

**BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT**

**Financial Statements and
Supplemental Information for the
Year Ended September 30, 2010
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, 2010 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.



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Accountants and Consultants

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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, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the District. 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, 2010, 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 Companies

ML&R PERSONNEL SOLUTIONS LLC

"The Resource for Direct Hire & Project Staffing"

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 of the District. The supplemental information listed in the table of contents is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the financial statements. The supplemental 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 Joche + Ritter LLP

January 26, 2011

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

Management's Discussion and Analysis For the Year Ended September 30, 2010

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, 2010. 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 "Governmental Funds Total" 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 \$12,686,239 (*net assets*). Of this amount, \$10,263,959 (*unrestricted net assets*) may be used to meet the government's ongoing obligations.
- The District authorized a \$17,190,000 refunding bond issue in August 2010 to make early principal and interest payments on the District's Series 2001 and Series 2003 bonds.
- The District's net property tax values increased by approximately \$51 million or 4.4% from \$1,149,812,324 to \$1,200,392,206. 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 \$54,000.
- During the year, the Capital Projects Fund transferred approximately \$1,435,000 and \$2,401,000 to the Debt Service Fund and General Fund, respectively, as part of interfund debt forgiveness.
- The District transferred approximately \$193,000 in wastewater impact fees to the General Fund to pay for the wastewater contract. In addition, the District transferred approximately \$194,000 in water impact fees to the Debt Service Fund. These transfers allowed the District to rely less on customer utility rates and tax rates.
- During the year, the District authorized remaining capital recovery and prepayment fees of approximately \$726,000 (previously held in an agency fund) to be utilized for payment of costs relating to a well improvement project.

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 “Governmental Funds Total”) 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 “Governmental Funds Total”) 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

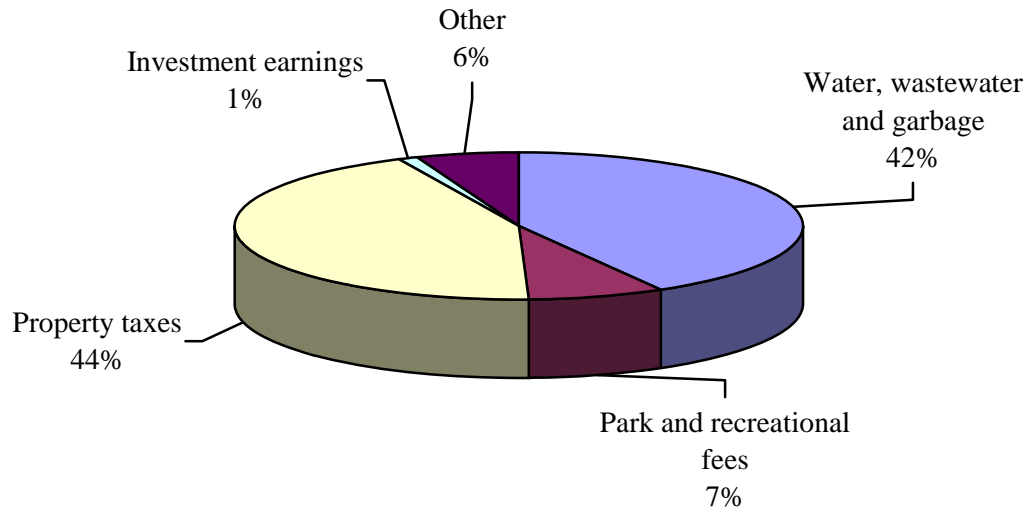
Statement of Net Assets

	Governmental Activities		
	2010	2009	% Change
Current and other assets	\$ 20,581,229	\$ 20,453,020	0.6%
Capital and non-current assets	46,734,846	49,497,533	(5.6 %)
Total assets	\$ 67,316,075	\$ 69,950,553	(3.8%)
Current liabilities	\$ 4,771,193	\$ 5,371,106	(11.2%)
Long-term liabilities	49,858,643	51,991,654	(4.1%)
Total liabilities	\$ 54,629,836	\$ 57,362,760	(4.8%)
Invested in capital assets, net of related debt	\$ (5,042,188)	\$ (387,480)	(1,201.3%)
Restricted	7,464,398	6,429,877	16.1%
Unrestricted	10,263,959	6,545,396	56.8%
Total net assets	\$ 12,686,239	\$ 12,587,793	0.8%

The District’s total assets were approximately \$67.3 million as of September 30, 2010. Of this amount, approximately \$45.1 million is accounted for by capital assets. The District had outstanding liabilities of approximately \$54.6 million of which approximately \$51.7 million represent bonds and note payable.

The District’s property tax assessed value in fiscal year 2010 (which was based on the 2009 tax levy) was approximately \$1,200 million compared to approximately \$1,150 million in fiscal year 2009. 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

	Governmental Activities		
	2010	2009	% Change
Water, wastewater and garbage	\$ 5,657,761	\$ 5,870,807	(3.6%)
Property taxes	5,990,641	5,936,963	0.9%
Parks and recreational fees	1,024,474	933,378	9.8%
Investment earnings	106,078	195,341	(45.7%)
Contributed capital assets	5,548	1,453,897	(99.6%)
Other	822,582	543,088	51.5%
Total revenues	13,607,084	14,933,474	(8.9%)
Water, wastewater and garbage	2,472,603	2,491,189	(0.7%)
Salary and related expenditures	2,868,354	2,721,030	5.4%
Administrative	1,021,465	1,120,910	(8.9%)
Repairs and maintenance	567,252	704,841	(19.5%)
Utilities	678,359	645,605	5.1%
Professional fees	237,021	340,797	(30.5%)
Contracted services	323,893	161,886	100.1%
Other	316,494	336,898	(6.1%)
Capital outlay	-	22,173	(100%)
Debt service	2,199,518	2,318,509	(5.1%)
Depreciation	3,572,253	3,402,456	5.0%
Total expenses	14,257,212	14,266,294	(0.1%)
Other financing source	726,400	-	100%
Change in net assets	76,272	667,180	(88.6%)
Beginning net assets, as restated	12,609,967	11,942,787	5.6%
Ending net assets, as restated	\$ 12,686,239	\$ 12,609,967	0.6%

Operating revenues decreased by approximately \$1.3 million to approximately \$13.6 million for the fiscal year ended September 30, 2010. Water, wastewater and garbage service provided approximately \$5.7 million, and property taxes, including penalties and interest, generated approximately \$6.0 million in revenues. Along with the water revenue decrease for the fiscal year, there was a decrease in builder fee revenue from the previous year. Total expenses decreased approximately \$9,000 to approximately \$14.3 million for the fiscal year ended September 30, 2010. Salary and related expenditures increased approximately \$147,000 due to the addition of one new regulatory compliance position, annual raises, and higher benefit costs within the District. Net assets increased approximately \$76,000 for the fiscal year ended September 30, 2010 compared to an increase of approximately \$667,000 for the fiscal year ended September 30, 2009.

Analysis of Governmental Funds

	2010	2009
Cash	\$ 6,779,037	\$ 863,787
Investments	12,973,829	18,699,763
Receivables	824,949	881,708
Interfund receivable	157,407	5,228,796
Deposits	3,414	7,762
Total assets	\$ 20,738,636	\$ 25,681,816
Accounts payable	\$ 375,401	\$ 675,185
Refundable deposits	522,938	529,050
Other liabilities	480,241	403,802
Interfund payable	157,407	5,228,796
Due to agency fund	-	458,521
Deferred revenue	149,439	101,576
Total liabilities	1,685,426	7,396,930
Reserved for debt service	7,957,726	7,140,989
Reserved for capital projects	791,545	4,565,781
Designated fund balance	1,340,361	708,107
Unreserved	8,963,578	5,870,009
Total fund balances	19,053,210	18,284,886
Total liabilities and fund balances	\$ 20,738,636	\$ 25,681,816

The *General Fund* pays for daily operating expenses. When comparing actual to budget, water, wastewater and garbage service revenues were higher than budgeted. Also when comparing actual expenditures to budget, personnel, administrative, and water and wastewater service expenditures were lower than budget, while other consulting fees, contracted services, and repairs and maintenance were higher than budget. For the year ended September 30, 2010, the District came in ahead of budget for the General Fund by approximately \$438 thousand. More detailed information about the District's budgetary comparison is presented in the *Basic Financial Statements*.

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

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

Capital Assets

	2010	2009
Land	\$ 2,562,724	\$ 2,562,724
Construction in process	29,157	119,325
Water, wastewater, and drainage systems	69,668,581	69,594,506
Easements and rights-of-way	901,891	901,891
Buildings and improvements	4,202,598	4,157,628
Furniture and equipment	1,598,090	1,577,026
Park and recreational facilities	4,098,362	3,799,417
Automobiles and trucks	144,925	129,996
Subtotal	83,206,328	82,842,513
Accumulated depreciation	(38,143,762)	(34,571,509)
Total	\$ 45,062,566	\$ 48,271,004

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

Long-Term Debt Activity

	2010	2009
District-wide:		
Series 2001 Bonds	\$ 810,000	\$ 3,070,000
Series 2002 Bonds	650,000	715,000
Series 2003 Bonds	835,000	17,195,000
Series 2004 Bonds	3,080,000	3,185,000
Series 2005 Bonds	9,100,000	9,200,000
Series 2007 Bonds	7,770,000	7,795,000
Series 2009 Refunding Bonds	7,960,000	7,975,000
Series 2010 Refunding Bonds	17,190,000	-
Note payable	44,866	74,140
Total District-wide	47,439,866	49,664,140
Defined Area:		
Series 2008 Bonds	1,925,000	1,975,000
Series 2009 Bonds	2,365,000	2,365,000
Total Defined Area	4,290,000	4,340,000
Total	\$ 51,729,866	\$ 54,004,140

The District owes approximately \$52 million to bond holders. During the year, the District issued \$17,190,000 in refunding bonds to pay principal and interest on Series 2001 and 2003 bonds. The principal balance of outstanding bonds and the note payable was reduced by approximately \$2,274,000 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 2011 projects the General Fund fund balance will remain the same. When compared to the 2010 budget, revenues are expected to decrease by approximately 1% due to a decrease in water, wastewater, and garbage revenue and property tax revenue. Expenses are expected to decrease by approximately 4%.

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, 2010

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	ADJUSTMENTS (NOTE 2)	STATEMENT OF NET ASSETS
<u>ASSETS</u>						
Cash	\$ 3,018,659	3,759,470	908	6,779,037	-	6,779,037
Investments	6,569,520	4,300,200	1,572,500	12,442,220	-	12,442,220
Receivables:						
Service accounts, net	733,918	-	-	733,918	-	733,918
Taxes	8,950	15,105	-	24,055	-	24,055
Other	66,976	-	-	66,976	-	66,976
Due from other funds	157,407	-	-	157,407	(157,407)	-
Deposits	3,414	-	-	3,414	-	3,414
Restricted investments for customer deposits	531,609	-	-	531,609	-	531,609
Deferred charges - bond issuance costs	-	-	-	-	1,672,280	1,672,280
Capital assets (net of accumulated depreciation):						
Land	-	-	-	-	2,562,724	2,562,724
Construction in process	-	-	-	-	29,157	29,157
Easements and rights-of-way	-	-	-	-	752,225	752,225
Water, wastewater and drainage systems	-	-	-	-	36,180,338	36,180,338
Building and improvements	-	-	-	-	3,163,254	3,163,254
Furniture and equipment	-	-	-	-	217,070	217,070
Park and recreational facilities	-	-	-	-	2,099,478	2,099,478
Automobiles and trucks	-	-	-	-	58,320	58,320
Total assets	<u>\$ 11,090,453</u>	<u>8,074,775</u>	<u>1,573,408</u>	<u>20,738,636</u>	<u>46,577,439</u>	<u>67,316,075</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 375,401	-	-	375,401	-	375,401
Customer deposits	522,938	-	-	522,938	-	522,938
Other liabilities	480,241	-	-	480,241	-	480,241
Due to other funds	-	101,944	55,463	157,407	(157,407)	-
Accrued bond interest payable	-	-	-	-	508,433	508,433
Deferred revenue	134,334	15,105	-	149,439	(24,055)	125,384
Accrued vacation leave	-	-	-	-	48,930	48,930
Long-term liabilities:						
Due within one year	-	-	-	-	2,709,866	2,709,866
Due after one year	-	-	-	-	49,858,643	49,858,643
Total liabilities	<u>1,512,914</u>	<u>117,049</u>	<u>55,463</u>	<u>1,685,426</u>	<u>52,944,410</u>	<u>54,629,836</u>
<u>FUND BALANCES/NET ASSETS</u>						
Fund balances:						
Reserved for debt service	-	7,957,726	-	7,957,726	(7,957,726)	-
Reserved for capital projects	-	-	791,545	791,545	(791,545)	-
Designated for parks capital	461,948	-	-	461,948	(461,948)	-
Designated for projects	152,013	-	726,400	878,413	(878,413)	-
Unreserved	8,963,578	-	-	8,963,578	(8,963,578)	-
Total fund balance	<u>9,577,539</u>	<u>7,957,726</u>	<u>1,517,945</u>	<u>19,053,210</u>	<u>(19,053,210)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 11,090,453</u>	<u>8,074,775</u>	<u>1,573,408</u>	<u>20,738,636</u>		
Net assets:						
Invested in capital assets, net of related debt					(5,042,118)	(5,042,118)
Restricted for debt service					7,464,398	7,464,398
Unrestricted, undesignated					10,263,959	10,263,959
Total net assets					<u>\$ 12,686,239</u>	<u>12,686,239</u>

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, 2010

	GENERAL FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	TOTAL GOVERNMENTAL FUNDS	ADJUSTMENTS (NOTE 2)	STATEMENT OF ACTIVITIES
EXPENDITURES/EXPENSES:						
Service operations:						
Personnel (including benefits)	\$ 2,832,839	-	-	2,832,839	7,015	2,839,854
Water and wastewater purchases	1,603,570	-	-	1,603,570	-	1,603,570
Administrative	1,021,465	-	-	1,021,465	-	1,021,465
Repairs and maintenance	567,252	-	-	567,252	-	567,252
Utilities	678,359	-	-	678,359	-	678,359
Garbage fees	869,033	-	-	869,033	-	869,033
Contracted services	323,893	-	-	323,893	-	323,893
Other consulting	176,499	-	-	176,499	-	176,499
Legal fees	184,311	-	-	184,311	-	184,311
Security fees	19,046	-	-	19,046	-	19,046
Insurance	63,991	-	-	63,991	-	63,991
Tax appraisal/collection fees	-	52,292	-	52,292	-	52,292
Audit fees	27,350	-	-	27,350	-	27,350
Engineering fees	6,314	-	-	6,314	-	6,314
Directors' fees	28,500	-	-	28,500	-	28,500
Other	10,194	13,518	-	23,712	-	23,712
Capital outlay	329,110	-	29,157	358,267	(358,267)	-
Debt service:						
Principal payments	65,000	2,320,000	-	2,385,000	(2,385,000)	-
Interest and fiscal charges	37,270	2,350,589	-	2,387,859	(188,341)	2,199,518
Bond issuance cost	-	495,483	-	495,483	(495,483)	-
Depreciation	-	-	-	-	3,572,253	3,572,253
Total expenditures/expenses	8,843,996	5,231,882	29,157	14,105,035	152,177	14,257,212
REVENUES:						
Program revenues:						
Water and wastewater service	4,704,588	-	-	4,704,588	-	4,704,588
Garbage collection	953,173	-	-	953,173	-	953,173
Inspection fees	59,632	-	-	59,632	-	59,632
Tap and other connection fees	129,564	-	-	129,564	-	129,564
Recreation center	920,097	-	-	920,097	-	920,097
Park and recreation fees	104,377	-	-	104,377	-	104,377
Capital recovery fees	-	-	465,318	465,318	-	465,318
Contributed capital assets	-	-	-	-	5,548	5,548
Total program revenues	6,871,431	-	465,318	7,336,749	5,548	7,342,297
Net program expense						(6,914,915)
General revenues:						
Property taxes, including penalties and interest	2,143,391	3,850,549	-	5,993,940	(3,299)	5,990,641
Investment earnings	51,964	41,364	12,750	106,078	-	106,078
Other	168,068	-	-	168,068	-	168,068
Total general revenues	2,363,423	3,891,913	12,750	6,268,086	(3,299)	6,264,787
Total revenues	9,234,854	3,891,913	478,068	13,604,835	2,249	13,607,084
OTHER FINANCING SOURCES (USES):						
Proceeds from bond issuance	15,056	17,174,944	-	17,190,000	(17,190,000)	-
Premium on bonds issued	-	402,124	-	402,124	(402,124)	-
Payment to bond escrow agent	-	(17,050,000)	-	(17,050,000)	17,050,000	-
Transfers in (out)	2,593,509	1,629,638	(4,223,147)	-	-	-
Other financing source	-	-	726,400	726,400	-	726,400
Total other financing sources (uses)	2,608,565	2,156,706	(3,496,747)	1,268,524	(542,124)	726,400
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES						
	2,999,423	816,737	(3,047,836)	768,324	(768,324)	-
Change in net assets					(692,052)	76,272
FUND BALANCES/NET ASSETS:						
Beginning of year, as restated	6,578,116	7,140,989	4,565,781	18,284,886	(5,674,919)	12,609,967
End of year	\$ 9,577,539	7,957,726	1,517,945	19,053,210	(6,366,971)	12,686,239

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, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
REVENUES:				
Water, wastewater and garbage services	\$ 5,493,766	5,493,766	5,657,761	163,995
Property taxes, including penalties and interest	2,127,232	2,127,232	2,143,391	16,159
Recreation center	734,853	852,853	920,097	67,244
Park and recreation fees	247,964	247,964	104,377	(143,587)
Tap connection/inspection fees	124,005	124,964	189,196	64,232
Investment earnings	80,360	80,360	51,964	(28,396)
Other	126,868	126,868	168,068	41,200
Total revenues	8,935,048	9,054,007	9,234,854	180,847
EXPENDITURES:				
Service operations:				
Personnel (including benefits)	2,969,363	2,971,863	2,832,839	139,024
Water and wastewater purchases	1,833,800	1,833,800	1,603,570	230,230
Administrative	1,589,377	1,592,727	1,021,465	571,262
Repairs and maintenance	542,410	526,560	567,252	(40,692)
Utilities	615,100	678,100	678,359	(259)
Garbage fees	852,000	852,000	869,033	(17,033)
Contracted services	256,730	281,230	323,893	(42,663)
Other consulting	64,450	64,450	176,499	(112,049)
Legal fees	155,000	170,000	184,311	(14,311)
Security fees	65,025	65,025	19,046	45,979
Insurance	67,832	67,832	63,991	3,841
Tax appraisal/collection fees	3,000	3,000	-	3,000
Audit fees	38,000	38,000	27,350	10,650
Engineering fees	50,000	50,000	6,314	43,686
Directors' fees	28,500	28,500	28,500	-
Other	2,500	2,500	10,194	(7,694)
Capital outlay	154,860	180,360	329,110	(148,750)
Debt service:				
Principal payments	65,000	65,000	65,000	-
Interest and fiscal charges	37,270	37,270	37,270	-
Total expenditures	9,390,217	9,508,217	8,843,996	664,221
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(455,169)	(454,210)	390,858	845,068
OTHER FINANCING SOURCES:				
Proceeds from bond issuance	-	-	15,056	15,056
Transfers in	3,015,355	3,015,355	2,593,509	(421,846)
Total other financing sources	3,015,355	3,015,355	2,608,565	(406,790)
Change in fund balance	2,560,186	2,561,145	2,999,423	438,278
FUND BALANCES:				
Beginning of year	6,578,116	6,578,116	6,578,116	-
End of year	\$ 9,138,302	9,139,261	9,577,539	438,278

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, 2010

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 which has been elected by District residents or appointed by the Board of Directors. 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 “Governmental Funds Total” 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 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 designated to be used 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, 2010 was approximately \$82,000.

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, parks 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, 2010 is \$48,930.

Designated Fund Balances - Fund balance designated for parks capital represents builder park fees received at the time a builder purchases a lot within the District for development, which are maintained for capital projects associated with the parks of the District. The designated funds can be used for capital improvement of the District parks as required, but cannot be combined with the District's other operating needs.

Fund balance designated for projects represents costs reserved for the purpose of funding projects and to pay future costs to third party vendors as they arise.

Recently Issued Accounting Pronouncements

In March 2009, the GASB issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for fiscal years beginning after June 15, 2010, 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. Management is still evaluating the effects that the full implementation of GASB Statement No. 54 will have on its financial statements for the year ended September 30, 2011, primarily as it relates to 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	\$ 19,053,210
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net of accumulated depreciation	45,062,566
Deferred charges – bond issue costs	1,672,280
Deferred tax revenue is not available to pay for current-period expenditures and, therefore, is deferred in the funds.	24,055
The following liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued vacation payable	(48,930)
Bonds payable, including premiums	(52,523,643)
Bond interest payable	(508,433)
Note payable	(44,866)
Total net assets	<u>\$ 12,686,239</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	\$ 768,324
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	358,267
Depreciation	(3,572,253)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Contributed capital assets	5,548
Change in deferred tax revenue	(3,299)
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	19,435,000
Repayment of note principal	29,274
Bond proceeds, including premium	(17,592,124)
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	(7,015)
Change in bond interest payable	220,838
Amortization of bond issuance costs, net	199,160
Amortization of deferred charges, net	224,417
Amortization of premium	10,135
Change in net assets	<u>\$ 76,272</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, 2010, 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 of Directors. 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, 2010 consisted of the following:

Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
Public funds investment pool - TexPool	\$ 1,398,763	1	AAAm
Public funds investment pool - LOGIC	3,775,139	1	AAAm
Treasury Bills - Frost	1,000,000	643	Various
Certificates of deposit	<u>6,799,927</u>	140	Various
Total	<u>\$ 12,973,829</u>		

At September 30, 2010, 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, 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, 2010, investments were included in local governmental investment pools, treasury bills 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 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, 2010, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Capital Projects	\$ 55,463
General	Debt Service	<u>101,944</u>
		<u><u>\$ 157,407</u></u>

During the year, the Capital Projects Fund transferred \$1,629,638 and \$2,593,509 to the Debt Service Fund and General Fund, respectively, as part of interfund debt forgiveness, 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, 2010, was as follows:

	Balance September 30, 2009	Additions	Retirements and Transfers	Balance September 30, 2010
Capital assets, not being depreciated:				
Land	\$ 2,562,724	-	-	2,562,724
Construction in process, as restated	119,325	29,157	(119,325)	29,157
Total capital assets, not being depreciated	2,682,049	29,157	(119,325)	2,591,881
Capital assets, being depreciated:				
Water, wastewater and drainage systems	69,594,506	74,075	-	69,668,581
Easements and rights-of-way	901,891	-	-	901,891
Buildings and improvements	4,202,598	22,796	22,174	4,202,598
Furniture and equipment	1,577,026	21,064	-	1,598,090
Park and recreational facilities	3,799,417	201,794	97,151	4,098,362
Automobiles and trucks	129,996	14,929	-	144,925
Total capital assets being depreciated	80,160,464	334,658	119,325	80,614,447
Less accumulated depreciation for:				
Water, wastewater and drainage systems	(30,363,453)	(3,124,790)	-	(33,488,243)
Easements and rights-of-way	(127,117)	(22,549)	-	(149,666)
Buildings and improvements	(884,181)	(155,163)	-	(1,039,344)
Furniture and equipment	(1,333,173)	(47,847)	-	(1,381,020)
Park and recreational facilities	(1,802,099)	(196,785)	-	(1,998,884)
Automobiles and trucks	(61,486)	(25,119)	-	(86,605)
Total accumulated depreciation	(34,571,509)	(3,572,253)	-	(38,143,762)
Total capital assets, being depreciated, net	45,588,955	(3,237,595)	119,325	42,470,685
Capital assets, net	\$ 48,271,004	(3,208,438)	-	45,062,566

6. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended September 30, 2010:

	Balance September 30, 2009	Additions	Retirements	Balance September 30, 2010
Bonds payable	\$ 53,930,000	17,190,000	(19,435,000)	51,685,000
Note payable	74,140	-	(29,274)	44,866
Premium on refunding	446,654	402,124	(10,135)	838,643
Deferred charges on bonds	(580,422)	(257,850)	33,433	(804,839)
Total	<u>\$ 53,870,372</u>	<u>17,334,274</u>	<u>(19,440,976)</u>	<u>51,763,670</u>

Long-term debt at September 30, 2010, is comprised of the following:

	Balance 9/30/2010	Due Within One Year
\$13,250,000, Series 2001, serial bonds due in annual installments of \$190,000 to \$1,025,000 through June 1, 2011. Interest varies from 3.50% to 5.00% and is payable June 1 and December 1 each year.	\$ 810,000	\$ 810,000
\$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.	650,000	65,000
\$27,500,000, Series 2003, serial bonds due in annual installments of \$630,000 to \$1,705,000 through June 1, 2011. Interest varies from 3.125% to 5.50% and is payable June 1 and December 1 each year.	835,000	835,000
\$3,285,000, Series 2004, refunding bonds due in annual installments of \$100,000 to \$250,000 through June 1, 2028. Interest varies from 4.00% to 5.00% and is payable June 1 and December 1 each year.	3,080,000	110,000
\$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.	9,100,000	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.	7,770,000	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.	1,925,000	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.	2,365,000	45,000

\$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.	7,960,000	515,000
\$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.	17,190,000	105,000
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 \$44,866 is remaining.	<u>44,866</u>	<u>44,866</u>
Total long-term debt	<u>\$ 51,729,866</u>	<u>\$ 2,709,866</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>
2011	\$ 2,665,000	1,970,524	4,635,524
2012	2,735,000	1,965,065	4,700,065
2013	2,870,000	1,892,213	4,762,213
2014	3,000,000	1,784,740	4,784,740
2015	3,130,000	1,667,327	4,797,327
2016-2020	11,760,000	6,834,157	18,594,157
2021-2025	14,025,000	4,345,857	18,370,857
2026-2030	10,805,000	1,221,759	12,026,759
2031-2033	<u>695,000</u>	<u>70,265</u>	<u>765,265</u>
Total	<u>\$ 51,685,000</u>	<u>21,751,907</u>	<u>73,436,907</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 27, 2010, the District issued \$17,190,000 of Unlimited Tax Refunding Bonds, Series 2010, to currently refund \$1,490,000 of its previously issued Series 2001 Bonds and \$15,560,000 of its previously issued Series 2003 Bonds in order to lower its overall debt service requirements. The net proceeds of \$17,283,609 (after payment of underwriting fees, insurance, and other issuance costs) were used for the following: \$17,236,586 was deposited with an escrow agent to provide the debt service payment on the portion of bonds currently refunded and \$47,023 was deposited in the debt service fund for future interest and principal payments. As a result, \$17,050,000 of bond principal is considered defeased and the liability for these bonds was removed from the basic financial statements. At September 30, 2010, there are no outstanding bonds that are considered as all defeased principal balances were retired prior to year end. The reacquisition price exceeded the net carrying amount of the old debt by \$186,586. This amount was expensed in 2010 as the debt defeased by the Series 2010 Refunding Bonds was called for redemption prior to their scheduled maturities. The current refunding resulted in an economic gain of \$976,104.

At September 30, 2010, unlimited tax bonds of approximately \$22,215,000 were authorized by the District but unissued of which \$20,115,000 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. Sendero Springs/Cornerstone Defined Area had additional tax rates of \$0.3600 per \$100 assessed valuation. The total 2009 tax levy was \$6,060,392 based on a taxable valuation of \$1,200,392,206.

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 \$465,318 for the year ended September 30, 2010 and are within the capital projects fund.

9. 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 of Directors 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 of Directors 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.

10. 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 6.4% for 2010. The contribution rate payable by the District for calendar years 2009 and 2008 was 5.11% and 4.28%, 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, 2010, the annual pension cost for the TCDRS plan for its employees was \$125,779 and the actual contributions were \$125,779.

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 2007, 2008 and 2009. The December 31, 2009 actuarial valuation is the most recent valuation.

Actuarial Valuation Information:

Actuarial valuation date	12/31/2007	12/31/2008	12/31/2009
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, closed
Amortization period	30 years	30 years	20 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%	5.3%	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:

Accounting Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
September 30, 2008	\$ 82,380	100%	-
September 30, 2009	103,554	100%	-
September 30, 2010	125,779	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, 2009:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (U/OAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll* (c)
December 31, 2007	\$ 921,827	869,352	(52,475)	106.04%	(2.98%)
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%

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

11. DESIGNATED FUND BALANCE

The Board designated \$461,948 of General Fund fund balance to pay for parks capital. The Board designated \$726,400 of Capital Projects Fund fund balance to pay for a well improvement project. In addition, the Board designated General Fund fund balance for the purpose of funding projects to pay future costs to third parties that arise.

The amounts designated for funding projects as of September 30, 2010 are:

CIP project	\$ 30,611
Racine fence	10,768
Trail repairs	48,000
Fiber optic	30,000
Phase II signs	4,921
Leak detection survey	25,500
Consumption rates	2,213
Total designated fund balance	\$ 152,013

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, 2010, 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.

13. OTHER FINANCING SOURCE

During the fiscal year, the District recognized an other financing source amount of approximately \$726,000 related to assets previously held in an agency fund. The District established the agency fund to place proceeds from the collection of capital recovery and prepayment fees. In the current year, the Board of Directors authorized remaining capital recovery and prepayment fees to be utilized for payment of costs relating to a well improvement project, including associated engineering and construction costs. Other financing source amount consisted of approximately \$267,000 of cash, cash equivalents and investments and approximately \$459,000 of liabilities that were forgiven.

14. RESTATEMENT OF NET ASSETS

In fiscal year 2009, the District incurred \$22,174 of capital outlay related to a maintenance yard project. At the end of fiscal year 2009, the District presumed that this project would not be completed, and thus the amount incurred was not recognized in capital assets as construction in progress but instead expensed as of September 30, 2009. During fiscal year 2010, the project was reinstated and completed. To properly reflect the construction in progress costs incurred during fiscal year 2009, net assets at September 30, 2009, as previously reported, has been restated as follows:

Net assets at September 30, 2009, as previously reported	\$ 12,587,793
Construction in progress - maintenance yard project	22,174
Net assets at September 30, 2009, as restated	<u>\$ 12,609,967</u>

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

INDEX OF SUPPLEMENTAL SCHEDULES REQUIRED BY TEXAS COMMISSION ON ENVIRONMENTAL QUALITY YEAR ENDED SEPTEMBER 30, 2010

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

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-0 NOTES REQUIRED BY THE WATER DISTRICT ACCOUNTING MANUAL YEAR ENDED SEPTEMBER 30, 2010

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 10 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, 2010**

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

2. Retail Service Providers:

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

	(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, 2010**

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"	5,054	5,049	x 1.0	5,049
1"	36	36	x 2.5	90
1 1/2"	18	18	x 5.0	90
2"	35	33	x 8.0	264
3"	11	11	x 15.0	165
4"	2	2	x 25.0	50
6"	2	2	x 50.0	100
8"	4	4	x 80.0	320
10"	-	-	x 115.0	-
Total Water	5,162	5,155		6,128
Total Wastewater	4,908	4,908	x 1.0	4,908

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

Gallons pumped into system:	<u>1,027,382,000</u>	Water Accountability Ratio: (Gallons billed/Gallons pumped) <u>67.21% (1)</u>
Gallons billed to customers:	<u>690,452,247</u>	

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

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, 2010

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, 2010

Personnel Expenditures (including benefits)	\$	2,832,839
Professional Fees:		
Auditing		27,350
Legal		184,311
Engineering		6,314
Financial Advisor		-
Purchased Services For Resale-		
Bulk Water and Wastewater Service Purchases		1,603,570
Contracted Services:		
Bookkeeping		-
Utility Manager		-
Appraisal District/Tax Collector		-
Other Contracted Services		323,893
Utilities		678,359
Repairs and Maintenance		567,252
Administrative Expenditures:		
Directors' Fees		28,500
Office Supplies		25,282
Insurance		63,991
Other Administrative Expenses		896,307
Capital Outlay:		
Capitalized Assets		329,110
Expenditures not Capitalized		-
Tap Connection Expenditures		99,876
Solid Waste Disposal		869,033
Fire Fighting		-
Parks and Recreation		(a)
Other Expenditures		308,009
TOTAL EXPENDITURES	\$	<u>8,843,996</u>

Number of persons employed by the District: 39 Full-Time 66 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, 2010, parks and recreation expenditures were \$2,466,823.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-3 SCHEDULE OF TEMPORARY INVESTMENTS YEAR ENDED SEPTEMBER 30, 2010

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at September 30, 2010	Accrued Interest Receivable at September 30, 2010
<u>General Fund</u>					
Investment in LOGIC	742006801003	Variable	N/A	\$ 141,465	\$ -
Investment in LOGIC	742006801002	Variable	N/A	531,609	-
Investment in TexPool	2461600008	Variable	N/A	539,483	-
Investment in TexPool	2461600001	Variable	N/A	107,401	-
Certificate of deposit in Libertad	108874	1.25%	2/14/2010	245,000	-
Certificate of deposit in Tx Capital	4016000276	1.40%	10/4/2009	250,000	-
Certificate of deposit in Tx Security	10231	1.74%	10/16/2009	247,254	-
Certificate of deposit in Hillcrest	1007521908	0.90%	12/17/2009	5,038,917	-
Totals				7,101,129	-
<u>Debt Service Fund</u>					
Investment in LOGIC	742006801001	Variable	N/A	765,400	-
Investment in LOGIC	742006801013	Variable	N/A	1,063,106	-
Investment in TexPool	2461600004	Variable	N/A	452,938	-
Certificate of deposit in Viewpoint	200570532	1.440%	3/10/2010	1,018,756	-
Frost Treasury Bills	3133XYF26	Step	5/24/2012	500,000	-
Frost Treasury Bills	3134G1UK8	Step	3/30/2012	500,000	-
Totals				4,300,200	-
<u>Capital Projects Fund</u>					
Investment in LOGIC	742006801007	Variable	N/A	866	-
Investment in LOGIC	742006801009	Variable	N/A	941,708	-
Investment in LOGIC	742006801012	Variable	N/A	99,172	-
Investment in LOGIC	742006801011	Variable	N/A	231,813	-
Investment in TexPool	2461600007	Variable	N/A	298,941	-
Totals				1,572,500	-
TOTAL ALL FUNDS				\$ 12,973,829	\$ -

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-4 ANALYSIS OF TAXES LEVIED AND RECEIVABLE YEAR ENDED SEPTEMBER 30, 2010

	Maintenance Taxes	Debt Service Taxes		
TAXES RECEIVABLE, SEPTEMBER 30, 2009	\$ 9,195	\$ 18,159		
2009 Tax Roll	2,164,331	3,896,061		
Adjustments	(6,098)	(13,626)		
Total to be accounted for	<u>2,167,428</u>	<u>3,900,594</u>		
Tax collections:				
Current year	2,158,401	3,885,165		
Prior years	77	324		
Total collections	<u>2,158,478</u>	<u>3,885,489</u>		
TAXES RECEIVABLE, SEPTEMBER 30, 2010	<u>\$ 8,950</u>	<u>\$ 15,105</u>		
TAXES RECEIVABLE, BY YEARS:				
2009	\$ 6,758	\$ 8,847		
2008	1,111	2,157		
2007	503	1,070		
2006	133	400		
2005 and prior	445	2,631		
TAXES RECEIVABLE, SEPTEMBER 30, 2010	<u>\$ 8,950</u>	<u>\$ 15,105</u>		
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
PROPERTY VALUATIONS-				
Net assessed property valuation	\$ 1,200,392,206	1,149,812,324	1,006,044,477	899,729,526
TAX RATES PER \$100 VALUATION:				
Debt service tax rates	\$ 0.3100	0.3300	0.3400	0.3900
Maintenance tax rates	<u>0.1900</u>	<u>0.1700</u>	<u>0.1600</u>	<u>0.1300</u>
District-wide	0.5000	0.5000	0.5000	0.5200
Defined Area	0.3600	0.3600	0.3600	0.3600
ORIGINAL TAX LEVY	<u>\$ 6,060,392</u>	<u>5,903,502</u>	<u>5,329,747</u>	<u>4,678,593</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, 2010**

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX SERIES 2001			REVENUE SERIES 2002			UNLIMITED TAX SERIES 2003		
	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
	2011	\$ 810,000	34,425	844,425	65,000	34,215	99,215	835,000	28,390
2012	-	-	-	70,000	31,063	101,063	-	-	-
2013	-	-	-	70,000	27,598	97,598	-	-	-
2014	-	-	-	75,000	24,063	99,063	-	-	-
2015	-	-	-	80,000	20,200	100,200	-	-	-
2016	-	-	-	85,000	16,000	101,000	-	-	-
2017	-	-	-	90,000	11,410	101,410	-	-	-
2018	-	-	-	95,000	6,460	101,460	-	-	-
2019	-	-	-	20,000	1,140	21,140	-	-	-
	<u>\$ 810,000</u>	<u>34,425</u>	<u>844,425</u>	<u>650,000</u>	<u>172,149</u>	<u>822,149</u>	<u>835,000</u>	<u>28,390</u>	<u>863,390</u>

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (continued) SEPTEMBER 30, 2010

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX SERIES 2004			UNLIMITED TAX SERIES 2005			UNLIMITED TAX REFUNDING SERIES 2007		
	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
	2011	\$ 110,000	139,380	249,380	100,000	380,398	480,398	25,000	310,538
2012	115,000	133,880	248,880	100,000	376,398	476,398	25,000	309,600	334,600
2013	120,000	128,130	248,130	100,000	370,898	470,898	25,000	308,663	333,663
2014	130,000	122,130	252,130	100,000	365,398	465,398	30,000	307,725	337,725
2015	135,000	115,630	250,630	100,000	359,898	459,898	325,000	306,600	631,600
2016	140,000	109,724	249,724	100,000	354,398	454,398	325,000	293,600	618,600
2017	150,000	104,124	254,124	190,000	348,898	538,898	20,000	280,600	300,600
2018	155,000	97,974	252,974	555,000	339,398	894,398	20,000	279,800	299,800
2019	165,000	91,464	256,464	570,000	311,648	881,648	25,000	279,000	304,000
2020	170,000	84,369	254,369	595,000	294,548	889,548	25,000	278,000	303,000
2021	180,000	76,889	256,889	620,000	276,698	896,698	25,000	277,000	302,000
2022	185,000	68,789	253,789	650,000	251,278	901,278	25,000	276,000	301,000
2023	195,000	60,279	255,279	685,000	224,628	909,628	25,000	275,000	300,000
2024	205,000	51,260	256,260	715,000	195,858	910,858	1,570,000	274,000	1,844,000
2025	215,000	41,625	256,625	755,000	165,828	920,828	1,635,000	211,200	1,846,200
2026	225,000	31,950	256,950	790,000	134,118	924,118	-	145,800	145,800
2027	235,000	21,825	256,825	1,160,000	100,938	1,260,938	1,785,000	145,800	1,930,800
2028	250,000	11,250	261,250	1,215,000	51,638	1,266,638	1,860,000	74,400	1,934,400
	<u>\$ 3,080,000</u>	<u>1,490,672</u>	<u>4,570,672</u>	<u>9,100,000</u>	<u>4,902,864</u>	<u>14,002,864</u>	<u>7,770,000</u>	<u>4,633,326</u>	<u>12,403,326</u>

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (continued) SEPTEMBER 30, 2010

DUE DURING FISCAL YEARS ENDING 9/30	DEFINED AREA UNLIMITED TAX SERIES 2008			DEFINED AREA UNLIMITED TAX SERIES 2009			UNLIMITED TAX REFUNDING SERIES 2009		
	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due 6/1	Interest Due 6/1, 12/1	Total
	2011	\$ 55,000	100,280	155,280	45,000	131,600	176,600	515,000	341,069
2012	55,000	96,980	151,980	50,000	129,350	179,350	500,000	325,619	825,619
2013	60,000	93,680	153,680	50,000	126,850	176,850	1,460,000	310,619	1,770,619
2014	60,000	90,080	150,080	55,000	124,350	179,350	1,530,000	244,919	1,774,919
2015	65,000	86,480	151,480	60,000	121,875	181,875	1,315,000	176,069	1,491,069
2016	70,000	82,580	152,580	65,000	119,250	184,250	505,000	116,894	621,894
2017	70,000	79,080	149,080	65,000	116,406	181,406	535,000	94,169	629,169
2018	75,000	75,580	150,580	70,000	113,563	183,563	195,000	70,094	265,094
2019	80,000	71,830	151,830	75,000	109,888	184,888	210,000	61,319	271,319
2020	85,000	67,830	152,830	80,000	105,950	185,950	215,000	51,869	266,869
2021	90,000	63,580	153,580	85,000	101,750	186,750	230,000	43,269	273,269
2022	90,000	59,080	149,080	95,000	97,288	192,288	240,000	33,781	273,781
2023	95,000	54,580	149,580	100,000	92,300	192,300	245,000	23,281	268,281
2024	100,000	49,830	149,830	105,000	86,300	191,300	265,000	12,256	277,256
2025	105,000	44,830	149,830	115,000	80,000	195,000	-	-	-
2026	110,000	39,580	149,580	120,000	73,100	193,100	-	-	-
2027	120,000	34,080	154,080	130,000	65,900	195,900	-	-	-
2028	125,000	28,080	153,080	140,000	58,100	198,100	-	-	-
2029	130,000	21,580	151,580	150,000	49,700	199,700	-	-	-
2030	140,000	14,820	154,820	160,000	40,700	200,700	-	-	-
2031	145,000	7,540	152,540	170,000	31,100	201,100	-	-	-
2032	-	-	-	185,000	20,900	205,900	-	-	-
2033	-	-	-	195,000	10,725	205,725	-	-	-
	<u>\$ 1,925,000</u>	<u>1,261,980</u>	<u>3,186,980</u>	<u>2,365,000</u>	<u>2,006,945</u>	<u>4,371,945</u>	<u>7,960,000</u>	<u>1,905,227</u>	<u>9,865,227</u>

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-5 LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS (continued)
SEPTEMBER 30, 2010

DUE DURING FISCAL YEARS ENDING 9/30	UNLIMITED TAX REFUNDING SERIES 2010			ANNUAL REQUIREMENTS FOR ALL SERIES		
	Principal Due 6/1	Interest Due 6/1, 12/1	Total	Principal Due	Interest Due	Total
	2011	\$ 105,000	470,229	575,229	\$ 2,665,000	1,970,524
2012	1,820,000	562,175	2,382,175	2,735,000	1,965,065	4,700,065
2013	985,000	525,775	1,510,775	2,870,000	1,892,213	4,762,213
2014	1,020,000	506,075	1,526,075	3,000,000	1,784,740	4,784,740
2015	1,050,000	480,575	1,530,575	3,130,000	1,667,327	4,797,327
2016	1,085,000	454,325	1,539,325	2,375,000	1,546,771	3,921,771
2017	1,130,000	421,775	1,551,775	2,250,000	1,456,462	3,706,462
2018	1,170,000	387,875	1,557,875	2,335,000	1,370,744	3,705,744
2019	1,215,000	346,925	1,561,925	2,360,000	1,273,214	3,633,214
2020	1,270,000	304,400	1,574,400	2,440,000	1,186,966	3,626,966
2021	1,320,000	253,600	1,573,600	2,550,000	1,092,786	3,642,786
2022	1,375,000	200,800	1,575,800	2,660,000	987,016	3,647,016
2023	1,430,000	145,800	1,575,800	2,775,000	875,868	3,650,868
2024	-	88,600	88,600	2,960,000	758,104	3,718,104
2025	255,000	88,600	343,600	3,080,000	632,083	3,712,083
2026	1,960,000	78,400	2,038,400	3,205,000	502,948	3,707,948
2027	-	-	-	3,430,000	368,543	3,798,543
2028	-	-	-	3,590,000	223,468	3,813,468
2029	-	-	-	280,000	71,280	351,280
2030	-	-	-	300,000	55,520	355,520
2031	-	-	-	315,000	38,640	353,640
2032	-	-	-	185,000	20,900	205,900
2033	-	-	-	195,000	10,725	205,725
	<u>\$ 17,190,000</u>	<u>5,315,929</u>	<u>22,505,929</u>	<u>\$ 51,685,000</u>	<u>21,751,907</u>	<u>73,436,907</u>

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-6 ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT SEPTEMBER 30, 2010

	Unlimited Tax Series 1996	Unlimited Tax Series 1997	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
Interest rate	5.00 to 5.50%	4.25 to 6.25%	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%
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	6/1/10	6/1/10	6/1/11	12/1/19	6/1/11	6/1/28	6/1/28	6/1/28	6/1/31	6/1/33	6/1/24	6/1/26
Bonds outstanding, beginning of year	\$ 225,000	230,000	3,070,000	715,000	17,195,000	3,185,000	9,200,000	7,795,000	1,975,000	2,365,000	7,975,000	-
Bonds issued during current year	-	-	-	-	-	-	-	-	-	-	-	17,190,000
Bonds retired during current year	(225,000)	(230,000)	(2,260,000)	(65,000)	(16,360,000)	(105,000)	(100,000)	(25,000)	(50,000)	-	(15,000)	-
Bonds outstanding, end 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
Interest paid during current year	\$ 12,375	11,213	153,252	37,270	730,851	144,630	384,398	311,475	103,280	120,634	256,139	-

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-6 ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT (continued) SEPTEMBER 30, 2010

	<u>Grand Totals</u>
Bonds outstanding, beginning of year	\$ 53,930,000
Bonds issued during current year	17,190,000
Bonds retired during current year	<u>(19,435,000)</u>
Bonds outstanding, end of year	<u>\$ 51,685,000</u>
Interest paid during current year	<u>\$ 2,265,517</u>

Paying agent's name & address: Series 2001, 2003, 2004,
2005, 2007, 2008, 2009 and 2010

Wells Fargo Bank
608 2nd Avenue
Minneapolis, Minnesota 55479

Series 1996 and 1997

JP Morgan Chase Bank of Texas
P.O. Box 2320
Dallas, Texas 75221-2320

Series 2002

JP Morgan Chase Bank of Texas
P.O. Box 710380
Columbus, Ohio 43271-0380

	<u>Tax Bonds*</u>	<u>Defined Area</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
Bond authority:				
Amount authorized	\$ 74,100,000	24,500,000	-	56,374,998
Amount issued	72,000,000	4,385,000	-	56,374,998
Remaining to be issued	<u>\$ 2,100,000</u>	<u>20,115,000</u>	<u>-</u>	<u>-</u>

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

Debt Service Fund cash and temporary investments balances
as of September 30, 2010: \$ 8,059,670

Average annual debt service payments (principal & interest)
for remaining term of debt: \$ 3,192,909

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-7 COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES - GENERAL FUND AND DEBT SERVICE FUND FIVE YEARS ENDED SEPTEMBER 30, 2010

	AMOUNTS					PERCENT OF FUND TOTAL REVENUES				
	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006
GENERAL FUND										
REVENUES:										
Water and wastewater service	\$ 4,704,588	4,950,110	4,644,809	3,833,371	4,169,008	50.9 %	54.4	54.0	50.3	56.0
Garbage collection	953,173	920,697	734,653	706,381	654,702	10.3	10.1	8.5	9.3	8.8
Inspection fees	59,632	41,236	139,889	211,706	124,664	0.6	0.5	1.6	2.8	1.7
Tap and other connection fees	129,564	90,519	12,685	61,206	125,386	1.4	1.0	0.1	0.8	1.7
Recreation center	920,097	692,629	636,669	755,982	666,742	9.9	7.6	7.4	9.9	9.0
Park and recreation fees	104,377	240,749	209,995	160,495	143,955	1.1	2.6	2.4	2.1	1.9
Property taxes, including penalties and interest	2,143,391	2,020,456	1,842,478	1,313,384	988,237	23.2	22.2	21.4	17.2	13.3
Investment earnings	51,964	93,057	313,554	354,634	177,135	0.6	1.0	3.7	4.7	2.4
Other	168,068	39,765	73,091	222,883	379,739	1.8	0.4	0.9	2.9	5.1
Bond issuance proceeds	15,056	18,113	-	-	-	0.2	0.2	-	-	-
Developer contributions	-	-	-	-	12,204	-	-	-	-	0.1
Total revenues and other sources	<u>9,249,910</u>	<u>9,107,331</u>	<u>8,607,823</u>	<u>7,620,042</u>	<u>7,441,772</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
EXPENDITURES:										
Current:										
Personnel (including benefits)	2,861,339	2,716,500	2,549,388	2,335,935	1,868,188	30.9	29.8	29.6	30.7	25.1
Purchased services for resale	2,472,603	2,491,189	2,186,944	1,254,313	2,108,286	26.7	27.4	25.4	16.5	28.3
Administrative	1,114,696	1,290,035	1,106,671	953,384	504,991	12.0	14.1	12.9	12.5	6.8
Repairs and maintenance	567,252	704,841	882,732	354,968	261,900	6.1	7.7	10.3	4.7	3.5
Utilities	678,359	645,605	635,086	469,428	479,494	7.3	7.1	7.4	6.2	6.4
Professional services	394,474	446,175	393,326	416,205	210,094	4.3	4.9	4.6	5.5	2.9
Contracted services	323,893	161,886	213,428	364,461	201,852	3.5	1.8	2.5	4.8	2.7
Capital outlay	329,110	601,532	709,940	128,889	96,222	3.6	6.6	8.2	1.7	1.3
Principal payments	65,000	60,000	60,000	591,763	230,240	0.7	0.7	0.7	7.8	3.1
Interest and fiscal charges	37,270	39,970	42,550	94,274	107,112	0.4	0.4	0.5	1.2	1.4
Total expenditures and other uses	<u>8,843,996</u>	<u>9,157,733</u>	<u>8,780,065</u>	<u>6,963,620</u>	<u>6,068,379</u>	<u>95.5</u>	<u>100.6</u>	<u>102.0</u>	<u>91.4</u>	<u>81.5</u>
TRANSFERS IN (OUT)	<u>192,730</u>	<u>(451,670)</u>	<u>179,450</u>	<u>-</u>	<u>-</u>	<u>2.1</u>	<u>(5.0)</u>	<u>2.1</u>	<u>-</u>	<u>-</u>
INTERFUND FORGIVENESS OF DEBT	<u>2,400,779</u>	<u>-</u>	<u>-</u>	<u>1,678,212</u>	<u>-</u>	<u>26.0</u>	<u>-</u>	<u>-</u>	<u>22.0</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 2,999,423</u>	<u>(502,072)</u>	<u>7,208</u>	<u>2,334,634</u>	<u>1,373,393</u>	<u>32.6 %</u>	<u>(5.6)</u>	<u>0.1</u>	<u>30.6</u>	<u>18.5</u>

(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, 2010

	AMOUNTS					PERCENT OF FUND TOTAL REVENUES				
	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006
<u>DEBT SERVICE FUND</u>										
REVENUES:										
Property taxes, including penalties and interest	\$ 3,850,549	4,111,826	3,527,157	3,544,987	3,899,431	17.9 %	32.1	92.9	29.9	50.4
Investment earnings	41,364	93,848	269,220	539,765	230,259	0.2	0.7	7.1	4.6	3.0
Proceeds from the sale of capital assets	-	-	-	-	3,600,000	-	-	-	-	46.6
Bond proceeds	17,174,944	8,154,287	-	7,840,000	-	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>21,468,981</u>	<u>12,808,239</u>	<u>3,796,377</u>	<u>11,837,167</u>	<u>7,729,690</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
EXPENDITURES:										
Principal payments	2,320,000	10,350,000	2,276,083	12,454,333	4,802,906	10.8	80.8	60.1	105.2	62.1
Interest and fiscal charges	2,350,589	2,408,978	2,120,635	-	-	10.9	18.8	55.9	-	-
Tax appraisal and collection	52,292	52,443	50,607	-	-	0.2	0.4	1.3	-	-
Administrative expenditures	-	-	7,070	1,091	19,049	-	-	0.2	-	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	495,483	280,377	-	244,091	-	2.3	2.2	-	2.1	-
Payment to bond escrow agent	17,050,000	-	-	-	-	79.4	-	-	-	-
Other	13,518	-	-	-	-	-	-	-	-	-
Total expenditures and other uses	<u>22,281,882</u>	<u>13,100,798</u>	<u>4,464,885</u>	<u>12,760,255</u>	<u>4,821,955</u>	<u>103.8</u>	<u>102.3</u>	<u>117.6</u>	<u>107.8</u>	<u>62.4</u>
TRANSFERS IN	<u>194,177</u>	<u>1,106,796</u>	<u>1,424,097</u>	<u>-</u>	<u>-</u>	<u>0.9</u>	<u>8.6</u>	<u>37.5</u>	<u>-</u>	<u>-</u>
INTERFUND FORGIVENESS OF DEBT	<u>1,435,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6.7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ 816,737</u>	<u>(292,559)</u>	<u>(668,508)</u>	<u>(923,088)</u>	<u>2,907,735</u>	<u>3.8 %</u>	<u>(2.3)</u>	<u>(17.6)</u>	<u>(7.8)</u>	<u>37.6</u>
TOTAL ACTIVE RETAIL WATER CONNECTIONS	<u>5,155</u>	<u>5,105</u>	<u>4,999</u>	<u>4,931</u>	<u>4,767</u>					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	<u>4,908</u>	<u>4,811</u>	<u>4,728</u>	<u>4,604</u>	<u>4,438</u>					

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS SEPTEMBER 30, 2010

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

District Business Telephone Number: (512) 255-7871

Submission date of the most recent District Registration Form:
(TWC Sections 36.054 and 49.054) June 1, 2010

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

<u>Name and Address</u>	<u>Term of Office Elected & Expires or Date Hired</u>	<u>Fees 9/30/10</u>	<u>Expense Reimbursements 9/30/10</u>	<u>Title at Year End</u>
<u>Board Members:</u>				
Bob Grahl	Elected 5/08-5/12	7,200	-	President
Jeff Goldstein	Elected 5/10-5/14	4,800	150	Vice President
Rebecca B. Tullos	Elected 5/10-5/14	7,200	-	Treasurer
Russ Shermer	Elected 5/08-5/12	3,750	-	Secretary
Shean Dalton	Elected 5/10-5/14	- (1)	592	Assistant Treasurer and Assistant Secretary

Former Board Members:

Christine Yackle	5/06-5/10	\$ 5,550	\$ 269	Former President
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(1) Fees incurred by this director during the current fiscal year were paid subsequent to year end.

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

Key Administrative Personnel:

Mike Petter	2006	\$ 93,656	\$ 1,994	Acting General Manager and Controller
Tom Clark	2006	\$ 131,536	\$ 1,286	Former General Manager

(continued)

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

TSI-8 BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (continued) SEPTEMBER 30, 2010

<u>Name and Address</u>	<u>Date Hired</u>	<u>Fees and Expense Reimbursements 9/30/10</u>	<u>Title at Year End</u>
<u>Consultants:</u>			
Freeman & Corbett, L.L.P.	2002	\$ 178,603	Attorney
Judy Osborn	2004	2,510	Attorney
Maxwell Locke & Ritter LLP	2008	31,000	Auditor
Jacobs Engineering Group	2007	2,784	Engineer
PBS&J	2007	7,263	Engineer
Williamson Central Appraisal District	1981	51,028	Tax Appraiser
Williamson County Tax Office	1981	1,264	Tax Collector
Bury Partners	2009	8,625	Engineer
CH2MHILL	2004	199,762	Engineer
JBS Water	2008	500	Engineer
Patterson & Associates	2008	20,000	Investment Advisor
Rim Rock	2007	15,000	Rate Study
McCall Parkhurst Horton	1994	129,675	Bond Counsel
Bank of New York, Mellon	2009	10,500	Arbitrage Auditor
Dietz & Jarrard	2006	3,198	Attorney

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

OSI-1. PRINCIPAL TAXPAYERS SEPTEMBER 30, 2010

		DISTRICT		
Taxpayer	Type of Property	Tax Roll Year		
		2010	2009	2008
Amaravathi LTD Partnership & Amaravathi Keerthi LLC	Land & Improvements	\$ 56,642,684	60,767,488	69,872,300
HE Butt Inc.	Land & Improvements	7,000,000	7,878,817	7,978,433
The Park at Brushy Creek LTD	Land & Improvements	20,192,000	28,763,820	6,763,528
Highland 620 Land Investment LTD	Land & Improvements	7,331,739	9,738,632	5,064,900
MGP, XXII LLC	Land & Improvements	4,125,824	4,459,265	4,549,089
Kopels Peter A & Henry Aratow	Land & Improvements	4,634,649	4,454,949	4,464,812
Laquinta Medical Partners LP & Bruce & M. Voedean Simpson Tr of Simpson Fam Trust	Land & Improvements	3,798,411	4,020,237	4,020,237
KC 3 Cat Hollow LP	Land & Improvements	-	3,539,820	3,795,329
Hy-Land North Joint Venture	Land & Improvements	3,682,039	4,421,365	3,622,127
Atmos Energy/Mid-Tex Distribution	Land & Improvements	-	-	3,569,960
HEB Grocery Company LP	Land & Improvements	3,102,087	-	-
Highland Six Twenty Residential LTD	Land & Improvements	10,138,073	6,023,269	-
Total		\$ 120,647,506	134,067,662	113,700,715
Percent of Assessed Valuation		10.9%	12.1%	10.5%

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

OSI-1. PRINCIPAL TAXPAYERS (continued) SEPTEMBER 30, 2010

DEFINED AREA				
Taxpayer	Type of Property	Tax Roll Year		
		2010	2009	2008
Kimball Hill Homes	Land & Improvements	\$ -	442,000	1,726,328
Pascall, Brian & Anne	Land & Improvements	-	414,629	404,399
Longwell, Sidney	Land & Improvements	-	409,259	399,185
Hofkamp, Michael & Susan	Land & Improvements	-	407,783	-
Highland 620 Land Investment LTD	Land & Improvements	7,331,739	9,738,632	5,064,900
Sborov, Jon & Tara	Land & Improvements	-	405,473	-
Nour, Rabih & Rana	Land & Improvements	-	404,972	-
Hy-Land North Joint Venture	Land & Improvements	3,682,039	4,421,365	3,622,127
Welsh, Jim & Jennifer	Land & Improvements	-	-	436,180
Hermann, John	Land & Improvements	-	-	393,877
Einhorn, Kenneth & Nancy	Land & Improvements	-	-	393,665
Weekley Homes LP	Land & Improvements	583,459	-	-
Kallfelz, Paul Jr & Paulette Moose	Land & Improvements	524,375	-	-
Highland 620 Residential LTD	Land & Improvements	10,138,073	6,023,269	3,149,726
Streetman Homes LTD LLP	Land & Improvements	2,941,032	1,657,291	1,811,355
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	426,446	-	-
Mason, Roger K & Debra D	Land & Improvements	407,418	-	-
Total		\$ 26,911,259	24,324,673	17,401,742
Percent of Assessed Valuation		21.9%	24.1%	22.2%

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

OSI-2. ASSESSED VALUE BY CLASSIFICATION SEPTEMBER 30, 2010

Tax Roll Year

DISTRICT

Type of Property	2010		2009		2008	
	Amount	%	Amount	%	Amount	%
Real, Single Family	\$ 939,223,342	84.9%	\$ 918,166,019	83.2%	\$ 933,261,233	84.6%
Real, Multi Family	82,699,608	7.5%	92,483,963	8.4%	71,412,162	6.5%
Real, Vacant Platted Lots/Tracts	17,044,093	1.5%	12,288,003	1.1%	8,040,378	0.7%
Real, Acreage (Land Only)	2,795,756	0.3%	6,538,125	0.6%	10,364,402	0.9%
Real, Commercial	39,654,246	3.6%	52,175,681	4.7%	46,760,544	4.2%
Real & Intangible Personal, Utilities	7,258,982	0.7%	7,134,252	0.6%	8,515,608	0.8%
Tangible Personal business	4,986,717	0.5%	4,123,213	0.4%	5,306,451	0.5%
Real Inventory	13,041,316	1.2%	10,639,692	1.0%	2,233,848	0.2%
Total	\$ 1,106,704,060	100%	\$ 1,103,548,948	100%	\$ 1,085,894,626	100%

DEFINED AREA

Type of Property	2010		2009		2008	
	Amount	%	Amount	%	Amount	%
Real, Single Family	\$ 94,420,077	76.8%	\$ 76,417,435	75.6%	\$ 62,057,320	79.2%
Real, Vacant Plotted Lots	13,954,285	11.4%	9,138,673	9.0%	4,159,231	5.3%
Real, Acreage (Land Only)	2,660,506	2.2%	6,381,525	6.3%	10,207,802	13.0%
Real & Intangible Personal, Utilities	13,562	0.0%	94,362	0.1%	25,768	0.0%
Tangible Personal Property	95,169.00	0.1%	-	0.0%	43,949	0.1%
Real Inventory	11,740,541	9.6%	9,014,362	8.9%	1,875,026	2.4%
Total	\$ 122,884,140	100%	\$ 101,046,357	100%	\$ 78,369,096	100%