

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

**FINANCIAL REPORT**

**SEPTEMBER 30, 2016**

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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS}

COUNTY OF \_\_\_\_\_ }

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

of the Brushy Creek Municipal Utility District  
(Name of 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, 2016, 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)

Mike Petter, General Manager  
(Typed Name & Title of Above District Representative)

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

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

(SEAL)

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

(Annual Filing Affidavit Revised 8/95, effective on 9/1/95)



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
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, 2016, 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

To the Board of Directors  
Brushy Creek Municipal Utility District

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 Brushy Creek Municipal Utility District as of September 30, 2016, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, and the schedule of District contributions on pages 5 through 12, 60, and 61, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Commission on Environmental Quality supplementary information and other supplementary 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.

To the Board of Directors  
Brushy Creek Municipal Utility District

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 supplementary 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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
January 26, 2017

# **BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

## **Management's Discussion and Analysis**

### **Year Ended September 30, 2016**

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, 2016. 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 \$27,294,775 (net position). Of this amount, \$15,699,005 (unrestricted net position) may be used to meet the government's ongoing obligations.

The District's net property tax values increased by approximately \$122 million or 8.17% from \$1,492,797,990 to \$1,614,574,091 for District-wide and approximately \$53 million or 21.3% for the Defined Area. The District-wide and Defined Area tax rates decreased from \$0.48 to \$0.47 and \$0.35 to \$0.27, respectively, per \$100 of assessed value. Total tax revenue increased by approximately \$514,000.

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

The District's reporting is comprised of two parts:

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

Other supplementary information is also included.

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

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

The *Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund* presents a comparison statement between the District’s adopted budget to its actual results. The *Notes to Basic Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances*. Schedules required by the Texas Commission on Environmental Quality, other information, and other required supplementary information related to pensions are presented immediately following the *Notes to Basic Financial Statements*.

## Comparative Financial Statements

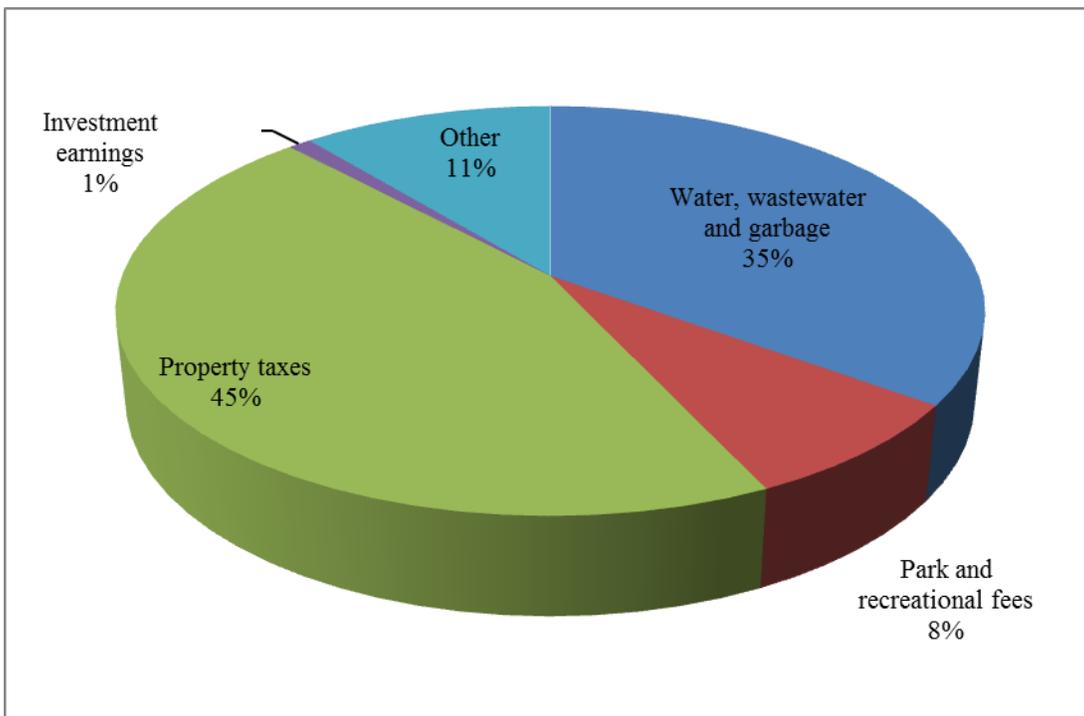
### Statement of Net Position

	Governmental Activities		
	2016	2015	% Change
Current and other assets	\$ 28,843,485	\$ 23,349,828	24%
Capital assets	52,453,890	49,386,404	6%
Total Assets	81,297,375	72,736,232	12%
Deferred outflow of resources	614,712	338,423	82%
Current liabilities	5,728,297	4,680,312	22%
Long-term liabilities	48,799,935	45,556,046	7%
Total liabilities	54,528,232	50,236,358	9%
Deferred inflow of resources	89,080	-	100%
Net investment in capital assets	5,965,625	4,048,290	47%
Restricted	5,630,145	4,113,669	37%
Unrestricted	15,699,005	14,676,338	7%
Total net position	\$ 27,294,775	\$ 22,838,297	20%

The District's total assets were approximately \$81.3 million as of September 30, 2016. Of this amount, approximately \$52.5 million is accounted for by capital assets. The District had outstanding liabilities of approximately \$54.5 million of which approximately \$50.4 million represent bonds payable.

The District's property tax assessed value in fiscal year 2016 (which was based on the 2015 tax levy) for the District-wide area was approximately \$1,615 million compared to approximately \$1,493 million in fiscal year 2015, and for the Defined Area was approximately \$321 million compared to approximately \$268 million in fiscal year 2015. 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		
	2016	2015	% Change
Water, wastewater and garbage	\$ 6,572,070	\$ 6,268,827	4.8%
Property taxes	8,460,777	7,948,449	6.4%
Park and recreational fees	1,506,143	1,499,289	0.5%
Investment earnings	121,132	38,318	216.1%
Contributed assets	19,275	789,338	-97.6%
Other	789,939	1,241,846	-36.4%
<b>Total revenues</b>	<b>17,469,336</b>	<b>17,786,067</b>	<b>-1.8%</b>
Water, wastewater and garbage	2,811,709	2,479,761	13.4%
Salary and related expenditures	3,566,693	3,253,950	9.6%
Administrative	887,623	908,853	-2.3%
Repairs and maintenance	989,729	907,746	9.0%
Utilities	551,664	571,664	-3.5%
Professional fees	213,116	208,021	2.4%
Contracted services	233,267	366,192	-36.3%
Other	375,014	343,872	9.1%
Debt service	1,799,315	1,891,414	-4.9%
Depreciation	2,159,234	2,077,800	3.9%
<b>Total expenses</b>	<b>13,587,364</b>	<b>13,009,273</b>	<b>4.4%</b>
Loss on disposal of capital assets	-	(298,596)	-100.0%
Change in net position	3,881,972	4,478,198	-13.3%
Beginning net position	22,838,297	18,521,704	23.3%
Prior period adjustment	574,506	(161,605)	-455.5%
<b>Ending net position</b>	<b>\$ 27,294,775</b>	<b>\$ 22,838,297</b>	<b>19.5%</b>

Operating revenues decreased by approximately \$317,000 to approximately \$17.5 million for the fiscal year ended September 30, 2016. Water, wastewater and garbage service provided approximately \$6.6 million, and property taxes, including penalties and interest, generated approximately \$8.5 million in revenues. Total expenses increased approximately \$578,000 to approximately \$13.6 million for the fiscal year ended September 30, 2016. Net position increased approximately \$4.5 million for the fiscal years ended September 30, 2016 compared to September 30, 2015.

### Analysis of Governmental Funds

	2016	2015
Cash and cash equivalents	\$ 1,123,965	\$ 3,498,131
Investment	26,865,389	19,028,225
Receivables	731,758	780,025
Interfund receivable	978,213	271,943
Prepays and other assets	52,632	43,447
<b>Total assets</b>	<b>\$ 29,751,957</b>	<b>\$ 23,621,771</b>
Accounts payable	\$ 951,823	\$ 575,239
Refundable deposits	674,378	651,246
Other liabilities	102,604	166,009
Interfund payable	978,213	271,943
Unearned revenue	82,681	75,711
Retainage payable	228,870	-
<b>Total liabilities</b>	<b>3,018,569</b>	<b>1,740,148</b>
Deferred inflows of resources - property taxes	41,102	42,304
Nonspendable fund balance	52,064	42,787
Restricted fund balance	12,950,931	8,024,358
Committted fund balance	4,865,888	3,820,668
Unassigned fund balance	8,823,403	9,951,506
<b>Total fund balances</b>	<b>26,692,286</b>	<b>21,839,319</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 29,751,957</b>	<b>\$ 23,621,771</b>

The *General Fund* pays for daily operating expenditures. Fiscal year 2016 revenues exceeded the budget by 4%. The increase in revenues was across the board in operations and seen in utilities, recreation, fees, and services. Growth in utility and recreation revenue was driven primarily by two factors: development growth and recreation programs. New development growth has slowed due to the District reaching near build out status which resulted in lower builder fees. There are no further developments that will be contributed to the District.

Fiscal year 2016 expenditures were over budget by 7%. This was the direct result of the delay in Capital parks projects that were originally budgeted for fiscal year 2015. These projects were completed in fiscal year 2016 with funding from services.

For the year ended September 30, 2016, the District came in over the budget for the General Fund by approximately \$723,000. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

In addition to the General Fund commitments noted above, the Board of Directors has approved a resolution to set aside \$5,605,462 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

	<u>2016</u>	<u>2015</u>
Land	\$ 3,211,879	\$ 3,211,879
Construction in process	4,317,968	2,560,406
Water, wastewater and drainage systems	83,212,304	82,914,544
Easements and rights-of-way	901,890	901,891
Buildings and improvements	4,286,270	4,284,292
Furniture and equipment	686,156	404,370
Parks and recreational facilities	7,304,670	6,176,088
Automobiles and trucks	<u>488,428</u>	<u>315,258</u>
Subtotal	104,409,565	100,768,728
Accumulated depreciation	<u>(51,955,675)</u>	<u>(51,382,324)</u>
Total	<u>\$ 52,453,890</u>	<u>\$ 49,386,404</u>

The last infrastructure acquired from a developer occurred in fiscal year 2015. There are no future acquisitions from a developer planned.

The District's \$3 million waterline replacement project in Brushy Creek North that began in fiscal year 2015 was substantially complete by the end of fiscal year 2016 with final completion in fiscal year 2017. Two parks projects that began in fiscal year 2015 were completed in fiscal year 2016, the \$700,000 park lighting project and the \$350,000 Cat Hollow pavilion. Two new park projects were started in fiscal year 2016 that will be completed in fiscal year 2017, the \$150,000 Pepper Rock Park parking lot and the \$360,000 Creekside pool building renovation.

The \$8 million Community Center expansion also was begun in May 2016 with final completion expected by May 2017.

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

**Long-term Debt Activity:**

	<u>2016</u>	<u>2015</u>
District-wide:		
Series 2005 Bonds	\$ 1,165,000	\$ 1,165,000
Series 2007 Bonds	-	325,000
Series 2009 Refunding Bonds	2,135,000	2,640,000
Series 2010 Refunding Bonds	11,125,000	12,210,000
Series 2011 Refunding Bonds	2,060,000	2,065,000
Series 2012 Refunding	8,620,000	8,895,000
Series 2013 Refunding	6,040,000	6,055,000
Series 2015 Refunding	3,585,000	3,625,000
Series 2016 Revenue Note	6,605,000	-
	<hr/>	<hr/>
Total District-wide	41,335,000	36,980,000
 Defined Area:		
Series 2008 Bonds	-	70,000
Series 2009 Bonds	290,000	355,000
Series 2011 Bonds	2,105,000	2,170,000
Series 2013 Bonds	3,255,000	3,340,000
Series 2015 Bonds	3,450,000	3,530,000
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Total Defined Area	9,100,000	9,465,000
	<hr/>	<hr/>
Total	\$ 50,435,000	\$ 46,445,000
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**District-wide:**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2017	\$ 2,580,000	\$ 1,375,435	\$ 3,955,435
2018	2,665,000	1,292,679	3,957,679
2019	2,765,000	1,206,669	3,971,669
2020	2,870,000	1,115,928	3,985,928
2021	3,060,000	1,015,249	4,075,249
2022-2026	17,170,000	3,414,213	20,584,213
2027-2031	9,885,000	682,247	10,567,247
2032-2033	340,000	19,312	359,312
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Total	\$ 41,335,000	\$ 10,121,732	\$ 51,456,732
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**Defined Area:**

Fiscal Year	Principal	Interest	Total Requirement
2017	\$ 325,000	\$ 362,119	\$ 687,119
2018	345,000	351,939	696,939
2019	350,000	340,488	690,488
2020	370,000	328,776	698,776
2021	300,000	316,276	616,276
2022-2026	1,730,000	1,416,774	3,146,774
2027-2031	2,115,000	1,053,115	3,168,115
2032-2036	2,470,000	524,310	2,994,310
2037-2039	1,095,000	82,873	1,177,873
Total	<u>\$ 9,100,000</u>	<u>\$ 4,776,670</u>	<u>\$ 13,876,670</u>

The District owes approximately \$50.4 million to bond holders. Overall, the principal balance of outstanding bonds increased by \$3.9 million during the year. More detailed information about the District's long-term debt is presented in the *Notes to Basic Financial Statements*.

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

The District-wide 2016 tax rate has been set at \$0.465 per \$100 of assessed valuation. The Sendero Springs/Cornerstone Defined Area has set a 2016 tax rate of \$0.225 per \$100 of assessed valuation. The adopted budget for 2017 projects the General Fund balance will increase by approximately \$796,000.

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.

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## **BASIC FINANCIAL STATEMENTS**

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUNDS BALANCE SHEET  
SEPTEMBER 30, 2016**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Net Position
<b>ASSETS</b>						
Cash and cash equivalents	\$ 848,369	\$ 275,596	\$ -	\$ 1,123,965	\$ -	\$ 1,123,965
Investments	13,784,316	4,750,572	7,678,311	26,213,199	-	26,213,199
Receivables						
Service accounts, net	665,007	-	-	665,007	-	665,007
Taxes	20,532	20,570	-	41,102	-	41,102
Other	25,649	-	-	25,649	-	25,649
Due from other funds	825,132	-	153,081	978,213	(978,213)	-
Other assets	568	-	-	568	-	568
Prepaid items	47,842	3,969	253	52,064	-	52,064
Investments held for customer deposits	652,190	-	-	652,190	-	652,190
Net pension asset	-	-	-	-	69,741	69,741
Capital assets (net of accumulated depreciation)						
Land	-	-	-	-	3,211,879	3,211,879
Construction in progress	-	-	-	-	4,317,968	4,317,968
Easements and rights-of-way	-	-	-	-	629,765	629,765
Water, wastewater and drainage systems	-	-	-	-	37,135,537	37,135,537
Building and improvements	-	-	-	-	2,446,995	2,446,995
Furniture and equipment	-	-	-	-	445,121	445,121
Park and recreational facilities	-	-	-	-	3,994,055	3,994,055
Automobiles and trucks	-	-	-	-	272,570	272,570
<b>Total assets</b>	<b>16,869,605</b>	<b>5,050,707</b>	<b>7,831,645</b>	<b>29,751,957</b>	<b>51,545,418</b>	<b>81,297,375</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred charges on bond refundings	-	-	-	-	172,969	172,969
Pension	-	-	-	-	441,743	441,743
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>614,712</b>	<b>614,712</b>

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

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Net Position
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable	\$ 951,823	\$ -	\$ -	\$ 951,823	\$ -	\$ 951,823
Customer deposits	674,378	-	-	674,378	-	674,378
Other liabilities	102,604	-	-	102,604	-	102,604
Due to other funds	-	580,182	398,031	978,213	(978,213)	-
Unearned revenue	82,681	-	-	82,681	-	82,681
Bonds interest payable	-	-	-	-	726,250	726,250
Bonds payable	-	-	-	-	2,905,000	2,905,000
Accrued vacation payable	-	-	-	-	56,691	56,691
Retainage payable	140,834	-	88,036	228,870	-	228,870
Noncurrent liabilities						
Bonds payable	-	-	-	-	48,799,935	48,799,935
<b>Total liabilities</b>	<b>1,952,320</b>	<b>580,182</b>	<b>486,067</b>	<b>3,018,569</b>	<b>51,509,663</b>	<b>54,528,232</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property taxes	20,532	20,570	-	41,102	(41,102)	-
Pension	-	-	-	-	89,080	89,080
<b>Total deferred inflows of resources</b>	<b>20,532</b>	<b>20,570</b>	<b>-</b>	<b>41,102</b>	<b>47,978</b>	<b>89,080</b>
<b>FUND BALANCES/NET POSITION</b>						
Fund balances						
Nonspendable-						
Prepaid items	47,842	3,969	253	52,064	(52,064)	-
Restricted for						
Debt service	-	4,445,986	-	4,445,986	(4,445,986)	-
Capital projects	-	-	7,345,325	7,345,325	(7,345,325)	-
Parks capital fees	1,159,620	-	-	1,159,620	(1,159,620)	-
Committed for repair and replacement of capital assets	4,865,888	-	-	4,865,888	(4,865,888)	-
Unassigned	8,823,403	-	-	8,823,403	(8,823,403)	-
<b>Total fund balances</b>	<b>14,896,753</b>	<b>4,449,955</b>	<b>7,345,578</b>	<b>26,692,286</b>	<b>(26,692,286)</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 16,869,605</b>	<b>\$ 5,050,707</b>	<b>\$ 7,831,645</b>	<b>\$ 29,751,957</b>		
<b>NET POSITION</b>						
Net investments in capital assets					5,965,625	5,965,625
Restricted for debt service					4,470,525	4,470,525
Restricted for parks capital fees					1,159,620	1,159,620
Unrestricted					15,699,005	15,699,005
<b>TOTAL NET POSITION</b>					<b>\$ 27,294,775</b>	<b>\$ 27,294,775</b>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED SEPTEMBER 30, 2016**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds	Adjustments (Note 2)	Statement of Activities
<b>REVENUES</b>						
Property taxes	\$ 4,523,775	\$ 3,938,204	\$ -	\$ 8,461,979	\$ (1,202)	\$ 8,460,777
Water and wastewater services	5,226,780	-	-	5,226,780	-	5,226,780
Garbage collection	1,345,290	-	-	1,345,290	-	1,345,290
Recreation center	1,339,152	-	-	1,339,152	-	1,339,152
Capital recovery fees	-	-	428,425	428,425	-	428,425
Park and recreation fees	166,991	-	-	166,991	-	166,991
Tap and other connection fees	131,136	-	-	131,136	-	131,136
Investment earnings	64,748	29,032	27,352	121,132	-	121,132
Inspection fees	77,282	-	-	77,282	-	77,282
Contributions	19,275	-	-	19,275	-	19,275
Other	153,096	-	-	153,096	-	153,096
<b>Total revenues</b>	<b>13,047,525</b>	<b>3,967,236</b>	<b>455,777</b>	<b>17,470,538</b>	<b>(1,202)</b>	<b>17,469,336</b>
<b>EXPENDITURES/EXPENSES</b>						
Service operations						
Salary and benefits	3,584,556	-	-	3,584,556	(17,863)	3,566,693
Water and wastewater purchases	1,653,106	-	-	1,653,106	-	1,653,106
Garbage fees	1,158,603	-	-	1,158,603	-	1,158,603
Repairs and maintenance	989,729	-	-	989,729	-	989,729
Administrative	887,623	-	-	887,623	-	887,623
Utilities	551,664	-	-	551,664	-	551,664
Contracted services	233,267	-	-	233,267	-	233,267
Other consulting	204,305	-	-	204,305	-	204,305
Legal fees	97,559	-	-	97,559	-	97,559
Insurance	75,943	-	-	75,943	-	75,943
Engineering fees	67,494	-	-	67,494	-	67,494
Tax appraisal/collection fees	-	62,624	-	62,624	-	62,624
Audit fees	38,000	-	-	38,000	-	38,000
Directors' fees	27,675	-	-	27,675	-	27,675
Security fees	10,063	-	-	10,063	-	10,063
Other	4,431	25	11	4,467	-	4,467
Capital outlay	3,025,806	-	2,200,914	5,226,720	(5,226,720)	-
Debt service						
Principal payments	335,000	2,615,000	-	2,950,000	(2,950,000)	-
Interest and fiscal charges	69,460	1,648,320	-	1,717,780	65,142	1,782,922
Bond issuance costs	-	9,453	6,940	16,393	-	16,393
Depreciation	-	-	-	-	2,159,234	2,159,234
<b>Total expenditures/expenses</b>	<b>13,014,284</b>	<b>4,335,422</b>	<b>2,207,865</b>	<b>19,557,571</b>	<b>(5,970,207)</b>	<b>13,587,364</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>33,241</b>	<b>(368,186)</b>	<b>(1,752,088)</b>	<b>(2,087,033)</b>	<b>5,969,005</b>	<b>3,881,972</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	158,505	-	158,505	(158,505)	-
Transfers out	-	-	(158,505)	(158,505)	158,505	-
Proceeds from sale of bonds	-	-	6,940,000	6,940,000	(6,940,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>158,505</b>	<b>6,781,495</b>	<b>6,940,000</b>	<b>(6,940,000)</b>	<b>-</b>
<b>CHANGE IN FUND BALANCES/ NET POSITION</b>	<b>33,241</b>	<b>(209,681)</b>	<b>5,029,407</b>	<b>4,852,967</b>	<b>(970,995)</b>	<b>3,881,972</b>
<b>FUND BALANCES/NET POSITION, beginning of year, as restated</b>	<b>14,863,512</b>	<b>4,659,636</b>	<b>2,316,171</b>	<b>21,839,319</b>	<b>1,573,484</b>	<b>23,412,803</b>
<b>FUND BALANCES/NET POSITION, end of year</b>	<b>\$ 14,896,753</b>	<b>\$ 4,449,955</b>	<b>\$ 7,345,578</b>	<b>\$ 26,692,286</b>	<b>\$ 602,489</b>	<b>\$ 27,294,775</b>

The Notes to Basic 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, 2016**

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
General revenues				
Property taxes, including penalties and interest	\$ 4,483,369	\$ 4,483,369	\$ 4,523,775	\$ 40,406
Investment earnings	30,000	30,000	64,748	34,748
Other	129,250	129,250	153,096	23,846
Water and wastewater services	4,987,563	4,987,563	5,226,780	239,217
Garbage collection	1,337,760	1,337,760	1,345,290	7,530
Inspection fees	54,660	54,660	77,282	22,622
Tap and other connection fees	85,400	85,400	131,136	45,736
Recreation center	1,290,682	1,298,682	1,339,152	40,470
Park and recreation fees	143,550	150,550	166,991	16,441
Capital recovery fees	-	-	-	-
Contributed capital assets	-	-	19,275	19,275
<b>Total revenues</b>	<b>12,542,234</b>	<b>12,557,234</b>	<b>13,047,525</b>	<b>490,291</b>
<b>EXPENDITURES</b>				
Service operations				
Salary and benefits	3,644,384	3,719,584	3,584,556	135,028
Water and wastewater purchases	1,603,243	1,603,243	1,653,106	(49,863)
Garbage fees	1,156,004	1,156,004	1,158,603	(2,599)
Repairs and maintenance	1,204,249	1,242,349	989,729	252,620
Administrative	1,820,544	1,573,088	887,623	685,465
Utilities	638,178	623,178	551,664	71,514
Contracted services	227,400	222,400	233,267	(10,867)
Other consulting	37,065	37,065	204,305	(167,240)
Legal fees	125,600	125,600	97,559	28,041
Insurance	60,250	60,250	75,943	(15,693)
Engineering fees	55,000	77,000	67,494	9,506
Audit fees	44,000	44,000	38,000	6,000
Directors' fees	-	-	27,675	(27,675)
Security fees	23,000	23,000	10,063	12,937
Other	7,500	7,500	4,431	3,069
Capital outlay	923,000	1,073,156	3,025,806	(1,952,650)
Debt service				
Principal payments	-	-	335,000	(335,000)
Interest and fiscal charges	591,818	591,818	69,460	522,358
<b>Total expenditures</b>	<b>12,161,235</b>	<b>12,179,235</b>	<b>13,014,284</b>	<b>(835,049)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>380,999</b>	<b>377,999</b>	<b>33,241</b>	<b>(344,758)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	381,000	378,000	-	(378,000)
<b>Total other financing sources</b>	<b>381,000</b>	<b>378,000</b>	<b>-</b>	<b>(378,000)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>761,999</b>	<b>755,999</b>	<b>33,241</b>	<b>(722,758)</b>
<b>FUND BALANCE, beginning of year</b>	<b>14,863,512</b>	<b>14,863,512</b>	<b>14,863,512</b>	<b>-</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 15,625,511</b>	<b>\$ 15,619,511</b>	<b>\$ 14,896,753</b>	<b>\$ (722,758)</b>

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

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 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 District, as a reporting entity, 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). In addition, there are no component units included in the District's reporting entity.

**Government-wide and Fund Financial Statements**

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.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued**

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 60 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 60 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 accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**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 the 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, and records investments at either cost, amortized cost, or fair value. See Note 3.

**Accounts Receivable**

The District provides for uncollectible accounts receivable using the allowance method of accounting for bad debts. A provision for uncollectible accounts is charged to earnings, and 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, 2016 was \$114,496.

**Capital Assets**

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.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

**Capital Assets – Continued**

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	40 years
Buildings and improvements	10-40 years
Water, wastewater and drainage systems	7- 50 years
Park and recreational facilities	10-22 years
Furniture and equipment	6-10 years
Automobiles and trucks	5 years

**Long-term Debt**

Long-term debt and other long-term obligations are reported as liabilities in the 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.

**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.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

**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, 2016 was \$56,691.

**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 participates in an agent multiple-employer defined benefit pension plan. 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 TCDRS'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.

**Fund Balance**

GAAP 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.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

*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.

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.

**Deferred Outflows and Inflows of Resources**

The District reports 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 reports deferred outflows of resources on the statement of net position related to deferred charges on the issuance of refunding bonds and pension items, reports deferred inflows of resources on the governmental funds balance sheet related to property tax receivables not expected to be currently available, and deferred inflows of resources on the statement of net position related to pension items.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 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	\$	26,692,286
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net of accumulated depreciation		52,453,890
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the funds.		
		41,102
The following pension related amounts are not recorded in the governmental funds		
Pension contributions after measurement date		107,659
Pension investment earnings over expectation		314,026
Pension assumption changes or inputs		20,058
Pension actuarial gains		(89,080)
Net pension asset		69,741
The following liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued vacation payable		(56,691)
Bonds payable, including premiums		(51,752,224)
Issuance discounts		47,289
Deferred charge on bond refundings		172,969
Bond interest payable		(726,250)
		(726,250)
Total net position	\$	27,294,775

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS – CONTINUED**

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	\$ 4,852,967
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	5,226,720
Depreciation	(2,159,234)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Change in deferred tax revenue	(1,202)
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	(6,940,000)
Repayment of bond principal	2,950,000
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in accrued vacation	(8,626)
Amortization of bond premium	125,835
Amortization of bond issuance discounts	(2,902)
Amortization of deferred charges on refunding	(10,867)
Change in bond interest payable	(177,208)
Current year pension expense	26,489
Change in net position	\$ 3,881,972

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 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, 2016, the District's cash balance deposited in banks totaled \$6,376,686 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.

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP, which provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS – CONTINUED**

The District has recurring fair value measurements as presented in the table below. The District's investment balances and weighted average maturity of such investments are as follows:

	Net Asset Value, Cost or Amortized Cost	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Money market</b>					
Austin Capital	\$ 248,707	\$ -	\$ -	\$ -	\$ 248,707
Business Bank of Texas	652,896	-	-	-	652,896
Hillcrest	1,040,553	-	-	-	1,040,553
	<u>1,942,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,942,156</u>
<b>Certificates of deposit</b>					
Texas Security	250,899	-	-	-	250,899
East West	2,032,866	-	-	-	2,032,866
Texas Citizens	248,704	-	-	-	248,704
	<u>2,532,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,532,469</u>
<b>Investment pools</b>					
TexPool (amortized cost)	772,727	-	-	-	772,727
LOGIC (net asset value)	4,124,194	-	-	-	4,124,194
	<u>4,896,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,896,921</u>
Commercial Paper	-	3,593,970	-	-	3,593,970
Municipal bonds	-	-	2,605,670	-	2,605,670
U.S. government agency securities	-	-	10,794,548	-	10,794,548
Treasury coupon	-	499,655	-	-	499,655
	<u>-</u>	<u>499,655</u>	<u>-</u>	<u>-</u>	<u>499,655</u>
<b>Total investments</b>	<u>\$ 9,371,546</u>	<u>\$ 4,093,625</u>	<u>\$ 13,400,218</u>	<u>\$ -</u>	<u>\$ 26,865,389</u>

*Investment Pools* are measured at amortized cost and are exempt for fair value reporting.

*U.S. Government Agency Securities and Municipal Bonds* classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*U.S. Treasury Bonds* classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

*Commercial Paper* classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS – CONTINUED**

At September 30, 2016, the investment portfolio weighted averages maturity was 125 days. The Texpool investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. Texpool, has a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

The LOGIC investment pools are external investment pools measured at their net asset value. LOGIC's strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pools. LOGIC have a redemption notice period of one day and may redeem daily. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

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, 2016, 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. At September 30, 2016, the District had 30% of its investment portfolio invested with three separate issuers.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS – CONTINUED**

**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.

**NOTE 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, 2016, is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital projects	\$ 398,031
General	Debt Service	427,101
Capital projects	Debt Service	153,081
Total		\$ 978,213

During the year, the Capital Projects Fund transferred \$158,505 to the Debt Service Fund to pay toward the debt associated with the long-term water project.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 5. CAPITAL ASSETS**

Capital assets activity for the year ended September 30, 2016 was as follows:

	Balance September 30, 2015	Additions	Retirements and Transfers	Balance September 30, 2016
Capital assets, not being depreciated				
Land	\$ 3,211,879	\$ -	\$ -	\$ 3,211,879
Construction in process	2,560,405	2,640,953	(883,390)	4,317,968
<b>Total capital assets, not being depreciated</b>	<b>5,772,284</b>	<b>2,640,953</b>	<b>(883,390)</b>	<b>7,529,847</b>
Capital assets, being depreciated				
Water, wastewater and drainage systems	82,914,546	1,776,215	(1,478,457)	83,212,304
Easements and rights-of-way	901,890	-	-	901,890
Buildings and improvements	4,284,292	31,978	(30,000)	4,286,270
Furniture and equipment	404,370	330,024	(48,238)	686,156
Park and recreational facilities	6,176,088	274,380	854,202	7,304,670
Automobiles and trucks	315,258	173,170	-	488,428
<b>Total capital assets being depreciated</b>	<b>94,996,444</b>	<b>2,585,767</b>	<b>(702,493)</b>	<b>96,879,718</b>
Less accumulated depreciation for				
Water, wastewater and drainage systems	(45,935,996)	(1,640,771.00)	1,500,000	(46,076,767)
Easements and rights-of-way	(258,965)	(13,160.00)	-	(272,125)
Buildings and improvements	(1,790,033)	(79,242.00)	30,000	(1,839,275)
Furniture and equipment	(219,543)	(69,731.00)	48,239	(241,035)
Park and recreational facilities	(3,011,850)	(306,409.00)	7,644	(3,310,615)
Automobiles and trucks	(165,937)	(49,921.00)	-	(215,858)
<b>Total accumulated depreciation</b>	<b>(51,382,324)</b>	<b>(2,159,234)</b>	<b>1,585,883</b>	<b>(51,955,675)</b>
<b>Total capital assets, being depreciated, net</b>	<b>43,614,120</b>	<b>426,533</b>	<b>883,390</b>	<b>44,924,043</b>
<b>Capital assets, net</b>	<b>\$ 49,386,404</b>	<b>\$ 3,067,486</b>	<b>\$ -</b>	<b>\$ 52,453,890</b>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6. LONG-TERM DEBT**

The following is a summary of changes in long-term debt for the year ended September 30, 2016:

	Balance September 30, 2015	Additions	Retirements	Balance September 30, 2016
Bonds payable	\$ 46,445,000	\$ 6,605,000	\$ (2,615,000)	\$ 50,435,000
Premiums on refundings	1,443,059	-	(125,835)	1,317,224
Issuance discounts on bonds	(50,191)	-	2,902	(47,289)
<b>Total</b>	<b>\$ 47,837,868</b>	<b>\$ 6,605,000</b>	<b>\$ (2,737,933)</b>	<b>\$ 51,704,935</b>

Bonds payable at September 30, 2016, is comprised of the following:

	Balance 9/30/2016	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	\$ -
\$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.	290,000	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.	2,135,000	535,000
\$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.	11,125,000	1,130,000

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6. LONG-TERM DEBT – CONTINUED**

<p>\$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.</p>	\$ 2,105,000	\$ 75,000
<p>\$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.</p>	2,060,000	5,000
<p>\$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.</p>	8,620,000	390,000
<p>\$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.</p>	6,040,000	15,000
<p>\$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.</p>	3,255,000	90,000
<p>\$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.</p>	3,585,000	110,000
<p>\$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.</p>	3,450,000	95,000
<p>\$6,605,000 Series 2016 Term Note (Community Center) is due in annual installments of \$335,000 to \$555,000 through June 1, 2030. Interest is 2.63% and is payable June 1 and December 1 each year.</p>	6,605,000	395,000
<p>Total long-term debt</p>	<u>\$ 50,435,000</u>	<u>\$ 2,905,000</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 6. LONG-TERM DEBT – CONTINUED**

Debt service requirements to maturity for District's long-term debt are summarized as follows for the years ending September 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2017	\$ 2,905,000	\$ 1,737,554	\$ 4,642,554
2018	3,010,000	1,644,618	4,654,618
2019	3,115,000	1,547,157	4,662,157
2020	3,240,000	1,444,704	4,684,704
2021	3,360,000	1,331,525	4,691,525
2022 - 2026	18,900,000	4,830,987	23,730,987
2027 - 2031	12,000,000	1,735,365	13,735,365
2032 - 2036	2,810,000	543,624	3,353,624
2037 - 2039	1,095,000	82,868	1,177,868
<b>Total</b>	<b><u>\$ 50,435,000</u></b>	<b><u>\$ 14,898,402</u></b>	<b><u>\$ 65,333,402</u></b>

The District bonds are secured 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.

The District entered into a \$6,940,000 Waterworks and Sewer System Revenue Note, Series 2016 to fund future District capital projects related to the expansion of the community center on January 1, 2016. The loan has an interest rate of 2.63% due on June 1 and December 31 with an original term of 14 years. Principal payments ranging from \$335,000 to \$555,000 are payable on June 1 of each year.

At September 30, 2016, unlimited tax bonds of \$12,815,000 were authorized by the District but unissued, of which \$10,715,000 is for improvements to the Defined Area water, wastewater, and drainage systems, and \$2,100,000 is for improvements to District-wide water systems.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 7. 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. 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 \$0.4700 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 \$0.2700 per \$100 assessed valuation. The total 2015 tax levy was \$8,448,244 based on a District-wide taxable valuation, which includes the Sendero Springs/Cornerstone Defined Area additional levy of \$849,745.

**NOTE 8. 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 \$428,425 for the year ended September 30, 2016 and are within the Capital Projects Fund.

**NOTE 9. FUND BALANCES**

The Board committed \$4,865,888 of General Fund balance to pay for future repairs, replacements and purchases of capital. The amounts committed for funding capital projects as of September 30, 2016 are:

Utility equipment replacement	\$	164,304
Replacement of water facility membranes		1,075,000
Community center equipment replacement		43,325
Park master plan projects		1,082,969
BRA water line reserves		131,270
Regional waste water improvements		379,379
Pepper Rock Park parking		140,000
Maintenance yard engineering		260,000
Trail washouts		325,000
Little Village drainage		25,000
Ground Well #6		146,000
Community Center HVAC condenser		60,000
Drainage improvements		150,000
Lift station improvements		100,000
Community center expansion engineering		403,641
Creekside pool renovation and deck replacement		380,000
Total committed fund balance	<u>\$</u>	<u>4,865,888</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 10. 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.

**NOTE 11. DEFINED BENEFIT PENSION PLANS**

**Plan Description**

The District provides retirement, disability, and death benefits for all of its non-temporary full-time employees through an agent multiple-employer 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.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 11. DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Plan Description – Continued**

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 eight 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, 2015 was as follows:

Retirees and beneficiaries currently receiving benefits	6
Terminated employees entitled to but not yet receiving benefits	234
Active plan members	78
	78
Total	318
	318

**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 5.79% 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 December 31, 2015 equaled \$140,561.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 11. DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Net Pension Liability**

Actuarial Assumptions

The District's net pension liability was measured as of December 31, 2015 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, 2015 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	Entry Age
Amortization method	Level percentage of payroll, closed
Amortization period	Straight-lined amortization over expected working life
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Inflation	3.00%
Salary Increases	2.00%
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.
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 projection with 110% of the MP-2014 Ultimate scale.
Service retirees, beneficiaries and non-depositing members	The RP-2000 Combined Mortality Table projection scale with 110% of the MP-2014 Ultimate scale, 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 projected with 110% of the MP-2014 Ultimate scale.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 11. DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Net Pension Liability – Continued**

The actuarial assumptions that determined the total pension liability as of December 31, 2015 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 GAAP.

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 2016 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)	Rate of Return (Expected minus Inflation) (b)
US Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index ( c)	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities			
Developed	MSCI World Ex USA (net)	10.00%	5.45%
International Equities			
Emerging	MSCI World Ex USA (net)	8.00%	6.45%
Investment-Grade			
Bonds	Barclays Capital Aggregate Bond Index	3.00%	1.00%
High-yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	3.00%	4.00%
Master Limited Partnerships (MLPs)	Alerian MLP Index	3.00%	6.80%
Private Real Estate			
Partnerships	PartnershipsCambridge Associates Real Estate Index (d)	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%

(a) Target asset allocation adopted at the April 2016 TCDRS Board meeting.

(b) Geometric real rates of return in addition to assumed inflation of 1.6%, per Cliffwater's 2016 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.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 11. DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Net Pension Liability – Continued**

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, 2015 are as follows:

	Total Pension Liability (a)	Increase (Decrease) Fiduciary Net Position (b)	Net Pension (Asset) Liability (a) - (b)
Balance as of December 31, 2014	\$ 3,159,062	\$ 3,400,390	\$ (241,328)
Changes for the year			
Service cost	267,011	-	267,011
Interest on total pension liability (1)	263,305	-	263,305
Effect of plan changes (2)	(55,460)	-	(55,460)
Effect of economic/demographic gains or losses	(120,517)	-	(120,517)
Effect of assumptions changes or inputs	30,086	-	30,086
Refund of contributions	(26,235)	(26,235)	-
Benefit payments	(28,537)	(28,537)	-
Administrative expenses	-	(2,516)	2,516
Member contributions	-	138,711	(138,711)
Net investment income	-	(66,405)	66,405
Employer contributions	-	140,561	(140,561)
Other (3)	-	2,487	(2,487)
Balance as of December 31, 2015	<u>\$ 3,488,715</u>	<u>\$ 3,558,456</u>	<u>\$ (69,741)</u>

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

(2) Reflects new annuity purchase rates applicable to all TCDRS employers effective January 1, 2018.

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

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 11. DEFINED BENEFIT PENSION PLANS – CONTINUED**

**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 one percentage point lower (7.10%) or one percentage point higher (9.10%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 4,049,961	\$ 3,488,715	\$ 3,037,709
Fiduciary net position	<u>3,558,456</u>	<u>3,558,456</u>	<u>3,558,456</u>
Net pension liability (asset)	<u>\$ 491,505</u>	<u>\$ (69,741)</u>	<u>\$ (520,747)</u>

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

For the year ended September 30, 2016, the District recognized pension benefit of \$26,489. As of September 30, 2016, the deferred outflows and inflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 89,080	\$ -
Changes in assumptions	-	20,058
Net difference between projected and actual earnings	-	314,026
Contributions made subsequent to measurement date	<u>-</u>	<u>107,659</u>
Total	<u>\$ 89,080</u>	<u>\$ 441,743</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS**

**NOTE 11. DEFINED BENEFIT PENSION PLANS – CONTINUED**

**Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources – Continued**

The \$107,659 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, 2017. The remaining amounts currently reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended September 30,</u>	<u>Pension Expense Amount</u>
2017	\$ 42,245
2018	50,981
2019	81,124
2020	<u>70,654</u>
	<u><u>\$ 245,004</u></u>

**NOTE 12. 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, 2016, 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.

**NOTE 13. PRIOR PERIOD ADJUSTMENT**

During the year ended September 30, 2016, management determined that the actuarial report provided to them related to their participation in a defined benefit plan was retracted, and reissued. As a result, management determined that instead of recognizing a net pension liability at September 30, 2015, they should have recognized a net pension asset. The net impact on net position at September 30, 2015 was \$574,506. Accordingly, management has restated beginning net position as of September 30, 2015 to correct this error.

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**TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
SUPPLEMENTARY INFORMATION**

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
 SUPPLEMENTAL SCHEDULES REQUIRED BY  
 TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
 YEAR ENDED SEPTEMBER 30, 2016**

SCHEDULE INCLUDED		
YES	NO	
<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 Expenses - 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, 2016**

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 10 to Basic Financial Statements.
  
- (C)    Pension Coverage  
      See Note 11 to Basic Financial Statements.
  
- (D)    Pledge of Revenues  
      See Note 6 to Basic Financial Statements.
  
- (E)    Compliance with Debt Service Requirements  
      See Note 6 to Basic Financial Statements.
  
- (F)    Redemption of Bonds  
      See Note 6 to Basic Financial Statements.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
TSI-1 SCHEDULE OF SERVICES AND RATES  
YEAR ENDED SEPTEMBER 30, 2016**

**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
<input type="checkbox"/>	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
<input type="checkbox"/>	Other (specify): <u>N/A</u>				

**2. Retail Service Providers:**

**a. Retail Rates Based on 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 Usage</u>	<u>Usage Levels</u>
In- District					
Water	<u>\$ 14.00</u>	<u>-</u>	<u>Y</u>	<u>\$ 2.10</u>	<u>October to May</u>
				<u>\$ 2.75</u>	<u>June to September</u>
Out-of-District					
Water	<u>\$ 37.42</u>	<u>-</u>	<u>Y</u>	<u>\$ 2.10</u>	<u>October to May</u>
				<u>\$ 2.75</u>	<u>June to September</u>
In- District Wastewater	<u>\$ 6.00</u>	<u>-</u>	<u>N</u>	<u>\$ 2.70</u>	<u>Per 1,000</u>
Out-of-District Wastewater	<u>\$ 12.00</u>	<u>-</u>	<u>N</u>	<u>\$ 10.80</u>	<u>Per 1,000</u>
Surcharge	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

District employs winter averaging for wastewater usage?      Yes       No

Total charges per 10,000 gallons usage:

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



**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
TSI-1 SCHEDULE OF SERVICES AND RATES (CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2016**

**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 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

ETJs 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, 2016**

Salary and benefits	\$ 3,584,556
Professional fees	
Auditing	38,000
Legal	97,559
Engineering	67,494
Financial advisor	-
Purchased services for resale-	
Bulk water and wastewater service purchases	1,653,106
Contracted services	
Bookkeeping	-
Utility manager	-
Appraisal district/tax collector	-
Other contracted services	233,267
Utilities	551,664
Repairs and maintenance	989,729
Administrative expenditures	
Directors' fees	27,675
Office supplies	17,107
Insurance	75,943
Other administrative expenses	844,288
Capital outlay	
Capitalized assets	3,025,806
Expenditures not capitalized	-
Tap connection expenditures	26,228
Solid waste disposal	1,158,603
Fire fighting	-
Parks and recreation (a)	-
Other expenditures	623,259
	<hr/>
TOTAL EXPENDITURES	<u><u>\$ 13,014,284</u></u>

Number of persons employed by the District: 69 Full-time 78 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, 2016, parks and recreation expenditures were \$3,858,196.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
TSI-3 SCHEDULE OF TEMPORARY INVESTMENTS  
YEAR ENDED SEPTEMBER 30, 2016**

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2016	Accrued Interest Receivable at September 30, 2016
<u>General Fund</u>					
Investment in LOGIC	2006801002	Variable	N/A	\$ 32,180	\$ -
Investment in LOGIC	2006801003	Variable	N/A	641,847	-
Investment in TexPool	2461600001	Variable	N/A	17,773	-
Investment in TexPool	2461600008	Variable	N/A	539,394	-
Certificate of deposit in TX Security	10344	0.50%	10/22/2016	250,899	-
Certificate of deposit in East West Bank	01-72357047	0.70%	4/12/2017	2,032,866	-
Certificate of deposit in Texas Citizens Bank	8029282	0.50%	9/24/2017	248,704	-
Money Market Fund - Austin Capital Bank	5003176	0.70%	N/A	248,707	-
Money Market Fund - Business Bank of Texas	4001901	0.31%	N/A	652,896	-
Money Market Fund - Hillcrest Bank	20115746	0.05%	N/A	1,040,553	-
Municipal Bonds	565216MG0	1.50%	3/30/2017	1,220,010	-
Municipal Bonds	587845HC5	3.00%	11/1/2016	605,670	-
Treasury Coupon	912828WA4	0.63%	10/15/2016	499,655	-
US Agencies	3133EFLN5	0.45%	11/28/2016	1,000,000	-
US Agencies	3130A2A63	0.63%	3/20/2017	1,003,902	-
US Agencies	3134G8WW5	0.85%	10/27/2017	400,000	-
US Agencies	3134G8NM7	0.85%	9/29/2017	500,000	-
US Agencies	3135G0ZB2	0.75%	4/20/2017	2,001,450	-
US Agencies	3134G76UO	0.75%	10/27/2017	1,500,000	-
Totals				14,436,506	-
<u>Debt Service Fund</u>					
Investment in LOGIC	2006801001	Variable	N/A	387,646	-
Investment in LOGIC	2006801013	Variable	N/A	525,929	-
Investment in TexPool	2461600004	Variable	N/A	47,801	-
US Agencies	3130A2A63	0.63%	3/20/2017	3,789,196	-
Totals				4,750,572	-
<u>Capital Projects Fund</u>					
Investment in LOGIC	2006801009	Variable	N/A	293,882	-
Investment in LOGIC	2006801014	Variable	N/A	1,622,700	-
Investment in TexPool	2461600007	Variable	N/A	167,759	-
Comercial Paper	27873JK61	0.67%	10/6/2016	3,593,970	-
Municipal Bonds	63165TPL3	1.13%	12/15/2016	1,000,000	-
US Agencies	3134G8NM7	0.85%	9/29/2017	1,000,000	-
Totals				7,678,311	-
TOTAL ALL FUNDS				\$ 26,865,389	\$ -

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
TSI-4 ANALYSIS OF TAXES LEVIED AND RECEIVABLE  
YEAR ENDED SEPTEMBER 30, 2016**

	Maintenance Taxes	Debt Service Taxes		
TAXES RECEIVABLE, SEPTEMBER 30, 2015	\$ 19,751	\$ 22,553		
2015 Tax Roll	4,520,807	3,067,691		
Adjustments	(802)	(754)		
Total to be accounted for	<u>4,539,756</u>	<u>3,089,490</u>		
Tax collections:				
Current year	4,515,863	3,065,800		
Prior years	3,362	3,119		
Total collections	<u>4,519,225</u>	<u>3,068,920</u>		
TAXES RECEIVABLE, SEPTEMBER 30, 2016	<u>\$ 20,532</u>	<u>\$ 20,570</u>		
TAXES RECEIVABLE, BY YEARS:				
2015	\$ 5,317	\$ 2,424		
2014	5,311	4,886		
2013	3,501	3,501		
2012	1,613	2,340		
2011 and prior	4,790	7,419		
TAXES RECEIVABLE, SEPTEMBER 30, 2016	<u>\$ 20,532</u>	<u>\$ 20,570</u>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
PROPERTY VALUATIONS-				
Net assessed property valuation:				
District-wide	\$ 1,614,574,091	\$ 1,492,797,990	\$ 1,278,996,832	\$ 1,193,911,500
Defined Area	321,159,259	267,853,303	205,471,258	171,587,825
TAX RATES PER \$100 VALUATION:				
Debt service tax rates	0.2800	0.2500	0.2500	0.2500
Maintenance tax rates	<u>0.1900</u>	<u>0.2300</u>	<u>0.2500</u>	<u>0.2500</u>
District-wide	0.4700	0.4800	0.500	0.500
Defined Area	<u>0.2700</u>	<u>0.3500</u>	<u>0.3600</u>	<u>0.3600</u>
ORIGINAL TAX LEVY	<u>\$ 8,448,244</u>	<u>\$ 7,930,625</u>	<u>\$ 7,141,445</u>	<u>\$ 6,611,512</u>
PERCENT OF TAXES COLLECTED TO TAXES LEVIED	<u>99.8%</u>	<u>99.8%</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, 2016**

Due During Fiscal Years Ending September 30,	Unlimited Tax Series 2005			Unlimited Tax Defined Area Series 2009			Unlimited Tax Refunding Series 2009		
	Principal Due June 1	Interest Due June 1 and December 1	Total	Principal Due June 1	Interest Due June 1 and December 1	Total	Principal Due June 1	Interest Due June 1 and December 1	Total
	2017	\$ -	\$ 34,950	\$ 34,950	\$ 65,000	\$ 14,656	\$ 79,656	\$ 535,000	\$ 94,169
2018	-	34,950	34,950	70,000	11,813	81,813	195,000	70,094	265,094
2019	570,000	34,950	604,950	75,000	8,137	83,137	210,000	61,319	271,319
2020	595,000	17,850	612,850	80,000	4,200	84,200	215,000	51,869	266,869
2021	-	-	-	-	-	-	230,000	43,269	273,269
2022	-	-	-	-	-	-	240,000	33,781	273,781
2023	-	-	-	-	-	-	245,000	23,281	268,281
2024	-	-	-	-	-	-	265,000	12,256	277,256
2025	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-
	<u>\$ 1,165,000</u>	<u>\$ 122,700</u>	<u>\$ 1,287,700</u>	<u>\$ 290,000</u>	<u>\$ 38,806</u>	<u>\$ 328,806</u>	<u>\$ 2,135,000</u>	<u>\$ 390,038</u>	<u>\$ 2,525,038</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**  
**TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (CONTINUED)**  
**SEPTEMBER 30, 2016**

Due During Fiscal Years Ending September 30,	Unlimited Tax Refunding Series 2010			Defined Area Unlimited Tax Series 2011			Unlimited Tax Refunding Series 2011		
	Principal Due June 1	Interest Due June 1 and December 1	Total	Principal Due June 1	Interest Due June 1 and December 1	Total	Principal Due June 1	Interest Due June 1 and December 1	Total
	2017	\$ 1,130,000	\$ 421,775	\$ 1,551,775	\$ 75,000	\$ 95,837	\$ 170,837	\$ 5,000	\$ 79,104
2018	1,170,000	387,875	1,557,875	80,000	92,650	172,650	10,000	78,912	88,912
2019	1,215,000	346,925	1,561,925	80,000	89,250	169,250	175,000	78,528	253,528
2020	1,270,000	304,400	1,574,400	85,000	85,850	170,850	175,000	71,808	246,808
2021	1,320,000	253,600	1,573,600	85,000	82,450	167,450	185,000	65,088	250,088
2022	1,375,000	200,800	1,575,800	90,000	79,050	169,050	190,000	57,984	247,984
2023	1,430,000	145,800	1,575,800	95,000	75,450	170,450	200,000	50,688	250,688
2024	-	88,600	88,600	100,000	71,650	171,650	205,000	43,008	248,008
2025	255,000	88,600	343,600	105,000	67,525	172,525	215,000	35,136	250,136
2026	1,960,000	78,400	2,038,400	110,000	63,194	173,194	225,000	26,880	251,880
2027	-	-	-	110,000	58,244	168,244	230,000	18,240	248,240
2028	-	-	-	115,000	53,294	168,294	245,000	9,408	254,408
2029	-	-	-	120,000	47,975	167,975	-	-	-
2030	-	-	-	125,000	42,425	167,425	-	-	-
2031	-	-	-	135,000	36,331	171,331	-	-	-
2032	-	-	-	290,000	29,750	319,750	-	-	-
2033	-	-	-	305,000	15,250	320,250	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-
	<u>\$ 11,125,000</u>	<u>\$ 2,316,775</u>	<u>\$ 13,441,775</u>	<u>\$ 2,105,000</u>	<u>\$ 1,086,175</u>	<u>\$ 3,191,175</u>	<u>\$ 2,060,000</u>	<u>\$ 614,784</u>	<u>\$ 2,674,784</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (CONTINUED)  
SEPTEMBER 30, 2016**

Due During Fiscal Years Ending September 30,	Unlimited Tax Refunding Series 2012			Unlimited Tax Refunding Series 2013			Defined Area Unlimited Tax Series 2013		
	Principal Due June 1	Interest Due June 1 and December 1	Total	Principal Due June 1	Interest Due June 1 and December 1	Total	Principal Due June 1	Interest Due June 1 and December 1	Total
	2017	\$ 390,000	\$ 258,600	\$ 648,600	\$ 15,000	\$ 198,675	\$ 213,675	\$ 90,000	\$ 141,170
2018	755,000	246,900	1,001,900	15,000	198,375	213,375	95,000	138,920	233,920
2019	40,000	224,250	264,250	15,000	198,075	213,075	95,000	136,545	231,545
2020	45,000	223,050	268,050	15,000	197,775	212,775	100,000	134,170	234,170
2021	660,000	221,700	881,700	15,000	197,475	212,475	105,000	131,370	236,370
2022	685,000	201,900	886,900	15,000	197,025	212,025	110,000	128,220	238,220
2023	710,000	181,350	891,350	15,000	196,575	211,575	115,000	124,645	239,645
2024	1,600,000	160,050	1,760,050	685,000	196,125	881,125	120,000	120,620	240,620
2025	730,000	112,050	842,050	1,635,000	175,575	1,810,575	125,000	115,820	240,820
2026	750,000	90,150	840,150	-	126,525	126,525	135,000	110,820	245,820
2027	1,110,000	67,650	1,177,650	1,775,000	126,525	1,901,525	140,000	104,880	244,880
2028	1,145,000	34,350	1,179,350	1,840,000	64,400	1,904,400	145,000	98,720	243,720
2029	-	-	-	-	-	-	150,000	92,340	242,340
2030	-	-	-	-	-	-	160,000	85,140	245,140
2031	-	-	-	-	-	-	165,000	77,460	242,460
2032	-	-	-	-	-	-	175,000	69,540	244,540
2033	-	-	-	-	-	-	180,000	61,140	241,140
2034	-	-	-	-	-	-	190,000	52,500	242,500
2035	-	-	-	-	-	-	200,000	43,000	243,000
2036	-	-	-	-	-	-	210,000	33,000	243,000
2037	-	-	-	-	-	-	220,000	22,500	242,500
2038	-	-	-	-	-	-	230,000	11,500	241,500
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-
	<u>\$ 8,620,000</u>	<u>\$ 2,022,000</u>	<u>\$ 10,642,000</u>	<u>\$ 6,040,000</u>	<u>\$ 2,073,125</u>	<u>\$ 8,113,125</u>	<u>\$ 3,255,000</u>	<u>\$ 2,034,020</u>	<u>\$ 5,289,020</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**  
**TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (CONTINUED)**  
**SEPTEMBER 30, 2016**

Due During Fiscal Years Ending September 30,	Defined Area Unlimited Tax Refunding Series 2015			Defined Area Unlimited Tax Series 2015			Utility System Revenue Note Series 2016		
	Principal Due June 1	Interest Due June 1 and December 1	Total	Principal Due June 1	Interest Due June 1 and December 1	Total	Principal Due June 1	Interest Due June 1 and December 1	Total
	2017	\$ 110,000	\$ 114,450	\$ 224,450	\$ 95,000	\$ 110,456	\$ 205,456	\$ 395,000	\$ 173,712
2018	115,000	112,250	227,250	100,000	108,556	208,556	405,000	163,323	568,323
2019	120,000	109,950	229,950	100,000	106,556	206,556	420,000	152,672	572,672
2020	125,000	107,550	232,550	105,000	104,556	209,556	430,000	141,626	571,626
2021	210,000	103,800	313,800	110,000	102,456	212,456	440,000	130,317	570,317
2022	220,000	97,500	317,500	115,000	99,156	214,156	450,000	118,745	568,745
2023	225,000	90,900	315,900	120,000	95,706	215,706	465,000	106,910	571,910
2024	230,000	84,150	314,150	125,000	92,106	217,106	475,000	94,680	569,680
2025	240,000	77,250	317,250	130,000	88,356	218,356	490,000	82,188	572,188
2026	245,000	70,050	315,050	135,000	84,456	219,456	500,000	69,301	569,301
2027	260,000	62,394	322,394	140,000	80,406	220,406	515,000	56,151	571,151
2028	270,000	53,944	323,944	145,000	76,206	221,206	525,000	42,606	567,606
2029	280,000	44,494	324,494	150,000	71,494	221,494	540,000	28,799	568,799
2030	295,000	34,694	329,694	155,000	66,619	221,619	555,000	14,592	569,592
2031	300,000	24,000	324,000	160,000	61,581	221,581	-	-	-
2032	165,000	12,750	177,750	170,000	56,381	226,381	-	-	-
2033	175,000	6,562	181,562	175,000	50,431	225,431	-	-	-
2034	-	-	-	185,000	44,306	229,306	-	-	-
2035	-	-	-	190,000	37,831	227,831	-	-	-
2036	-	-	-	200,000	31,181	231,181	-	-	-
2037	-	-	-	205,000	23,931	228,931	-	-	-
2038	-	-	-	215,000	16,500	231,500	-	-	-
2039	-	-	-	225,000	8,442	233,442	-	-	-
2040	-	-	-	-	-	-	-	-	-
	<u>\$ 3,585,000</u>	<u>\$ 1,206,688</u>	<u>\$ 4,791,688</u>	<u>\$ 3,450,000</u>	<u>\$ 1,617,669</u>	<u>\$ 5,067,669</u>	<u>\$ 6,605,000</u>	<u>\$ 1,375,622</u>	<u>\$ 7,980,622</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS BY YEARS (CONTINUED)  
SEPTEMBER 30, 2016**

Due During Fiscal Years Ending September 30,	Annual Requirements For All Series		
	Principal Due	Interest Due	Total
2017	\$ 2,905,000	\$ 1,737,554	\$ 4,642,554
2018	3,010,000	1,644,618	4,654,618
2019	3,115,000	1,547,157	4,662,157
2020	3,240,000	1,444,704	4,684,704
2021	3,360,000	1,331,525	4,691,525
2022	3,490,000	1,214,161	4,704,161
2023	3,620,000	1,091,305	4,711,305
2024	3,805,000	963,245	4,768,245
2025	3,925,000	842,500	4,767,500
2026	4,060,000	719,776	4,779,776
2027	4,280,000	574,490	4,854,490
2028	4,430,000	432,928	4,862,928
2029	1,240,000	285,102	1,525,102
2030	1,290,000	243,470	1,533,470
2031	760,000	199,372	959,372
2032	800,000	168,421	968,421
2033	835,000	133,383	968,383
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	8,442	233,442
2040	-	-	-
	<u>\$ 50,435,000</u>	<u>\$ 14,898,402</u>	<u>\$ 65,333,402</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
TSI-6 ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT  
SEPTEMBER 30, 2016**

	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 rates	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
Maturity dates	6/1/2020	6/1/2016	6/1/2016	6/1/2020	6/1/2024	6/1/2026	6/1/2033	6/1/2028	6/1/2028	6/1/2028	6/1/2038	6/1/2033	6/1/2039
Bonds outstanding, beginning 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
Bonds issued during current year	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonds retired during current year	-	(325,000)	(70,000)	(65,000)	(505,000)	(1,085,000)	(65,000)	(5,000)	(275,000)	(15,000)	(85,000)	(40,000)	(80,000)
Bonds outstanding, end of year	<u>\$ 1,165,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,000</u>	<u>\$ 2,135,000</u>	<u>\$ 11,125,000</u>	<u>\$ 2,105,000</u>	<u>\$ 2,060,000</u>	<u>\$ 8,620,000</u>	<u>\$ 6,040,000</u>	<u>\$ 3,255,000</u>	<u>\$ 3,585,000</u>	<u>\$ 3,450,000</u>
Interest paid during current year	<u>\$ 17,475</u>	<u>\$ 6,500</u>	<u>\$ 1,750</u>	<u>\$ 8,750</u>	<u>\$ 58,447</u>	<u>\$ 227,163</u>	<u>\$ 49,300</u>	<u>\$ 39,648</u>	<u>\$ 133,425</u>	<u>\$ 99,488</u>	<u>\$ 71,648</u>	<u>\$ 57,625</u>	<u>\$ 56,028</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
TSI-6 ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT (CONTINUED)  
SEPTEMBER 30, 2016**

	Grand Totals
	<u>                    </u>
Bonds outstanding, beginning of year	\$ 46,445,000
Bonds issued during current year	-
Bonds retired during current year	<u>(2,615,000)</u>
Bonds outstanding, end of year	<u>\$ 43,830,000</u>
Interest paid during current year	<u>\$ 827,245</u>

Paying agent's name and 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

	District Tax Bonds*	Defined Area Tax Bonds	Other Bonds	Refunding Bonds
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </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, 2016	<u>\$ 5,026,168</u>
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Average annual debt service payments (principal & interest) for remaining term of debt	<u>\$ 10,235,427</u>
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The residents of the District have approved the issuance of up to \$74,100,000 in bond principal payable in whole or part from taxes. To date, \$72,00,000 in bond principal has been issued and the District has remaining \$2,100,000 in authorized but unissued bonds to finance a water supply project to serve all the land within the District.

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
TSI-7 COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES –  
GENERAL FUND AND DEBT SERVICE FUND  
FIVE YEARS ENDED SEPTEMBER 30, 2016**

	Amounts					Percent of Fund Total Revenues				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
<b>GENERAL FUND</b>										
<b>REVENUES</b>										
Water and wastewater service	\$ 5,226,780	\$ 5,082,059	\$ 5,077,406	\$ 5,273,378	\$ 5,229,982	40.1%	42.4%	45.3%	46.2%	50.5%
Garbage collection	1,345,290	1,186,768	1,155,136	1,118,324	1,088,081	10.3%	9.9%	10.3%	9.8%	10.5%
Inspection fees	77,282	77,689	120,202	139,136	72,167	0.6%	0.6%	1.1%	1.2%	0.7%
Tap and other connection fees	131,136	214,462	175,272	200,641	137,749	1.0%	1.8%	1.6%	1.8%	1.3%
Recreation center	1,339,152	1,359,388	1,075,802	1,185,755	1,154,217	10.3%	11.3%	9.6%	10.4%	11.1%
Park and recreation fees	166,991	139,901	146,585	147,719	143,523	1.3%	1.2%	1.3%	1.3%	1.4%
Property taxes, including penalties and interest	4,523,775	3,653,155	3,203,128	2,992,389	2,352,012	34.7%	30.5%	28.6%	26.2%	22.7%
Investment earnings	64,748	38,318	26,043	54,225	30,230	0.5%	0.3%	0.2%	0.5%	0.3%
Other	153,096	233,971	231,349	312,922	155,295	1.2%	2.0%	2.1%	2.7%	1.5%
Contributed capital assets	19,275	-	-	-	-	0.1%	0.0%	0.0%	0.0%	0.0%
Bond issuance proceeds	-	-	-	-	-	-	-	-	-	-
<b>Total revenues and other sources</b>	<b>13,047,525</b>	<b>11,985,711</b>	<b>11,210,923</b>	<b>11,424,489</b>	<b>10,363,256</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>EXPENDITURES</b>										
<b>Current</b>										
Personnel (including benefits)	3,612,231	3,281,080	3,088,208	2,972,309	2,959,280	27.7%	27.4%	27.5%	26.0%	28.6%
Purchased services for resale	2,811,709	2,479,761	2,496,818	2,600,850	2,360,386	21.5%	20.7%	22.3%	22.8%	22.8%
Administrative	887,623	984,333	1,173,831	1,372,324	1,335,015	6.8%	8.2%	10.5%	12.0%	12.9%
Repairs and maintenance	989,729	907,746	656,193	722,269	553,151	7.6%	7.6%	5.9%	6.3%	5.3%
Utilities	551,664	571,664	589,144	606,394	590,411	4.2%	4.8%	5.3%	5.3%	5.7%
Professional services	497,795	376,133	452,731	479,589	496,149	3.8%	3.1%	4.0%	4.2%	4.8%
Contracted services	233,267	366,192	383,313	365,273	477,589	1.8%	3.1%	3.4%	3.2%	4.6%
Capital outlay	3,025,806	2,466,902	1,457,914	1,172,031	238,811	23.2%	20.6%	13.0%	10.3%	2.3%
Principal payments	335,000	374,934	85,731	80,728	92,175	2.6%	3.1%	0.8%	0.7%	0.9%
Interest and fiscal charges	69,460	25,943	25,080	32,252	31,711	0.5%	0.2%	0.2%	0.3%	0.3%
<b>Total expenditures</b>	<b>13,014,284</b>	<b>11,834,688</b>	<b>10,408,963</b>	<b>10,404,019</b>	<b>9,134,678</b>	<b>99.7%</b>	<b>98.7%</b>	<b>92.8%</b>	<b>91.1%</b>	<b>88.1%</b>
TRANSFERS IN (OUT)	-	180,400	49,998	115,218	(521,548)	0.0%	1.5%	0.4%	1.0%	-5.0%
PROCEEDS FROM CAPITAL LEASES	-	-	-	-	32,506	-	-	-	-	0.3%
PROCEEDS FROM INSURANCE	-	-	-	-	368,867	-	-	-	-	3.6%
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>\$ 33,241</b>	<b>\$ 331,423</b>	<b>\$ 851,958</b>	<b>\$ 1,135,688</b>	<b>\$ 1,108,403</b>	<b>0.3%</b>	<b>2.8%</b>	<b>7.6%</b>	<b>9.9%</b>	<b>10.7%</b>

**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, 2016**

	Amounts					Percent of Fund Total Revenues				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
<b>DEBT SERVICE FUND</b>										
<b>REVENUES</b>										
Property taxes, including penalties and interest	\$ 3,938,204	\$ 4,289,373	\$ 3,935,544	\$ 3,616,509	\$ 4,048,769	99.3%	53.2%	99.6%	18.0%	99.3%
Investment earnings	29,032	-	16,307	46,129	27,127	0.7%	0.0%	0.4%	0.2%	0.7%
Proceeds from the sale of capital assets	-	155,149	-	-	-	0.0%	1.9%	0.0%	0.0%	0.0%
Proceeds of refunding bonds	-	3,625,000	-	15,385,000	-	0.0%	44.9%	0.0%	76.5%	0.0%
Premium on refunding debt	-	-	-	1,075,145	-	0.0%	0.0%	0.0%	5.3%	0.0%
<b>Total revenues and other sources</b>	<b>3,967,236</b>	<b>8,069,522</b>	<b>3,951,851</b>	<b>20,122,783</b>	<b>4,075,896</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>EXPENDITURES</b>										
Principal payments	2,615,000	3,255,000	3,130,000	2,935,000	2670000	65.9%	40.3%	79.2%	14.6%	65.5%
Interest and fiscal charges	1,648,320	1,727,219	1,798,849	1,639,357	1,981,581	41.5%	21.4%	45.5%	8.1%	48.6%
Tax appraisal and collection	62,624	61,548	56,691	53,241	53,368	1.6%	0.8%	1.4%	0.3%	1.3%
Bond issuance costs	9,453	291,471	6,325	474,741	-	0.2%	3.6%	0.2%	2.4%	0.0%
Payment to refunded bond escrow agent	-	3,496,579	-	16,211,975	-	0.0%	43.3%	0.0%	80.6%	0.0%
Discount on bonds	-	10,706	-	-	-	0.0%	0.1%	0.0%	0.0%	0.0%
Other	25	12,261	44	65	-	0.0%	0.2%	0.0%	0.0%	0.0%
<b>Total expenditures and other uses</b>	<b>4,335,422</b>	<b>8,854,784</b>	<b>4,991,909</b>	<b>21,314,379</b>	<b>4,704,949</b>	<b>109.3%</b>	<b>109.7%</b>	<b>126.3%</b>	<b>105.9%</b>	<b>115.4%</b>
<b>TRANSFERS IN</b>	<b>158,505</b>	<b>209,500</b>	<b>218,492</b>	<b>199,386</b>	<b>188,199</b>	<b>2.0%</b>	<b>2.6%</b>	<b>5.5%</b>	<b>1.0%</b>	<b>4.6%</b>
<b>DEFICIT OF REVENUES AND OTHER SOURCES UNDER EXPENDITURES AND OTHER USES</b>	<b>\$ (209,681)</b>	<b>\$ (575,762)</b>	<b>\$ (821,566)</b>	<b>\$ (992,210)</b>	<b>\$ (440,854)</b>	<b>-2.6%</b>	<b>-7.1%</b>	<b>-20.8%</b>	<b>-4.9%</b>	<b>-10.8%</b>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>										
	<b>5,574</b>	<b>5,699</b>	<b>5,628</b>	<b>5,552</b>	<b>5,371</b>					
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>										
	<b>5,463</b>	<b>5,490</b>	<b>5,403</b>	<b>5,241</b>	<b>5,205</b>					

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
SEPTEMBER 30, 2016**

District Mailing Address: 16318 Green 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) December 12, 2016

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

Name and Address	Term of Office Elected & Expires or Date Hired	Fees September 30, 2016	Expense Reimbursements September 30, 2016	Title at Year End
<u>Board Members:</u>				
Rebecca B. Tullos	Elected 11/14-11/18	\$ 7,200	\$ -	President
Russ Shermer	Elected 11/12-11/16	3,600	-	Vice President
Shean Dalton	Elected 11/14-11/18	3,825	-	Treasurer
Kim Filiatrault	Elected 11/14-11/18	6,300	-	Secretary
Donna B. Parker	Appointed 7/13-11/16	6,750	-	Assistant Treasurer and Assistant Secretary

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

Key Administrative Personnel:

Mike Petter	2006	134,756	3,016	General Manager
David Gaines	2013	94,376	87	Officer

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (CONTINUED)  
SEPTEMBER 30, 2016**

Name	Date Hired	Fees and Expense Reimbursements September 30, 2016	Title at Year End
<u>Consultants</u>			
Freeman & Corbett, L.L.P	2002	\$ 85,719	Attorney
Judy Osborn	2004	1,575	Attorney
Weaver and Tidwell, L.L.P.	2016	-	Auditor
Williamson Central Appraisal District	1981	60,866	Tax Appraiser
Williamson County Tax Office	1981	1,837	Tax Collector
Bury Partners	2009	-	Engineer
Patterson & Associates	2008	20,000	Investment Advisor
MRB Group	2013	100,331	Engineer
McCall Parkhurst Horton	1994	74,294	Bond Counsel
Bank of New York, Mellon	2009	6,000	Arbitrage Auditor
RimRock	2008	-	Rate Consultant
Atkins North America	2015	223,010	Engineer
Half Associates	2011	158,197	Engineer
Robert W. Baird	2015	85,273	Financial Advisor
Gardere Wynne Sewell LLP	2016	10,465	Attorney

**REQUIRED  
SUPPLEMENTARY INFORMATION**

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND REALTED RATIOS  
SEPTEMBER 30, 2016**

	Year Ended December 31, 2015*	Year Ended December 31, 2014*
Total pension liability		
Service Cost	\$ 267,011	\$ 250,979
Interest on total pension liability	263,305	230,728
Effect of plan changes	(55,460)	-
Effect of assumption changes or inputs	30,086	-
Effect on economic/demographic (gains) or losses	(120,517)	(26,206)
Benefit payments/refunds of contributions	(54,772)	(42,950)
Net change in total pension asset	329,653	412,551.00
Total pension liability, beginning	3,159,062	2,746,511
Total pension liability, ending (a)	<u>\$ 3,488,715</u>	<u>\$ 3,159,062</u>
Fiduciary net position		
Employer contributions	\$ 140,561	\$ 141,860
Member contributions	138,711	129,947
Investment income net of investment expenses	(66,405)	199,976
Benefit payments/refunds of contributions	(54,773)	(42,950)
Administrative expenses	(2,516)	(2,463)
Other	2,488	446
Net change in fiduciary net position	158,066	426,816
Fiduciary net position, beginning	3,400,390	2,973,574
Fiduciary net position, ending (b)	<u>\$ 3,558,456</u>	<u>\$ 3,400,390</u>
Net pension liability / (asset), ending = (a) - (b)	<u>\$ (69,741)</u>	<u>\$ (241,328)</u>
Fiduciary net position as a % of total pension liability	102.00%	107.64%
Pensionable covered payroll	<u>\$ 2,311,858</u>	<u>\$ 2,165,801</u>
Net pension liability as a % of covered payroll	-3.02%	-11.14%

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

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
SEPTEMBER 30, 2016**

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Pensionable Covered Payroll *	Actual Contribution as a % of Covered Payroll
2007	\$ 60,206	\$ 60,206	\$ -	\$ 1,226,182	4.9%
2008	85,632	85,632	-	1,758,360	4.9%
2009	82,817	82,817	-	1,934,970	4.3%
2010	107,294	107,294	-	2,099,696	5.1%
2011	131,463	131,463	-	2,054,117	6.4%
2012	126,935	126,935	-	1,908,800	6.6%
2013	133,973	133,973	-	2,023,768	6.6%
2014	134,120	134,120	-	2,089,097	6.4%
2015	141,860	141,860	-	2,165,801	6.5%
2016	140,561	140,561	-	2,311,858	6.1%

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

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## **OTHER SUPPLEMENTARY INFORMATION**

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
OSI – 1 PRINCIPAL TAXPAYERS  
SEPTEMBER 30, 2016**

DISTRICT				
Taxpayer	Type of Property	Tax Roll Year		
		2016	2015	2014
Dedicated OConnor RR LP	Land & Improvements	\$ 85,000,000	\$ 74,816,006	\$ 74,000,000
CWS Brushy Creek LP	Land & Improvements	41,210,127	40,382,073	36,633,704
Highland 620 Land Investment LTD	Land & Improvements	16,094,761	13,566,836	17,802,906
Barclay/ Texas Holdings 6 LP	Land & Improvements	8,743,176	7,915,921	4,306,991
HE Butt Inc.	Land & Improvements	8,265,742	7,774,455	7,700,000
Great American Storage Partners LLC	Land & Improvements	6,563,850	6,745,208	5,232,966
MGP, XXII LLC	Land & Improvements	5,301,539	5,150,000	4,998,873
Standard Pacific of Texas Inc.	Land & Improvements	10,058,617	4,848,649	-
Kopels Peter A & Henry Aratow	Land & Improvements	4,773,439	4,655,950	4,655,950
HEB Grocery Company LP	Land & Improvements	-	4,178,965	4,028,981
Atmos Energy/MID-Tex Distribution	Land & Improvements	4,090,544	-	4,042,847
<b>Total</b>		<b>\$ 190,101,795</b>	<b>\$ 170,034,063</b>	<b>\$ 163,403,218</b>
<b>Percent of Assessed Valuation</b>		<b>10.82%</b>	<b>10.40%</b>	<b>10.90%</b>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
OSI – 1 PRINCIPAL TAXPAYERS – CONTINUED  
SEPTEMBER 30, 2016**

		DEFINED AREA		
Taxpayer	Type of Property	Tax Roll Year		
		2016	2015	2014
Highland 620 Land Investment LTD	Land & Improvements	\$ 16,094,761	\$ 13,566,836	\$ 17,802,906
Standard Pacific of Texas Inc	Land & Improvements	10,058,617	4,848,649	-
Hatch House Management Company LLC	Land & Improvements	2,030,088	1,728,500	1,536,099
First Star Bank SSB	Land & Improvements	3,134,061	604,755	592,898
Cuchara Investment Group LTD	Land & Improvements	599,507	593,687	-
McDonald, Alice L	Land & Improvements	621,443	580,768	556,237
Jablonski, Susan M & David B Fogle	Land & Improvements	602,274	576,354	-
Kalfelz, Paul Jr & Paulette Moose	Land & Improvements	-	563,314	-
Witcher, Larry & Mae	Land & Improvements	-	554,768	-
OBrien, Thomas J & Kelly S Craig	Land & Improvements	582,792	552,126	515,123
Streetman Homes LTD LLP	Land & Improvements	-	-	2,167,671
Hy-Land North Joint Venture	Land & Improvements	-	-	1,578,829
Weekley Homes LP	Land & Improvements	-	-	649,512
Standard Pacific Homes Inc	Land & Improvements	-	-	599,400
Zaman, Agsar Uz	Land & Improvements	-	-	535,994
		<u>                    </u>	<u>                    </u>	<u>                    </u>
Total		<u>\$ 33,723,543</u>	<u>\$ 24,169,757</u>	<u>\$ 26,534,669</u>
Percent of Assessed Valuation		<u>9.70%</u>	<u>9.90%</u>	<u>11.00%</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT  
OSI – 2 ASSESSED VALUE BY CLASSIFICATION  
SEPTEMBER 30, 2016**

Tax Roll Year						
DISTRICT						
Type of Property	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
Real, Single Family	\$ 1,515,769,884	84.5%	\$ 1,406,117,226	85.8%	\$ 1,265,711,823	84.8%
Real, Multi Family	132,630,229	7.4%	121,422,859	7.4%	116,834,289	7.8%
Real, Vacant Platted Lots/Tracts	17,960,815	1.0%	14,049,294	0.9%	19,968,214	1.3%
Real, Acreage (Land Only)	10,723	0.0%	9,904	0.0%	9,904	0.0%
Real, Commercial	87,698,150	4.9%	72,937,471	4.4%	63,805,898	4.3%
Real & Intangible Personal, Utilities	192,267	0.0%	7,263,803	0.4%	6,588,699	0.4%
Tangible Personal business	11,516,158	0.6%	5,944,528	0.4%	6,201,939	0.4%
Real Inventory	29,018,275	1.6%	11,907,068	0.7%	13,677,224	0.9%
Exempt	242	0.0%	2,510	0.0%	-	0.0%
<b>Total</b>	<b>\$ 1,794,796,743</b>	<b>100%</b>	<b>\$ 1,639,654,663</b>	<b>100%</b>	<b>\$ 1,492,797,990</b>	<b>100%</b>

DEFINED AREA						
Type of Property	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
Real, Single Family	\$ 340,312,577	87.3%	\$ 295,902,428	92.2%	\$ 236,496,706	88.3%
Real, Vacant Platted Lots/Tracts	16,690,568	4.3%	11,217,961	3.5%	15,862,132	5.9%
Real, Acreage (Land Only)	9,100	0.0%	8,281	0.0%	8,281	0.0%
Real, Commercial	5,164,149	1.3%	1,728,500	0.5%	1,536,099	0.6%
Real & Intangible Personal, Utilities	179,911	0.0%	126,765	0.0%	161,570	0.1%
Tangible Personal business	129,068	0.0%	56,091	0.0%	111,291	0.0%
Real Inventory	27,326,800	7.0%	11,907,068	3.7%	13,677,224	5.1%
Exempt	-	0.0%	74	0.0%	-	0.0%
<b>Total</b>	<b>\$ 389,812,173</b>	<b>100%</b>	<b>\$ 320,947,168</b>	<b>100%</b>	<b>\$ 267,853,303</b>	<b>100%</b>