

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT**

**Financial Statements and
Supplemental Information for the
Year Ended September 30, 2015 and
Independent Auditors' Report**

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

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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, 2015 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 and to the Texas Comptroller of Public Accounts in satisfaction of the annual filing requirements of Section 140.008 of the Texas Local Government 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.



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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2015, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2015, 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.

Emphasis of Matter

As described in Note 1 and Note 14 to the financial statements, for the year ended September 30, 2015, the District adopted new accounting guidance, Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, resulting in a restatement of the District’s net position as of September 30, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

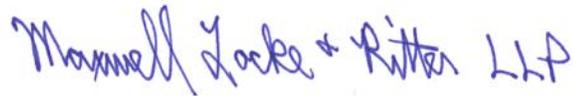
Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, the schedule of changes in net pension liability and related ratios, and the schedule of District contributions on pages 5 through 11, 56, and 57, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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 supplementary information and other information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Texas Commission on Environmental Quality supplementary 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 supplementary 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 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.



Austin, Texas
January 22, 2016

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

Management's Discussion and Analysis Year Ended September 30, 2015

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, 2015. 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 and deferred outflows of resources of the District exceeded its liabilities at the close of the most recent period by \$22,838,297 (*net position*). Of this amount, \$14,676,338 (*unrestricted net position*) may be used to meet the government's ongoing obligations.
- The District's net property tax values increased by approximately \$214 million or 16.7% from \$1,278,996,832 to \$1,492,797,990 for District-wide and approximately \$63 million or 30.7% for the Defined Area. The District-wide and Defined Area tax rates decreased from \$0.50 to \$0.48 and \$0.36 to \$0.35, respectively, per \$100 of assessed value. Total tax revenue increased by approximately \$807,000.
- For the year ended September 30, 2015, the District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. The implementation of these standards resulted in a prior period adjustment to net position of \$161,605 to recognize the net pension liability at the beginning of the measurement period ending December 31, 2014, and the deferred outflows of resources related to the District's contributions after the beginning of the measurement period through September 30, 2014.

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, required supplementary information related to pensions, and other information are presented immediately following the *Notes to Basic Financial Statements*.

Comparative Financial Statements

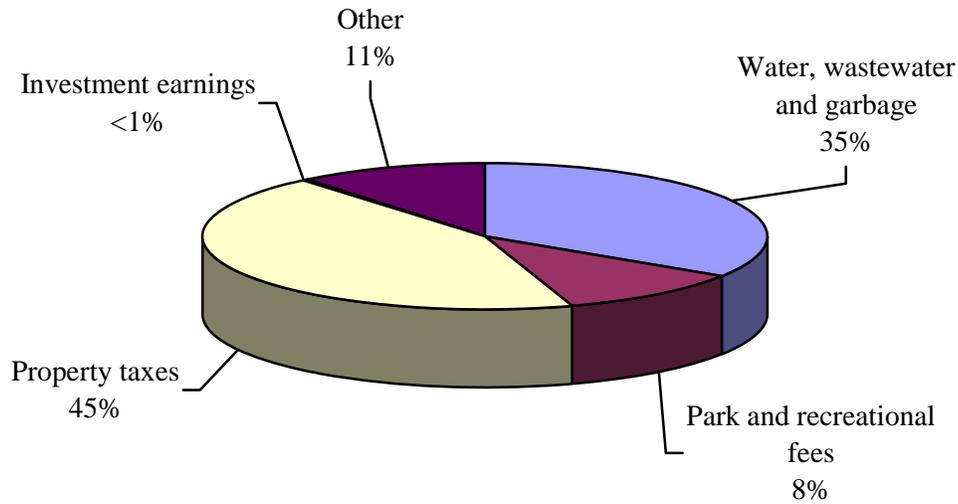
Statement of Net Position

	Governmental Activities		
	2015	2014	% Change
Current and other assets	\$ 23,349,828	\$ 22,761,794	2.6%
Capital assets	49,386,404	45,510,805	8.5%
Total assets	<u>\$ 72,726,232</u>	<u>\$ 68,272,599</u>	<u>6.5%</u>
Deferred outflows of resources	\$ 338,423	-	100.0%
Current liabilities	\$ 4,680,312	\$ 5,249,113	(10.8%)
Long-term liabilities	45,556,046	44,501,782	2.4%
Total liabilities	<u>\$ 50,236,358</u>	<u>\$ 49,750,895</u>	<u>1.0%</u>
Net investments in capital assets	\$ 4,048,290	\$ (624,308)	748.4%
Restricted	4,113,669	4,659,405	(11.7%)
Unrestricted	14,676,338	14,486,607	1.3%
Total net position	<u>\$ 22,838,297</u>	<u>\$ 18,521,704</u>	<u>23.3%</u>

The District’s total assets were approximately \$72.7 million as of September 30, 2015. Of this amount, approximately \$49.4 million is accounted for by capital assets. The District had outstanding liabilities of approximately \$50.2 million of which approximately \$46.4 million represent bonds payable.

The District’s property tax assessed value in fiscal year 2015 (which was based on the 2014 tax levy) for the District-wide area was approximately \$1,493 million compared to approximately \$1,279 million in fiscal year 2014, and for the Defined Area was approximately \$268 million compared to approximately \$205 million in fiscal year 2014. 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		
	2015	2014	% Change
Water, wastewater and garbage	\$ 6,268,827	\$ 6,232,542	0.6%
Property taxes	7,948,449	7,141,820	11.3%
Parks and recreational fees	1,499,289	1,222,387	22.7%
Investment earnings	38,318	47,192	(18.8%)
Contributed capital assets	789,338	-	100.0%
Other	1,241,846	1,117,813	11.1%
Total revenues	17,786,067	15,761,754	12.8%
Water, wastewater and garbage	2,479,761	2,496,818	(0.7%)
Salary and related expenditures	3,253,950	3,068,389	6.0%
Administrative	908,853	1,030,381	(11.8%)
Repairs and maintenance	907,746	656,193	38.3%
Utilities	571,664	589,144	(3.0%)
Professional fees	208,021	332,304	(37.4%)
Contracted services	366,192	383,313	(4.5%)
Other	343,872	349,300	(1.6%)
Debt service	1,891,414	2,191,267	(13.7%)
Depreciation	2,077,800	2,183,019	(4.8%)
Total expenses	13,009,273	13,280,128	(2.0%)
Loss on disposal of capital assets	(298,596)	(55,109)	441.8%
Change in net position	4,478,198	2,426,517	84.6%
Beginning net position	18,521,704	16,095,187	15.1%
Prior period adjustment	(161,605)	-	100.0%
Ending net position	\$ 22,838,297	\$ 18,521,704	23.3%

Operating revenues increased by approximately \$2.0 million to approximately \$17.8 million for the fiscal year ended September 30, 2015. Water, wastewater and garbage service provided approximately \$6.3 million, and property taxes, including penalties and interest, generated approximately \$7.9 million in revenues. The primary increase in revenues is due to an increase in contributed capital assets from the developer in the current year, as well as an increase in property values for the 2014 tax year. Total expenses decreased approximately \$271,000 to approximately \$13.0 million for the fiscal year ended September 30, 2015. Net position increased approximately \$4.5 million for the fiscal year ended September 30, 2015 compared to an increase of approximately \$2.4 million for the fiscal year ended September 30, 2014.

Analysis of Governmental Funds

	2015	2014
Cash and cash equivalents	\$ 3,498,131	\$ 4,456,351
Investments	19,028,225	17,429,301
Receivables	780,025	844,901
Interfund receivable	271,943	108,487
Prepays and other assets	43,447	31,241
Total assets	\$ 23,621,771	\$ 22,870,281
Accounts payable	\$ 575,239	\$ 389,874
Refundable deposits	651,246	621,306
Other liabilities	166,009	133,531
Interfund payable	271,943	108,487
Unearned revenue	75,711	106,356
Total liabilities	1,740,148	1,359,554
Deferred inflows of resources - property taxes	42,304	36,383
Nonspendable fund balance	42,787	30,581
Restricted fund balance	8,024,358	7,969,364
Committed fund balance	3,820,668	4,282,084
Unassigned fund balance	9,951,506	9,192,315
Total fund balances	21,839,319	21,474,344
Total liabilities, deferred inflows of resources and fund balances	\$ 23,621,771	\$ 22,870,281

The *General Fund* pays for daily operating expenditures. Fiscal year 2015 revenues exceeded the budget by 6%. The increase in revenues was across the board and seen in utilities, recreation, fees, and services. Growth in recreation revenue was driven primarily by two factors: development growth and recreation programs. Development growth resulted in higher builder fees and utility revenues. In recreation, the new afterschool program resulted in significant increase in revenues as well.

Fiscal year 2015 expenditures were under budget by 37%. This was the direct result of the delay in the community center expansion and Brushy Creek North line replacement project.

For the year ended September 30, 2015, the District came in ahead of budget for the General Fund by approximately \$4.8 million. 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 \$5,605,462 for a 6-month Operating Reserve and \$2,076,645 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

	2015	2014
Land	\$ 3,211,880	\$ 3,366,372
Construction in process	2,560,405	783,085
Water, wastewater, and drainage systems	82,914,544	78,843,836
Easements and rights-of-way	901,891	901,891
Buildings and improvements	4,284,292	4,284,292
Furniture and equipment	404,370	418,660
Park and recreational facilities	6,176,088	6,115,833
Automobiles and trucks	315,258	252,650
Subtotal	100,768,728	94,966,619
Accumulated depreciation	(51,382,324)	(49,455,814)
Total	\$ 49,386,404	\$ 45,510,805

In May 2015, the District added approximately \$3.9 million in water, wastewater, and drainage systems with the issue of \$3.5 million in bonds to reimburse the developer.

In addition, the District began the BCN Waterline Replacement project. Total cost of the project is estimated at \$3.0 million with completion of the projected expected during fiscal year 2016. The District also began a \$700,000 park lighting project that will continue in the next fiscal year.

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

Long-Term Debt Activity

	2015	2014
District-wide:		
Series 2002 Revenue Bonds	\$ -	\$ 370,000
Series 2005 Bonds	1,165,000	1,265,000
Series 2007 Bonds	325,000	650,000
Series 2009 Refunding Bonds	2,640,000	3,955,000
Series 2010 Refunding Bonds	12,210,000	13,260,000
Series 2011 Refunding Bonds	2,065,000	2,070,000
Series 2012 Refunding	8,895,000	9,070,000
Series 2013 Refunding	6,055,000	6,070,000
Series 2015 Refunding	3,625,000	-
Capital leases payable	-	4,934
Total District-wide	36,980,000	36,714,934
Defined Area:		
Series 2008 Bonds	70,000	1,695,000
Series 2009 Bonds	355,000	2,165,000
Series 2011 Bonds	2,170,000	2,235,000
Series 2013 Bonds	3,340,000	3,420,000
Series 2015 Bonds	3,530,000	-
Total Defined Area	9,465,000	9,515,000
Total	\$ 46,445,000	\$ 46,229,934

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

District-wide:

Fiscal Year	Principal	Interest	Total Requirement
2016	\$ 2,250,000	1,279,540	3,529,540
2017	2,185,000	1,201,722	3,386,722
2018	2,260,000	1,129,356	3,389,356
2019	2,345,000	1,053,997	3,398,997
2020	2,440,000	974,302	3,414,302
2021-2025	14,230,000	3,435,316	17,665,316
2026-2030	10,630,000	908,104	11,538,104
2031-2033	640,000	43,313	683,313
Total	\$ 36,980,000	10,025,650	47,005,650

Defined Area:

Fiscal Year	Principal	Interest	Total Requirement
2016	\$ 365,000	384,289	749,289
2017	325,000	362,120	687,120
2018	345,000	351,939	696,939
2019	350,000	340,489	690,489
2020	370,000	328,776	698,776
2021-2025	1,650,000	1,474,580	3,124,580
2026-2030	2,035,000	1,136,213	3,171,213
2031-2035	2,520,000	635,501	3,155,501
2036-2039	1,505,000	147,050	1,652,050
Total	\$ 9,465,000	5,160,957	14,625,957

On May 16, 2015, the District issued \$3,530,000 in Sendero Springs/Cornerstone Defined Area Unlimited Tax Bonds, Series 2015 to provide payments for capital assets and fund for future interest payments.

On June 26, 2015, the District issued \$3,625,000 in Sendero Springs/Cornerstone Defined Area Unlimited Tax Refunding Bonds, Series 2015, to currently refund \$1,560,000 of its previously issued Series 2008 Bonds and to advance refund \$1,750,000 of its previously issued Series 2009 Bonds in order to lower its overall debt service requirements. This resulted in an economic gain of \$308,959.

The District owes approximately \$46.4 million to bond holders. Overall, the principal balance of outstanding bonds and capital leases payable increased approximately \$215,000 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 2015 tax rate has been set at \$0.47 per \$100 of assessed valuation. The Sendero Springs/Cornerstone Defined Area has set a 2015 tax rate of \$0.27 per \$100 of assessed valuation. The adopted budget for 2016 projects the General Fund fund balance will remain the same.

The planning and design for a number large projects occurred during fiscal year 2015. These projects are set to start or be completed in fiscal year 2016. This includes an expansion of the Community Center which will be funded by a combination of reserves and revenue bonds, and the completion of the 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 started 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, 2015

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	ADJUSTMENTS (NOTE 2)	STATEMENT OF NET POSITION
ASSETS						
Cash and cash equivalents	\$ 3,144,422	258,127	95,582	3,498,131	-	3,498,131
Investments	12,155,315	4,671,780	2,053,085	18,880,180	-	18,880,180
Receivables:						
Service accounts, net	696,893	-	-	696,893	-	696,893
Taxes	19,751	22,553	-	42,304	-	42,304
Other	40,828	-	-	40,828	-	40,828
Due from other funds	104,692	-	167,251	271,943	(271,943)	-
Other assets	660	-	-	660	-	660
Prepaid items	38,565	3,969	253	42,787	-	42,787
Investments held for customer deposits	148,045	-	-	148,045	-	148,045
Capital assets (net of accumulated depreciation):						
Land	-	-	-	-	3,211,880	3,211,880
Construction in process	-	-	-	-	2,560,405	2,560,405
Easements and rights-of-way	-	-	-	-	642,926	642,926
Water, wastewater and drainage systems	-	-	-	-	36,978,548	36,978,548
Building and improvements	-	-	-	-	2,494,259	2,494,259
Furniture and equipment	-	-	-	-	184,827	184,827
Park and recreational facilities	-	-	-	-	3,164,238	3,164,238
Automobiles and trucks	-	-	-	-	149,321	149,321
Total assets	\$ 16,349,171	4,956,429	2,316,171	23,621,771	49,114,461	72,736,232
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on bond refundings	\$ -	-	-	-	183,836	183,836
Pension contributions after measurement date	-	-	-	-	101,449	101,449
Pension investment earnings over expectation	-	-	-	-	41,884	41,884
Pension actuarial losses	-	-	-	-	11,254	11,254
Total deferred outflows of resources	-	-	-	-	338,423	338,423
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 575,239	-	-	575,239	-	575,239
Customer deposits	651,246	-	-	651,246	-	651,246
Other liabilities	150,500	-	-	150,500	-	150,500
Due to other funds	13,212	258,731	-	271,943	(271,943)	-
Unearned revenue	75,711	-	-	75,711	-	75,711
Bonds interest payable	-	15,509	-	15,509	549,042	564,551
Bonds payable	-	-	-	-	2,615,000	2,615,000
Accrued vacation payable	-	-	-	-	48,065	48,065
Noncurrent liabilities:						
Bonds payable	-	-	-	-	45,222,868	45,222,868
Net pension liability	-	-	-	-	333,178	333,178
Total liabilities	1,465,908	274,240	-	1,740,148	48,496,210	50,236,358
DEFERRED INFLOWS OF RESOURCES						
Property taxes	19,751	22,553	-	42,304	(42,304)	-
FUND BALANCES/NET POSITION						
Fund balances:						
Nonspendable-						
Prepaid items	38,565	3,969	253	42,787	(42,787)	-
Restricted for:						
Debt service	-	4,655,667	-	4,655,667	(4,655,667)	-
Capital projects	-	-	2,315,918	2,315,918	(2,315,918)	-
Parks capital fees	1,052,773	-	-	1,052,773	(1,052,773)	-
Committed for repair and replacement of capital assets	3,820,668	-	-	3,820,668	(3,820,668)	-
Unassigned	9,951,506	-	-	9,951,506	(9,951,506)	-
Total fund balances	14,863,512	4,659,636	2,316,171	21,839,319	(21,839,319)	-
Total liabilities, deferred inflows of resources and fund balances	\$ 16,349,171	4,956,429	2,316,171	23,621,771		
Net position:						
Net investments in capital assets					4,048,290	4,048,290
Restricted for debt service					4,113,669	4,113,669
Unrestricted					14,676,338	14,676,338
Total net position					\$ 22,838,297	22,838,297

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, 2015

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	ADJUSTMENTS (NOTE 2)	STATEMENT OF ACTIVITIES
EXPENDITURES/EXPENSES:						
Service operations:						
Personnel (including benefits)	\$ 3,254,830	-	-	3,254,830	(880)	3,253,950
Water and wastewater purchases	1,495,166	-	-	1,495,166	-	1,495,166
Garbage fees	984,595	-	-	984,595	-	984,595
Administrative	908,853	-	-	908,853	-	908,853
Repairs and maintenance	907,746	-	-	907,746	-	907,746
Utilities	571,664	-	-	571,664	-	571,664
Contracted services	366,192	-	-	366,192	-	366,192
Other consulting	178,392	-	-	178,392	-	178,392
Legal fees	105,451	-	-	105,451	-	105,451
Tax appraisal/collection fees	-	61,548	-	61,548	-	61,548
Insurance	57,792	-	-	57,792	-	57,792
Engineering fees	54,290	-	-	54,290	-	54,290
Audit fees	38,000	-	-	38,000	-	38,000
Directors' fees	26,250	-	-	26,250	-	26,250
Security fees	10,280	-	-	10,280	-	10,280
Other	7,408	12,261	221	19,890	-	19,890
Capital outlay	2,466,902	-	3,150,904	5,617,806	(5,617,806)	-
Debt service:						
Principal payments	374,934	3,255,000	-	3,629,934	(3,629,934)	-
Interest and fiscal charges	25,943	1,727,219	-	1,753,162	(236,244)	1,516,918
Bond issuance costs	-	291,471	83,025	374,496	-	374,496
Depreciation	-	-	-	-	2,077,800	2,077,800
Total expenditures/expenses	11,834,688	5,347,499	3,234,150	20,416,337	(7,407,064)	13,009,273
REVENUES:						
Program revenues:						
Water and wastewater service	5,082,059	-	-	5,082,059	-	5,082,059
Garbage collection	1,186,768	-	-	1,186,768	-	1,186,768
Inspection fees	77,689	-	-	77,689	-	77,689
Tap and other connection fees	214,462	-	-	214,462	-	214,462
Recreation center	1,359,388	-	-	1,359,388	-	1,359,388
Park and recreation fees	139,901	-	-	139,901	-	139,901
Capital recovery fees	-	-	715,724	715,724	-	715,724
Contributed capital assets	-	-	-	-	789,338	789,338
Total program revenues	8,060,267	-	715,724	8,775,991	789,338	9,565,329
Net program expense						(3,443,944)
General revenues:						
Property taxes, including penalties and interest	3,653,155	4,289,373	-	7,942,528	5,921	7,948,449
Investment earnings	38,318	-	-	38,318	-	38,318
Other	233,971	-	-	233,971	-	233,971
Total general revenues	3,925,444	4,289,373	-	8,214,817	5,921	8,220,738
Total revenues	11,985,711	4,289,373	715,724	16,990,808	795,259	17,786,067
OTHER FINANCING SOURCES (USES):						
Transfers in (out)	180,400	209,500	(389,900)	-	-	-
Proceeds from sale of bonds	-	-	3,530,000	3,530,000	(3,530,000)	-
Proceeds of refunding bonds	-	3,625,000	-	3,625,000	(3,625,000)	-
Payment to refunded bond escrow agent	-	(3,496,579)	-	(3,496,579)	3,496,579	-
Premium on sale of bonds	-	-	27,832	27,832	(27,832)	-
Discount on bonds	-	(10,706)	(40,192)	(50,898)	50,898	-
Sale of capital assets	-	155,149	-	155,149	(453,745)	(298,596)
Total other financing sources (uses)	180,400	482,364	3,127,740	3,790,504	(4,089,100)	(298,596)
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES						
	331,423	(575,762)	609,314	364,975	(364,975)	-
Change in net position	-	-	-	-	4,113,223	4,478,198
FUND BALANCES/NET POSITION:						
Beginning of year, as restated	14,532,089	5,235,398	1,706,857	21,474,344	(3,114,245)	18,360,099
End of year	\$ 14,863,512	4,659,636	2,316,171	21,839,319	998,978	22,838,297

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, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES:				
Water, wastewater and garbage services	\$ 6,068,330	6,068,330	6,268,827	200,497
Property taxes, including penalties and interest	3,595,928	3,595,928	3,653,155	57,227
Recreation center	1,181,482	1,181,482	1,359,388	177,906
Park and recreation fees	144,750	144,750	139,901	(4,849)
Tap connection/inspection fees	186,572	186,572	292,151	105,579
Investment earnings	29,258	29,258	38,318	9,060
Other	139,200	139,200	233,971	94,771
Total revenues	11,345,520	11,345,520	11,985,711	640,191
EXPENDITURES:				
Service operations:				
Personnel (including benefits)	3,423,697	3,459,697	3,254,830	204,867
Water and wastewater purchases	1,454,957	1,454,957	1,495,166	(40,209)
Garbage fees	1,084,900	1,084,900	984,595	100,305
Administrative	1,559,076	1,451,719	908,853	542,866
Repairs and maintenance	1,005,235	1,048,442	907,746	140,696
Utilities	620,445	620,445	571,664	48,781
Contracted services	409,200	414,700	366,192	48,508
Other consulting	39,399	39,399	178,392	(138,993)
Engineering fees	560,000	560,000	54,290	505,710
Legal fees	130,000	130,000	105,451	24,549
Security fees	114,000	114,000	10,280	103,720
Insurance	58,474	58,474	57,792	682
Tax appraisal/collection fees	1,000	1,000	-	1,000
Audit fees	40,000	40,000	38,000	2,000
Directors' fees	-	-	26,250	(26,250)
Other	6,500	6,500	7,408	(908)
Capital outlay	8,134,000	8,156,650	2,466,902	5,689,748
Debt service:				
Principal payments	85,000	85,000	374,934	(289,934)
Interest and fiscal charges	20,200	20,200	25,943	(5,743)
Total expenditures	18,746,083	18,746,083	11,834,688	6,911,395
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(7,400,563)	(7,400,563)	151,023	7,551,586
OTHER FINANCING SOURCES (USES):				
Transfers in	5,240,371	5,240,371	180,400	(5,059,971)
Transfers out	(2,278,503)	(2,278,503)	-	2,278,503
Total other financing sources, net	2,961,868	2,961,868	180,400	(2,781,468)
Change in fund balance	(4,438,695)	(4,438,695)	331,423	4,770,118
FUND BALANCES:				
Beginning of year	14,532,089	14,532,089	14,532,089	-
End of year	\$ 10,093,394	10,093,394	14,863,512	4,770,118

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, 2015

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 inflows of resources.

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. The allowance for uncollectible accounts receivable as of September 30, 2015 was \$111,562.

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, 2015 was \$48,065.

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.

Pensions - The District adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. The fiduciary net position of the Texas County and District Retirement System ("TCDRS") has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TCERS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 14 for the prior period adjustment related to the adoption of GASB Statements No. 68 and No. 71.

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. See Note 6 and Note 12 for additional information on deferred inflows and outflows of resources.

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	\$ 21,839,319
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net of accumulated depreciation	49,386,404
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the funds.	42,304
The following liabilities and deferred inflows and outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued vacation payable	(48,065)
Bonds payable, including premiums	(47,888,059)
Issuance discounts	50,191
Deferred charge on bond refundings	183,836
Bond interest payable	(549,042)
Net pension liability	(333,178)
Pension contributions after measurement date	101,449
Pension investment earnings over expectation	41,884
Pension actuarial losses	11,254
Total net position	<u>\$ 22,838,297</u>

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

Excess of revenues and other financing sources over expenditures and other financing uses	\$ 364,975
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	5,617,806
Depreciation	(2,077,800)
Loss on disposal of capital assets	(453,745)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Contributed capital assets	789,338
Change in deferred tax revenue	5,921
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Proceed from sale of bonds	(3,530,000)
Proceeds of refunding bonds	(3,625,000)
Discount on bonds	50,898
Premium on sale of bonds	(27,832)
Repayment of bond principal	3,625,000
Payment to refunded bond escrow agent	3,496,579
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	4,934
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	17,866
Amortization of bond premium	196,555
Amortization of bond issuance discounts	(707)
Amortization of deferred charges on refunding	(2,743)
Change in bond interest payable	43,139
Pension contributions made before the measurement date	38,928
Pension contributions made after the measurement date	101,449
Adjustments for ending deferred inflow and outflows related to net pension liability	(157,363)
Change in net position	<u>\$ 4,478,198</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, 2015, the District's cash balance deposited in banks totaled \$3,499,706 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, 2015 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Public funds investment pools:			
TexPool	\$ 8,734,538	1	AAAm
LOGIC	2,315,169	1	AAAm
Municipal bonds - Frost Bank	2,009,530	235	Various
US agencies	1,000,000	666	AA+
Certificates of deposit	4,968,988	153	Various
Total	<u>\$ 19,028,225</u>		

At September 30, 2015, 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, 2015, 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.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. Government. At September 30, 2015, the District had 26% of its investment portfolio invested with four separate issuers.

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, 2015, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Projects	Debt Service	\$ 154,039
General	Debt Service	104,692
Capital Projects	General	<u>13,212</u>
Total		<u>\$ 271,943</u>

During the year, the Capital Projects Fund transferred \$180,400 to the General Fund to pay for capital costs associated with the regional wastewater contract and transferred \$209,500 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, 2015 was as follows:

	Balance September 30, 2014	Additions	Retirements and Transfers	Balance September 30, 2015
Capital assets, not being depreciated:				
Land	\$ 3,366,372	657	(155,149)	3,211,880
Construction in process	783,085	2,209,312	(431,992)	2,560,405
Total capital assets, not being depreciated	<u>4,149,457</u>	<u>2,209,969</u>	<u>(587,141)</u>	<u>5,772,285</u>
Capital assets, being depreciated:				
Water, wastewater and drainage systems	78,843,836	3,947,314	123,394	82,914,544
Easements and rights-of-way	901,891	-	-	901,891
Buildings and improvements	4,284,292	-	-	4,284,292
Furniture and equipment	418,660	87,297	(101,587)	404,370
Park and recreational facilities	6,115,833	85,255	(25,000)	6,176,088
Automobiles and trucks	252,650	77,311	(14,703)	315,258
Total capital assets, being depreciated	<u>90,817,162</u>	<u>4,197,177</u>	<u>(17,896)</u>	<u>94,996,443</u>
Less accumulated depreciation for:				
Water, wastewater and drainage systems	(44,345,914)	(1,600,082)	10,000	(45,935,996)
Easements and rights-of-way	(239,854)	(19,111)	-	(258,965)
Buildings and improvements	(1,698,517)	(91,516)	-	(1,790,033)
Furniture and equipment	(274,248)	(46,882)	101,587	(219,543)
Park and recreational facilities	(2,758,416)	(278,434)	25,000	(3,011,850)
Automobiles and trucks	(138,865)	(41,775)	14,703	(165,937)
Total accumulated depreciation	<u>(49,455,814)</u>	<u>(2,077,800)</u>	<u>151,290</u>	<u>(51,382,324)</u>
Total capital assets, being depreciated, net	<u>41,361,348</u>	<u>2,119,377</u>	<u>133,394</u>	<u>43,614,119</u>
Capital assets, net	<u>\$ 45,510,805</u>	<u>4,329,346</u>	<u>(453,747)</u>	<u>49,386,404</u>

6. DEFERRED CHARGES ON BOND REFUNDINGS

The following is a summary of changes in deferred charges on bond refundings for the year ended September 30, 2015:

	Beginning Balance	Additions	Retirements	Ending Balance
Deferred charges on bond refundings	\$ -	186,579	(2,743)	183,836

7. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended September 30, 2015:

	Balance September 30, 2014	Additions	Retirements	Balance September 30, 2015
Bonds payable	\$ 46,225,000	7,155,000	(6,935,000)	46,445,000
Premiums on refundings	1,611,782	27,832	(196,555)	1,443,059
Issuance discounts on bonds	-	(50,898)	707	(50,191)
Capital lease payable	4,934	-	(4,934)	-
Total	\$ 47,841,716	7,131,934	(7,135,782)	47,837,868

Bonds payable at September 30, 2015, is comprised of the following:

	Balance 9/30/2015	Due Within One Year
\$9,500,000, Series 2005, serial bonds due in two annual installments of \$570,000 and \$595,000 on June 1, 2019 and 2020. Interest varies from 3.00% to 5.00% and is payable June 1 and December 1 each year.	\$ 1,165,000	-
\$7,840,000, Series 2007, refunding bonds due in one annual installment of \$325,000 on June 1, 2016. Interest varies from 3.75% to 4.00% and is payable June 1 and December 1 each year.	325,000	325,000
\$2,020,000, Series 2008, Sendero Springs/Cornerstone Defined Area serial bonds due in one annual installment of \$70,000 on June 1, 2016. Interest varies from 3.75% to 4.00% and is payable June 1 and December 1 each year.	70,000	70,000
\$2,365,000, Series 2009, Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$65,000 to \$80,000 through June 1, 2020. Interest varies from 4.38% to 6.00% and is payable June 1 and December 1 each year.	355,000	65,000

\$7,975,000, Series 2009, refunding bonds due in annual installments of \$195,000 to \$535,000 through June 1, 2024. Interest varies from 3.00% to 4.63% and is payable June 1 and December 1 each year.	2,640,000	505,000
\$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.	12,210,000	1,085,000
\$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.	2,170,000	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.	2,065,000	5,000
\$9,260,000, Series 2012, refunding bonds due in annual installments of \$40,000 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.	8,895,000	275,000
\$6,125,000, Series 2013, refunding bonds due in annual installments of \$15,000 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.	6,055,000	15,000
\$3,500,000, Series 2013, Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$85,000 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.	3,340,000	85,000
\$3,625,000, Series 2015, refunding bonds due in annual installments of \$40,000 to \$300,000 through June 1, 2033. Interest varies from 2.00% to 3.75% and is payable June 1 and December 1 each year.	3,625,000	40,000
\$3,530,000, Series 2015, Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$80,000 to \$225,000 through June 1, 2039. Interest varies from 2.00% to 3.75% and is payable June 1 and December 1 each year.	<u>3,530,000</u>	<u>80,000</u>
Total bonds payable	<u>\$ 46,445,000</u>	<u>2,615,000</u>

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

Fiscal Year	Principal	Interest	Total Requirement
2016	\$ 2,615,000	1,663,829	4,278,829
2017	2,510,000	1,563,842	4,073,842
2018	2,605,000	1,481,295	4,086,295
2019	2,695,000	1,394,486	4,089,486
2020	2,810,000	1,303,078	4,113,078
2021-2025	15,880,000	4,909,896	20,789,896
2026-2030	12,665,000	2,044,317	14,709,317
2031-2035	3,160,000	678,814	3,838,814
2036-2039	1,505,000	147,050	1,652,050
Total	<u>\$ 46,445,000</u>	<u>15,186,607</u>	<u>61,631,607</u>

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

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.

On May 16, 2015, the District issued \$3,530,000 in Sendero Springs/Cornerstone Defined Area Unlimited Tax Bonds, Series 2015, with interest rates ranging from 2.00% to 3.75%. The net proceeds of \$3,442,628 (after payment of underwriting fees, insurance, and other issuance costs) were used as follows: \$3,436,403 was deposited with the District investment accounts to provide payments for capital assets and \$6,225 was deposited in the Debt Service fund for future interest payments.

On June 26, 2015, the District issued \$3,625,000 in Sendero Springs/Cornerstone Defined Area Unlimited Tax Refunding Bonds, Series 2015, to currently refund \$1,560,000 of its previously issued Series 2008 Bonds and to advance refund \$1,750,000 of its previously issued Series 2009 Bonds in order to lower its overall debt service requirements. The net proceeds of \$3,505,863 (after payment of underwriting fees, insurance, and other issuance costs) were used as follows: \$3,496,579 was deposited with an escrow agent to provide the debt service payment on the portion of bonds currently and advance refunded and \$9,284 was deposited in the Debt Service Fund for future interest payments. As a result, \$3,310,000 of bond principal is considered defeased and the liability for these bonds was removed from the basic financial statements. At September 30, 2015, outstanding bonds of \$1,750,000 are considered defeased as \$1,560,000 of the defeased bonds were retired during the year. The reacquisition price exceeded the net carrying amount of the old debt by \$186,579. This amount is recorded as a deferred outflow of resources and amortized over the remaining life of the refunded debt or the life of the new debt. The advance refunding resulted in an economic gain of \$308,959.

At September 30, 2015, unlimited tax bonds of \$12,815,000 were authorized by the District but unissued of which \$10,715,000 is for improvements to Defined Area water, wastewater and drainage systems and \$2,100,000 is for improvements to District-wide water systems.

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 inflows of resources. 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 \$0.4800 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 \$0.3500 per \$100 assessed valuation. The total 2014 tax levy was \$7,930,625 based on a District-wide taxable valuation, which includes the Sendero Springs/Cornerstone Defined Area, of \$1,760,651,293.

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 \$715,724 for the year ended September 30, 2015 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 \$3,820,668 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, 2015 are:

Utility equipment replacement	\$ 164,304
Replacement of water facility membranes	1,050,000
Community center equipment replacement	27,510
Park master plan projects	1,082,969
BRA water line reserves	131,270
Regional waste water improvements	369,639
Pepper Rock Park parking	140,000
Maintenance yard engineering	20,000
Trail washouts	125,000
Woods Ephraim Trail repairs	50,000
Park lighting	50,000
620 utility work	50,000
Intake pump	130,000
Drainage improvements	100,000
Lift station improvements	50,000
Community center expansion engineering	<u>279,976</u>
Total committed fund balance	<u>\$ 3,820,668</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. DEFINED BENEFIT PENSION PLANS

Plan Description

The District provides retirement, disability, and death benefits for all of its non-temporary full-time employees through a nontraditional defined benefit pension plan administered by the 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 677 active participating counties and districts throughout Texas. 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.

Benefits Provided

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.

Employee membership data related to the Plan, as of the valuation date of December 31, 2014 was as follows:

Retirees and beneficiaries currently receiving benefits	6
Terminated employees entitled to but not yet receiving benefits	218
Active plan members	71
Total	295

Contributions

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 6.08% for 2015 as adopted by the governing body of the District. The employee contribution rate was 6.00%. 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. The required contribution and actual contributions for the year ended September 30, 2015 equaled \$140,377.

Net Pension Liability

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported
Actuarial Cost Method	Individual Entry Age Normal
Amortization method	Level percentage of payroll, open
Amortization period	30 years
Asset Valuation Method:	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.0%
Salary Increases	2.0%
Investment Rate of Return	8.10%
Cost-of-Living Adjustments	Cost-of-Living Adjustments for District are not considered to be automatic under GASB 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB 68 calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.
Retirement Age	Between ages 40 and 74 with various rates of service retirement by gender: low of 4.5% for age 40-44 to high of 30.0% for age 65 for males and females

Turnover	New employees are assumed to replace any terminated members and have similar entry ages.
Mortality:	
Depositing members	The RP-2000 Active Employee Mortality Table for males with a two-year set-forward and the RP-2000 Active Employee Mortality Table for females with a four-year setback, both with the projection scale AA.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table with the projection scale AA, with a one-year set-forward for males and no age adjustment for females.
Disabled retirees	RP-2000 Disabled Mortality Table for males with no age adjustment and RP-2000 Disabled Mortality Table for females with a two-year set-forward, both with the projection scale AA.

The actuarial assumptions that determined the total pension liability as of December 31, 2014 were based on the results of an actuarial experience study for the period January 1, 2009 through December 31, 2012, except where required to be different by GASB 68.

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant, Cliffwater LLC. The numbers shown are based on January 2015 information for a 7-10 year time horizon.

Note that the valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2013.

Asset Class	Benchmark	Target Allocation (a)	Geometric Real Rate of Return (Expected minus Inflation) (b)
US Equities	Dow Jones U.S. Total Stock Market Index	16.50%	5.35%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (c)	12.00%	8.35%
Global Equities	MSCI World (net) Index	1.50%	5.65%
International Equities - Developed	50% MSCI World Ex USA (net) + 50% MSCI World ex USA 100% Hedged to USD (net) Index	11.00%	5.35%
International Equities - Emerging	50% MSCI EM Standard (net) Index + 50% MSCI EM 100% Hedged to USD (net) Index	9.00%	6.35%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	0.55%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.75%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	5.00%	5.54%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.80%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	6.75%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	2.00%	4.00%
Commodities	Bloomberg Commodities Index	2.00%	(0.20%)
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.00%	5.30%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (d)	3.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.15%

(a) Target asset allocation adopted at the April 2015 TCDRS Board meeting.

(b) Geometric real rates of return in addition to assumed inflation of 1.7% per Cliffwater's 2015 capital market assumptions.

(c) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

(d) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Discount Rate

The discount rate used to measure the total pension liability was 8.10%. This rate reflects the long-term rate of return funding valuation assumption of 8.00%, plus 0.10% adjustment to be gross of administrative expenses as required by GASB 68. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active, inactive, and retired members. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, and the municipal bond rate does not apply.

Changes in Net Pension Liability

Changes in the District's net pension liability for the valuation year ended December 31, 2014 are as follows:

	Total Pension Liability	Increase (Decrease) Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance as of December 31, 2013	\$ 3,238,111	\$ 2,973,574	\$ 264,537
Changes for the year:			
Service cost	250,979	-	250,979
Interest on total pension liability (1)	270,548	-	270,548
Effect of economic/demographic gains or losses	16,881	-	16,881
Refund of contributions	(15,944)	(15,944)	-
Benefit payments	(27,005)	(27,005)	-
Administrative expenses	-	(2,463)	2,463
Member contributions	-	129,948	(129,948)
Net investment income	-	199,976	(199,976)
Employer contributions	-	141,860	(141,860)
Other (2)	-	446	(446)
Balance as of December 31, 2014	<u>\$ 3,733,570</u>	<u>\$ 3,400,392</u>	<u>\$ 333,178</u>

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Relates to allocation of system-wide items.

Sensitivity Analysis

The following presents the net pension liability of the District, calculated using the discount rate of 8.10%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.10%) or 1 percentage point higher (9.10%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	7.10%	8.10%	9.10%
Total pension liability	\$ 4,252,829	\$ 3,733,570	\$ 3,320,487
Fiduciary net position	3,400,390	3,400,392	3,400,390
Net pension liability / (Asset)	<u>\$ 852,439</u>	<u>\$ 333,178</u>	<u>\$ (79,903)</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

For the year ended September 30, 2015, the District recognized pension expense of \$157,364. As of September 30, 2015, the deferred outflows of resources are as follows:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 11,254
Net difference between projected and actual earnings	41,884
Contributions made subsequent to measurement date	<u>101,449</u>
Total	<u>\$ 154,587</u>

The \$101,449 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2016. The remaining amounts currently reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Pension Expense Amount</u>
Year ended September 30:	
2016	\$ 16,098
2017	16,098
2018	10,471
2019	<u>10,471</u>
	<u>\$ 53,138</u>

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, 2015, 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.

14. PRIOR PERIOD ADJUSTMENT

In accordance with the adoption of GASB Statements No. 68 and No. 71 in the current fiscal year, the District must record its net pension liability related to its participation in the TCDRS agent, multiple-employer pension plan at the beginning of the measurement period ending December 31, 2014. In addition, the District must record a deferred outflow of resources for its contributions to TCDRS from the beginning of the measurement period through September 30, 2014. The effect of this change in accounting principle is as follows:

Net position - September 30, 2014	\$ 18,521,704
Net position liability - December 31, 2013	(264,537)
District contributions - December 31, 2013 - September 30, 2014	<u>102,932</u>
Net position - September 30, 2014, as restated	<u>\$ 18,360,099</u>

15. SUBSEQUENT EVENTS

In December 2015, the District issued the \$6,940,000 Waterworks and Sewer System Revenue Note, Series 2016 to fund future District capital projects.

In December 2015, the District entered into an Assets Purchase Agreement (the “Purchase Agreement”) to sell the District’s water distribution system that provides water service to residents of Brushy Bend Park Subdivision (the “Subdivision”) to a retail public water utility (the “Buyer”) for a purchase price of \$50,000. As part of the Purchase Agreement, the Buyer will provide retail public water utility service to customers within the Subdivision. In conjunction with the Purchase Agreement, the District also entered into a Wholesale Water Services Agreement (the “Service Agreement”) with the Buyer where the District would provide wholesale water services.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED BY TEXAS COMMISSION ON ENVIRONMENTAL QUALITY YEAR ENDED SEPTEMBER 30, 2015

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, 2015

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, 2015

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, 2015**

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"	5,592	5,592	x 1.0	5,592
1"	36	36	x 2.5	90
1 1/2"	25	25	x 5.0	125
2"	30	30	x 8.0	240
3"	8	8	x 15.0	120
4"	2	2	x 25.0	50
6"	2	2	x 50.0	100
8"	4	4	x 80.0	320
10"	-	-	x 115.0	-
Total Water	5,699	5,699		6,637
Total Wastewater	5,490	5,490	x 1.0	5,490

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

Gallons pumped into system:	<u>979,783,000</u>	Water Accountability Ratio:
Gallons billed to customers:	<u>815,580,000</u>	(Gallons billed/Gallons pumped)
		<u>83.24% (1)</u>

- (1) The water accountability ratio does not include fire hydrant flushing, water used in fire fighting, loss due to water leaks identified, or other un-metered loss to the system. The District tracks all of those non-billed sources and for FY 2015 the total known consumption was 823,040,416 gallons for an actual ratio of 84.00%.

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, 2015

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, 2015

Personnel Expenditures (including benefits)	\$	3,254,830
Professional Fees:		
Auditing		38,000
Legal		105,451
Engineering		54,290
Financial Advisor		-
Purchased Services For Resale-		
Bulk Water and Wastewater Service Purchases		1,495,166
Contracted Services:		
Bookkeeping		-
Utility Manager		-
Appraisal District/Tax Collector		-
Other Contracted Services		366,192
Utilities		571,664
Repairs and Maintenance		907,746
Administrative Expenditures:		
Directors' Fees		26,250
Office Supplies		17,214
Insurance		57,792
Other Administrative Expenses		853,789
Capital Outlay:		
Capitalized Assets		2,466,902
Expenditures not Capitalized		-
Tap Connection Expenditures		37,850
Solid Waste Disposal		984,595
Fire Fighting		-
Parks and Recreation		(a)
Other Expenditures		596,957
TOTAL EXPENDITURES	\$	<u>11,834,688</u>

Number of persons employed by the District: 45 Full-Time 86 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, 2015, parks and recreation expenditures were \$3,990,587.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-3 SCHEDULE OF TEMPORARY INVESTMENTS YEAR ENDED SEPTEMBER 30, 2015

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2015	Accrued Interest Receivable at September 30, 2015
<u>General Fund</u>					
Investment in LOGIC	2006801003	Variable	N/A	\$ 305,929	\$ -
Investment in LOGIC	2006801002	Variable	N/A	148,045	-
Investment in TexPool	446/2461600008	Variable	N/A	6,343,218	-
Investment in TexPool	449/2461600001	Variable	N/A	517,199	-
Certificate of deposit in Tx Security	10344	0.50%	10/21/2015	249,640	-
Certificate of deposit in East West Bank	01-72357047	0.40%	4/12/2016	2,021,868	-
Certificate of deposit in Texas Citizens Bank	8029282	0.50%	9/24/2016	247,461	-
Brokered certificate of deposit	03784JFK5	0.45%	2/18/2016	245,000	-
Brokered certificate of deposit	84287PEC2	0.40%	2/5/2016	245,000	-
Brokered certificate of deposit	62400PDH0	0.30%	11/18/2015	245,000	-
Brokered certificate of deposit	872278KR6	0.40%	2/11/2016	245,000	-
Brokered certificate of deposit	917312CQ1	0.40%	1/12/2016	245,000	-
Brokered certificate of deposit	783861BP1	0.40%	2/12/2016	245,000	-
US Agencies	3134G7JD4	0.80%	7/28/2017	1,000,000	-
Totals				12,303,360	-
<u>Debt Service Fund</u>					
Investment in LOGIC	2006801001	Variable	N/A	61,719	-
Investment in LOGIC	2006801007	Variable	N/A	155,171	-
Investment in LOGIC	2006801013	Variable	N/A	1,450,923	-
Investment in TexPool	449/2461600004	Variable	N/A	1,014,418	-
Brokered certificate of deposit	69506YBX6	0.40%	2/12/2016	245,000	-
Brokered certificate of deposit	60688MJY1	0.35%	11/12/2015	245,000	-
Brokered certificate of deposit	095067AA2	0.35%	2/10/2016	245,000	-
Brokered certificate of deposit	909552AS0	0.35%	2/2/2016	245,019	-
Municipal Bonds	235036SY7	2.19%	11/1/2015	1,009,530	-
Totals				4,671,780	-
<u>Capital Projects Fund</u>					
Investment in LOGIC	2006801009	Variable	N/A	34,915	-
Investment in LOGIC	2006801012	Variable	N/A	158,467	-
Investment in TexPool	449/2461600007	Variable	N/A	859,703	-
Municipal Bonds	63165TPL3	1.13%	12/15/2016	1,000,000	-
Totals				2,053,085	-
TOTAL ALL FUNDS				\$ 19,028,225	\$ -

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-4 ANALYSIS OF TAXES LEVIED AND RECEIVABLE YEAR ENDED SEPTEMBER 30, 2015

	Maintenance Taxes	Debt Service Taxes		
TAXES RECEIVABLE, SEPTEMBER 30, 2014	\$ 16,227	\$ 20,156		
2014 Tax Roll	3,648,095	4,282,530		
Adjustments	(580)	(840)		
Total to be accounted for	<u>3,663,742</u>	<u>4,301,846</u>		
Tax collections:				
Current year	3,639,163	4,274,379		
Prior years	4,828	4,914		
Total collections	<u>3,643,991</u>	<u>4,279,293</u>		
TAXES RECEIVABLE, SEPTEMBER 30, 2015	<u>\$ 19,751</u>	<u>\$ 22,553</u>		
TAXES RECEIVABLE, BY YEARS:				
2014	\$ 8,931	\$ 8,150		
2013	3,905	3,857		
2012	1,803	1,778		
2011	1,573	2,340		
2010 and prior	<u>3,539</u>	<u>6,428</u>		
TAXES RECEIVABLE, SEPTEMBER 30, 2015	<u>\$ 19,751</u>	<u>\$ 22,553</u>		
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
PROPERTY VALUATIONS-				
Net assessed property valuation:				
District-wide	\$ 1,492,797,990	1,278,996,832	1,193,911,500	1,162,948,436
Defined Area	267,853,303	205,471,258	171,587,825	144,727,844
TAX RATES PER \$100 VALUATION:				
Debt service tax rates	\$ 0.2500	0.2500	0.2500	0.3000
Maintenance tax rates	0.2300	0.2500	0.2500	0.2000
District-wide	0.4800	0.5000	0.5000	0.5000
Defined Area	<u>0.3500</u>	<u>0.3600</u>	<u>0.3600</u>	<u>0.3600</u>
ORIGINAL TAX LEVY	<u>\$ 7,930,625</u>	<u>7,141,445</u>	<u>6,611,512</u>	<u>6,391,741</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, 2015**

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX SERIES 2005			UNLIMITED TAX REFUNDING SERIES 2007			DEFINED AREA UNLIMITED TAX SERIES 2008		
	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
2016	\$ -	34,950	34,950	325,000	13,000	338,000	70,000	3,500	73,500
2017	-	34,950	34,950	-	-	-	-	-	-
2018	-	34,950	34,950	-	-	-	-	-	-
2019	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	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
	<u>\$ 1,165,000</u>	<u>157,650</u>	<u>1,322,650</u>	<u>325,000</u>	<u>13,000</u>	<u>338,000</u>	<u>70,000</u>	<u>3,500</u>	<u>73,500</u>

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (continued)
SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX DEFINED AREA SERIES 2009			UNLIMITED TAX REFUNDING SERIES 2009			UNLIMITED TAX REFUNDING SERIES 2010		
	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
2016	\$ 65,000	17,500	82,500	505,000	116,894	621,894	1,085,000	454,325	1,539,325
2017	65,000	14,656	79,656	535,000	94,169	629,169	1,130,000	421,775	1,551,775
2018	70,000	11,813	81,813	195,000	70,094	265,094	1,170,000	387,875	1,557,875
2019	75,000	8,138	83,138	210,000	61,319	271,319	1,215,000	346,925	1,561,925
2020	80,000	4,200	84,200	215,000	51,869	266,869	1,270,000	304,400	1,574,400
2021	-	-	-	230,000	43,269	273,269	1,320,000	253,600	1,573,600
2022	-	-	-	240,000	33,781	273,781	1,375,000	200,800	1,575,800
2023	-	-	-	245,000	23,281	268,281	1,430,000	145,800	1,575,800
2024	-	-	-	265,000	12,256	277,256	-	88,600	88,600
2025	-	-	-	-	-	-	255,000	88,600	343,600
2026	-	-	-	-	-	-	1,960,000	78,400	2,038,400
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
	<u>\$ 355,000</u>	<u>56,307</u>	<u>411,307</u>	<u>2,640,000</u>	<u>506,932</u>	<u>3,146,932</u>	<u>12,210,000</u>	<u>2,771,100</u>	<u>14,981,100</u>

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (continued) SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING 9/30	DEFINED AREA UNLIMITED TAX SERIES 2011			UNLIMITED TAX REFUNDING SERIES 2011			UNLIMITED TAX REFUNDING SERIES 2012		
	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
2016	\$ 65,000	98,600	163,600	5,000	79,296	84,296	275,000	266,850	541,850
2017	75,000	95,837	170,837	5,000	79,104	84,104	390,000	258,600	648,600
2018	80,000	92,650	172,650	10,000	78,912	88,912	755,000	246,900	1,001,900
2019	80,000	89,250	169,250	175,000	78,528	253,528	40,000	224,250	264,250
2020	85,000	85,850	170,850	175,000	71,808	246,808	45,000	223,050	268,050
2021	85,000	82,450	167,450	185,000	65,088	250,088	660,000	221,700	881,700
2022	90,000	79,050	169,050	190,000	57,984	247,984	685,000	201,900	886,900
2023	95,000	75,450	170,450	200,000	50,688	250,688	710,000	181,350	891,350
2024	100,000	71,650	171,650	205,000	43,008	248,008	1,600,000	160,050	1,760,050
2025	105,000	67,525	172,525	215,000	35,136	250,136	730,000	112,050	842,050
2026	110,000	63,194	173,194	225,000	26,880	251,880	750,000	90,150	840,150
2027	110,000	58,244	168,244	230,000	18,240	248,240	1,110,000	67,650	1,177,650
2028	115,000	53,294	168,294	245,000	9,408	254,408	1,145,000	34,350	1,179,350
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	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
	<u>\$ 2,170,000</u>	<u>1,184,775</u>	<u>3,354,775</u>	<u>2,065,000</u>	<u>694,080</u>	<u>2,759,080</u>	<u>8,895,000</u>	<u>2,288,850</u>	<u>11,183,850</u>

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (continued) SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX REFUNDING SERIES 2013			DEFINED AREA UNLIMITED TAX SERIES 2013			DEFINED AREA UNLIMITED TAX REFUNDING SERIES 2015			DEFINED AREA UNLIMITED TAX SERIES 2015		
	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	Principal Due 6/1	Interest Due 6/1, 12/1	Total
	2016	\$ 15,000	198,975	213,975	85,000	143,295	228,295	40,000	115,250	155,250	80,000	121,394
2017	15,000	198,675	213,675	90,000	141,170	231,170	110,000	114,450	224,450	95,000	110,456	205,456
2018	15,000	198,375	213,375	95,000	138,920	233,920	115,000	112,250	227,250	100,000	108,556	208,556
2019	15,000	198,075	213,075	95,000	136,545	231,545	120,000	109,950	229,950	100,000	106,556	206,556
2020	15,000	197,775	212,775	100,000	134,170	234,170	125,000	107,550	232,550	105,000	104,556	209,556
2021	15,000	197,475	212,475	105,000	131,370	236,370	210,000	103,800	313,800	110,000	102,456	212,456
2022	15,000	197,025	212,025	110,000	128,220	238,220	220,000	97,500	317,500	115,000	99,156	214,156
2023	15,000	196,575	211,575	115,000	124,645	239,645	225,000	90,900	315,900	120,000	95,706	215,706
2024	685,000	196,125	881,125	120,000	120,620	240,620	230,000	84,150	314,150	125,000	92,106	217,106
2025	1,635,000	175,575	1,810,575	125,000	115,820	240,820	240,000	77,250	317,250	130,000	88,356	218,356
2026	-	126,525	126,525	135,000	110,820	245,820	245,000	70,050	315,050	135,000	84,456	219,456
2027	1,775,000	126,525	1,901,525	140,000	104,880	244,880	260,000	62,394	322,394	140,000	80,406	220,406
2028	1,840,000	64,400	1,904,400	145,000	98,720	243,720	270,000	53,944	323,944	145,000	76,206	221,206
2029	-	-	-	150,000	92,340	242,340	280,000	44,494	324,494	150,000	71,494	221,494
2030	-	-	-	160,000	85,140	245,140	295,000	34,694	329,694	155,000	66,619	221,619
2031	-	-	-	165,000	77,460	242,460	300,000	24,000	324,000	160,000	61,581	221,581
2032	-	-	-	175,000	69,540	244,540	165,000	12,750	177,750	170,000	56,381	226,381
2033	-	-	-	180,000	61,140	241,140	175,000	6,563	181,563	175,000	50,431	225,431
2034	-	-	-	190,000	52,500	242,500	-	-	-	185,000	44,306	229,306
2035	-	-	-	200,000	43,000	243,000	-	-	-	190,000	37,831	227,831
2036	-	-	-	210,000	33,000	243,000	-	-	-	200,000	31,181	231,181
2037	-	-	-	220,000	22,500	242,500	-	-	-	205,000	23,931	228,931
2038	-	-	-	230,000	11,500	241,500	-	-	-	215,000	16,500	231,500
2039	-	-	-	-	-	-	-	-	-	225,000	8,438	233,438
	<u>\$ 6,055,000</u>	<u>2,272,100</u>	<u>8,327,100</u>	<u>3,340,000</u>	<u>2,177,315</u>	<u>5,517,315</u>	<u>3,625,000</u>	<u>1,321,939</u>	<u>4,946,939</u>	<u>3,530,000</u>	<u>1,739,059</u>	<u>5,269,059</u>

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (continued) SEPTEMBER 30, 2015

DUE DURING FISCAL YEARS ENDING 9/30	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Principal Due	Interest Due	Total
2016	\$ 2,615,000	1,663,829	4,278,829
2017	2,510,000	1,563,842	4,073,842
2018	2,605,000	1,481,295	4,086,295
2019	2,695,000	1,394,486	4,089,486
2020	2,810,000	1,303,078	4,113,078
2021	2,920,000	1,201,208	4,121,208
2022	3,040,000	1,095,416	4,135,416
2023	3,155,000	984,395	4,139,395
2024	3,330,000	868,565	4,198,565
2025	3,435,000	760,312	4,195,312
2026	3,560,000	650,475	4,210,475
2027	3,765,000	518,339	4,283,339
2028	3,905,000	390,322	4,295,322
2029	700,000	256,303	956,303
2030	735,000	228,878	963,878
2031	760,000	199,372	959,372
2032	800,000	168,421	968,421
2033	835,000	133,384	968,384
2034	375,000	96,806	471,806
2035	390,000	80,831	470,831
2036	410,000	64,181	474,181
2037	425,000	46,431	471,431
2038	445,000	28,000	473,000
2039	225,000	8,438	233,438
	<u>\$ 46,445,000</u>	<u>15,186,607</u>	<u>61,631,607</u>

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-6 ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT SEPTEMBER 30, 2015

	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	Refunding Series 2015	Defined Area Unlimited Tax Series 2015
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%	2.00 to 3.75%	2.00 to 3.75%
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	6/1; 12/1	6/1; 12/1
Maturity dates	6/1/15	6/1/20	6/1/16	6/1/16	6/1/20	6/1/24	6/1/26	6/1/33	6/1/28	6/1/28	6/1/28	6/1/38	6/1/33	6/1/39
Bonds outstanding, beginning 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	-	-
Bonds issued during current year	-	-	-	-	-	-	-	-	-	-	-	-	3,625,000	3,530,000
Bonds retired during current year	(370,000)	(100,000)	(325,000)	(1,625,000)	(1,810,000)	(1,315,000)	(1,050,000)	(65,000)	(5,000)	(175,000)	(15,000)	(80,000)	-	-
Bonds outstanding, end of year	\$ -	1,165,000	325,000	70,000	355,000	2,640,000	12,210,000	2,170,000	2,065,000	8,895,000	6,055,000	3,340,000	3,625,000	3,530,000
Interest paid during current year	\$ 25,489	40,450	26,000	86,480	121,875	176,069	480,575	101,363	79,488	270,350	199,275	145,295	-	-

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-6 ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT (continued) SEPTEMBER 30, 2015

	<u>Grand Totals</u>
Bonds outstanding, beginning of year	\$ 46,225,000
Bonds issued during current year	7,155,000
Bonds retired during current year	<u>(6,935,000)</u>
Bonds outstanding, end of year	<u>\$ 46,445,000</u>
Interest paid during current year	<u>\$ 1,752,709</u>

Paying agent's name & address:	Series 2005, 2007, 2008, 2009 2010, 2012, 2013, and 2015	Wells Fargo Bank Minneapolis, Minnesota 55479
	Series 2011	BB&T Governmental Finance Charlotte, North Carolina 28217

	<u>District Tax Bonds*</u>	<u>Defined Area Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
Bond authority:				
Amount authorized	\$ 74,100,000	24,500,000	-	77,469,998
Amount issued	<u>72,000,000</u>	<u>13,785,000</u>	<u>-</u>	<u>77,469,998</u>
Remaining to be issued	<u>\$ 2,100,000</u>	<u>10,715,000</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, 2015: \$ 4,929,907

Average annual debt service payments (principal & interest)
for remaining term of debt: \$ 2,567,984

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-7 COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND AND DEBT SERVICE FUND FIVE YEARS ENDED SEPTEMBER 30, 2015

	AMOUNTS					PERCENT OF FUND TOTAL REVENUES				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
GENERAL FUND										
REVENUES:										
Water and wastewater service	\$ 5,082,059	5,077,406	5,273,378	5,229,982	5,495,625	42.4 %	45.3	46.2	50.5	52.4
Garbage collection	1,186,768	1,155,136	1,118,324	1,088,081	1,050,938	9.9	10.3	9.8	10.5	10.0
Inspection fees	77,689	120,202	139,136	72,167	76,896	0.6	1.1	1.2	0.7	0.8
Tap and other connection fees	214,462	175,272	200,641	137,749	127,648	1.8	1.6	1.8	1.3	1.2
Recreation center	1,359,388	1,075,802	1,185,755	1,154,217	1,131,354	11.3	9.6	10.4	11.1	10.8
Park and recreation fees	139,901	146,585	147,719	143,523	127,724	1.2	1.3	1.3	1.4	1.2
Property taxes, including penalties and interest	3,653,155	3,203,128	2,992,389	2,352,012	2,142,470	30.5	28.6	26.2	22.7	20.4
Investment earnings	38,318	26,043	54,225	30,230	28,391	0.3	0.2	0.5	0.3	0.3
Other	233,971	231,349	312,922	155,295	255,778	2.0	2.0	2.6	1.5	2.4
Bond issuance proceeds	-	-	-	-	55,777	-	-	-	-	0.5
Total revenues and other sources	11,985,711	11,210,923	11,424,489	10,363,256	10,492,601	100.0	100.0	100.0	100.0	100.0
EXPENDITURES:										
Current:										
Personnel (including benefits)	3,281,080	3,088,208	2,972,309	2,959,280	2,815,268	27.4	27.5	26.0	28.6	26.8
Purchased services for resale	2,479,761	2,496,818	2,600,850	2,360,386	2,310,474	20.7	22.3	22.8	22.8	22.0
Administrative	984,333	1,173,831	1,372,324	1,335,015	1,387,076	8.2	10.5	12.0	12.9	13.2
Repairs and maintenance	907,746	656,193	722,269	553,151	568,642	7.6	5.9	6.3	5.3	5.4
Utilities	571,664	589,144	606,394	590,411	774,449	4.8	5.3	5.3	5.7	7.4
Professional services	376,133	452,731	479,589	496,149	513,678	3.1	4.0	4.2	4.8	4.9
Contracted services	366,192	383,313	365,273	477,589	364,602	3.2	3.4	3.2	4.6	3.5
Capital outlay	2,466,902	1,457,914	1,172,031	238,811	167,835	20.6	13.0	10.3	2.3	1.6
Principal payments	374,934	85,731	80,728	92,175	65,000	3.1	0.7	0.7	0.8	0.6
Interest and fiscal charges	25,943	25,080	32,252	31,711	89,992	0.2	0.2	0.3	0.3	0.9
Total expenditures	11,834,688	10,408,963	10,404,019	9,134,678	9,057,016	98.7	92.8	91.1	88.1	86.3
TRANSFERS IN (OUT)	180,400	49,998	115,218	(521,548)	236,960	1.5	0.4	1.0	(5.0)	2.3
PROCEEDS FROM CAPITAL LEASES	-	-	-	32,506	-	-	-	-	0.3	-
PROCEEDS FROM INSURANCE	-	-	-	368,867	-	-	-	-	3.6	-
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 331,423	851,958	1,135,688	1,108,403	1,672,545	2.8 %	7.6	9.9	10.7	16.0

(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, 2015**

	AMOUNTS					PERCENT OF FUND TOTAL REVENUES				
	2015	2014	2013	2012	2011	2015	2014	2013	2012	2011
DEBT SERVICE FUND										
REVENUES:										
Property taxes, including penalties and interest	\$ 4,289,373	3,935,544	3,616,509	4,048,769	3,936,546	53.2 %	99.6	18.0	99.3	65.7
Investment earnings	-	16,307	46,129	27,127	29,177	-	0.4	0.2	0.7	0.5
Proceeds from the sale of capital assets	155,149	-	-	-	-	1.9	-	-	-	-
Proceeds of refunding bonds	3,625,000	-	15,385,000	-	2,029,223	44.9	-	76.5	-	33.8
Premium on refunding debt	-	-	1,075,145	-	-	-	-	5.3	-	-
Total revenues and other sources	8,069,522	3,951,851	20,122,783	4,075,896	5,994,946	100.0	100.0	100.0	100.0	100.0
EXPENDITURES:										
Principal payments	3,255,000	3,130,000	2,935,000	2,670,000	2,600,000	40.3	79.2	14.6	65.5	43.4
Interest and fiscal charges	1,727,219	1,798,849	1,639,357	1,981,581	1,936,308	21.4	45.5	8.1	48.6	32.3
Tax appraisal and collection	61,548	56,691	53,241	53,368	53,008	0.8	1.4	0.3	1.3	0.9
Bond issuance costs	291,471	6,325	474,741	-	10,062	3.6	0.2	2.4	-	0.2
Payment to refunded bond escrow agent	3,496,579	-	16,211,975	-	2,051,423	43.3	-	80.5	-	34.2
Discount on bonds	10,706	-	-	-	-	0.1	-	-	-	-
Other	12,261	44	65	-	335	0.2	-	-	-	-
Total expenditures and other uses	8,854,784	4,991,909	21,314,379	4,704,949	6,651,136	109.7	126.3	105.9	115.4	111.0
TRANSFERS IN	209,500	218,492	199,386	188,199	188,492	2.6	5.5	1.0	4.6	3.1
DEFICIT OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES	\$ (575,762)	(821,566)	(992,210)	(440,854)	(467,698)	(7.1) %	(20.8)	(4.9)	(10.8)	(7.9)
TOTAL ACTIVE RETAIL WATER CONNECTIONS	5,699	5,628	5,552	5,371	5,308					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	5,490	5,403	5,241	5,205	5,132					

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS SEPTEMBER 30, 2015

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) February 18, 2015

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 & Expires or Date Hired</u>	<u>Fees 9/30/15</u>	<u>Expense Reimbursements 9/30/15</u>	<u>Title at Year End</u>
<u>Board Members:</u>				
Rebecca B. Tullos	Elected 11/14 - 11/18	7,200	-	President
Russ Shermer	Elected 11/12-11/16	4,800	-	Vice President
Shean Dalton	Elected 11/14 - 11/18	4,350	-	Treasurer
Kim Filiatrault	Elected 11/14 - 11/18	3,300	-	Secretary
Donna B. Parker	Appointed 7/13-11/16	6,000	-	Assistant Treasurer and Assistant Secretary
<u>Former Board Members -</u>				
Jeff Goldstein	Elected 5/10-11/14	600	-	Former Secretary

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

Key Administrative Personnel:

Mike Petter	2006	\$ 127,116	\$ 74	General Manager
David Gaines	2013	\$ 87,627	\$ -	Officer

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (continued) SEPTEMBER 30, 2015

Name and Address	Date Hired	Fees and Expense Reimbursements 9/30/15	Title at Year End
<u>Consultants:</u>			
Freeman & Corbett, L.L.P.	2002	\$ 102,297	Attorney
Judy Osborn	2004	2,360	Attorney
Maxwell Locke & Ritter LLP	2008	47,500	Auditor
Williamson Central Appraisal District	1981	59,844	Tax Appraiser
Williamson County Tax Office	1981	1,834	Tax Collector
Bury Partners	2009	15,234	Engineer
Patterson & Associates	2008	20,000	Investment Advisor
MRB Group	2013	73,963	Engineer
McCall Parkhurst Horton	1994	75,839	Bond Counsel
Bank of New York, Mellon	2009	1,750	Arbitrage Auditor
RimRock	2008	4,578	Rate Consultant
Atkins North America	2015	130,694	Engineer
Halff Associates	2011	316,103	Engineer

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS SEPTEMBER 30, 2015

	Year Ended December 31, 2014*
Total Pension Liability	
Service Cost	\$ 250,979
Interest on total pension liability	270,548
Effect of plan changes	-
Effect of assumption changes or inputs	-
Effect on economic/demographic (gains) or losses	16,881
Benefit payments/refunds of contributions	(42,949)
Net change in total pension liability	495,459
Total pension liability, beginning	3,238,111
Total pension liability, ending (a)	\$ 3,733,570
Fiduciary Net Position	
Employer contributions	\$ 141,860
Member contributions	129,948
Investment income net of investment expenses	199,976
Benefit payments/refunds of contributions	(42,949)
Administrative expenses	(2,463)
Other	446
Net change in fiduciary net position	426,818
Fiduciary net position, beginning	2,973,574
Fiduciary net position, ending (b)	\$ 3,400,392
Net pension liability / (asset), ending = (a) - (b)	\$ 333,178
Fiduciary net position as a % of total pension liability	91.08%
Pensionable covered payroll	\$ 2,165,801
Net pension liability as a % of covered payroll	15.38%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS SEPTEMBER 30, 2015

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Pensionable Covered Payroll *	Actual Contribution as a % of Covered Payroll
2006	Not available	Not available	Not available	Not available	Not available
2007	\$ 81,098	\$ 92,625	\$ (11,527)	\$ 1,662,715	5.6%
2008	83,295	83,300	(5)	1,890,725	4.4%
2009	98,573	98,532	41	2,001,393	4.9%
2010	125,844	125,830	14	2,076,388	6.1%
2011	124,673	124,863	(190)	1,894,421	6.6%
2012	132,047	132,047	-	1,992,238	6.6%
2013	135,515	135,516	(1)	2,093,127	6.5%
2014	139,151	139,151	-	2,135,630	6.5%
2015	140,377	140,377	-	2,262,893	6.2%

* - Payroll is calculated based on contributions as reported to TCDRS.

OTHER SUPPLEMENTAL INFORMATION

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

OSI-1. PRINCIPAL TAXPAYERS SEPTEMBER 30, 2015

		DISTRICT		
Taxpayer	Type of Property	Tax Roll Year		
		2015	2014	2013
Dedicated OConnor RR LP	Land & Improvements	\$ 74,816,006	\$ 74,000,000	-
CWS Brushy Creek LP	Land & Improvements	40,382,073	36,633,704	-
Highland 620 Land Investment LTD	Land & Improvements	13,566,836	17,802,906	9,208,702
Barclay/ Texas Holdings 6 LP	Land & Improvements	7,915,921	4,306,991	-
HE Butt Inc.	Land & Improvements	7,774,455	7,700,000	7,458,170
Great American Storage Partners LLC	Land & Improvements	6,745,208	5,232,966	4,598,988
MGP, XXII LLC	Land & Improvements	5,150,000	4,998,873	4,675,698
Standard Pacific of Texas Inc.	Land & Improvements	4,848,649	-	-
Kopels Peter A & Henry Aratow	Land & Improvements	4,655,950	4,655,950	4,558,850
HEB Grocery Company LP	Land & Improvements	4,178,965	4,028,981	4,265,478
Atmos Energy/MID-Tex Distribution	Land & Improvements	-	4,042,847	3,576,093
Amaravathi LTD Partnership & Amaravathi Keerthi LLC	Land & Improvements	-	-	64,348,133
The Park at Brushy Creek LTD	Land & Improvements	-	-	32,989,667
Highland 620 Residential LTD	Land & Improvements	-	-	7,579,926
Total		\$ 170,034,063	163,403,218	143,259,705
Percent of Assessed Valuation		10.4%	10.9%	11.2%

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

OSI-1. PRINCIPAL TAXPAYERS (continued) SEPTEMBER 30, 2015

		DEFINED AREA		
Taxpayer	Type of Property	Tax Roll Year		
		2015	2014	2013
Highland 620 Land Investment LTD	Land & Improvements	\$ 13,566,836	\$ 17,802,906	9,208,702
Standard Pacific of Texas Inc	Land & Improvements	4,848,649	-	-
Hatch House Management Company LLC	Land & Improvements	1,728,500	1,536,099	-
First Star Bank SSB	Land & Improvements	604,755	592,898	456,075
Cuchara Investment Group LTD	Land & Improvements	593,687	-	-
McDonald, Alice L	Land & Improvements	580,768	556,237	455,577
Jablonski, Susan M & David B Fogle	Land & Improvements	576,354	-	466,049
Kallfelz, Paul Jr & Paulette Moose	Land & Improvements	563,314	-	471,433
Witcher, Larry & Mae	Land & Improvements	554,768	-	-
OBrien, Thomas J & Kelly S Craig	Land & Improvements	552,126	515,123	-
Streetman Homes LTD LLP	Land & Improvements	-	2,167,671	1,445,352
Hy-Land North Joint Venture	Land & Improvements	-	1,578,829	1,300,204
Weekley Homes LP	Land & Improvements	-	649,512	1,231,072
Standard Pacific Homes Inc	Land & Improvements	-	599,400	-
Zaman, Agsar Uz	Land & Improvements	-	535,994	-
Highland 620 Residential LTD	Land & Improvements	-	-	7,579,926
Total		\$ 24,169,757	26,534,669	22,614,390
Percent of Assessed Valuation		7.5%	9.9%	11.0%

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

OSI-2. ASSESSED VALUE BY CLASSIFICATION SEPTEMBER 30, 2015

Type of Property	Tax Roll Year					
	DISTRICT					
	2015		2014		2013	
	Amount	%	Amount	%	Amount	%
Real, Single Family	\$ 1,406,117,226	85.8%	\$ 1,265,711,823	84.8%	\$ 1,077,017,811	84.2%
Real, Multi Family	121,422,859	7.4%	116,834,289	7.8%	103,420,703	8.1%
Real, Vacant Platted Lots/Tracts	14,049,294	0.9%	19,968,214	1.3%	22,559,533	1.8%
Real, Acreage (Land Only)	9,904	0.0%	9,904	0.0%	638,369	0.0%
Real, Commercial	72,937,471	4.4%	63,805,898	4.3%	54,449,519	4.3%
Real & Intangible Personal, Utilities	7,263,803	0.4%	6,588,699	0.4%	5,228,081	0.4%
Tangible Personal business	5,944,528	0.4%	6,201,939	0.4%	6,063,603	0.5%
Real Inventory	11,907,068	0.7%	13,677,224	1.0%	9,427,636	0.7%
Exempt	2,510	0.0%	-	0.0%	191,577	0.0%
Total	\$ 1,639,654,663	100%	\$ 1,492,797,990	100%	\$ 1,278,996,832	100%

Type of Property	DEFINED AREA					
	2015		2014		2013	
	Amount	%	Amount	%	Amount	%
Real, Single Family	\$ 295,902,428	92.2%	\$ 236,496,706	88.3%	\$ 178,722,287	87.0%
Real, Vacant Platted Lots	11,217,961	3.5%	15,862,132	5.9%	17,088,933	8.3%
Real, Acreage (Land Only)	8,281	0.0%	8,281	0.0%	636,746	0.3%
Real, Commercial & Industrial	1,728,500	0.5%	1,536,099	0.6%	-	0.0%
Real & Intangible Personal, Utilities	126,765	0.1%	161,570	0.1%	290,696	0.1%
Tangible Personal Property	56,091	0.0%	111,291	0.0%	270,496	0.1%
Real Inventory	11,907,068	3.7%	13,677,224	5.1%	8,462,100	4.2%
Exempt	74	0.0%	-	0.0%	-	0.0%
Total	\$ 320,947,168	100%	\$ 267,853,303	100%	\$ 205,471,258	100%