

MUSTANG SPECIAL UTILITY DISTRICT
SERVICES AND RATES
YEAR ENDED SEPTEMBER 30, 2010

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered	<u>20</u>	<u>0</u>	x 1.0	<u>0</u>
≤ 3/4"	<u>3,549</u>	<u>3,549</u>	x 1.0	<u>3,549</u>
1"	<u>58</u>	<u>58</u>	x 2.5	<u>145</u>
1 1/2"	<u>2</u>	<u>2</u>	x 5.0	<u>10</u>
2"	<u>34</u>	<u>34</u>	x 8.0	<u>272</u>
3"	<u>2</u>	<u>2</u>	x 15.0	<u>30</u>
4"	<u>1</u>	<u>1</u>	x 25.0	<u>25</u>
Total Water	<u>3,668</u>	<u>3,648</u>		
Total Wastewater	<u>1,109</u>	<u>1,109</u>	x 1.0	<u>1,109</u>

3. Total water consumption (rounded to the nearest 1,000) during the fiscal year:

Gallons pumped into system:	<u>449,266,364</u>
Gallons billed to customers:	<u>394,233,147</u>
Water Accountability (Water Loss):	<u>12.25%</u>

4. Standby Fees: District does not levy standby fees.

5. Location of District:

County(ies) in which district is located. Denton

Is the District located entirely in one county? Yes X No

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

City(ies) in which district is located. Krugerville, Aubrey, Cross Roads, Pilot Point, Oak Point

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

ETJ's in which district is located. Krugerville, Aubrey, Cross Roads, Pilot Point, Oak Point, Little Elm, Frisco, Prosper

Is the general membership of the Board appointed by an office outside the district?

Yes _____ No X

If Yes, by whom? n/a

MUSTANG SPECIAL UTILITY DISTRICT
 ENTERPRISE FUND EXPENDITURES
 YEAR ENDED SEPTEMBER 30, 2010

Payroll and Benefits	\$	756,843
Water Distribution System		2,260,955
Other Operating Costs		214,036
Professional and Legal Fees		109,688
Insurance		150,700
Amortization		425,420
Depreciation		1,115,651
Interest Expense		585,126
Bad Debt Expense		<u>61,970</u>
Total Expenditures	\$	<u><u>5,680,389</u></u>

Number of persons employed by the District:

Full Time	<u>14</u>
Part Time	<u>1</u>

MUSTANG SPECIAL UTILITY DISTRICT
 TEMPORARY INVESTMENTS
 YEAR ENDED SEPTEMBER 30, 2010

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at Year End
<u>Proprietary Fund Type</u>					
<u>Enterprise Fund</u>					
LOGIC Accounts:					
Customer Deposit Fund	237122845002	0.291%	9/30/2010	\$ 419,627	Monthly
System Growth Fund	237122845005	0.291%	9/30/2010	931,393	Monthly
Series 2006 Debt Service Reserve	237122845006	0.291%	9/30/2010	406,222	Monthly
UTRWD I & S Fund	237122845004	0.291%	9/30/2010	80,279	Monthly
Developers Escrow Account	237122845003	0.291%	9/30/2010	105,291	Monthly
NorthStar Accounts:					
System Growth Account	6011276	0.3271%	9/30/2010	92,094	Monthly
Series 2006 Revenue Bond Debt Reserve	6011349	0.3271%	9/30/2010	34,904	Monthly
Series 2006 Revenue Bond Construction	6011357	0.7411%	9/30/2010	1,052,570	Monthly
Series 2006 Revenue Bond Interest & Sinking	6011438	0.3271%	9/30/2010	36,500	Monthly
Developers Escrow	6011284	0.3271%	9/30/2010	4,869	Monthly
Series 2008 Revenue Bond Debt Service Reserve	1107550	0.3271%	9/30/2010	265,811	Monthly
Series 2008 Revenue Fund Debt Service Fund	1107542	0.3271%	9/30/2010	8,174	Monthly
Series 2009 Revenue Bonds Interest & Sinking	6011527	0.3271%	9/30/2010	6,983	Monthly
Series 2009 Revenue Bonds Debt Reserve	6011535	0.3271%	9/30/2010	100,804	Monthly
Total				\$ 3,545,521	\$ -

MUSTANG SPECIAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
UTRWD NOTE - BY YEARS
YEAR ENDED SEPTEMBER 30, 2010

Year Ended September 30	Principal	Interest	Total Requirements
2011	\$ 91,255	\$ 143,002	\$ 234,257
2012	96,885	137,372	234,257
2013	102,862	131,395	234,257
2014	109,208	125,049	234,257
2015	115,945	118,312	234,257
2016	123,098	111,159	234,257
2017	130,692	103,565	234,257
2018	138,755	95,502	234,257
2019	147,316	86,942	234,258
2020	156,404	77,853	234,257
2021	166,053	68,204	234,257
2022	176,297	57,960	234,257
2023	187,174	47,083	234,257
2024	198,721	35,536	234,257
2025	210,981	23,276	234,257
2026	223,997	10,260	234,257
Totals	\$ 2,375,643	\$ 1,372,470	\$ 3,748,113

MUSTANG SPECIAL UTILITY DISTRICT
SERIES 2008 - BY YEAR
YEAR ENDED SEPTEMBER 30, 2010

Year Ended September 30	Principal	Interest	Total Requirements
2011	\$ 85,000	\$ 156,933	\$ 241,933
2012	90,000	152,045	242,045
2013	90,000	146,870	236,870
2014	95,000	141,695	236,695
2015	100,000	136,233	236,233
2016	105,000	130,483	235,483
2017	110,000	124,445	234,445
2018	115,000	118,120	233,120
2019	120,000	111,508	231,508
2020	125,000	104,608	229,608
2021	130,000	97,420	227,420
2022	140,000	89,945	229,945
2023	145,000	81,895	226,895
2024	155,000	73,558	228,558
2025	160,000	64,645	224,645
2026	170,000	55,445	225,445
2027	180,000	45,670	225,670
2028	190,000	35,320	225,320
2029	200,000	24,395	224,395
2030	210,000	12,495	222,495
Totals	\$ 2,715,000	\$ 1,903,728	\$ 4,618,728

MUSTANG SPECIAL UTILITY DISTRICT
SERIES 2009 - BY YEAR
YEAR ENDED SEPTEMBER 30, 2010

Year Ended September 30	Principal	Interest	Total Requirements
2011	\$ 35,000	\$ 62,645	\$ 97,645
2012	35,000	61,245	96,245
2013	40,000	60,195	100,195
2014	40,000	58,995	98,995
2015	40,000	57,795	97,795
2016	45,000	55,395	100,395
2017	45,000	52,695	97,695
2018	50,000	49,995	99,995
2019	50,000	46,995	96,995
2020	55,000	44,495	99,495
2021	55,000	41,745	96,745
2022	60,000	38,995	98,995
2023	60,000	35,995	95,995
2024	65,000	32,935	97,935
2025	65,000	29,555	94,555
2026	70,000	26,110	96,110
2027	75,000	22,400	97,400
2028	80,000	18,425	98,425
2029	80,000	14,025	94,025
2030	85,000	9,625	94,625
2031	90,000	4,950	94,950
2032	-	-	-
Totals	\$ 1,220,000	\$ 825,210	\$ 2,045,210

MUSTANG SPECIAL UTILITY DISTRICT
 CHANGES IN LONG-TERM BONDED DEBT
 YEAR ENDED SEPTEMBER 30, 2010

	Bond Issues			
	Series 2006	Series 2007	Series 2008	Series 2009
Interest Rate	4.00% - 5.00%	4.03%	5.75% - 6.00%	3.00% - 6.00%
Dates Interest Payable	3/1 - 9/1	3/1 - 9/1	3/1 - 9/1	9/30
Maturity Date	9/1/2026	9/1/2010	9/1/2030	9/30/2031
Beginning Bonds Outstanding	\$ 3,880,000	\$ 1,160,000	\$ 2,715,000	\$ 1,220,000
Bonds Sold During the Fiscal Year	-	-	-	-
Bonds Retired During the Fiscal Year	200,000	1,160,000	-	-
Ending Bonds Outstanding	<u>\$ 3,680,000</u>	<u>\$ -</u>	<u>\$ 2,715,000</u>	<u>\$ 1,220,000</u>
Interest Paid During the Fiscal Year	<u>\$ 434,593</u>			
Paying Agent's Name and City	First Southwest Company		Dallas, TX	
Bond Authority	Tax Bonds		Refunding Bonds	Other Bonds
Original Amount Issued	\$ -		\$ -	\$ 7,615,000
Debt Service Fund cash and temporary investment balances as of September 30, 2010:			\$	939,689
Average annual debt service payment (Principal and Interest) for remaining term of all debt:			\$	645,016

MUSTANG SPECIAL UTILITY DISTRICT
COMPARATIVE STATEMENT OF REVENUES AND EXPENSES
ALL PROPRIETARY FUND TYPES
FIVE PERIODS ENDED SEPTEMBER 30, 2010

	AMOUNTS					PERCENT OF FUND TOTAL REVENUE				
	2010	2009	2008	2007	2006	2010	2009	2008	2007	2006
OPERATING REVENUE										
Water/Wastewater Sales	\$ 3,338,626	\$ 3,018,990	\$ 2,932,828	\$ 3,402,385	\$ 3,263,187	74.25%	66.10%	60.29%	65.21%	65.06%
Customer Charges/Fees	1,134,975	1,029,752	1,856,900	1,773,406	1,421,706	25.24%	23.23%	38.17%	33.99%	28.35%
Miscellaneous Revenue	23,101	384,384	74,895	42,134	330,497	0.51%	8.67%	1.54%	0.81%	6.59%
TOTAL OPERATING REVENUE	\$ 4,496,702	\$ 4,433,126	\$ 4,864,623	\$ 5,217,925	\$ 5,015,390	100.00%	100.00%	100.00%	100.00%	100.00%
OPERATING EXPENSES										
Payroll and Benefits	\$ 756,843	\$ 1,101,397	\$ 887,647	\$ 960,658	\$ 972,930	16.83%	24.84%	18.25%	18.41%	19.40%
Water Distribution System	2,260,955	2,143,834	1,321,471	1,531,437	1,778,281	50.28%	48.36%	27.16%	29.35%	35.46%
Other Operating Costs	214,036	225,730	587,199	230,389	258,711	4.76%	5.09%	12.07%	4.42%	5.16%
Professional and Legal Fees	109,688	285,093	129,779	331,075	202,844	2.44%	6.43%	2.67%	6.34%	4.04%
Insurance	150,700	261,044	156,952	129,985	48,433	3.35%	5.89%	3.23%	2.49%	0.97%
Amortization	425,420	422,744	421,688	384,267	15,935	9.46%	9.54%	8.67%	7.36%	0.32%
Depreciation	1,115,651	943,517	907,613	952,251	840,996	24.81%	21.28%	18.66%	18.25%	16.77%
TOTAL OPERATING EXPENSES	\$ 5,033,293	\$ 5,383,359	\$ 4,412,349	\$ 4,520,062	\$ 4,118,130	111.93%	121.43%	90.70%	86.63%	82.11%
NET OPERATING INCOME (EXPENSES)	\$ (536,591)	\$ (950,233)	\$ 452,274	\$ 697,863	\$ 897,260	-11.93%	-21.43%	9.30%	13.37%	17.89%
NONOPERATING REVENUE (EXPENSES)										
Gain on Sale of Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ 125,000	0.00%	0.00%	0.00%	0.00%	2.49%
Interest Income	26,714	48,221	154,360	318,969	225,866	0.59%	1.09%	3.17%	6.11%	4.50%
Interest Expense	(585,126)	(526,722)	(386,347)	(314,564)	(258,657)	-13.01%	-11.88%	-7.94%	-6.03%	-5.16%
Bad Debt Expense - Sale of CCA	(61,970)	-	-	-	-	-1.38%	0.00%	0.00%	0.00%	0.00%
NET NONOPERATING REVENUE (EXPENSES)	\$ (620,382)	\$ (478,501)	\$ (231,987)	\$ 4,405	\$ 92,209	-13.80%	-10.79%	-4.77%	0.08%	1.84%
CHANGE IN NET ASSETS BEFORE CAPITAL CONTRIBUTIONS	\$ (1,156,973)	\$ (1,428,734)	\$ 220,287	\$ 702,268	\$ 989,469	-25.73%	-32.23%	4.53%	13.46%	19.73%
CAPITAL CONTRIBUTIONS										
Wastewater Capacity Fee Refunded Developers	\$ (165,994)	\$ 61,875	\$ 139,450	\$ 3,934,388	\$ -	-3.69%	1.40%	2.87%	75.40%	0.00%
TOTAL CAPITAL CONTRIBUTIONS	\$ (165,994)	\$ 61,875	\$ 139,450	\$ 3,934,388	\$ -	-3.69%	1.40%	2.87%	75.40%	0.00%
CHANGE IN NET ASSETS	\$ (1,322,967)	\$ (1,366,859)	\$ 359,737	\$ 4,636,656	\$ 989,469	-29.42%	-30.83%	7.39%	88.86%	19.73%

MUSTANG SPECIAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
YEAR ENDED SEPTEMBER 30, 2010

Complete District Mailing Address: 7985 FM 2931, Aubrey, Texas 76227

District Business Telephone Number: 940-440-9561

Submission Date of the most recent District Registration Form: 4/19/10

Limit on Fees of Office that a Director may receive during a fiscal year: \$ 7,200

	<u>Term of Office (Elected or Appointed) or Date Hired</u>	<u>Fees of Office Paid (FYE 9/30/10)</u>	<u>Expense Reimbursements (FYE 9/30/10)</u>	<u>Title at Year End</u>
Board Members:				
Bill Hathaway	2010-2013 (Elec)	\$ -	\$ 29	President
Mike Frazier	2010-2013 (Elec)	\$ -	\$ 31	Vice-Pres.
Randy Wallace	2010-2013 (Elec)	\$ -	\$ -	Secretary
Mike Breslin	2009 (Elec)	\$ -	\$ -	Director/Resigned
Steve Rebhan	2008-2011 (Elec)	\$ -	\$ 41	Director
Shelby Moore	2009-2012 (Elec)	\$ -	\$ -	Director
Dean Jameson	2009-2012 (Elec)	\$ -	\$ -	Director
Barbara Swadling	2008-2011 (Elec)	\$ -	\$ -	Director
James Burnham	2008-2011 (Elec)	\$ -	\$ 39	Director
Bill Falzett	2010 - 2012 (App)	\$ -	\$ -	Director
Key Administrative Personnel:				
Chris Boyd	02/21/07	\$ 133,121	\$ -	General Manager
Patty Martinez	03/24/09	\$ 59,711	\$ -	Director of Finance
Aldo Zamora	10/11/04	\$ 60,358	\$ -	Operations Manager
Consultants:				
Rapier & Wilson		\$ 28,149	\$ -	Attorney
Skip Newsom		\$ 19,605	\$ -	Attorney
Rutherford, Taylor & Company, P.C.		\$ 16,750	\$ -	Auditor
HDR Engineering, Inc		\$ 32,571	\$ -	Engineer
Steger Bizzell		\$ 12,216	\$ -	Engineer