

**BRUSHY CREEK  
MUNICIPAL UTILITY DISTRICT**

**Financial Statements and  
Supplemental Information for the  
Year Ended September 30, 2011  
and Independent Auditors' Report**

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

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# ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS

COUNTY OF WILLIAMSON

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

of the BRUSHY CREEK MUNICIPAL UTILITY DISTRICT.

hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the Board of Directors of the District on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, its annual audit report for the fiscal year ended September 30, 2011 and that copies of the annual audit report have been filed in the District office, located at 16318 Great Oaks Drive, Round Rock, Texas 78681.

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

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

Bob Grahl, Board President  
(Typed Name and Title of above District Representative)

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

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

(SEAL)

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

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



MAXWELL LOCKE & RITTER LLP

*Accountants and Consultants*

*An Affiliate of CPAmerica International*

tel (512) 370 3200 fax (512) 370 3250  
www.mlrpc.com

Austin: 401 Congress Avenue, Suite 1100  
Austin, TX 78701

Round Rock: 303 East Main Street  
Round Rock, TX 78664

## **INDEPENDENT AUDITORS' REPORT**

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

We have audited the accompanying financial statements of the governmental activities and each major fund of Brushy Creek Municipal Utility District (the "District") as of and for the year ended September 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2011, the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 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.

Affiliated Company

ML&R WEALTH MANAGEMENT LLC

*"A Registered Investment Advisor"  
This firm is not a CPA firm*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Maxwell Soche + Ritter LLP*

January 25, 2012

# **BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

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## **Management's Discussion and Analysis For the Year Ended September 30, 2011**

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 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, 2011. Please read it in connection with the District's financial statements that follow.

For purposes of GASB 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 Assets and the Statement of Activities.

### **Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent period by \$13,547,829 (*net assets*). Of this amount, \$11,225,178 (*unrestricted net assets*) may be used to meet the government's ongoing obligations.
- The District authorized a \$2,085,000 refunding bond issue in September 2011 to make early principal and interest payments on the District's Series 2004 bonds. The District also issued \$2,370,000 in Unlimited Tax Bonds related to the Sendero Springs/Cornerstone Defined Area in August 2011.
- The District's net property tax values increased by approximately \$27 million or 2.3% from \$1,200,392,206 to \$1,227,588,200. The District-wide and Defined Area tax rates remained the same as prior year at \$0.50 and \$0.36, respectively, per \$100 of assessed value. Total tax revenue increased by approximately \$96,000.
- During the year, the Capital Projects Fund transferred approximately \$237,000 in wastewater impact fees to the General Fund to pay for the wastewater contract. In addition, the District transferred approximately \$188,000 in water impact fees to the Debt Service Fund. These transfers allowed the District to rely less on customer utility rates and tax rates.

### **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 Assets 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 Assets 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 assets 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 Assets 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 are presented immediately following the *Notes to Basic Financial Statements*.

## Comparative Financial Statements

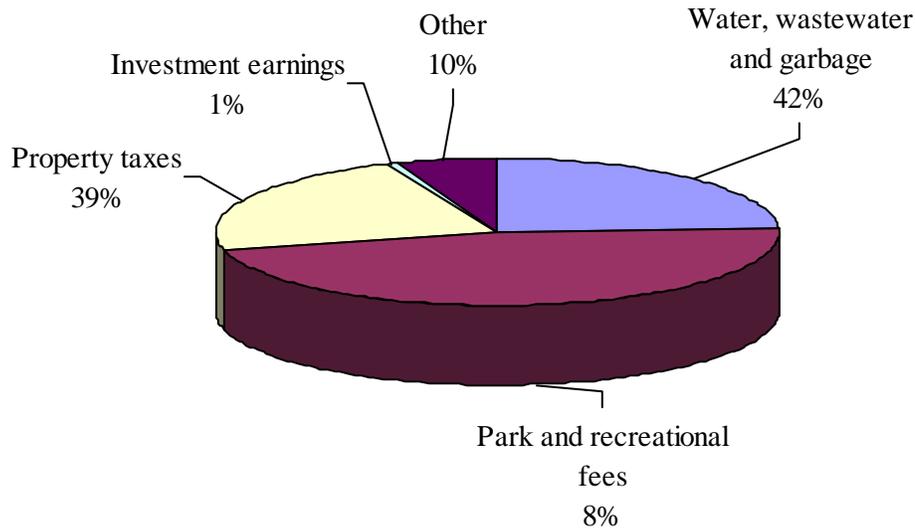
### Statement of Net Assets

	Governmental Activities		
	2011	2010	% Change
Current and other assets	\$ 21,335,226	\$ 20,581,229	3.6%
Capital and non-current assets	46,475,858	46,734,846	(0.6%)
<b>Total assets</b>	<b>\$ 67,811,084</b>	<b>\$ 67,316,075</b>	<b>0.7%</b>
Current liabilities	\$ 4,759,634	\$ 4,771,193	(0.2%)
Long-term liabilities	49,503,621	49,858,643	(0.7%)
<b>Total liabilities</b>	<b>\$ 54,263,255</b>	<b>\$ 54,629,836</b>	<b>(0.7%)</b>
Invested in capital assets, net of related debt	\$ (4,750,753)	\$ (5,042,188)	5.8%
Restricted	7,073,404	7,464,398	(5.2%)
Unrestricted	11,225,178	10,263,959	9.4%
<b>Total net assets</b>	<b>\$ 13,547,829</b>	<b>\$ 12,686,239</b>	<b>6.8%</b>

The District’s total assets were approximately \$67.8 million as of September 30, 2011. Of this amount, approximately \$44.6 million is accounted for by capital assets. The District had outstanding liabilities of approximately \$54.3 million of which approximately \$52.3 million represent bonds and note payable.

The District’s property tax assessed value in fiscal year 2011 (which was based on the 2010 tax levy) was approximately \$1,228 million compared to approximately \$1,200 million in fiscal year 2010. 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 revenue sources are utility services, property taxes, and recreational fees.

## Sources of Revenue



## Statement of Activities

	<b>Governmental Activities</b>		
	<b>2011</b>	<b>2010</b>	<b>% Change</b>
Water, wastewater and garbage	\$ 6,546,563	\$ 5,657,761	15.7%
Property taxes	6,086,324	5,990,641	1.6%
Parks and recreational fees	1,259,078	1,024,474	22.9%
Investment earnings	59,563	106,078	(43.8%)
Contributed capital assets	793,998	5,548	14,211.4%
Other	915,719	822,582	11.3%
<b>Total revenues</b>	<b>15,661,245</b>	<b>13,607,084</b>	<b>15.1%</b>
Water, wastewater and garbage	2,310,474	2,472,603	(6.6%)
Salary and related expenditures	2,782,744	2,868,354	(3.0%)
Administrative	1,200,252	1,021,465	17.5%
Repairs and maintenance	568,642	567,252	0.2%
Utilities	950,401	678,359	40.1%
Professional fees	391,083	237,021	65.0%
Contracted services	364,602	323,893	12.6%
Other	206,010	316,494	(34.9%)
Debt service	1,951,995	2,199,518	(11.3%)
Depreciation	4,073,452	3,572,253	14.0%
<b>Total expenses</b>	<b>14,799,655</b>	<b>14,257,212</b>	<b>3.8%</b>
Other financing source	-	726,400	(100.0%)
<b>Change in net assets</b>	<b>861,590</b>	<b>76,272</b>	<b>1029.6%</b>
Beginning net assets	12,686,239	12,609,967	0.6%
<b>Ending net assets</b>	<b>\$ 13,547,829</b>	<b>\$ 12,686,239</b>	<b>6.8%</b>

Operating revenues increased by approximately \$2.1 million to approximately \$15.7 million for the fiscal year ended September 30, 2011. Water, wastewater and garbage service provided approximately \$6.5 million, and property taxes, including penalties and interest, generated approximately \$6.1 million in revenues. Along with the water revenue increase for the fiscal year, there was an increase in contributed capital assets from the previous year. Total expenses increased approximately \$542,000 to approximately \$14.8 million for the fiscal year ended September 30, 2011. Net assets increased approximately \$862,000 for the fiscal year ended September 30, 2011 compared to an increase of approximately \$76,000 for the fiscal year ended September 30, 2010.

### Analysis of Governmental Funds

	<u>2011</u>	<u>2010</u>
Cash	\$ 6,208,750	\$ 6,779,037
Investments	13,993,426	12,973,829
Receivables	1,080,795	824,949
Interfund receivable	586,221	157,407
Prepays	52,255	3,414
<b>Total assets</b>	<b>\$ 21,921,447</b>	<b>\$ 20,738,636</b>
Accounts payable	\$ 424,075	\$ 375,401
Refundable deposits	548,102	522,938
Other liabilities	493,027	480,241
Interfund payable	586,221	157,407
Deferred revenue	99,805	149,439
<b>Total liabilities</b>	<b>2,151,230</b>	<b>1,685,426</b>
Nonspendable fund balance	52,255	3,414
Restricted fund balance	9,729,448	7,957,726
Committed fund balance	2,522,711	1,340,361
Unassigned	7,465,803	8,960,164
<b>Total fund balances</b>	<b>19,770,217</b>	<b>19,053,210</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,921,447</b>	<b>\$ 20,738,636</b>

The *General Fund* pays for daily operating expenditures. When comparing actual to budget, water, wastewater and garbage service revenues were higher than budgeted as were recreation revenues. Also when comparing actual expenditures to budget, personnel, administrative, other consulting, and water and wastewater service expenditures were lower than budget, while contracted services were higher than budget. For the year ended September 30, 2011, the District came in ahead of budget for the General Fund by approximately \$1.7 million. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

In addition to the General Fund commitments noted above, the Board has approved a resolution to set aside \$4,617,427 for a 6-month Operating Reserve and \$1,784,335 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.

For the year ended September 30, 2011, the District adopted Governmental Accounting Standards Board Statement No. 54 (“GASB 54”) *Fund Balance Reporting and Governmental Fund Type Definitions* which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

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

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

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

Assigned - For the General Fund, amounts that are appropriated by the Board of Directors, or an official or body that has been delegated authority by the Board of Directors, that are to be used for specific purposes. 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.

### Capital Assets

	<u>2011</u>	<u>2010</u>
Land	\$ 2,562,724	\$ 2,562,724
Construction in process	505,804	29,157
Water, wastewater, and drainage systems	72,691,155	69,668,581
Easements and rights-of-way	901,891	901,891
Buildings and improvements	4,257,407	4,202,598
Furniture and equipment	1,603,302	1,598,090
Park and recreational facilities	4,139,569	4,098,362
Automobiles and trucks	192,350	144,925
Subtotal	86,854,202	83,206,328
Accumulated depreciation	(42,217,214)	(38,143,762)
<b>Total</b>	<b>\$ 44,636,988</b>	<b>\$ 45,062,566</b>

During 2011, the District completed a \$400,000 repair to the intake structure on Lake Georgetown due to damages caused by the floods of 2007. The repair costs were covered entirely by insurance proceeds. In addition, the District is nearing completion of a \$400,000 project to rehabilitate ground well #3 on Sam Bass Road that will provide up to 300 million gallons of raw water annually. The ground water will be treated at the District’s water facility. More detailed information about the District’s capital assets is presented in the *Notes to Basic Financial Statements*.

## Long-Term Debt Activity

	<u>2011</u>	<u>2010</u>
District-wide:		
Series 2001 Bonds	\$ -	\$ 810,000
Series 2002 Bonds	585,000	650,000
Series 2003 Bonds	-	835,000
Series 2004 Bonds	945,000	3,080,000
Series 2005 Bonds	9,000,000	9,100,000
Series 2007 Bonds	7,745,000	7,770,000
Series 2009 Refunding Bonds	7,445,000	7,960,000
Series 2010 Refunding Bonds	17,085,000	17,190,000
Series 2011 Refunding Bonds	2,085,000	-
Note payable	13,095	44,866
Total District-wide	<u>44,903,095</u>	<u>47,439,866</u>
Defined Area:		
Series 2008 Bonds	1,870,000	1,925,000
Series 2009 Bonds	2,320,000	2,365,000
Series 2011 Bonds	<u>2,370,000</u>	<u>-</u>
Total Defined Area	<u>6,560,000</u>	<u>4,290,000</u>
<b>Total</b>	<b><u>\$ 51,463,095</u></b>	<b><u>\$ 51,729,866</u></b>

The District owes approximately \$51.5 million to bond holders. During the year, the District issued \$2,085,000 in refunding bonds to pay principal and interest on Series 2004 bonds. In addition, the District issued \$2,370,000 in Series 2011 bonds for the Defined Area in August 2011. Overall, the principal balance of outstanding bonds and the note payable was reduced by approximately \$267,000 during the year. More detailed information about the District's long-term debt is presented in the *Notes to Basic Financial Statements*.

### Currently Known Facts, Decisions, or Conditions

The District-wide tax rate has been set at \$0.50 per \$100 of assessed valuation. The Sendero Springs/Cornerstone Defined Area has set a tax rate of \$0.36 per \$100 of assessed valuation. The adopted budget for 2012 projects the General Fund fund balance will remain the same. When compared to the 2011 budget, both revenues and expenditures are expected to decrease by approximately 5%.

### Requests for Information

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

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS BALANCE SHEET SEPTEMBER 30, 2011

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	ADJUSTMENTS (NOTE 2)	STATEMENT OF NET ASSETS
<b>ASSETS</b>						
Cash	\$ 5,759,089	278,458	171,203	6,208,750	-	6,208,750
Investments	4,815,530	7,294,972	1,334,062	13,444,564	-	13,444,564
Receivables:						
Service accounts, net	964,387	-	-	964,387	-	964,387
Taxes	10,700	20,663	-	31,363	-	31,363
Other	85,045	-	-	85,045	-	85,045
Due from other funds	564,179	12,757	9,285	586,221	(586,221)	-
Prepays	52,255	-	-	52,255	-	52,255
Restricted investments for customer deposits	548,862	-	-	548,862	-	548,862
Deferred charges - bond issuance costs	-	-	-	-	1,838,870	1,838,870
Capital assets (net of accumulated depreciation):						
Land	-	-	-	-	2,562,724	2,562,724
Construction in process	-	-	-	-	505,804	505,804
Easements and rights-of-way	-	-	-	-	729,679	729,679
Water, wastewater and drainage systems	-	-	-	-	35,600,349	35,600,349
Building and improvements	-	-	-	-	3,057,568	3,057,568
Furniture and equipment	-	-	-	-	141,414	141,414
Park and recreational facilities	-	-	-	-	1,955,721	1,955,721
Automobiles and trucks	-	-	-	-	83,729	83,729
Total assets	\$ 12,800,047	7,606,850	1,514,550	21,921,447	45,889,637	67,811,084
<b>LIABILITIES</b>						
Accounts payable	\$ 424,075	-	-	424,075	-	424,075
Customer deposits	548,102	-	-	548,102	-	548,102
Other liabilities	485,887	-	-	485,887	-	485,887
Due to other funds	12,757	89,019	484,445	586,221	(586,221)	-
Accrued bond interest payable	-	7,140	-	7,140	437,287	444,427
Deferred revenue	79,142	20,663	-	99,805	(31,363)	68,442
Accrued vacation leave	-	-	-	-	35,606	35,606
Long-term liabilities:						
Due within one year	-	-	-	-	2,753,095	2,753,095
Due after one year	-	-	-	-	49,503,621	49,503,621
Total liabilities	1,549,963	116,822	484,445	2,151,230	52,112,025	54,263,255
<b>FUND BALANCES/NET ASSETS</b>						
Fund balances:						
Nonspendable-						
Prepays	52,255	-	-	52,255	(52,255)	-
Restricted for:						
Debt service	-	7,490,028	-	7,490,028	(7,490,028)	-
Capital projects	-	-	1,030,105	1,030,105	(1,030,105)	-
Customer deposits	548,862	-	-	548,862	(548,862)	-
Parks capital fees	550,453	-	-	550,453	(550,453)	-
Texas Water Development Board Reserve	110,000	-	-	110,000	(110,000)	-
Committed for repair and replacement of capital assets	2,522,711	-	-	2,522,711	(2,522,711)	-
Unassigned	7,465,803	-	-	7,465,803	(7,465,803)	-
Total fund balance	11,250,084	7,490,028	1,030,105	19,770,217	(19,770,217)	-
Total liabilities and fund balances	\$ 12,800,047	7,606,850	1,514,550	21,921,447		
Net assets:						
Invested in capital assets, net of related debt					(4,750,753)	(4,750,753)
Restricted for debt service					7,073,404	7,073,404
Unrestricted					11,225,178	11,225,178
Total net assets					\$ 13,547,829	13,547,829

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

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES YEAR ENDED SEPTEMBER 30, 2011

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	ADJUSTMENTS (NOTE 2)	STATEMENT OF ACTIVITIES
<b>EXPENDITURES/EXPENSES:</b>						
Service operations:						
Personnel (including benefits)	\$ 2,796,068	-	-	2,796,068	(13,324)	2,782,744
Water and wastewater purchases	1,360,073	-	-	1,360,073	-	1,360,073
Administrative	1,200,252	-	-	1,200,252	-	1,200,252
Repairs and maintenance	568,642	-	-	568,642	-	568,642
Utilities	774,449	-	-	774,449	-	774,449
Garbage fees	950,401	-	-	950,401	-	950,401
Contracted services	364,602	-	-	364,602	-	364,602
Other consulting	205,725	-	-	205,725	-	205,725
Legal fees	173,553	-	-	173,553	-	173,553
Security fees	83,530	-	-	83,530	-	83,530
Insurance	63,188	-	-	63,188	-	63,188
Tax appraisal/collection fees	400	53,008	-	53,408	-	53,408
Audit fees	40,800	-	-	40,800	-	40,800
Engineering fees	93,200	-	-	93,200	-	93,200
Directors' fees	19,200	-	-	19,200	-	19,200
Other	40,106	335	-	40,441	-	40,441
Capital outlay	167,835	-	2,686,041	2,853,876	(2,853,876)	-
Debt service:						
Principal payments	65,000	2,600,000	-	2,665,000	(2,665,000)	-
Interest and fiscal charges	34,215	1,936,308	-	1,970,523	(18,528)	1,951,995
Bond issuance cost	55,777	10,062	203,739	269,578	(269,578)	-
Depreciation	-	-	-	-	4,073,452	4,073,452
Total expenditures/expenses	9,057,016	4,599,713	2,889,780	16,546,509	(1,746,854)	14,799,655
<b>REVENUES:</b>						
Program revenues:						
Water and wastewater service	5,495,625	-	-	5,495,625	-	5,495,625
Garbage collection	1,050,938	-	-	1,050,938	-	1,050,938
Inspection fees	76,896	-	-	76,896	-	76,896
Tap and other connection fees	127,648	-	-	127,648	-	127,648
Recreation center	1,131,354	-	-	1,131,354	-	1,131,354
Park and recreation fees	127,724	-	-	127,724	-	127,724
Capital recovery fees	-	-	455,397	455,397	-	455,397
Contributed capital assets	-	-	-	-	793,998	793,998
Total program revenues	8,010,185	-	455,397	8,465,582	793,998	9,259,580
Net program expense						(5,540,075)
General revenues:						
Property taxes, including penalties and interest	2,142,470	3,936,546	-	6,079,016	7,308	6,086,324
Investment earnings	28,391	29,177	1,995	59,563	-	59,563
Other	255,778	-	-	255,778	-	255,778
Total general revenues	2,426,639	3,965,723	1,995	6,394,357	7,308	6,401,665
Total revenues	10,436,824	3,965,723	457,392	14,859,939	801,306	15,661,245
<b>OTHER FINANCING SOURCES (USES):</b>						
Proceeds from sale of bonds	-	-	2,370,000	2,370,000	(2,370,000)	-
Proceeds of refunding bonds	55,777	2,029,223	-	2,085,000	(2,085,000)	-
Payment to refunded bond escrow agent	-	(2,051,423)	-	(2,051,423)	2,051,423	-
Transfers in (out)	236,960	188,492	(425,452)	-	-	-
Total other financing sources, net	292,737	166,292	1,944,548	2,403,577	(2,403,577)	-
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>						
	1,672,545	(467,698)	(487,840)	717,007	(717,007)	-
Change in net assets					144,583	861,590
<b>FUND BALANCES/NET ASSETS:</b>						
Beginning of year	9,577,539	7,957,726	1,517,945	19,053,210	(6,366,971)	12,686,239
End of year	\$ 11,250,084	7,490,028	1,030,105	19,770,217	(6,222,388)	13,547,829

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

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND YEAR ENDED SEPTEMBER 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
<b>REVENUES:</b>				
Water, wastewater and garbage services	\$ 5,449,911	5,869,751	6,546,563	676,812
Property taxes, including penalties and interest	2,112,473	2,112,473	2,142,470	29,997
Recreation center	925,054	974,354	1,131,354	157,000
Park and recreation fees	134,581	134,581	127,724	(6,857)
Tap connection/inspection fees	132,704	158,504	204,544	46,040
Investment earnings	75,000	75,000	28,391	(46,609)
Other	130,640	130,640	255,778	125,138
Total revenues	8,960,363	9,455,303	10,436,824	981,521
<b>EXPENDITURES:</b>				
Service operations:				
Personnel (including benefits)	3,008,295	2,968,595	2,796,068	172,527
Water and wastewater purchases	1,476,262	1,496,262	1,360,073	136,189
Administrative	1,355,356	1,601,757	1,200,252	401,505
Repairs and maintenance	570,713	575,513	568,642	6,871
Utilities	667,302	739,302	774,449	(35,147)
Garbage fees	913,360	954,000	950,401	3,599
Contracted services	146,252	239,452	364,602	(125,150)
Other consulting	277,460	307,060	205,725	101,335
Legal fees	175,000	163,000	173,553	(10,553)
Security fees	82,300	84,300	83,530	770
Insurance	67,832	67,832	63,188	4,644
Tax appraisal/collection fees	2,000	2,000	400	1,600
Audit fees	38,000	38,000	40,800	(2,800)
Engineering fees	125,000	125,000	93,200	31,800
Directors' fees	19,200	19,200	19,200	-
Other	17,441	17,441	40,106	(22,665)
Capital outlay	105,000	143,000	167,835	(24,835)
Debt service:				
Principal payments	65,000	65,000	65,000	-
Interest and fiscal charges	34,216	34,215	34,215	-
Bond issuance cost	-	-	55,777	(55,777)
Total expenditures	9,145,989	9,640,929	9,057,016	583,913
<b>EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(185,626)	(185,626)	1,379,808	1,565,434
<b>OTHER FINANCING SOURCES:</b>				
Proceeds of refunding bonds	-	-	55,777	55,777
Transfers in	185,626	185,626	236,960	51,334
Total other financing sources	185,626	185,626	292,737	107,111
Change in fund balance	-	-	1,672,545	1,672,545
<b>FUND BALANCES:</b>				
Beginning of year	9,577,539	9,577,539	9,577,539	-
End of year	\$ 9,577,539	9,577,539	11,250,084	1,672,545

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

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED SEPTEMBER 30, 2011

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

The District reports the following major governmental funds:

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

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

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

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

## **Assets, Liabilities, and Net Assets or Equity**

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

Accounts Receivable - The District provides for uncollectible accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. Allowance for uncollectible accounts as of September 30, 2011 was approximately \$92,000.

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

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

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 debt service expenditures.

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

Compensated Absences - Accrued paid time off is earned by each full-time employee at a rate of between 12 and 16 hours per month depending on length of employment. District policy allows for a maximum carry-over from the previous fiscal year. The full amount of accrued paid time off, subject to the maximum accrual limits, is paid upon discontinuance of employment with the District. The District's liability for accrued paid time off at September 30, 2011 was \$35,606.

Fund Equity - The District adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. See Note 9 for additional information on those fund balance classifications.

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

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

Governmental funds total fund balance	\$ 19,770,217
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net of accumulated depreciation	44,636,988
Deferred charges – bond issue costs	1,838,870
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the funds.	31,363
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued vacation payable	(35,606)
Bonds payable, including premiums	(52,243,621)
Bond interest payable	(437,287)
Note payable	(13,095)
Total net assets	<u>\$ 13,547,829</u>

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

Excess of revenues and other sources over expenditures and other uses	\$ 717,007
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	2,853,876
Depreciation	(4,073,452)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Contributed capital assets	793,998
Change in deferred tax revenue	7,308
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Repayment of bond principal	2,665,000
Repayment of note principal	31,771
Bond proceeds	(2,370,000)
Refunding bond proceeds	(2,085,000)
Payment to refunded bond escrow agent	2,051,423
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.	
Accrued vacation	13,324
Change in bond interest payable	44,723
Amortization of bond issuance costs, net	166,590
Amortization of premium	45,022
Change in net assets	<u>\$ 861,590</u>

### 3. CASH AND TEMPORARY INVESTMENTS

The District's deposits are required to be secured in the manner provided by law for the security of the funds. At September 30, 2011, such deposits were entirely covered by Federal Deposit Insurance Corporation ("FDIC") insurance or secured by collateral pledged by the depository.

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

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

Investments held at September 30, 2011 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Public funds investment pool - TexPool	\$ 3,253,943	1	AAAm
Public funds investment pool - LOGIC	2,712,682	1	AAAm
Treasury Bills - Frost	5,000,000	686	Various
Municipal Bonds - Frost	2,526,898	169	Various
Certificates of deposit	499,903	17	Various
Total	<u>\$ 13,993,426</u>		

At September 30, 2011, the District had investments in two external local governmental investment pools, Texas Local Governmental Investment Pool ("TexPool") and Local Government Investment Cooperative ("LOGIC"), treasury bills, municipal bonds, and certificates of deposit.

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

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

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

The restricted investments 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 considered to be restricted investments 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, 2011, investments were included in local governmental investment pools, treasury bills, municipal bonds and certificates of deposit with ratings from Standard and Poor's in compliance with the District's investment policy.

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

#### 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, 2011, is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Projects	\$ 484,445
General	Debt Service	79,734
Debt Service	General	12,757
Capital Projects	Debt Service	9,285
		\$ 586,221

During the year, the Capital Projects Fund transferred \$188,492 and \$236,960 to the Debt Service Fund and General Fund, respectively, to pay for the wastewater contract and to fund payments of principal and interest.

## 5. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2011, was as follows:

	Balance September 30, 2010	Additions	Retirements and Transfers	Balance September 30, 2011
Capital assets, not being depreciated:				
Land	\$ 2,562,724	-	-	2,562,724
Construction in process	29,157	476,647	-	505,804
Total capital assets, not being depreciated	2,591,881	476,647	-	3,068,528
Capital assets, being depreciated:				
Water, wastewater and drainage systems	69,668,581	3,022,574	-	72,691,155
Easements and rights-of-way	901,891	-	-	901,891
Buildings and improvements	4,202,598	54,809	-	4,257,407
Furniture and equipment	1,598,090	5,212	-	1,603,302
Park and recreational facilities	4,098,362	41,207	-	4,139,569
Automobiles and trucks	144,925	47,425	-	192,350
Total capital assets being depreciated	80,614,447	3,171,227	-	83,785,674
Less accumulated depreciation for:				
Water, wastewater and drainage systems	(33,488,243)	(3,602,563)	-	(37,090,806)
Easements and rights-of-way	(149,666)	(22,546)	-	(172,212)
Buildings and improvements	(1,039,344)	(160,495)	-	(1,199,839)
Furniture and equipment	(1,381,020)	(80,868)	-	(1,461,888)
Park and recreational facilities	(1,998,884)	(184,964)	-	(2,183,848)
Automobiles and trucks	(86,605)	(22,016)	-	(108,621)
Total accumulated depreciation	(38,143,762)	(4,073,452)	-	(42,217,214)
Total capital assets, being depreciated, net	42,470,685	(902,225)	-	41,568,460
Capital assets, net	\$ 45,062,566	(425,578)	-	44,636,988

## 6. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended September 30, 2011:

	Balance September 30, 2010	Additions	Retirements	Balance September 30, 2011
Bonds payable	\$ 51,685,000	4,455,000	(4,690,000)	51,450,000
Note payable	44,866	-	(31,771)	13,095
Premium on refunding	838,643	-	(45,022)	793,621
Total	<u>\$ 52,568,509</u>	<u>4,455,000</u>	<u>(4,766,793)</u>	<u>52,256,716</u>

Long-term debt at September 30, 2011, is comprised of the following:

	Balance 9/30/2011	Due Within One Year
\$1,500,000, Series 2002, revenue bonds due in annual installments of \$45,000 to \$95,000 through June 1, 2019. Interest varies from 2.50% to 5.90% and is payable June 1 and December 1 each year.	\$ 585,000	70,000
\$3,285,000, Series 2004, refunding bonds due in annual installments of \$100,000 to \$155,000 through June 1, 2018. Interest varies from 4.00% to 5.00% and is payable June 1 and December 1 each year.	945,000	115,000
\$9,500,000, Series 2005, serial bonds due in annual installments of \$100,000 to \$1,215,000 through June 1, 2028. Interest varies from 3.00% to 5.00% and is payable June 1 and December 1 each year.	9,000,000	100,000
\$7,840,000, Series 2007, refunding bonds due in annual installments of \$20,000 to \$1,860,000 through June 1, 2028. Interest varies from 3.75% to 4.00% and is payable June 1 and December 1 each year.	7,745,000	25,000
\$2,020,000, Series 2008, Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$45,000 to \$145,000 through June 1, 2031. Interest varies from 3.75% to 4.00% and is payable June 1 and December 1 each year.	1,870,000	55,000
\$2,365,000, Series 2009, Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$45,000 to \$195,000 through June 1, 2033. Interest varies from 4.38% to 6.00% and is payable June 1 and December 1 each year.	2,320,000	50,000
\$7,975,000, Series 2009, refunding bonds due in annual installments of \$15,000 to \$1,530,000 through June 1, 2024. Interest varies from 3.00% to 4.63% and is payable June 1 and December 1 each year.	7,445,000	500,000

\$17,190,000, Series 2010, refunding bonds due in annual installments of \$105,000 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.	17,085,000	1,820,000
\$2,370,000, Series 2011, Sendero Springs/Cornerstone Defined Area serial bonds due in annual installments of \$65,000 to \$305,000 through June 1, 2033. Interest varies from 4.00% to 5.00% and is payable June 1 and December 1 each year.	2,370,000	-
\$2,085,000, Series 2011, refunding bonds due in annual installments of \$5,000 to \$245,000 through June 1, 2028. Interest varies from 4.00% to 5.25% and is payable June 1 and December 1 each year.	2,085,000	5,000
Note payable for the purchase of a pool; principal and interest was due in five annual installments of \$126,763 with interest rate of prime plus 1% matured on December 2008. In addition, the District is obligated to pay \$347,778 in quarterly installments to the developer for the Sendero Pool purchase, of which \$13,095 is remaining.	13,095	13,095
Total long-term debt	<u>\$ 51,463,095</u>	<u>\$ 2,753,095</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2012	\$ 2,740,000	2,019,785	4,759,785
2013	2,940,000	1,987,722	4,927,722
2014	3,075,000	1,877,293	4,952,293
2015	3,200,000	1,756,714	4,956,714
2016	2,445,000	1,633,203	4,078,203
2017-2021	12,375,000	6,763,999	19,138,999
2022-2026	15,190,000	4,072,681	19,262,681
2027-2031	8,510,000	990,293	9,500,293
2032-2033	975,000	76,625	1,051,625
Total	<u>\$ 51,450,000</u>	<u>21,178,315</u>	<u>72,628,315</u>

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

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

On August 23, 2011, the District issued \$2,370,000 in Sendero Springs/Cornerstone Defined Area Unlimited Tax Bonds, Series 2011, with interest rates ranging from 4.00% to 5.00%. The net proceeds of \$2,214,938 (after payment of \$155,062 in underwriter fees, insurance and other related costs) were deposited with the District investment accounts to provide payments for capital assets and accrued bond interest.

On September 13, 2011, the District issued \$2,085,000 of Unlimited Tax Refunding Bonds, Series 2011, to currently refund \$2,025,000 of its previously issued Series 2004 Bonds in order to lower its overall debt service requirements. The net proceeds of \$2,051,423 (after payment of underwriting fees, insurance, and other issuance costs) were deposited with an escrow agent to provide the debt service payment on the portion of bonds currently refunded. As a result, \$2,025,000 of bond principal is considered defeased and the liability for these bonds was removed from the basic financial statements. At September 30, 2011, there are no outstanding bonds that are considered defeased as all defeased principal balances were retired prior to year end. The reacquisition price exceeded the net carrying amount of the old debt by \$26,423. This amount was expensed in 2011 as the debt defeased by the Series 2011 Refunding Bonds was called for redemption prior to their scheduled maturities. The current refunding resulted in an economic gain of \$75,375.

At September 30, 2011, unlimited tax bonds of approximately \$19,845,000 were authorized by the District but unissued of which \$17,745,000 is for the Defined Area and \$2,100,000 is for improvements to District-wide water, wastewater and drainage systems.

## **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. District property tax revenues are recognized when levied to the extent that they are collected in the current year. The uncollected balance is reported as deferred revenue. Taxes receivable are due January 1 and are delinquent if received after January 31 and are subject to penalty and interest charges.

The combined tax rate was \$0.5000 per \$100 assessed valuation District-wide, except for the Sendero Springs/Cornerstone Defined Area. The Sendero Springs/Cornerstone Defined Area had additional tax rates of \$0.3600 per \$100 assessed valuation. The total 2010 tax levy was \$6,070,576 based on a taxable valuation of \$1,227,588,200.

## **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 \$455,397 for the year ended September 30, 2011 and are within the Capital Projects Fund.

## 9. FUND BALANCES

For the year ended September 30, 2011, the District adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are described below.

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

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

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

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

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

The summary of the fund balances is included in the Governmental Funds Balance Sheet on page 10. Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated authority to the General Manager to assign fund balance for a specific purpose.

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

The Board committed \$2,522,711 of General Fund fund balance to pay for future repairs, replacements and purchases of capital. The amounts committed for funding capital projects as of September 30, 2011 are:

Utility improvements	\$ 300,000
Rehabilitation of ground wells	307,825
Utility equipment replacement	8,969
Regional wastewater improvement costs	200,917
Replacement of water facility membranes	1,200,000
District signage	140,000
Little Village Park improvements	75,000
Highland Horizon pool participation	50,000
Park improvements	200,000
Membrane pilot study	40,000
	<hr/>
Total committed fund balance	<u>\$ 2,522,711</u>

## 10. COMMITMENTS

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.

## 11. PENSION PLAN

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

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

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

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

The District contributed using the actuarially determined rate of 6.65% for 2011. The contribution rate payable by the District for calendar years 2010 and 2009 was 6.4% and 5.11%, respectively, as adopted by the governing body of the District. The employee contribution rate and the employer contribution rate may be changed by the governing body of the District within the options available in the TCDRS Act.

Annual Pension Costs - For the District’s accounting year ending September 30, 2011, the annual pension cost for the TCDRS plan for its employees was \$124,775 and the actual contributions were \$124,775.

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees and were in compliance with the GASB Statement No. 27 parameters based on the actuarial valuations, the basis for determining the contribution rates for calendar years 2011, 2010 and 2009. The December 31, 2010 actuarial valuation is the most recent valuation.

Actuarial Valuation Information:

Actuarial valuation date	12/31/2008	12/31/2009	12/31/2010
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, closed	Level percentage of payroll, open
Amortization period	30 years	20 years	30 years
Asset valuation method	Ten year smoothed value and fund value	Ten year smoothed value and fund value	Ten year smoothed value and fund value

Actuarial Assumptions:

Investment return	8.0%	8.0%	8.0%
Projected salary increases	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost-of-living adjustments	0.0%	0.0%	0.0%

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

<u>Accounting Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2009	\$ 103,554	100%	-
September 30, 2010	125,779	100%	-
September 30, 2011	124,775	100%	-

The following is a schedule of funding progress for the retirement plan for the employees of the District for the three calendar years ended December 31, 2010:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded/ (Overfunded) AAL (U/OAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll* (c)</u>
December 31, 2008	\$ 1,066,832	1,073,557	6,725	99.37%	0.35%
December 31, 2009	1,363,564	1,376,123	12,559	99.09%	0.60%
December 31, 2010	1,634,243	1,626,153	(8,087)	100.50%	(0.39%)

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

## **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, 2011, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED BY TEXAS COMMISSION ON ENVIRONMENTAL QUALITY YEAR ENDED SEPTEMBER 30, 2011

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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 Expenditures - General Fund and Debt Service Fund - Five Years
<u>X</u>	<u>      </u>	TSI-8 Board Members, Key Personnel and Consultants

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-0 NOTES REQUIRED BY THE WATER DISTRICT ACCOUNTING MANUAL YEAR ENDED SEPTEMBER 30, 2011

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

(A) Creation of District

See Note 1 to basic financial statements.

(B) Contingent Liabilities

Not applicable.

(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, 2011**

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**1. Services Provided by the District:**

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Retail Water        | <input checked="" type="checkbox"/> Wholesale Water | <input checked="" type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater   | <input type="checkbox"/> Wholesale Wastewater       | <input type="checkbox"/> Irrigation          |
| <input checked="" type="checkbox"/> Parks/Recreation    | <input type="checkbox"/> Fire Protection            | <input checked="" type="checkbox"/> Security |
| <input checked="" type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control              | <input type="checkbox"/> Roads               |

Participates in joint venture, regional system and or wastewater service (other than emergency interconnect)

Other (specify): N/A

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**2. Retail Service Providers:**

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

	(1) Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons Over Minimum	Usage Levels
WATER	\$ <u>14.00</u>	<u>-</u>	<u>Y</u>	\$ <u>2.10</u> winter \$ <u>2.75</u> summer	<u>Sept 15 - May 15</u> <u>May 15 - Sept 15</u>
WASTEWATER	\$ <u>6.00</u>	<u>-</u>	<u>N</u>	\$ <u>2.70</u>	<u>Per 1,000</u>
SURCHARGE	\$ <u>None</u>				

District employs winter averaging for wastewater usage?  Yes  No

(1) Basic charge for residents age 65 or older is \$18.66.

Total charges per 10,000 gallons usage: Water: \$ 35.00 winter      Wastewater: \$ 33.00  
\$ 41.50 summer

(continued)

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

**TSI-1 SCHEDULE OF SERVICES AND RATES (continued)  
YEAR ENDED SEPTEMBER 30, 2011**

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

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
<=3/4"	5,213	5,188	x 1.0	5,188
1"	39	38	x 2.5	95
1 1/2"	22	21	x 5.0	105
2"	36	36	x 8.0	288
3"	12	12	x 15.0	180
4"	3	3	x 25.0	75
6"	2	2	x 50.0	100
8"	8	8	x 80.0	640
10"	-	-	x 115.0	-
Total Water	5,335	5,308		6,671
Total Wastewater	5,132	5,132	x 1.0	5,132

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

Gallons pumped into system: 1,313,734,000      Water Accountability Ratio:  
 (Gallons billed/Gallons pumped)  
 Gallons billed to customers: 989,874,000      75.35% (1)

(1) The water accountability ratio does not include fire hydrant flushing, water used in fire fighting, loss due to water leaks, or other un-metered loss to the system.

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

Does the District have Debt Service standby fees?       Yes       No

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

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

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

(continued)

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

**TSI-1 SCHEDULE OF SERVICES AND RATES (continued)  
YEAR ENDED SEPTEMBER 30, 2011**

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**5. Location of District:**

County(ies) in which district is located: Williamson

Is the District located entirely within one county?  Yes  No

Is the District located within a city?  Entirely  Partly  Not at all

City(ies) in which District is located: N/A

Is the District located within a city's extra-territorial jurisdiction (ETJ?)  Entirely  Partly  Not at all

ETJ's in which district is located: City of Round Rock

Are Board members appointed by an office outside the District?  Yes  No

If yes, by whom? N/A

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-2 SCHEDULE OF GENERAL FUND EXPENDITURES YEAR ENDED SEPTEMBER 30, 2011

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Personnel Expenditures (including benefits)	\$	2,796,068
Professional Fees:		
Auditing		40,800
Legal		173,553
Engineering		93,200
Financial Advisor		-
Purchased Services For Resale-		
Bulk Water and Wastewater Service Purchases		1,360,073
Contracted Services:		
Bookkeeping		-
Utility Manager		-
Appraisal District/Tax Collector		400
Other Contracted Services		364,602
Utilities		774,449
Repairs and Maintenance		568,642
Administrative Expenditures:		
Directors' Fees		19,200
Office Supplies		27,835
Insurance		63,188
Other Administrative Expenses		1,054,259
Capital Outlay:		
Capitalized Assets		167,835
Expenditures not Capitalized		-
Tap Connection Expenditures		118,158
Solid Waste Disposal		950,401
Fire Fighting		-
Parks and Recreation		(a)
Other Expenditures		484,353
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>9,057,016</b>

Number of persons employed by the District: 39 Full-Time 67 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, 2011, parks and recreation expenditures were \$2,560,379.

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-3 SCHEDULE OF TEMPORARY INVESTMENTS YEAR ENDED SEPTEMBER 30, 2011

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2011	Accrued Interest Receivable at September 30, 2011
<u>General Fund</u>					
Investment in LOGIC	742006801003	Variable	N/A	\$ 203,766	\$ -
Investment in LOGIC	742006801002	Variable	N/A	548,862	-
Investment in TexPool	2461600008	Variable	N/A	994,133	-
Investment in TexPool	2461600004	Variable	N/A	1,000,000	-
Investment in TexPool	2461600001	Variable	N/A	107,539	-
Certificate of deposit in Tx Capital	4016000276B	1.40%	10/5/2011	250,000	-
Certificate of deposit in Tx Security	10344A	1.00%	10/14/2011	249,903	-
Frost Treasury Bills	3135G0DK6	0.60%	9/27/2013	1,000,000	-
Municipal Bonds	470592KB1	2.00%	4/12/2012	1,010,189	-
Totals				5,364,392	-
<u>Debt Service Fund</u>					
Investment in LOGIC	742006801001	Variable	N/A	714,473	-
Investment in LOGIC	742006801013	Variable	N/A	180,613	-
Investment in TexPool	2461600004	Variable	N/A	883,177	-
Frost Treasury Bills	3134G2NW8	0.375%	7/18/2013	2,000,000	-
Frost Treasury Bills	3134G25D5	0.375%	7/26/2013	1,000,000	-
Frost Treasury Bills	3135G0DK6	0.600%	9/27/2013	1,000,000	-
Municipal Bonds	5465589QZ8	2.000%	3/1/2012	1,516,709	-
Totals				7,294,972	-
<u>Capital Projects Fund</u>					
Investment in LOGIC	742006801007	Variable	N/A	868	-
Investment in LOGIC	742006801009	Variable	N/A	99,717	-
Investment in LOGIC	742006801012	Variable	N/A	46,975	-
Investment in LOGIC	742006801011	Variable	N/A	203,042	-
Investment in LOGIC	742006801001	Variable	N/A	714,366	-
Investment in TexPool	2461600007	Variable	N/A	269,094	-
Totals				1,334,062	-
TOTAL ALL FUNDS				\$ 13,993,426	\$ -

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-4 ANALYSIS OF TAXES LEVIED AND RECEIVABLE YEAR ENDED SEPTEMBER 30, 2011

	Maintenance Taxes	Debt Service Taxes		
TAXES RECEIVABLE, SEPTEMBER 30, 2010	\$ 8,950	\$ 15,105		
2010 Tax Roll	2,139,022	3,931,554		
Adjustments	(1,129)	149		
Total to be accounted for	<u>2,146,843</u>	<u>3,946,808</u>		
Tax collections:				
Current year	2,131,949	3,919,288		
Prior years	4,194	6,857		
Total collections	<u>2,136,143</u>	<u>3,926,145</u>		
TAXES RECEIVABLE, SEPTEMBER 30, 2011	<u>\$ 10,700</u>	<u>\$ 20,663</u>		
TAXES RECEIVABLE, BY YEARS:				
2010	\$ 7,071	\$ 12,262		
2009	1,512	2,466		
2008	1,100	2,135		
2007	522	1,110		
2006 and prior	495	2,690		
TAXES RECEIVABLE, SEPTEMBER 30, 2011	<u>\$ 10,700</u>	<u>\$ 20,663</u>		
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
PROPERTY VALUATIONS-				
Net assessed property valuation	\$ 1,227,588,200	1,200,392,206	1,149,812,324	1,006,044,477
TAX RATES PER \$100 VALUATION:				
Debt service tax rates	\$ 0.3100	0.3100	0.3300	0.3400
Maintenance tax rates	0.1900	0.1900	0.1700	0.1600
District-wide	<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>	<u>0.5000</u>
Defined Area	0.3600	0.3600	0.3600	0.3600
ORIGINAL TAX LEVY	<u>\$ 6,070,576</u>	<u>6,060,392</u>	<u>5,903,502</u>	<u>5,329,747</u>
PERCENT OF TAXES COLLECTED TO TAXES LEVIED	<u>99.7%</u>	<u>99.9%</u>	<u>99.9%</u>	<u>99.9%</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

**TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS  
SEPTEMBER 30, 2011**

DUE DURING FISCAL YEARS ENDING 9/30	REVENUE SERIES 2002			UNLIMITED TAX REFUNDING SERIES 2004			UNLIMITED TAX SERIES 2005		
	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
2012	\$ 70,000	31,063	101,063	115,000	42,416	157,416	100,000	376,398	476,398
2013	70,000	27,598	97,598	120,000	36,667	156,667	100,000	370,898	470,898
2014	75,000	24,063	99,063	130,000	30,666	160,666	100,000	365,398	465,398
2015	80,000	20,200	100,200	135,000	24,166	159,166	100,000	359,898	459,898
2016	85,000	16,000	101,000	140,000	18,260	158,260	100,000	354,398	454,398
2017	90,000	11,410	101,410	150,000	12,660	162,660	190,000	348,898	538,898
2018	95,000	6,460	101,460	155,000	6,510	161,510	555,000	339,398	894,398
2019	20,000	1,140	21,140	-	-	-	570,000	311,648	881,648
2020	-	-	-	-	-	-	595,000	294,548	889,548
2021	-	-	-	-	-	-	620,000	276,698	896,698
2022	-	-	-	-	-	-	650,000	251,278	901,278
2023	-	-	-	-	-	-	685,000	224,628	909,628
2024	-	-	-	-	-	-	715,000	195,858	910,858
2025	-	-	-	-	-	-	755,000	165,828	920,828
2026	-	-	-	-	-	-	790,000	134,118	924,118
2027	-	-	-	-	-	-	1,160,000	100,938	1,260,938
2028	-	-	-	-	-	-	1,215,000	51,638	1,266,638
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
	<u>\$ 585,000</u>	<u>137,934</u>	<u>722,934</u>	<u>945,000</u>	<u>171,345</u>	<u>1,116,345</u>	<u>9,000,000</u>	<u>4,522,466</u>	<u>13,522,466</u>

(continued)

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

**TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (continued)**  
**SEPTEMBER 30, 2011**

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX REFUNDING SERIES 2007			DEFINED AREA UNLIMITED TAX SERIES 2008			UNLIMITED TAX DEFINED AREA SERIES 2009		
	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
	2012	\$ 25,000	309,600	334,600	55,000	96,980	151,980	50,000	129,350
2013	25,000	308,663	333,663	60,000	93,680	153,680	50,000	126,850	176,850
2014	30,000	307,725	337,725	60,000	90,080	150,080	55,000	124,350	179,350
2015	325,000	306,600	631,600	65,000	86,480	151,480	60,000	121,875	181,875
2016	325,000	293,600	618,600	70,000	82,580	152,580	65,000	119,250	184,250
2017	20,000	280,600	300,600	70,000	79,080	149,080	65,000	116,406	181,406
2018	20,000	279,800	299,800	75,000	75,580	150,580	70,000	113,563	183,563
2019	25,000	279,000	304,000	80,000	71,830	151,830	75,000	109,888	184,888
2020	25,000	278,000	303,000	85,000	67,830	152,830	80,000	105,950	185,950
2021	25,000	277,000	302,000	90,000	63,580	153,580	85,000	101,750	186,750
2022	25,000	276,000	301,000	90,000	59,080	149,080	95,000	97,288	192,288
2023	25,000	275,000	300,000	95,000	54,580	149,580	100,000	92,300	192,300
2024	1,570,000	274,000	1,844,000	100,000	49,830	149,830	105,000	86,300	191,300
2025	1,635,000	211,200	1,846,200	105,000	44,830	149,830	115,000	80,000	195,000
2026	-	145,800	145,800	110,000	39,580	149,580	120,000	73,100	193,100
2027	1,785,000	145,800	1,930,800	120,000	34,080	154,080	130,000	65,900	195,900
2028	1,860,000	74,400	1,934,400	125,000	28,080	153,080	140,000	58,100	198,100
2029	-	-	-	130,000	21,580	151,580	150,000	49,700	199,700
2030	-	-	-	140,000	14,820	154,820	160,000	40,700	200,700
2031	-	-	-	145,000	7,540	152,540	170,000	31,100	201,100
2032	-	-	-	-	-	-	185,000	20,900	205,900
2033	-	-	-	-	-	-	195,000	10,725	205,725
	<u>\$ 7,745,000</u>	<u>4,322,788</u>	<u>12,067,788</u>	<u>1,870,000</u>	<u>1,161,700</u>	<u>3,031,700</u>	<u>2,320,000</u>	<u>1,875,345</u>	<u>4,195,345</u>

(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (continued) SEPTEMBER 30, 2011

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX REFUNDING SERIES 2009			UNLIMITED TAX REFUNDING SERIES 2010			DEFINED AREA UNLIMITED TAX SERIES 2011		
	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
	2012	\$ 500,000	325,619	825,619	1,820,000	562,175	2,382,175	-	89,250
2013	1,460,000	310,619	1,770,619	985,000	525,775	1,510,775	65,000	107,100	172,100
2014	1,530,000	244,919	1,774,919	1,020,000	506,075	1,526,075	70,000	104,337	174,337
2015	1,315,000	176,069	1,491,069	1,050,000	480,575	1,530,575	65,000	101,363	166,363
2016	505,000	116,894	621,894	1,085,000	454,325	1,539,325	65,000	98,600	163,600
2017	535,000	94,169	629,169	1,130,000	421,775	1,551,775	75,000	95,837	170,837
2018	195,000	70,094	265,094	1,170,000	387,875	1,557,875	80,000	92,650	172,650
2019	210,000	61,319	271,319	1,215,000	346,925	1,561,925	80,000	89,250	169,250
2020	215,000	51,869	266,869	1,270,000	304,400	1,574,400	85,000	85,850	170,850
2021	230,000	43,269	273,269	1,320,000	253,600	1,573,600	85,000	82,450	167,450
2022	240,000	33,781	273,781	1,375,000	200,800	1,575,800	90,000	79,050	169,050
2023	245,000	23,281	268,281	1,430,000	145,800	1,575,800	95,000	75,450	170,450
2024	265,000	12,256	277,256	-	88,600	88,600	100,000	71,650	171,650
2025	-	-	-	255,000	88,600	343,600	105,000	67,525	172,525
2026	-	-	-	1,960,000	78,400	2,038,400	110,000	63,194	173,194
2027	-	-	-	-	-	-	110,000	58,244	168,244
2028	-	-	-	-	-	-	115,000	53,294	168,294
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
	<u>\$ 7,445,000</u>	<u>1,564,158</u>	<u>9,009,158</u>	<u>17,085,000</u>	<u>4,845,700</u>	<u>21,930,700</u>	<u>2,370,000</u>	<u>1,586,825</u>	<u>3,956,825</u>

(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (continued)

SEPTEMBER 30, 2011

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX REFUNDING SERIES 2011			ANNUAL REQUIREMENTS FOR ALL SERIES		
	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due	Interest Due	Total
2012	\$ 5,000	56,934	61,934	\$ 2,740,000	2,019,785	4,759,785
2013	5,000	79,872	84,872	2,940,000	1,987,722	4,927,722
2014	5,000	79,680	84,680	3,075,000	1,877,293	4,952,293
2015	5,000	79,488	84,488	3,200,000	1,756,714	4,956,714
2016	5,000	79,296	84,296	2,445,000	1,633,203	4,078,203
2017	5,000	79,104	84,104	2,330,000	1,539,939	3,869,939
2018	10,000	78,912	88,912	2,425,000	1,450,842	3,875,842
2019	175,000	78,528	253,528	2,450,000	1,349,528	3,799,528
2020	175,000	71,808	246,808	2,530,000	1,260,255	3,790,255
2021	185,000	65,088	250,088	2,640,000	1,163,435	3,803,435
2022	190,000	57,984	247,984	2,755,000	1,055,261	3,810,261
2023	200,000	50,688	250,688	2,875,000	941,727	3,816,727
2024	205,000	43,008	248,008	3,060,000	821,502	3,881,502
2025	215,000	35,136	250,136	3,185,000	693,119	3,878,119
2026	225,000	26,880	251,880	3,315,000	561,072	3,876,072
2027	230,000	18,240	248,240	3,535,000	423,202	3,958,202
2028	245,000	9,408	254,408	3,700,000	274,920	3,974,920
2029	-	-	-	400,000	119,255	519,255
2030	-	-	-	425,000	97,945	522,945
2031	-	-	-	450,000	74,971	524,971
2032	-	-	-	475,000	50,650	525,650
2033	-	-	-	500,000	25,975	525,975
	<u>\$ 2,085,000</u>	<u>990,054</u>	<u>3,075,054</u>	<u>\$ 51,450,000</u>	<u>21,178,315</u>	<u>72,628,315</u>

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

**TSI-6 ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT  
SEPTEMBER 30, 2011**

	Unlimited Tax Series 2001	Revenue Series 2002	Unlimited Tax Series 2003	Refunding Series 2004	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	Refunding Series 2011	Defined Area Unlimited Tax Series 2011
Interest rate	3.50 to 5.00%	2.50 to 5.90%	3.125 to 5.50%	4.00 to 5.00%	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 5.25%	4.00 to 5.00%
Dates interest payable	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1	6/1; 12/1
Maturity dates	6/1/11	12/1/19	6/1/11	6/1/18	6/1/28	6/1/28	6/1/31	6/1/33	6/1/24	6/1/26	6/1/28	6/1/33
Bonds outstanding, beginning of year	\$ 810,000	650,000	835,000	3,080,000	9,100,000	7,770,000	1,925,000	2,365,000	7,960,000	17,190,000	-	-
Bonds issued during current year	-	-	-	-	-	-	-	-	-	-	2,085,000	2,370,000
Bonds retired during current year	(810,000)	(65,000)	(835,000)	(2,135,000)	(100,000)	(25,000)	(55,000)	(45,000)	(515,000)	(105,000)	-	-
Bonds outstanding, end of year	\$ -	585,000	-	945,000	9,000,000	7,745,000	1,870,000	2,320,000	7,445,000	17,085,000	2,085,000	2,370,000
Interest paid during current year	\$ 34,425	34,215	28,390	139,380	380,398	310,537	100,280	131,600	341,069	470,229	-	-

(continued)



# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-7 COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND AND DEBT SERVICE FUND FIVE YEARS ENDED SEPTEMBER 30, 2011

	AMOUNTS					PERCENT OF FUND TOTAL REVENUES				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
<b>GENERAL FUND</b>										
REVENUES:										
Water and wastewater service	\$ 5,495,625	4,704,588	4,950,110	4,644,809	3,833,371	52.4 %	50.9	54.4	54.0	50.3
Garbage collection	1,050,938	953,173	920,697	734,653	706,381	10.0	10.3	10.1	8.5	9.3
Inspection fees	76,896	59,632	41,236	139,889	211,706	0.8	0.6	0.5	1.6	2.8
Tap and other connection fees	127,648	129,564	90,519	12,685	61,206	1.2	1.4	1.0	0.1	0.8
Recreation center	1,131,354	920,097	692,629	636,669	755,982	10.8	9.9	7.6	7.4	9.9
Park and recreation fees	127,724	104,377	240,749	209,995	160,495	1.2	1.1	2.6	2.4	2.1
Property taxes, including penalties and interest	2,142,470	2,143,391	2,020,456	1,842,478	1,313,384	20.4	23.2	22.2	21.4	17.2
Investment earnings	28,391	51,964	93,057	313,554	354,634	0.3	0.6	1.0	3.7	4.7
Other	255,778	168,068	39,765	73,091	222,883	2.4	1.8	0.4	0.9	2.9
Bond issuance proceeds	55,777	15,056	18,113	-	-	0.5	0.2	0.2	-	-
Total revenues and other sources	10,492,601	9,249,910	9,107,331	8,607,823	7,620,042	100.0	100.0	100.0	100.0	100.0
EXPENDITURES:										
Current:										
Personnel (including benefits)	2,815,268	2,861,339	2,716,500	2,549,388	2,335,935	26.8	30.9	29.8	29.6	30.7
Purchased services for resale	2,310,474	2,472,603	2,491,189	2,186,944	1,254,313	22.0	26.7	27.4	25.4	16.5
Administrative	1,387,076	1,114,696	1,290,035	1,106,671	953,384	13.2	12.0	14.1	12.9	12.5
Repairs and maintenance	568,642	567,252	704,841	882,732	354,968	5.4	6.1	7.7	10.3	4.7
Utilities	774,449	678,359	645,605	635,086	469,428	7.4	7.3	7.1	7.4	6.2
Professional services	513,678	394,474	446,175	393,326	416,205	4.9	4.3	4.9	4.6	5.5
Contracted services	364,602	323,893	161,886	213,428	364,461	3.5	3.5	1.8	2.5	4.8
Capital outlay	167,835	329,110	601,532	709,940	128,889	1.6	3.6	6.6	8.2	1.7
Principal payments	65,000	65,000	60,000	60,000	591,763	0.6	0.7	0.7	0.7	7.8
Interest and fiscal charges	89,992	37,270	39,970	42,550	94,274	0.9	0.4	0.4	0.5	1.2
Total expenditures	9,057,016	8,843,996	9,157,733	8,780,065	6,963,620	86.3	95.5	100.6	102.0	91.4
TRANSFERS IN (OUT)	236,960	192,730	(451,670)	179,450	-	2.3	2.1	(5.0)	2.1	-
INTERFUND FORGIVENESS OF DEBT	-	2,400,779	-	-	1,678,212	-	26.0	-	-	22.0
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 1,672,545	2,999,423	(502,072)	7,208	2,334,634	16.0 %	32.6	(5.6)	0.1	30.6

(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-7 COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND AND DEBT SERVICE FUND (continued) FIVE YEARS ENDED SEPTEMBER 30, 2011

	AMOUNTS					PERCENT OF FUND TOTAL REVENUES				
	2011	2010	2009	2008	2007	2011	2010	2009	2008	2007
<b><u>DEBT SERVICE FUND</u></b>										
REVENUES:										
Property taxes, including penalties and interest	\$ 3,936,546	3,850,549	4,111,826	3,527,157	3,544,987	65.7 %	17.9	32.1	92.9	29.9
Investment earnings	29,177	41,364	93,848	269,220	539,765	0.5	0.2	0.7	7.1	4.6
Proceeds of refunding bonds	2,029,223	17,174,944	8,154,287	-	7,840,000	33.8	80.0	63.7	-	66.2
Discount on refunding debt	-	-	-	-	(87,585)	-	-	-	-	(0.7)
Premium on refunding debt	-	402,124	448,278	-	-	-	1.9	3.5	-	-
Total revenues and other sources	<u>5,994,946</u>	<u>21,468,981</u>	<u>12,808,239</u>	<u>3,796,377</u>	<u>11,837,167</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
EXPENDITURES:										
Principal payments	2,600,000	2,320,000	10,350,000	2,276,083	12,454,333	43.4	10.8	80.8	60.1	105.2
Interest and fiscal charges	1,936,308	2,350,589	2,408,978	2,120,635	-	32.3	10.9	18.8	55.9	-
Tax appraisal and collection	53,008	52,292	52,443	50,607	-	0.9	0.2	0.4	1.3	-
Administrative expenditures	-	-	-	7,070	1,091	-	-	-	0.2	-
Professional fees	-	-	9,000	9,104	17,340	-	-	0.1	0.2	0.1
Contract services	-	-	-	1,386	43,400	-	-	-	-	0.4
Bond issuance costs	10,062	495,483	280,377	-	244,091	0.2	2.3	2.2	-	2.1
Payment to refunded bond escrow agent	2,051,423	17,050,000	-	-	-	34.2	79.4	-	-	-
Other	335	13,518	-	-	-	-	-	-	-	-
Total expenditures and other uses	<u>6,651,136</u>	<u>22,281,882</u>	<u>13,100,798</u>	<u>4,464,885</u>	<u>12,760,255</u>	<u>111.0</u>	<u>103.8</u>	<u>102.3</u>	<u>117.6</u>	<u>107.8</u>
TRANSFERS IN	188,492	194,177	1,106,796	1,424,097	-	3.1	0.9	8.6	37.5	-
INTERFUND FORGIVENESS OF DEBT	-	1,435,461	-	-	-	-	6.7	-	-	-
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (467,698)</u>	<u>816,737</u>	<u>(292,559)</u>	<u>(668,508)</u>	<u>(923,088)</u>	<u>(7.9) %</u>	<u>3.8</u>	<u>(2.3)</u>	<u>(17.6)</u>	<u>(7.8)</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>5,308</u>	<u>5,155</u>	<u>5,105</u>	<u>4,999</u>	<u>4,931</u>					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>5,132</u>	<u>4,908</u>	<u>4,811</u>	<u>4,728</u>	<u>4,604</u>					

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS SEPTEMBER 30, 2011

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

District Business Telephone Number: (512) 255-7871

Submission date of the most recent District Registration Form: March 8, 2011  
(TWC Sections 36.054 and 49.054)

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

<u>Name and Address</u>	<u>Term of Office Elected &amp; Expires or Date Hired (2)</u>	<u>Fees 9/30/11</u>	<u>Expense Reimbursements 9/30/11</u>	<u>Title at Year End</u>
<u>Board Members:</u>				
Bob Grahl	Elected 5/08-11/12	7,200	-	President
Jeff Goldstein	Elected 5/10-11/14	1,350 (1)	-	Vice President
Rebecca B. Tullos	Elected 5/10-11/14	7,200	-	Treasurer
Russ Shermer	Elected 5/08-11/12	- (1)	-	Secretary
Shean Dalton	Elected 5/10-11/14	3,450 (1)	-	Assistant Treasurer and Assistant Secretary

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

(2) At the January 12, 2012 meeting, the Board approved moving the election cycle to November from May for all Board Members.

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

### Key Administrative Personnel:

Mike Petter	2006	\$ 110,482	\$ 2,380	General Manager
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(continued)

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (continued) SEPTEMBER 30, 2011

<u>Name and Address</u>	<u>Date Hired</u>	<u>Fees and Expense Reimbursements 9/30/11</u>	<u>Title at Year End</u>
<u>Consultants:</u>			
Freeman & Corbett, L.L.P.	2002	\$ 161,135	Attorney
Judy Osborn	2004	6,755	Attorney
Maxwell Locke & Ritter LLP	2008	38,500	Auditor
PBS&J	2007	500	Engineer
Williamson Central Appraisal District	1981	51,554	Tax Appraiser
Williamson County Tax Office	1981	96,825 (1)	Tax Collector
Bury Partners	2009	43,231	Engineer
CH2MHILL	2004	87,986	Engineer
Patterson & Associates	2008	20,000	Investment Advisor
Rim Rock	2007	1,413	Rate Study
McCall Parkhurst Horton	1994	18,570	Bond Counsel
Bank of New York, Mellon	2009	9,550	Arbitrage Auditor
Dietz & Jarrard	2006	6,934	Attorney

(1) Of fees paid during the year ended September 30, 2011, \$95,370 was a refund paid in October 2010.

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## OSI-1. PRINCIPAL TAXPAYERS SEPTEMBER 30, 2011

Taxpayer	Type of Property	DISTRICT		
		Tax Roll Year		
		2011	2010	2009
Amaravathi LTD Partnership & Amaravathi Keerthi LLC	Land & Improvements	\$ 53,644,743	56,642,684	60,767,488
HE Butt Inc.	Land & Improvements	7,780,245	7,000,000	7,878,817
The Park at Brushy Creek LTD	Land & Improvements	28,348,721	20,192,000	28,763,820
Highland 620 Land Investment LTD	Land & Improvements	7,666,751	7,331,739	9,738,632
MGP, XXII LLC	Land & Improvements	4,197,547	4,125,824	4,459,265
Kopels Peter A & Henry Aratow	Land & Improvements	4,641,605	4,634,649	4,454,949
Laquinta Medical Partners LP & Bruce & M. Voedean Simpson Tr of Simpson Fam Trust	Land & Improvements	3,797,067	3,798,411	4,020,237
KC 3 Cat Hollow LP	Land & Improvements	-	-	3,539,820
Hy-Land North Joint Venture	Land & Improvements	3,666,074	3,682,039	4,421,365
Atmos Energy/Mid-Tex Distribution	Land & Improvements	-	-	-
HEB Grocery Company LP	Land & Improvements	4,442,625	3,102,087	-
Highland Six Twenty Residential LTD	Land & Improvements	8,426,553	10,138,073	6,023,269
<b>Total</b>		<b>\$ 126,611,931</b>	<b>120,647,506</b>	<b>134,067,662</b>
Percent of Assessed Valuation		<b>10.9%</b>	<b>10.9%</b>	<b>12.1%</b>

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## OSI-1. PRINCIPAL TAXPAYERS (continued) SEPTEMBER 30, 2011

Taxpayer	Type of Property	DEFINED AREA		
		Tax Roll Year		
		2011	2010	2009
Kimball Hill Homes	Land & Improvements	\$ -	-	442,000
Pascall, Brian & Anne	Land & Improvements	-	-	414,629
Longwell, Sidney	Land & Improvements	<b>391,902</b>	-	409,259
Hofkamp, Michael & Susan	Land & Improvements	<b>396,123</b>	-	<b>407,783</b>
Highland 620 Land Investment LTD	Land & Improvements	<b>7,666,751</b>	7,331,739	9,738,632
Sborov, Jon & Tara	Land & Improvements	-	-	<b>405,473</b>
Nour, Rabih & Rana	Land & Improvements	-	-	<b>404,972</b>
Hy-Land North Joint Venture	Land & Improvements	<b>3,666,074</b>	3,682,039	4,421,365
Welsh, Jim & Jennifer	Land & Improvements	-	-	-
Harris, Neil C & Lynne J	Land & Improvements	<b>601,690</b>	-	-
Einhorn, Kenneth & Nancy	Land & Improvements	-	-	-
Weekley Homes LP	Land & Improvements	<b>1,158,849</b>	583,459	-
Kallfelz, Paul Jr & Paulette Moose	Land & Improvements	<b>459,480</b>	524,375	-
Highland 620 Residential LTD	Land & Improvements	<b>8,426,553</b>	10,138,073	6,023,269
Streetman Homes LTD LLP	Land & Improvements	<b>757,695</b>	2,941,032	1,657,291
Dinunzio, James Carlo & Lisa Heather	Land & Improvements	-	444,730	-
Navickas, Thomas E & Elizabeth A	Land & Improvements	-	431,948	-
Jablonski, Susan M & David B Fogle	Land & Improvements	<b>444,271</b>	426,446	-
Mason, Roger K & Debra D	Land & Improvements	-	407,418	-
<b>Total</b>		<b>\$ 23,969,388</b>	26,911,259	24,324,673
Percent of Assessed Valuation		<b>16.6%</b>	22.3%	24.1%

# BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

## OSI-2. ASSESSED VALUE BY CLASSIFICATION SEPTEMBER 30, 2011

Type of Property	Tax Roll Year					
	DISTRICT					
	2011		2010		2009	
	Amount	%	Amount	%	Amount	%
Real, Single Family	\$ 983,968,258	84.6%	\$ 939,223,342	84.9%	\$ 918,166,019	83.2%
Real, Multi Family	88,661,231	7.6%	82,699,608	7.5%	92,483,963	8.4%
Real, Vacant Platted Lots/Tracts	20,705,112	1.8%	17,044,093	1.5%	12,288,003	1.1%
Real, Acreage (Land Only)	2,669,465	0.2%	2,795,756	0.3%	6,538,125	0.6%
Real, Commercial	47,015,155	4.0%	39,654,246	3.6%	52,175,681	4.7%
Real & Intangible Personal, Utilities	4,852,042	0.4%	7,258,982	0.7%	7,134,252	0.6%
Tangible Personal business	7,785,131	0.7%	4,986,717	0.5%	4,123,213	0.4%
Real Inventory	7,292,042	0.6%	13,041,316	1.2%	10,639,692	1.0%
<b>Total</b>	<b>\$ 1,162,948,436</b>	<b>100%</b>	<b>\$ 1,106,704,060</b>	<b>100%</b>	<b>\$ 1,103,548,948</b>	<b>100%</b>

Type of Property	DEFINED AREA					
	2011		2010		2009	
	Amount	%	Amount	%	Amount	%
Real, Single Family	\$ 119,917,257	82.9%	\$ 92,420,077	76.8%	\$ 76,417,435	75.6%
Real, Vacant Plotted Lots	16,084,672	11.1%	13,954,285	11.4%	9,138,673	9.0%
Real, Acreage (Land Only)	2,667,988	1.8%	2,660,506	2.2%	6,381,525	6.3%
Real & Intangible Personal, Utilities	34,076	0.0%	13,562	0.0%	94,362	0.1%
Tangible Personal Property	162,305	0.1%	95,169	0.1%	-	0.0%
Real Inventory	5,861,546	4.1%	11,740,541	9.6%	9,014,362	8.9%
<b>Total</b>	<b>\$ 144,727,844</b>	<b>100%</b>	<b>\$ 120,884,140</b>	<b>100%</b>	<b>\$ 101,046,357</b>	<b>100%</b>