130,000	-	3,215,731	(3,215,731)	-
Interest and fiscal charges	25,080	1,798,849	-	1,823,929	361,013	2,184,942
Bond issuance costs	-	6,325	-	6,325	-	6,325
Depreciation	-	-	-	-	2,183,019	2,183,019
Total expenditures/expenses	10,408,963	4,991,909	49	15,400,921	(2,120,793)	13,280,128
<b>REVENUES:</b>						
Program revenues:						
Water and wastewater service	5,077,406	-	-	5,077,406	-	5,077,406
Garbage collection	1,155,136	-	-	1,155,136	-	1,155,136
Inspection fees	120,202	-	-	120,202	-	120,202
Tap and other connection fees	175,272	-	-	175,272	-	175,272
Recreation center	1,075,802	-	-	1,075,802	-	1,075,802
Park and recreation fees	146,585	-	-	146,585	-	146,585
Capital recovery fees	-	-	590,990	590,990	-	590,990
Total program revenues	7,750,403	-	590,990	8,341,393	-	8,341,393
Net program expense						(4,938,735)
General revenues:						
Property taxes, including penalties and interest	3,203,128	3,935,544	-	7,138,672	3,148	7,141,820
Investment earnings	26,043	16,307	4,842	47,192	-	47,192
Other	231,349	-	-	231,349	-	231,349
Total general revenues	3,460,520	3,951,851	4,842	7,417,213	3,148	7,420,361
Total revenues	11,210,923	3,951,851	595,832	15,758,606	3,148	15,761,754
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in (out)	49,998	218,492	(268,490)	-	-	-
Loss on disposal of capital assets	-	-	-	-	(55,109)	(55,109)
Total other financing sources (uses)	49,998	218,492	(268,490)	-	(55,109)	(55,109)
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>						
	851,958	(821,566)	327,293	357,685	(357,685)	-
Change in net position	-	-	-	-	2,068,832	2,426,517
<b>FUND BALANCES/NET POSITION:</b>						
Beginning of year	13,680,131	6,056,964	1,379,564	21,116,659	(5,021,472)	16,095,187
End of year	\$ 14,532,089	5,235,398	1,706,857	21,474,344	(2,952,640)	18,521,704

The notes to the financial statements are an integral part of this statement.

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND YEAR ENDED SEPTEMBER 30, 2014

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
<b>REVENUES:</b>				
Water, wastewater and garbage services	\$ 6,117,722	6,126,222	6,232,542	106,320
Property taxes, including penalties and interest	3,157,904	3,157,904	3,203,128	45,224
Recreation center	1,059,990	1,080,590	1,075,802	(4,788)
Park and recreation fees	136,100	141,100	146,585	5,485
Tap connection/inspection fees	184,528	184,528	295,474	110,946
Investment earnings	44,331	44,331	26,043	(18,288)
Other	134,800	134,800	231,349	96,549
Total revenues	10,835,375	10,869,475	11,210,923	341,448
<b>EXPENDITURES:</b>				
Service operations:				
Personnel (including benefits)	3,215,077	3,229,077	3,059,569	169,508
Water and wastewater purchases	1,387,595	1,387,595	1,443,292	(55,697)
Garbage fees	1,010,500	1,018,500	1,053,526	(35,026)
Administrative	1,752,185	1,655,753	1,030,381	625,372
Repairs and maintenance	836,880	710,084	656,193	53,891
Utilities	593,050	591,630	589,144	2,486
Contracted services	732,378	521,183	383,313	137,870
Other consulting	42,200	41,700	203,208	(161,508)
Engineering fees	98,000	98,000	106,561	(8,561)
Legal fees	150,000	150,000	103,962	46,038
Security fees	85,000	85,000	82,781	2,219
Insurance	60,250	60,250	54,704	5,546
Tax appraisal/collection fees	1,000	1,000	-	1,000
Audit fees	40,000	40,000	39,000	1,000
Directors' fees	-	-	28,639	(28,639)
Other	6,500	6,500	5,965	535
Capital outlay	987,800	1,286,243	1,457,914	(171,671)
Debt service:				
Principal payments	75,000	75,000	85,731	(10,731)
Interest and fiscal charges	24,063	24,063	25,080	(1,017)
Total expenditures	11,097,478	10,981,578	10,408,963	572,615
<b>EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(262,103)	(112,103)	801,960	914,063
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,482,076	1,482,076	49,998	(1,432,078)
Transfers out	(1,219,973)	(1,369,973)	-	1,369,973
Total other financing sources, net	262,103	112,103	49,998	(62,105)
Change in fund balance	-	-	851,958	851,958
<b>FUND BALANCES:</b>				
Beginning of year	13,680,131	13,680,131	13,680,131	-
End of year	\$ 13,680,131	13,680,131	14,532,089	851,958

The notes to the financial statements are an integral part of this statement.

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2014

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Brushy Creek Municipal Utility District (the “District”), formerly known as Williamson County Municipal Utility District No. 2, was created, organized and established on October 27, 1977, pursuant to the provisions of Chapter 54 of the Texas Water Code.

The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the “Board”) which has been elected by District residents or appointed by the Board. The District is not included in any other governmental “reporting entity” as defined by the Governmental Accounting Standards Board (“GASB”) Statement No. 14 since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters. In addition, there are no component units included in the District’s reporting entity.

**Government-Wide and Fund Financial Statements** - For purposes of GASB Statement No. 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the “Total Governmental Funds” column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the statement of net position and the statement of activities.

The government-wide financial statements report information on all of the activities of the District. The effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the expenses are offset by program revenues. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the District. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

## **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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. Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include interest income. No accrual for property taxes collected within sixty days of year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred revenue.

The District reports the following major governmental funds:

The General Fund includes financial resources used for general operations. It is a budgeted fund, and any unassigned fund balances are considered resources available for current operations.

The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due.

The Capital Projects Fund is used to account for financial resources restricted for authorized construction and other capital asset acquisitions.

**Budgets and Budgetary Accounting** - Formal budgetary integration is employed as a management control device for the General Fund. Formal budgetary integration is not employed for the Debt Service Fund and the Capital Projects Fund. The budget is proposed by the District Manager for the fiscal year commencing the following October 1, and is adopted on the modified accrual basis, which is consistent with generally accepted accounting principles.

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

## **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance**

Cash and cash equivalents - The District's cash and cash equivalents are considered to be cash-on-hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - The District is entitled to invest any and all of its funds in certificates of deposit, direct debt securities of the United States of America or the State of Texas, certain Federal agency securities and other types of municipal bonds, fully collateralized repurchase agreements, commercial paper and local government investment pools. The District's investment policies and types of investments are governed by Section 2256 of the Government Code ("Public Funds Investment Act"). The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policies. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments.

Accounts Receivable - The District provides for uncollectible accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. Allowance for uncollectible accounts as of September 30, 2014 was \$111,041.

Capital Assets - Capital assets, which include land, easements and rights-of-way, infrastructure (water, wastewater and drainage systems purchased, constructed or donated), construction in process, buildings and improvements, park and recreational facilities, automobiles and trucks, and furniture and equipment, are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000. Such assets are recorded at historical cost if purchased or estimated fair value at the date of donation if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Capital assets (other than land and construction in process) are depreciated using the straight line method over the following estimated useful lives: easements and rights-of-way - forty years, buildings and improvements - ten to forty years, water, wastewater and drainage systems - seven to fifty years, park and recreational facilities - ten to twenty-two years, furniture and equipment - six to ten years, automobiles and trucks - five years.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the period incurred.

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 received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures in the period incurred.

Ad Valorem Property Taxes - Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Compensated Absences - Accrued paid time off is earned by each full-time employee at a rate of between 12 and 16 hours per month depending on length of employment. District policy allows for a maximum carry-over from the previous fiscal year. The full amount of accrued paid time off, subject to the maximum accrual limits, is paid upon discontinuance of employment with the District. The District's liability for accrued paid time off at September 30, 2014 was \$65,931.

Prepaid Items - Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid assets in both the government-wide and fund financial statements. Prepaid assets are charged to expenditures when consumed.

Fund Balance - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 10 for additional information on those fund balance classifications.

Deferred Outflows and Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent the consumption of the District's net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District's acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

### **Recently Issued Accounting Pronouncements**

In June 2012, the GASB issued GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, effective for fiscal years beginning after June 15, 2014. The objective of GASB Statement No. 68 is to improve accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through certain trusts. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources and deferred inflows of resources, and expense/expenditures. GASB Statement No. 68 also identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, GASB Statement No. 68 addresses the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. Management is still evaluating the effects that the full implementation of GASB Statement No. 68 will have on its financial statements for the year ended September 30, 2015.

In November 2013, the GASB issued GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, effective for fiscal years beginning after June 15, 2014. The objective of GASB Statement No. 71 is to address an issue regarding application of the transition provisions of GASB Statement No. 68 related to amounts associated with contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. GASB Statement No. 71 requires that, at the time of transition to GASB Statement No. 68, a government recognize beginning deferred outflows of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Management is still evaluating the effects that the full implementation of GASB Statement No. 71 will have on its financial statements for the year ended September 30, 2015.

## 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Governmental funds total fund balance	\$ 21,474,344
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net of accumulated depreciation	45,510,805
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the funds.	36,383
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued vacation payable	(65,931)
Bonds payable, including premiums	(47,836,782)
Bond interest payable	(592,181)
Capital lease payable	(4,934)
Total net position	<u>\$ 18,521,704</u>

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

Excess of revenues and other financing sources over expenditures	\$ 357,685
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlay	1,457,914
Depreciation	(2,183,019)
Loss on disposal of capital assets	(55,109)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred tax revenue	3,148
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Repayment of bond principal	3,205,000
Capital lease proceeds provide current financial resources to governmental funds, but issuing capital leases increases long-term liabilities in the statement of net position. Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Repayment of capital lease principal	10,731
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in accrued vacation	(8,820)
Amortization of bond premium	114,769
Amortization of deferred charges on refunding	(473,691)
Change in bond interest payable	(2,091)
Change in net position	<u>\$ 2,426,517</u>

### 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The District's deposits are required to be secured in the manner provided by law for the security of the funds. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of September 30, 2014, the District's cash balance deposited in banks totaled \$4,456,351 and were entirely covered by Federal Deposit Insurance Corporation ("FDIC") insurance or secured by collateral pledged by the depository.

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy. The District's deposits and investments are invested pursuant to the investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy, in order of priority, are safety, liquidity, and yield.

The District is entitled to invest in obligations of the United States, the State of Texas and their agencies or any state, county, city and any other political subdivisions of any state rated by a nationally recognized investment rating firm with a rating not less than A or its equivalent, certificates of deposit of state or national banks or savings and loan associations within the State, prime domestic bankers' acceptances, commercial paper with a stated maturity of 270 days or less from the date of its issuance, fully collateralized repurchase agreements, no-load money market mutual funds regulated by the United States Securities and Exchange Commission and eligible public funds investment pools.

Investments held at September 30, 2014 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Public funds investment pools:			
TexPool	\$ 3,307,483	1	AAAm
LOGIC	1,864,102	1	AAA
Municipal bonds - Frost Bank	3,625,451	176	Various
US agencies	1,003,530	355	AA+
Certificates of deposit	<u>7,628,735</u>	245	Various
Total	<u>\$ 17,429,301</u>		

At September 30, 2014, the District had investments in two external local governmental investment pools, Texas Local Governmental Investment Pool ("TexPool") and Local Government Investment Cooperative ("LOGIC"), municipal bonds, US agencies coupon securities and certificates of deposit.

Although TexPool and LOGIC are not registered with the SEC as investment companies, they operate in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. These investments are stated at fair value which is the same as the value of the pools' shares.

TexPool is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate TexPool. TexPool also has an advisory board to advise on TexPool’s investment policy. This board is made up equally of participants and nonparticipants who do not have a business relationship with TexPool. Federated Investors manage daily operations of TexPool under a contract with the Comptroller and is the investment manager for the pool. TexPool’s investment policy stipulates that it must invest in accordance with the Public Funds Investment Act.

LOGIC is overseen by the Texas State Comptroller of Public Accounts, who is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company which is authorized to operate LOGIC. LOGIC also has a six member governing board to advise on LOGIC’s investment policy. This board is made up equally of participants and nonparticipants who do not have a business relationship with LOGIC. First Southwest Asset Management, Inc. and JPMorgan Chase manage daily operations of LOGIC under contract with the Comptroller and are the investment managers for the pool. LOGIC’s investment policy states that it must invest in accordance with the Public Funds Investment Act.

The investments held for customer deposits in the General Fund consist of deposits received from customers to initiate water services with the District. These deposits are to be refunded to customers upon termination of water service with the District and, therefore, are also included as liabilities by the District.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At September 30, 2014, investments were included in local governmental investment pools, municipal bonds, US agencies coupon securities and certificates of deposit with ratings from Standard and Poor’s in compliance with the District’s investment policy.

Interest Rate Risk - The District considers the holdings in the local governmental investment pools to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. Certificates of deposit, US agencies coupon securities and municipal bonds held by the District have set interest rates.

**4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds.” The composition of interfund balances as of September 30, 2014, is as follows:

Receivable Fund	Payable Fund	Amount
General	Debt Service	\$ 91,946
Debt Service	Capital Projects	16,541
		\$ 108,487

During the year, the Capital Fund transferred \$49,998 to the General Fund to pay for capital costs associated with the regional wastewater contract and transferred \$218,492 to the Debt Service Fund to pay toward the debt associated with the long term water project.

## 5. CAPITAL ASSETS

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

	Balance September 30, 2013	Additions	Retirements and Transfers	Balance September 30, 2014
Capital assets, not being depreciated:				
Land	\$ 3,363,452	2,920	-	3,366,372
Construction in process	638,665	783,085	(638,665)	783,085
Total capital assets, not being depreciated	<u>4,002,117</u>	<u>786,005</u>	<u>(638,665)</u>	<u>4,149,457</u>
Capital assets, being depreciated:				
Water, wastewater and drainage systems	78,813,981	305,403	(275,548)	78,843,836
Easements and rights-of-way	901,891	-	-	901,891
Buildings and improvements	4,284,292	-	-	4,284,292
Furniture and equipment	953,699	-	(535,039)	418,660
Park and recreational facilities	5,137,565	339,603	638,665	6,115,833
Automobiles and trucks	290,223	26,903	(64,476)	252,650
Total capital assets, being depreciated	<u>90,381,651</u>	<u>671,909</u>	<u>(236,398)</u>	<u>90,817,162</u>
Less accumulated depreciation for:				
Water, wastewater and drainage systems	(42,928,445)	(1,637,907)	220,438	(44,345,914)
Easements and rights-of-way	(217,306)	(22,548)	-	(239,854)
Buildings and improvements	(1,531,528)	(166,989)	-	(1,698,517)
Furniture and equipment	(761,200)	(48,087)	535,039	(274,248)
Park and recreational facilities	(2,488,020)	(270,396)	-	(2,758,416)
Automobiles and trucks	(166,250)	(37,092)	64,477	(138,865)
Total accumulated depreciation	<u>(48,092,749)</u>	<u>(2,183,019)</u>	<u>819,954</u>	<u>(49,455,814)</u>
Total capital assets, being depreciated, net	<u>42,288,902</u>	<u>(1,511,110)</u>	<u>583,556</u>	<u>41,361,348</u>
Capital assets, net	<u>\$ 46,291,019</u>	<u>(725,105)</u>	<u>(55,109)</u>	<u>45,510,805</u>

## 6. DEFERRED OUTFLOWS OF RESOURCES

The following is a summary of changes in deferred outflows of resources for the year ended September 30, 2014:

	Beginning Balance	Additions	Retirements	Ending Balance
Deferred charges on refundings	\$ 473,691	-	(473,691)	-

## 7. LONG-TERM DEBT

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

	Balance September 30, 2013	Additions	Retirements	Balance September 30, 2014
Bonds payable	\$ 49,430,000	-	(3,205,000)	46,225,000
Premiums on refundings	1,726,551	-	(114,769)	1,611,782
Capital lease payable	15,665	-	(10,731)	4,934
Total	\$ 51,172,216	-	(3,330,500)	47,841,716

Bonds payable at September 30, 2014, is comprised of the following:

	Balance 9/30/2014	Due Within One Year
\$1,500,000, Series 2002, revenue bonds due in annual installments of \$20,000 to \$95,000 through June 1, 2019. Interest varies from 2.50% to 5.90% and is payable June 1 and December 1 each year.	\$ 370,000	80,000
\$9,500,000, Series 2005, serial bonds due in annual installments of \$100,000 to \$595,000 through June 1, 2020. Interest varies from 3.00% to 5.00% and is payable June 1 and December 1 each year.	1,265,000	100,000
\$7,840,000, Series 2007, refunding bonds due in annual installments of \$30,000 to \$325,000 through June 1, 2016. Interest varies from 3.75% to 4.00% and is payable June 1 and December 1 each year.	650,000	325,000
\$2,020,000, Series 2008, Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$60,000 to \$145,000 through June 1, 2031. Interest varies from 3.75% to 4.00% and is payable June 1 and December 1 each year.	1,695,000	65,000

\$2,365,000, Series 2009, Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$55,000 to \$195,000 through June 1, 2033. Interest varies from 4.38% to 6.00% and is payable June 1 and December 1 each year.	2,165,000	60,000
\$7,975,000, Series 2009, refunding bonds due in annual installments of \$195,000 to \$1,530,000 through June 1, 2024. Interest varies from 3.00% to 4.63% and is payable June 1 and December 1 each year.	3,955,000	1,315,000
\$17,190,000, Series 2010, refunding bonds due in annual installments of \$255,000 to \$1,960,000 through June 1, 2026. Interest varies from 3.50% to 4.00% and is payable June 1 and December 1 each year.	13,260,000	1,050,000
\$2,370,000, Series 2011, Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$65,000 to \$305,000 through June 1, 2033. Interest varies from 4.00% to 5.00% and is payable June 1 and December 1 each year.	2,235,000	65,000
\$2,085,000, Series 2011, refunding bonds due in annual installments of \$5,000 to \$245,000 through June 1, 2028. Interest varies from 4.00% to 5.25% and is payable June 1 and December 1 each year.	2,070,000	5,000
\$9,260,000, Series 2012, refunding bonds due in annual installments of \$20,000 to \$1,600,000 through June 1, 2028. Interest varies from 2.00% to 3.00% and is payable June 1 and December 1 each year.	9,070,000	175,000
\$6,125,000, Series 2013, refunding bonds due in annual installments of \$10,000 to \$1,840,000 through June 1, 2028. Interest varies from 2.00% to 3.50% and is payable June 1 and December 1 each year.	6,070,000	15,000
\$3,500,000, Series 2013, Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$80,000 to \$230,000 through June 1, 2038. Interest varies from 2.50% to 5.00% and is payable June 1 and December 1 each year.	3,420,000	80,000
Total bonds payable	<u>\$ 46,225,000</u>	<u>3,335,000</u>

Debt service requirements to maturity for District's bonds are summarized as follows:

Fiscal Year	Principal	Interest	Total Requirement
2015	\$ 3,335,000	1,747,420	5,082,420
2016	2,580,000	1,624,015	4,204,015
2017	2,465,000	1,531,176	3,996,176
2018	2,560,000	1,444,279	4,004,279
2019	2,575,000	1,352,700	3,927,700
2020-2024	14,515,000	5,249,070	19,764,070
2025-2029	14,615,000	2,361,651	16,976,651
2030-2034	2,720,000	595,321	3,315,321
2035-2038	860,000	110,000	970,000
Total	<u>\$ 46,225,000</u>	<u>16,015,632</u>	<u>62,240,632</u>

The District bonds are collateralized by the levy of an annual ad valorem tax against all taxable property within the District except for the Series 2002 Revenue bonds.

Bond covenants for each outstanding issue require that the District maintain utility rates and property tax rates sufficient to operate and maintain the utility system and pay all indebtedness against the system. Covenants also require the District to maintain adequate insurance of the system. The District believes it is in compliance with all significant covenants contained in the debt agreements.

At September 30, 2014, unlimited tax bonds of \$16,345,000 were authorized by the District but unissued of which \$14,245,000 is for improvements to Defined Area water, wastewater and drainage systems and \$2,100,000 is for improvements to District-wide water systems.

The District has a capital lease payable for the purchase of exercise equipment. Principal and interest is due in thirty-six monthly installments of \$452 with an interest rate of 6% and matures in March 2015. The District's capital lease payable at September 30, 2014 was \$4,934. At September 30, 2014, the net carrying value of capital assets related to capital leases was \$18,010.

## 8. PROPERTY TAXES

The Texas Water Code authorizes the District to levy a tax each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within its boundaries. Assessed values are established annually by the Williamson County Central Appraisal District. District property tax revenues are recognized when levied to the extent that they are collected in the current year. The uncollected balance is reported as deferred revenue. Taxes receivable are due January 1 and are delinquent if received after January 31 and are subject to penalty and interest charges.

The combined tax rate was \$0.5000 per \$100 assessed valuation District-wide, except for the Sendero Springs/Cornerstone Defined Area. The Sendero Springs/Cornerstone Defined Area had an additional tax rate of \$0.3600 per \$100 assessed valuation. The total 2013 tax levy was \$7,141,445 based on a District-wide taxable valuation of \$1,278,996,832.

## 9. AMOUNTS COLLECTED FOR CAPITAL IMPROVEMENTS

By an agreement dated March 29, 1996, the District and developers of property within the District agreed to the payment of a fee by the developers to the District. The fee has been established by contract between the District and the developers. The agreement also establishes the restrictions for the use of the fees. The fees collected under this agreement totaled \$590,990 for the year ended September 30, 2014 and are within the Capital Projects Fund.

## 10. FUND BALANCES

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

Nonspendable - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

Assigned - For the General Fund, the Board, or an official or body that has been delegated authority by the Board, may appropriate amounts that are to be used for a specific purpose. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

Unassigned - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

The summary of the fund balances is included in the Governmental Funds Balance Sheet on page 12.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated authority to the General Manager to assign fund balance for a specific purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The Board committed \$4,282,084 of General Fund fund balance to pay for future repairs, replacements and purchases of capital. The amounts committed for funding capital projects as of September 30, 2014 are:

Utility equipment replacement	\$ 37,149
Replacement of water facility membranes	1,000,000
Trail improvements	125,000
Community center equipment replacement	12,455
Park master plan projects	882,969
620 utility work	50,000
Utility improvements	883,602
BRA water line reserves	131,270
Regional waste water improvements	369,639
Sludge removal	150,000
Pepper rock park parking	140,000
Park lighting	500,000
	<hr/>
Total committed fund balance	<u>\$ 4,282,084</u>

**11. COMMITMENTS AND CONTINGENCIES**

The District has entered into several utility development agreements with developers of property within the District. Under the terms of the agreements, a developer funds the cost of construction for water, wastewater and drainage facilities for a specified project which has been approved by the District. The District agrees to purchase the facilities at a price to be determined by the Texas Commission on Environmental Quality, but not to exceed the amount actually expended by the developer plus interest from the dates of expenditure to the date of payment by the District.

In August 1998, the Board authorized the District to enter into a contract with the Brazos River Authority (“BRA”) for participation in the Williamson County Raw Water Line Project. The project is for the construction and maintenance of facilities capable of transporting water from Lake Stillhouse Hollow to Lake Georgetown. The BRA expects to issue approximately \$40,000,000 of debt to finance construction of the project for which total debt service payments are anticipated to be approximately 10%, and the District’s average annual payment to cover its share of the debt service will be approximately \$210,000.

In October 2000, the Board authorized the District to enter into a contract with the BRA and the Lower Colorado River Authority (“LCRA”) for participation in the Sub Regional Wastewater Collection, Treatment and Disposal System. The LCRA utilized its reserved capacity in the system to receive wastewater from the District’s wastewater collection system. The cities of Round Rock, Cedar Park, and Austin purchased the wastewater system from the LCRA in December 2009. The District is a customer of the city of Round Rock. The BRA will operate and maintain the system in order to receive wastewater from the customers’ wastewater collection systems and to treat and dispose of such wastewater. The District will pay charges on the system, their annual estimates for sub-regional operation and maintenance expenses and the resulting estimates of sub-regional capital charges and sub-regional flow charges. The District’s average annual payment will be approximately \$1,100,000 over the next 30 years.

## 12. PENSION PLAN

The District provides retirement, disability, and death benefits for all of its non temporary full-time employees through a nontraditional defined benefit pension plan in statewide Texas County and District Retirement System (“TCDRS”). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 506 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (“CAFR”) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas State statutes governing TCDRS (“TCDRS Act”). Members can retire at age 60 and above with 8 or more years of service but must leave their accumulated contributions in the plan to receive any employer-finance benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee’s contributions to the plan, with interest, and the employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act, so that the resulting benefits can be expected to be adequately financed by the employer’s commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee’s accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy - The District has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually.

The District contributed using the actuarially determined rate of 6.55% for 2014. The contribution rate payable by the District for calendar years 2013 and 2012 was 6.42% and 6.62%, respectively, as adopted by the governing body of the District. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

Annual Pension Costs - For the District’s accounting year ending September 30, 2014, the annual pension cost for the TCDRS plan for its employees was \$138,450 and the actual contributions were \$138,450.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations, the basis for determining the contribution rates for calendar years 2013, 2012 and 2011. The December 31, 2013 actuarial valuation is the most recent valuation.

Actuarial Valuation Information:

Actuarial valuation date	12/31/2011	12/31/2012	12/31/2013
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open
Amortization period	30 years	30 years	30 years
Asset valuation method	Ten year smoothed value and fund value	Ten year smoothed value and fund value	Five year smoothed value and fund value

Actuarial Assumptions:

Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.4%	5.4%	4.9%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

Trend information for the retirement plan for the employees of the District:

<u>Accounting Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2012	\$ 132,340	100%	-
September 30, 2013	133,826	100%	-
September 30, 2014	138,450	100%	-

The following is a schedule of funding progress for the retirement plan for the employees of the District for the three calendar years ended December 31, 2013:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) (b)</u>	<u>Unfunded/ (Overfunded) AAL (U/OAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll* (c)</u>
December 31, 2011	\$ 1,910,617	1,793,874	(116,743)	106.51%	(6.12%)
December 31, 2012	2,246,736	2,188,381	(58,355)	102.67%	(2.88%)
December 31, 2013	2,611,316	2,455,479	(155,837)	106.35%	(7.46%)

\*The annual covered payroll is based on the employer contributions paid to TCDRS for the year ending with the valuation date.

### **13. RISK MANAGEMENT**

The District's risk management program includes coverage through third party insurance providers for commercial general liability, property, boiler and machinery, inland marine, pollution, automobile, public officials' liability, public officials' bond, and workers' compensation. During the year ended September 30, 2014, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED BY TEXAS COMMISSION ON ENVIRONMENTAL QUALITY YEAR ENDED SEPTEMBER 30, 2014

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SCHEDULE INCLUDED			
<u>YES</u>	<u>NO</u>		
<u>X</u>	<u>      </u>	TSI-0	Notes Required by the Water District Accounting Manual
<u>X</u>	<u>      </u>	TSI-1	Schedule of Services and Rates
<u>X</u>	<u>      </u>	TSI-2	Schedule of General Fund Expenditures
<u>X</u>	<u>      </u>	TSI-3	Schedule of Temporary Investments
<u>X</u>	<u>      </u>	TSI-4	Analysis of Taxes Levied and Receivable
<u>X</u>	<u>      </u>	TSI-5	Long-Term Debt Service Requirements by Years
<u>X</u>	<u>      </u>	TSI-6	Analysis of Changes in Long-Term Bonded Debt
<u>X</u>	<u>      </u>	TSI-7	Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund - Five Years
<u>X</u>	<u>      </u>	TSI-8	Board Members, Key Personnel and Consultants

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-0 NOTES REQUIRED BY THE WATER DISTRICT ACCOUNTING MANUAL YEAR ENDED SEPTEMBER 30, 2014

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The notes which follow are not necessarily required for fair presentation of the audited basic financial statements of the District which are contained in the preceding section of this report. They are presented in conformity with requirements of the Texas Commission on Environmental Quality to assure disclosure of specifically required facts.

(A) Creation of District

See Note 1 to basic financial statements.

(B) Contingent Liabilities

See Note 11 to basic financial statements.

(C) Pension Coverage

See Note 12 to basic financial statements.

(D) Pledge of Revenues

See Note 7 to basic financial statements.

(E) Compliance with Debt Service Requirements

See Note 7 to basic financial statements.

(F) Redemption of Bonds

See Note 7 to basic financial statements.

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-1 SCHEDULE OF SERVICES AND RATES YEAR ENDED SEPTEMBER 30, 2014

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### 1. Services Provided by the District:

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Retail Water        | <input checked="" type="checkbox"/> Wholesale Water | <input checked="" type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater   | <input type="checkbox"/> Wholesale Wastewater       | <input type="checkbox"/> Irrigation          |
| <input checked="" type="checkbox"/> Parks/Recreation    | <input type="checkbox"/> Fire Protection            | <input checked="" type="checkbox"/> Security |
| <input checked="" type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control              | <input type="checkbox"/> Roads               |
- Participates in joint venture, regional system and or wastewater service (other than emergency interconnect)
- Other (specify): N/A
- 

### 2. Retail Service Providers:

#### a. Retail Rates for a 5/8" Meter (or equivalent):

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons Over Minimum</u>	<u>Usage Levels</u>
IN-DISTRICT WATER	\$ 14.00	-	Y	\$ 2.10 winter \$ 2.75 summer	Oct - May June - Sept
OUT-OF-DISTRICT WATER	\$ 37.42	-	Y	\$ 2.10 winter \$ 2.75 summer	Oct - May June - Sept
IN-DISTRICT WASTEWATER	\$ 6.00	-	N	\$ 2.70	Per 1,000
OUT-OF-DISTRICT WASTEWATER	\$ 12.00	-	N	\$ 10.80	Per 1,000
SURCHARGE	\$ None				

District employs winter averaging for wastewater usage?  Yes  No

Total charges per 10,000 gallons usage:

In-District:	Water: \$ <u>35.00 winter</u> \$ <u>41.50 summer</u>	Wastewater: \$ <u>33.00</u>
Out-of-District:	Water: \$ <u>58.42 winter</u> \$ <u>64.92 summer</u>	Wastewater: \$ <u>120.00</u>

(continued)

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

**TSI-1 SCHEDULE OF SERVICES AND RATES (continued)  
YEAR ENDED SEPTEMBER 30, 2014**

**b. Water and Wastewater Retail Connections:**

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
<=3/4"	5,514	5,498	x 1.0	5,498
1"	38	38	x 2.5	95
1 1/2"	27	27	x 5.0	135
2"	40	40	x 8.0	320
3"	12	12	x 15.0	180
4"	3	3	x 25.0	75
6"	2	2	x 50.0	100
8"	8	8	x 80.0	640
10"	-	-	x 115.0	-
Total Water	5,644	5,628		7,043
Total Wastewater	5,403	5,403	x 1.0	5,403

**3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):**

Gallons pumped into system:	<u>933,078,000</u>	Water Accountability Ratio:
Gallons billed to customers:	<u>779,635,000</u>	(Gallons billed/Gallons pumped)
		<u>83.56% (1)</u>

(1) The water accountability ratio does not include fire hydrant flushing, water used in fire fighting, loss due to water leaks, or other un-metered loss to the system. The District tracks all of those non-billed sources and for FY 2014 the total known consumption was 795,579,000 gallons for an actual ratio of 85.26%.

**4. Standby Fees (authorized only under TWC Section 49.231):**

Does the District have Debt Service standby fees?  Yes  No

If yes, Date of the most recent Commission Order: \_\_\_\_\_

Does the District have Operation and Maintenance standby fees?  Yes  No

If yes, Date of the most recent Commission Order: \_\_\_\_\_

(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-1 SCHEDULE OF SERVICES AND RATES (continued) YEAR ENDED SEPTEMBER 30, 2014

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### 5. Location of District:

County(ies) in which District is located:

Williamson

Is the District located entirely within one county?

Yes

No

Is the District located within a city?

Entirely

Partly

Not at all

City(ies) in which District is located:

N/A

Is the District located within a city's extra-territorial jurisdiction (ETJ)?

Entirely

Partly

Not at all

ETJ's in which District is located:

City of Round Rock

Are Board members appointed by an office outside the District?

Yes

No

If yes, by whom?

N/A

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-2 SCHEDULE OF GENERAL FUND EXPENDITURES YEAR ENDED SEPTEMBER 30, 2014

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Personnel Expenditures (including benefits)	\$	3,059,569
Professional Fees:		
Auditing		39,000
Legal		103,962
Engineering		106,561
Financial Advisor		-
Purchased Services For Resale-		
Bulk Water and Wastewater Service Purchases		1,443,292
Contracted Services:		
Bookkeeping		-
Utility Manager		-
Appraisal District/Tax Collector		-
Other Contracted Services		383,313
Utilities		589,144
Repairs and Maintenance		656,193
Administrative Expenditures:		
Directors' Fees		28,639
Office Supplies		22,858
Insurance		54,704
Other Administrative Expenses		833,902
Capital Outlay:		
Capitalized Assets		1,457,914
Expenditures not Capitalized		-
Tap Connection Expenditures		173,621
Solid Waste Disposal		1,053,526
Fire Fighting		-
Parks and Recreation		(a)
Other Expenditures		402,765
TOTAL EXPENDITURES	\$	<u>10,408,963</u>

Number of persons employed by the District: 41 Full-Time 69 Part-Time  
(Does not include independent contractors or consultants; however, does include seasonal staff)

(a) Parks and recreation costs are included within the various General Fund expenditures above.  
For the year ended September 30, 2014, parks and recreation expenditures were \$3,119,334.

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-3 SCHEDULE OF TEMPORARY INVESTMENTS YEAR ENDED SEPTEMBER 30, 2014

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2014	Accrued Interest Receivable at September 30, 2014
<u>General Fund</u>					
Investment in LOGIC	742006801003	Variable	N/A	\$ 195,503	\$ -
Investment in LOGIC	742006801002	Variable	N/A	105,537	-
Investment in TexPool	2461600008	Variable	N/A	888,337	-
Investment in TexPool	2461600001	Variable	N/A	516,915	-
Certificate of deposit in Tx Security	10092	0.50%	10/21/2014	248,711	-
Certificate of deposit in East West Bank	01-72357047	0.40%	4/12/2015	2,013,797	-
Certificate of deposit in Texas Citizens Bank	8029282	0.50%	9/24/2015	246,227	-
Brokered certificate of deposit	063248EV6	0.35%	3/17/2015	245,000	-
Brokered certificate of deposit	05961SBJ2	0.30%	2/19/2015	245,000	-
Brokered certificate of deposit	3814J2Y7	0.40%	8/27/2015	245,000	-
Brokered certificate of deposit	139800BM7	0.30%	3/18/2015	245,000	-
Brokered certificate of deposit	30246ADH8	0.40%	9/25/2015	245,000	-
Brokered certificate of deposit	065680HG8	0.30%	2/12/2015	245,000	-
Brokered certificate of deposit	030590DT7	0.45%	9/10/2015	245,000	-
Brokered certificate of deposit	23204HBY	0.45%	9/10/2015	245,000	-
Brokered certificate of deposit	073296BG9	0.40%	8/31/2015	245,000	-
Brokered certificate of deposit	17417QAK9	0.50%	6/30/2015	245,000	-
Brokered certificate of deposit	75524KCW2	0.50%	6/30/2015	245,000	-
Brokered certificate of deposit	2546715W6	0.55%	9/10/2015	245,000	-
Brokered certificate of deposit	38147J4M1	0.40%	9/10/2015	245,000	-
Brokered certificate of deposit	534732AC6	0.40%	9/11/2015	245,000	-
Brokered certificate of deposit	71270QGL4	0.45%	9/10/2015	245,000	-
Brokered certificate of deposit	853117PA1	0.40%	9/11/2015	245,000	-
Brokered certificate of deposit	320844PA5	0.40%	3/10/2015	245,000	-
Brokered certificate of deposit	80280JBF7	0.40%	3/10/2015	245,000	-
Municipal Bonds	644682T55	2.00%	4/1/2015	760,298	-
Municipal Bonds	20772GD96	4.40%	3/15/2015	292,883	-
Municipal Bonds	46615MAD3	0.40%	10/1/2014	500,060	-
US Agencies	3134G56P5	0.50%	6/24/2016	500,245	-
Totals				10,678,513	-
<u>Debt Service Fund</u>					
Investment in LOGIC	2006801001	Variable	N/A	587,616	-
Investment in LOGIC	2006801013	Variable	N/A	498,525	-
Investment in TexPool	449/246160004	Variable	N/A	1,161,295	-
Brokered certificate of deposit	57116AHT8	0.45%	8/6/2015	245,000	-
Brokered certificate of deposit	33583CGE3	0.30%	3/13/2015	220,000	-
Brokered certificate of deposit	87164DFD7	0.45%	8/7/2015	245,000	-
Municipal Bonds	59259YA74	4.00%	11/15/2014	1,051,730	-
Municipal Bonds	235036SY7	2.19%	11/1/2015	1,020,480	-
Totals				5,029,646	-
<u>Capital Projects Fund</u>					
Investment in LOGIC	2006801009	Variable	N/A	476,462	-
Investment in LOGIC	2006801012	Variable	N/A	459	-
Investment in TexPool	449/246160007	Variable	N/A	740,936	-
US Agencies	3135G0FY4	0.750%	12/19/2014	503,285	-
Totals				1,721,142	-
TOTAL ALL FUNDS				\$ 17,429,301	\$ -

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-4 ANALYSIS OF TAXES LEVIED AND RECEIVABLE YEAR ENDED SEPTEMBER 30, 2014

	Maintenance Taxes	Debt Service Taxes		
TAXES RECEIVABLE, SEPTEMBER 30, 2013	\$ 14,009	\$ 19,226		
2013 Tax Roll	3,201,042	3,940,403		
Adjustments	(3,809)	(13,200)		
Total to be accounted for	<u>3,211,242</u>	<u>3,946,429</u>		
Tax collections:				
Current year	3,192,750	3,922,897		
Prior years	2,265	3,376		
Total collections	<u>3,195,015</u>	<u>3,926,273</u>		
TAXES RECEIVABLE, SEPTEMBER 30, 2014	<u>\$ 16,227</u>	<u>\$ 20,156</u>		
TAXES RECEIVABLE, BY YEARS:				
2013	\$ 8,202	\$ 8,309		
2012	2,746	2,658		
2011	1,595	2,340		
2010	1,137	1,835		
2009 and prior	2,547	5,014		
TAXES RECEIVABLE, SEPTEMBER 30, 2014	<u>\$ 16,227</u>	<u>\$ 20,156</u>		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
PROPERTY VALUATIONS-				
Net assessed property valuation:				
District-wide	\$ 1,278,996,832	1,193,911,500	1,162,948,436	1,106,704,060
Defined Area	205,471,258	171,587,825	144,727,844	120,884,140
TAX RATES PER \$100 VALUATION:				
Debt service tax rates	\$ 0.2500	0.2500	0.3000	0.3100
Maintenance tax rates	0.2500	0.2500	0.2000	0.1900
District-wide	<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>
Defined Area	<u>0.3600</u>	<u>0.3600</u>	<u>0.3600</u>	<u>0.3600</u>
ORIGINAL TAX LEVY	<u>\$ 7,141,445</u>	<u>6,611,512</u>	<u>6,391,741</u>	<u>6,070,576</u>
PERCENT OF TAXES COLLECTED TO TAXES LEVIED	<u>99.8%</u>	<u>99.9%</u>	<u>99.9%</u>	<u>99.9%</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

**TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS  
SEPTEMBER 30, 2014**

DUE DURING FISCAL YEARS ENDING 9/30	REVENUE SERIES 2002			UNLIMITED TAX SERIES 2005			UNLIMITED TAX REFUNDING SERIES 2007		
	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
2015	\$ 80,000	20,200	100,200	100,000	40,450	140,450	325,000	26,000	351,000
2016	85,000	16,000	101,000	-	34,950	34,950	325,000	13,000	338,000
2017	90,000	11,410	101,410	-	34,950	34,950	-	-	-
2018	95,000	6,460	101,460	-	34,950	34,950	-	-	-
2019	20,000	1,140	21,140	570,000	34,950	604,950	-	-	-
2020	-	-	-	595,000	17,850	612,850	-	-	-
2021	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
	<u>\$ 370,000</u>	<u>55,210</u>	<u>425,210</u>	<u>1,265,000</u>	<u>198,100</u>	<u>1,463,100</u>	<u>650,000</u>	<u>39,000</u>	<u>689,000</u>

(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (continued) SEPTEMBER 30, 2014

DUE DURING FISCAL YEARS ENDING 9/30	DEFINED AREA UNLIMITED TAX SERIES 2008			ULIMITED TAX DEFINED AREA SERIES 2009			UNLIMITED TAX REFUNDING SERIES 2009		
	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
2015	\$ 65,000	86,480	151,480	60,000	121,875	181,875	1,315,000	176,069	1,491,069
2016	70,000	82,580	152,580	65,000	119,250	184,250	505,000	116,894	621,894
2017	70,000	79,080	149,080	65,000	116,406	181,406	535,000	94,169	629,169
2018	75,000	75,580	150,580	70,000	113,563	183,563	195,000	70,094	265,094
2019	80,000	71,830	151,830	75,000	109,888	184,888	210,000	61,319	271,319
2020	85,000	67,830	152,830	80,000	105,950	185,950	215,000	51,869	266,869
2021	90,000	63,580	153,580	85,000	101,750	186,750	230,000	43,269	273,269
2022	90,000	59,080	149,080	95,000	97,288	192,288	240,000	33,781	273,781
2023	95,000	54,580	149,580	100,000	92,300	192,300	245,000	23,281	268,281
2024	100,000	49,830	149,830	105,000	86,300	191,300	265,000	12,256	277,256
2025	105,000	44,830	149,830	115,000	80,000	195,000	-	-	-
2026	110,000	39,580	149,580	120,000	73,100	193,100	-	-	-
2027	120,000	34,080	154,080	130,000	65,900	195,900	-	-	-
2028	125,000	28,080	153,080	140,000	58,100	198,100	-	-	-
2029	130,000	21,580	151,580	150,000	49,700	199,700	-	-	-
2030	140,000	14,820	154,820	160,000	40,700	200,700	-	-	-
2031	145,000	7,540	152,540	170,000	31,100	201,100	-	-	-
2032	-	-	-	185,000	20,900	205,900	-	-	-
2033	-	-	-	195,000	10,725	205,725	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
	<u>\$ 1,695,000</u>	<u>880,960</u>	<u>2,575,960</u>	<u>2,165,000</u>	<u>1,494,795</u>	<u>3,659,795</u>	<u>3,955,000</u>	<u>683,001</u>	<u>4,638,001</u>

(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (continued) SEPTEMBER 30, 2014

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX REFUNDING SERIES 2010			DEFINED AREA UNLIMITED TAX SERIES 2011			UNLIMITED TAX REFUNDING SERIES 2011		
	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
2015	\$ 1,050,000	480,575	1,530,575	65,000	101,363	166,363	5,000	79,488	84,488
2016	1,085,000	454,325	1,539,325	65,000	98,600	163,600	5,000	79,296	84,296
2017	1,130,000	421,775	1,551,775	75,000	95,837	170,837	5,000	79,104	84,104
2018	1,170,000	387,875	1,557,875	80,000	92,650	172,650	10,000	78,912	88,912
2019	1,215,000	346,925	1,561,925	80,000	89,250	169,250	175,000	78,528	253,528
2020	1,270,000	304,400	1,574,400	85,000	85,850	170,850	175,000	71,808	246,808
2021	1,320,000	253,600	1,573,600	85,000	82,450	167,450	185,000	65,088	250,088
2022	1,375,000	200,800	1,575,800	90,000	79,050	169,050	190,000	57,984	247,984
2023	1,430,000	145,800	1,575,800	95,000	75,450	170,450	200,000	50,688	250,688
2024	-	88,600	88,600	100,000	71,650	171,650	205,000	43,008	248,008
2025	255,000	88,600	343,600	105,000	67,525	172,525	215,000	35,136	250,136
2026	1,960,000	78,400	2,038,400	110,000	63,194	173,194	225,000	26,880	251,880
2027	-	-	-	110,000	58,244	168,244	230,000	18,240	248,240
2028	-	-	-	115,000	53,294	168,294	245,000	9,408	254,408
2029	-	-	-	120,000	47,975	167,975	-	-	-
2030	-	-	-	125,000	42,425	167,425	-	-	-
2031	-	-	-	135,000	36,331	171,331	-	-	-
2032	-	-	-	290,000	29,750	319,750	-	-	-
2033	-	-	-	305,000	15,250	320,250	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
	<u>\$ 13,260,000</u>	<u>3,251,675</u>	<u>16,511,675</u>	<u>2,235,000</u>	<u>1,286,138</u>	<u>3,521,138</u>	<u>2,070,000</u>	<u>773,568</u>	<u>2,843,568</u>

(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (continued) SEPTEMBER 30, 2014

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX REFUNDING SERIES 2012			UNLIMITED TAX REFUNDING SERIES 2013			DEFINED AREA UNLIMITED TAX SERIES 2013		
	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
2015	\$ 175,000	270,350	445,350	15,000	199,275	214,275	80,000	145,295	225,295
2016	275,000	266,850	541,850	15,000	198,975	213,975	85,000	143,295	228,295
2017	390,000	258,600	648,600	15,000	198,675	213,675	90,000	141,170	231,170
2018	755,000	246,900	1,001,900	15,000	198,375	213,375	95,000	138,920	233,920
2019	40,000	224,250	264,250	15,000	198,075	213,075	95,000	136,545	231,545
2020	45,000	223,050	268,050	15,000	197,775	212,775	100,000	134,170	234,170
2021	660,000	221,700	881,700	15,000	197,475	212,475	105,000	131,370	236,370
2022	685,000	201,900	886,900	15,000	197,025	212,025	110,000	128,220	238,220
2023	710,000	181,350	891,350	15,000	196,575	211,575	115,000	124,645	239,645
2024	1,600,000	160,050	1,760,050	685,000	196,125	881,125	120,000	120,620	240,620
2025	730,000	112,050	842,050	1,635,000	175,575	1,810,575	125,000	115,820	240,820
2026	750,000	90,150	840,150	-	126,525	126,525	135,000	110,820	245,820
2027	1,110,000	67,650	1,177,650	1,775,000	126,525	1,901,525	140,000	104,880	244,880
2028	1,145,000	34,350	1,179,350	1,840,000	64,400	1,904,400	145,000	98,720	243,720
2029	-	-	-	-	-	-	150,000	92,340	242,340
2030	-	-	-	-	-	-	160,000	85,140	245,140
2031	-	-	-	-	-	-	165,000	77,460	242,460
2032	-	-	-	-	-	-	175,000	69,540	244,540
2033	-	-	-	-	-	-	180,000	61,140	241,140
2034	-	-	-	-	-	-	190,000	52,500	242,500
2035	-	-	-	-	-	-	200,000	43,000	243,000
2036	-	-	-	-	-	-	210,000	33,000	243,000
2037	-	-	-	-	-	-	220,000	22,500	242,500
2038	-	-	-	-	-	-	230,000	11,500	241,500
	<u>\$ 9,070,000</u>	<u>2,559,200</u>	<u>11,629,200</u>	<u>6,070,000</u>	<u>2,471,375</u>	<u>8,541,375</u>	<u>3,420,000</u>	<u>2,322,610</u>	<u>5,742,610</u>

(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (continued) SEPTEMBER 30, 2014

DUE DURING FISCAL YEARS ENDING 9/30	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Principal Due	Interest Due	Total
2015	\$ 3,335,000	1,747,420	5,082,420
2016	2,580,000	1,624,015	4,204,015
2017	2,465,000	1,531,176	3,996,176
2018	2,560,000	1,444,279	4,004,279
2019	2,575,000	1,352,700	3,927,700
2020	2,665,000	1,260,552	3,925,552
2021	2,775,000	1,160,282	3,935,282
2022	2,890,000	1,055,128	3,945,128
2023	3,005,000	944,669	3,949,669
2024	3,180,000	828,439	4,008,439
2025	3,285,000	719,536	4,004,536
2026	3,410,000	608,649	4,018,649
2027	3,615,000	475,519	4,090,519
2028	3,755,000	346,352	4,101,352
2029	550,000	211,595	761,595
2030	585,000	183,085	768,085
2031	615,000	152,431	767,431
2032	650,000	120,190	770,190
2033	680,000	87,115	767,115
2034	190,000	52,500	242,500
2035	200,000	43,000	243,000
2036	210,000	33,000	243,000
2037	220,000	22,500	242,500
2038	230,000	11,500	241,500
	<u>\$ 46,225,000</u>	<u>16,015,632</u>	<u>62,240,632</u>

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-6 ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT SEPTEMBER 30, 2014

	Revenue Series 2002	Unlimited Tax Series 2005	Refunding Series 2007	Defined Area Unlimited Tax Series 2008	Defined Area Unlimited Tax Series 2009	Refunding Series 2009	Refunding Series 2010	Defined Area Unlimited Tax Series 2011	Refunding Series 2011	Refunding Series 2012	Refunding Series 2013	Defined Area Unlimited Tax Series 2013
Interest rate	2.50 to 5.90%	3.00 to 5.00%	3.75 to 4.00%	3.75 to 4.00%	4.38 to 6.00%	3.00 to 4.63%	3.50 to 4.00%	4.00 to 5.00%	4.00 to 5.25%	2.00 to 3.00%	2.00 to 3.50%	2.50 to 5.00%
Dates interest payable	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1
Maturity dates	6/1/19	6/1/20	6/1/16	6/1/31	6/1/33	6/1/24	6/1/26	6/1/33	6/1/28	6/1/28	6/1/28	6/1/38
Bonds outstanding, beginning of year	\$ 445,000	1,365,000	680,000	1,755,000	2,220,000	5,485,000	14,280,000	2,305,000	2,075,000	9,240,000	6,080,000	3,500,000
Bonds issued during current year	-	-	-	-	-	-	-	-	-	-	-	-
Bonds retired during current year	(75,000)	(100,000)	(30,000)	(60,000)	(55,000)	(1,530,000)	(1,020,000)	(70,000)	(5,000)	(170,000)	(10,000)	(80,000)
Bonds outstanding, end of year	\$ 370,000	1,265,000	650,000	1,695,000	2,165,000	3,955,000	13,260,000	2,235,000	2,070,000	9,070,000	6,070,000	3,420,000
Interest paid during current year	\$ 24,063	45,950	27,125	90,080	124,350	244,919	506,075	104,338	79,680	273,750	199,475	110,471

(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-6 ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT (continued) SEPTEMBER 30, 2014

	Grand Totals
Bonds outstanding, beginning of year	\$ 49,430,000
Bonds issued during current year	-
Bonds retired during current year	<u>(3,205,000)</u>
Bonds outstanding, end of year	<u>\$ 46,225,000</u>
Interest paid during current year	<u>\$ 1,830,276</u>

Paying agent's name & address:	Series 2005, 2007, 2008 2009, 2010, 2012 and 2013	Wells Fargo Bank Minneapolis, Minnesota 55479
	Series 2002	The Bank of New York Mellon Dallas, Texas 75201
	Series 2011	BB&T Governmental Finance Charlotte, North Carolina 28217

	District Tax Bonds*	Defined Area Tax Bonds	Other Bonds	Refunding Bonds
Bond authority:				
Amount authorized	\$ 74,100,000	24,500,000	-	73,844,998
Amount issued	<u>72,000,000</u>	<u>10,255,000</u>	<u>-</u>	<u>73,844,998</u>
Remaining to be issued	<u>\$ 2,100,000</u>	<u>14,245,000</u>	<u>-</u>	<u>-</u>

\* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and temporary investments balances  
as of September 30, 2014: \$ 5,314,028

Average annual debt service payments (principal & interest)  
for remaining term of debt: \$ 2,593,360

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-7 COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND AND DEBT SERVICE FUND FIVE YEARS ENDED SEPTEMBER 30, 2014

	AMOUNTS					PERCENT OF FUND TOTAL REVENUES				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
<b>GENERAL FUND</b>										
REVENUES:										
Water and wastewater service	\$ 5,077,406	5,273,378	5,229,982	5,495,625	4,704,588	45.3 %	46.2	50.5	52.4	50.9
Garbage collection	1,155,136	1,118,324	1,088,081	1,050,938	953,173	10.3	9.8	10.5	10.0	10.3
Inspection fees	120,202	139,136	72,167	76,896	59,632	1.1	1.2	0.7	0.8	0.6
Tap and other connection fees	175,272	200,641	137,749	127,648	129,564	1.6	1.8	1.3	1.2	1.4
Recreation center	1,075,802	1,185,755	1,154,217	1,131,354	920,097	9.6	10.4	11.1	10.8	9.9
Park and recreation fees	146,585	147,719	143,523	127,724	104,377	1.3	1.3	1.4	1.2	1.1
Property taxes, including penalties and interest	3,203,128	2,992,389	2,352,012	2,142,470	2,143,391	28.6	26.2	22.7	20.4	23.2
Investment earnings	26,043	54,225	30,230	28,391	51,964	0.2	0.5	0.3	0.3	0.6
Other	231,349	312,922	155,295	255,778	168,068	2.0	2.6	1.5	2.4	1.8
Bond issuance proceeds	-	-	-	55,777	15,056	-	-	-	0.5	0.2
Total revenues and other sources	11,210,923	11,424,489	10,363,256	10,492,601	9,249,910	100.0	100.0	100.0	100.0	100.0
EXPENDITURES:										
Current:										
Personnel (including benefits)	3,088,208	2,972,309	2,959,280	2,815,268	2,861,339	27.5	26.0	28.6	26.8	30.9
Purchased services for resale	2,496,818	2,600,850	2,360,386	2,310,474	2,472,603	22.3	22.8	22.8	22.0	26.7
Administrative	1,173,831	1,372,324	1,335,015	1,387,076	1,114,696	10.5	12.0	12.9	13.2	12.1
Repairs and maintenance	656,193	722,269	553,151	568,642	567,252	5.9	6.3	5.3	5.4	6.1
Utilities	589,144	606,394	590,411	774,449	678,359	5.3	5.3	5.7	7.4	7.3
Professional services	452,731	479,589	496,149	513,678	394,474	4.0	4.2	4.8	4.9	4.3
Contracted services	383,313	365,273	477,589	364,602	323,893	3.4	3.2	4.6	3.5	3.5
Capital outlay	1,457,914	1,172,031	238,811	167,835	329,110	13.0	10.3	2.3	1.6	3.6
Principal payments	85,731	80,728	92,175	65,000	65,000	0.7	0.7	0.8	0.6	0.7
Interest and fiscal charges	25,080	32,252	31,711	89,992	37,270	0.2	0.3	0.3	0.9	0.4
Bond issuance costs	-	-	-	-	-	-	-	-	-	-
Total expenditures	10,408,963	10,404,019	9,134,678	9,057,016	8,843,996	92.8	91.1	88.1	86.3	95.6
TRANSFERS IN (OUT)	49,998	115,218	(521,548)	236,960	192,730	0.4	1.0	(5.0)	2.3	2.1
PROCEEDS FROM CAPITAL LEASES	-	-	32,506	-	-	-	-	0.3	-	-
PROCEEDS FROM INSURANCE	-	-	368,867	-	-	-	-	3.6	-	-
INTERFUND FORGIVENESS OF DEBT	-	-	-	-	2,400,779	-	-	-	-	26.0
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 851,958	1,135,688	1,108,403	1,672,545	2,999,423	7.6 %	9.9	10.7	16.0	32.4

(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-7 COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND AND DEBT SERVICE FUND (continued) FIVE YEARS ENDED SEPTEMBER 30, 2014

	AMOUNTS					PERCENT OF FUND TOTAL REVENUES				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
<b>DEBT SERVICE FUND</b>										
REVENUES:										
Property taxes, including penalties and interest	\$ 3,935,544	3,616,509	4,048,769	3,936,546	3,850,549	99.6 %	18.0	99.3	65.7	17.9
Investment earnings	16,307	46,129	27,127	29,177	41,364	0.4	0.2	0.7	0.5	0.2
Proceeds of refunding bonds	-	15,385,000	-	2,029,223	17,174,944	-	76.5	-	33.8	80.0
Premium on refunding debt	-	1,075,145	-	-	402,124	-	5.3	-	-	1.9
Total revenues and other sources	3,951,851	20,122,783	4,075,896	5,994,946	21,468,981	100.0	100.0	100.0	100.0	100.0
EXPENDITURES:										
Principal payments	3,130,000	2,935,000	2,670,000	2,600,000	2,320,000	79.2	14.6	65.5	43.4	10.8
Interest and fiscal charges	1,798,849	1,639,357	1,981,581	1,936,308	2,350,589	45.5	8.1	48.6	32.3	10.9
Tax appraisal and collection	56,691	53,241	53,368	53,008	52,292	1.4	0.3	1.3	0.9	0.2
Bond issuance costs	6,325	474,741	-	10,062	495,483	0.2	2.4	-	0.2	2.3
Payment to refunded bond escrow agent	-	16,211,975	-	2,051,423	17,050,000	-	80.5	-	34.2	79.4
Other	44	65	-	335	13,518	-	-	-	-	0.1
Total expenditures and other uses	4,991,909	21,314,379	4,704,949	6,651,136	22,281,882	126.3	105.9	115.4	111.0	103.7
TRANSFERS IN	218,492	199,386	188,199	188,492	194,177	5.5	1.0	4.6	3.1	0.9
INTERFUND FORGIVENESS OF DEBT	-	-	-	-	1,435,461	-	-	-	-	6.7
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (821,566)	(992,210)	(440,854)	(467,698)	816,737	(20.8) %	(4.9)	(10.8)	(7.9)	3.9
TOTAL ACTIVE RETAIL WATER CONNECTIONS	5,628	5,552	5,371	5,308	5,155					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	5,403	5,241	5,205	5,132	4,908					

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS SEPTEMBER 30, 2014

Complete District Mailing Address: 16318 Great Oaks Drive  
Round Rock, Texas 78681

District Business Telephone Number: (512) 255-7871

Submission date of the most recent District Registration Form:  
(TWC Sections 36.054 and 49.054) July 31, 2013

Limit on fees of office that a director may receive during a fiscal year:  
(Set by Board Resolution - TWC Sections 49.060) \$7,200

<u>Name and Address</u>	<u>Term of Office Elected &amp; Expires or Date Hired</u>	<u>Fees 9/30/14</u>	<u>Expense Reimbursements 9/30/14</u>	<u>Title at Year End</u>
<u>Board Members:</u>				
Rebecca B. Tullos	Elected 11/14 - 11/18	7,200 (1)	-	President
Russ Shermer	Elected 11/12-11/16	4,050 (1)	-	Vice President
Shean Dalton	Elected 11/14 - 11/18	4,050 (1)	-	Treasurer
Kim Filiatrault	Elected 11/14 - 11/18	- (1)	-	Secretary
Donna B. Parker	Appointed 7/13-11/16	6,450 (1)	-	Assistant Treasurer and Assistant Secretary
<u>Former Board Members -</u>				
Jeff Goldstein	Elected 5/10-11/14	3,900 (1)	-	Former Secretary

(1) Fees incurred by this director during the current fiscal year were paid subsequent to year end.

Note: No director is disqualified from serving on this board under the Texas Water Code.

### Key Administrative Personnel:

Mike Petter	2006	\$ 128,216	\$ 320	General Manager
David Gaines	2013	\$ 84,176	\$ 89	Officer

(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (continued) SEPTEMBER 30, 2014

Name and Address	Date Hired	Fees and Expense Reimbursements 9/30/14	Title at Year End
<u>Consultants:</u>			
Freeman & Corbett, L.L.P.	2002	\$ 98,742	Attorney
Judy Osborn	2004	7,045	Attorney
Maxwell Locke & Ritter LLP	2008	32,000	Auditor
Williamson Central Appraisal District	1981	58,849	Tax Appraiser
Williamson County Tax Office	1981	4,532	Tax Collector
Bury Partners	2009	60,101	Engineer
Patterson & Associates	2008	20,000	Investment Advisor
MRB Group	2013	21,949	Engineer
McCall Parkhurst Horton	1994	800	Bond Counsel
Bank of New York, Mellon	2009	7,000	Arbitrage Auditor
RimRock	2,008	17,201	Rate Consultant
Baker-Aicklen & Associates, Inc.	2013	10,614	Engineer
Halff Associates	2011	669,506	Engineer

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## OSI-1. PRINCIPAL TAXPAYERS SEPTEMBER 30, 2014

		DISTRICT		
Taxpayer	Type of Property	Tax Roll Year		
		2014	2013	2012
Dedicated Oconnor RR LP	Land & Improvements	\$ 74,000,000	-	-
CWS Brushy Creek LP	Land & Improvements	36,633,704	-	-
Highland 620 Land Investment LTD	Land & Improvements	17,802,906	9,208,702	9,345,322
HE Butt Inc.	Land & Improvements	7,700,000	7,458,170	7,458,170
Great American Storage Partners LLC	Land & Improvements	5,232,966	4,598,988	-
MGP, XXII LLC	Land & Improvements	4,998,873	4,675,698	4,300,000
Kopels Perter A & Henry Aaratow	Land & Improvements	4,655,950	4,558,850	4,566,174
Barclay/ Texas Holdings 6 LP	Land & Improvements	4,306,991	-	-
Atmos Energy/MID-Tex Distribution	Land & Improvements	4,042,847	3,576,093	3,468,045
HEB Grocery Company LP	Land & Improvements	4,028,981	4,265,478	4,569,024
Amaravathi LTD Partnership & Amaravathi Keerthi LLC	Land & Improvements	-	64,348,133	55,355,008
The Park at Brushy Creek LTD	Land & Improvements	-	32,989,667	30,500,000
Laquinta Medical Partners LP & Bruce & M. Voedean Simpson Tr of Simpson Fam Trust	Land & Improvements	-	-	3,737,933
Highland 620 Residential LTD	Land & Improvements	-	7,579,926	9,332,583
<b>Total</b>		<b>\$ 163,403,218</b>	143,259,705	132,632,259
Percent of Assessed Valuation		<b>10.9%</b>	11.2%	11.1%

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## OSI-1. PRINCIPAL TAXPAYERS (continued) SEPTEMBER 30, 2014

		<b>DEFINED AREA</b>		
Taxpayer	Type of Property	Tax Roll Year		
		2014	2013	2012
Highland 620 Land Investment LTD	Land & Improvements	\$ 17,802,906	9,208,702	9,345,322
Streetman Homes LTD LLP	Land & Improvements	2,167,671	1,445,352	1,353,797
Hy-Land North Joint Venture	Land & Improvements	1,578,829	1,300,204	3,140,551
Hatch House Management Company LLC	Land & Improvements	1,536,099	-	-
Weekley Homes LP	Land & Improvements	649,512	1,231,072	872,647
Standard Pacific Homes Inc	Land & Improvements	599,400	-	-
First Star Bank SSB	Land & Improvements	592,898	456,075	-
McDonald, Alice L	Land & Improvements	556,237	455,577	-
Zaman, Agsar Uz	Land & Improvements	535,994	-	-
Obrien, Thomas J & Kelly S Craig	Land & Improvements	515,123	-	-
Hofkamp, Michael & Susan	Land & Improvements	-	-	403,088
Harris, Neil C & Lynne J	Land & Improvements	-	-	815,665
Bhandari, Ashraf M & Riaz Karim Ali	Land & Improvements	-	-	399,893
Kallfelz, Paul Jr & Paulette Moose	Land & Improvements	-	471,433	463,041
Highland 620 Residential LTD	Land & Improvements	-	7,579,926	9,332,583
Jablonski, Susan M & David B Fogle	Land & Improvements	-	466,049	446,617
<b>Total</b>		<b>\$ 26,534,669</b>	<b>22,614,390</b>	<b>26,573,204</b>
Percent of Assessed Valuation		<b>9.9%</b>	<b>11.0%</b>	<b>15.5%</b>

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## OSI-2. ASSESSED VALUE BY CLASSIFICATION SEPTEMBER 30, 2014

Tax Roll Year						
DISTRICT						
Type of Property	2014		2013		2012	
	Amount	%	Amount	%	Amount	%
Real, Single Family	\$ 1,265,711,823	84.8%	\$ 1,077,017,811	84.2%	\$ 1,002,166,786	83.9%
Real, Multi Family	116,834,289	7.8%	103,420,703	8.1%	91,925,031	7.7%
Real, Vacant Platted Lots/Tracts	19,968,214	1.3%	22,559,533	1.8%	23,484,294	2.0%
Real, Acreage (Land Only)	9,904	0.0%	638,369	0.0%	722,657	0.1%
Real, Commercial	63,805,898	4.3%	54,449,519	4.3%	49,662,094	4.2%
Real & Intangible Personal, Utilities	6,588,699	0.4%	5,228,081	0.4%	5,043,040	0.4%
Tangible Personal business	6,201,939	0.4%	6,063,603	0.5%	9,971,987	0.8%
Real Inventory	13,677,224	1.0%	9,427,636	0.7%	10,935,611	0.9%
Exempt	-	0.0%	191,577	0.0%	-	0.0%
<b>Total</b>	<b>\$ 1,492,797,990</b>	<b>100%</b>	<b>\$ 1,278,996,832</b>	<b>100%</b>	<b>\$ 1,193,911,500</b>	<b>100%</b>

DEFINED AREA						
Type of Property	2014		2013		2012	
	Amount	%	Amount	%	Amount	%
Real, Single Family	\$ 236,496,706	88.3%	\$ 178,722,287	87.0%	\$ 142,871,726	83.3%
Real, Vacant Plotted Lots	15,862,132	5.9%	17,088,933	8.3%	17,360,008	10.1%
Real, Acreage (Land Only)	8,281	0.0%	636,746	0.3%	721,180	0.4%
Real, Commercial & Industrial	1,536,099	0.6%	-	0.0%	-	0.0%
Real & Intangible Personal, Utilities	161,570	0.1%	290,696	0.1%	-	0.0%
Tangible Personal Property	111,291	0.0%	270,496	0.1%	42,788	0.0%
Real Inventory	13,677,224	5.1%	8,462,100	4.2%	10,592,123	6.2%
<b>Total</b>	<b>\$ 267,853,303</b>	<b>100%</b>	<b>\$ 205,471,258</b>	<b>100%</b>	<b>\$ 171,587,825</b>	<b>100%</b>