



PERCENTAGE USE BY CATEGORY

Year: FY 2012	2011		2012		2012		2012		2012		2012		2012		2012		2012	
	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March
1,000 to 2,000	4.8%	7.3%	8.6%	11.1%	10.3%	10.9%	8.1%	5.3%	5.1%	0.0%	3.0%	4.9%	1.0%	1.3%	0.0%	0.0%	0.0%	0.0%
2,000 to 3,000	0.1%	0.2%	0.7%	1.8%	1.8%	1.4%	0.2%	2.3%	1.3%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
3,000 to 4,000	0.2%	0.4%	1.0%	2.4%	2.6%	2.1%	0.7%	1.0%	0.7%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
4,000 to 5,000	0.5%	0.8%	2.1%	5.0%	5.3%	4.3%	1.4%	2.0%	1.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
5,000 to 6,000	0.5%	0.8%	2.1%	5.0%	5.3%	4.3%	1.4%	2.0%	1.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
6,000 to 7,000	0.8%	1.2%	3.2%	7.6%	8.0%	6.4%	2.1%	3.0%	1.9%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
7,000 to 8,000	0.8%	1.2%	3.2%	7.6%	8.0%	6.4%	2.1%	3.0%	1.9%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
8,000 to 9,000	1.1%	1.6%	4.2%	10.0%	10.6%	8.4%	3.0%	4.1%	2.5%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
9,000 to 10,000	1.4%	2.0%	5.3%	12.5%	13.2%	10.4%	3.5%	4.7%	2.9%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
10,000 to 15,000	9.0%	17.2%	45.3%	109.3%	114.4%	90.7%	30.0%	40.6%	25.3%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%	6.1%
15,000 to 18,000	7.4%	13.4%	34.2%	83.3%	87.4%	67.7%	23.0%	30.6%	19.0%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
18,000 to 20,000	6.3%	11.4%	28.6%	70.7%	74.0%	57.8%	19.8%	26.3%	16.3%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%	3.9%
20,000 to 25,000	5.2%	9.3%	23.5%	57.8%	60.3%	46.8%	16.1%	21.2%	13.1%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%	3.2%
25,000 to 29,000	4.8%	8.6%	21.5%	52.4%	54.8%	42.0%	14.5%	19.1%	11.8%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
29,000 to 34,000	2.1%	3.8%	9.5%	23.1%	24.2%	18.6%	6.4%	8.5%	5.2%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
34,000 to 35,000	1.4%	2.4%	6.0%	14.4%	14.9%	11.3%	3.9%	5.1%	3.1%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
35,000 to 40,000	0.8%	1.4%	3.6%	8.7%	9.0%	6.9%	2.4%	3.1%	1.9%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
40,000 to 45,000	0.5%	0.8%	2.1%	5.0%	5.3%	4.0%	1.4%	1.8%	1.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
45,000 to 51,000	0.2%	0.4%	1.0%	2.4%	2.6%	1.9%	0.7%	0.9%	0.5%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
51,000 to 60,000	0.1%	0.2%	0.5%	1.2%	1.3%	0.9%	0.3%	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
60,000 to 70,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
WATER USE % BY MONTH																		



**TROPHY CLUB M.U.D. NO. 1  
FY 2014 BUDGET AMENDMENT # 1  
AMENDED APRIL 22, 2014**

Trophy Club MUD No.1  
 FY 2014 Budget  
 April 22, 2014

Account	Description	Original Budget	Amount +/-	PROPOSED AMENDED FY 2014	YTD Total thru 3/31/14	Comments
<b>GENERAL FUND</b>						
<b>General Fund Revenues</b>						
135-40000-000-000	Property Taxes	99,250	0	99,250	96,938	
135-40002-000-000	Property Taxes/Delinquent	0	0	0	34	
135-40015-000-000	Property Taxes/P & I	900	0	900	351	
135-43215-000-000	Insurance Settlement	0	0	0	82	
135-47000-000-000	Water	3,749,310	0	3,749,310	1,137,814	
135-47005-000-000	Sewer	1,708,321	0	1,708,321	850,728	
135-47025-000-000	Penalties	64,522	0	64,522	24,327	
135-47030-000-000	Service Charges (Disconnect Fees)	9,075	0	9,075	4,018	
135-47035-000-000	Plumbing Inspections	1,200	800	2,000	1,500	ADDITIONAL PLUMBING INSPECTIONS PERFORMED
135-47045-000-000	Sewer Inspections	4,400	600	5,000	4,650	ADDITIONAL SEWER INSPECTIONS PERFORMED
135-47070-000-000	TCCC Effluent Charges	79,586	0	79,586	10,026	
135-48005-000-000	Utility Fees	582,109	0	582,109	186,304	
135-48010-000-000	Interest Income	4,800	0	4,800	3,044	
135-49016-000-000	Cell Tower Revenue	10,164	0	10,164	5,463	
135-49018-000-000	Building Rent Income	7,000	0	7,000	3,500	
135-49030-000-000	Vending Revenue	350	0	350	146	
135-49035-000-000	Prior Year Reserves	0	880,000	880,000	0	FUNDS FOR WASTEWATER PLANT ENGINEERING; TO BE REIMBURSED FROM BONDS
135-49036-000-000	GASB Reserves	8,964	0	8,964	0	
135-49075-000-000	Oversize Meter Reimbursement	84,000	0	84,000	46,104	
135-49900-000-000	Miscellaneous Income	3,000	0	3,000	1,158	
135-49901-000-000	Records Management Revenue	100	0	100	0	
135-49903-000-000	Recovery of Prior Year Expense	0	4,087	4,087	4,087	WORKERS COMPENSATION AUDIT ADJUSTMENT
135-49905-000-000	Gas Well Revenue	885	0	885	0	
<b>Total</b>		<b>6,417,937</b>	<b>885,487</b>	<b>7,303,424</b>	<b>2,380,271</b>	

<b>General Fund Expenses</b>						
<b>Water</b>						
135-50005-010-000	Salaries & Wages	287,709	0	287,709	128,805	
135-50010-010-000	Overtime	13,391	3,000	16,391	10,526	AMOUNT UNDERBUDGETED
135-50016-010-000	Longevity	4,905	0	4,905	4,905	
135-50017-010-000	Certification	5,100	0	5,100	2,025	
135-50020-010-000	Retirement	27,847	0	27,847	13,578	
135-50026-010-000	Medical Insurance	48,334	0	48,334	19,141	
135-50027-010-000	Dental Insurance	3,932	0	3,932	1,428	
135-50028-010-000	Vision Insurance	873	0	873	344	
135-50029-010-000	Life Insurance & Other	3,306	0	3,306	1,236	
135-50030-010-000	Social Security Taxes	4,511	0	4,511	9,405	
135-50035-010-000	Medicare Taxes	54	0	54	2,200	
135-50040-010-000	Unemployment Taxes	9,829	1,190	11,019	1,244	INCREASE OF \$198 PER EMPLOYEE PER YEAR IN SUTA RATE
135-50045-010-000	Workman's Compensation	200	150	350	234	ACCIDENT TESTING INCLUDED IN THIS LINE ITEM
135-50060-010-000	Pre-emp Physicals/Testing	300	0	300	108	
135-50070-010-000	Employee Relations	3,000	0	3,000	0	ADDITIONAL ENGINEERING FOR INDIAN CREEK PROJECT (ADD OF MEADOWBROOK)
135-55005-010-000	Engineering	50,000	3,000	53,000	31,767	EMERGENCY 16" WATER LINE REPAIR; NUMEROUS SMALL LINE BREAKS; FIRE LINES
135-55080-010-000	Maintenance & Repairs	5,000	11,000	16,000	5,000	
135-55090-010-000	Vehicle Maintenance	3,500	-1,000	2,500	2,480	REDUCTION DUE TO REALLOCATION OF FUNDS
135-55105-010-000	Maintenance-Heavy Equipment	5,500	0	5,500	1,195	
135-55135-010-000	Lab Analysis	5,500	0	5,500	5,500	

Trophy Club MUD No. 1  
 FY 2014 Budget  
 April 22, 2014

Account	Description	Original Budget	Amount \$ (+/-)	PROPOSED AMENDED FY 2014	YTD Total thru 3/31/14	Comments
135-60010-010-000	Communications/Pagers/Mobiles	4,913	0	4,913	1,915	
135-60020-010-000	Electricity	162,160	-7,000	155,160	47,457	REDUCTION DUE TO REALLOCATION OF FUNDS
135-60066-010-000	Publications/Books/Subscripts	500	2,038	2,538	0	AWWA STANDARDS COST \$2500
135-60070-010-000	Dues & Memberships	150	150	300	289	AMOUNT UNDERBUDGETED
135-60080-010-000	Schools & Training	4,184	-2,684	1,500	1,065	REDUCTION DUE TO REALLOCATION OF FUNDS
135-60090-010-000	Safety Program	400	-400	0	0	REDUCTION DUE TO REALLOCATION OF FUNDS
135-60100-010-000	Travel & per diem	1,450	-1,171	279	171	REDUCTION DUE TO REALLOCATION OF FUNDS
135-60105-010-000	Rent/Lease Equipment	500	0	500	24	
135-60135-010-000	TCEQ Fees & Permits	47,400	0	47,400	32,196	
135-60150-010-000	Wholesale Water	2,338,473	0	2,338,473	625,679	
135-60245-010-000	Miscellaneous Expenses	200	0	200	0	
135-60285-010-000	Property Maintenance	3,500	0	3,500	1,090	
135-60360-010-000	Lawn Equipment & Maintenance	250	0	250	0	
135-60365-010-000	Furniture/Equipment < \$5000	3,500	-1,500	2,000	1,664	REDUCTION DUE TO REALLOCATION OF FUNDS
135-65005-010-000	Fuel & Lube	23,181	-1,000	22,181	5,809	GENERATOR MAINTENANCE MOVED TO MAINTENANCE & REPAIRS
135-65010-010-000	Uniforms	3,270	-770	2,500	1,939	REDUCTION DUE TO REALLOCATION OF FUNDS
135-65030-010-000	Chemicals	5,000	0	5,000	2,667	
135-65035-010-000	Small Tools	1,200	0	1,200	465	
135-65040-010-000	Safety Equipment	1,000	0	1,000	323	
135-65050-010-000	Meter Expense	143,550	0	143,550	60,287	
135-69005-010-000	Capital Outlays	37,000	-1,319	35,681	35,680	NAME CHANGE PER AUDITOR- SEE G.F.A.
135-69008-010-000	Short Term Debt-Principal	489,980	0	489,980	122,980	
135-69009-010-000	Short Term Debt-Interest	19,268	0	19,268	11,621	
135-69195-010-000	Gas634/Reserve for Replacement	30,000	-30,000	0	0	REDUCTION DUE TO REALLOCATION OF FUNDS
135-69280-010-000	Capital Repairs	7,500	-7,500	0	0	COMBINED WITH CAPITAL OUTLAYS PER AUDITOR- SEE G.F.A.
135-69281-010-000	Tank Inspection Contract	106,848	-6,000	100,848	100,847	REDUCTION DUE TO REALLOCATION OF FUNDS
135-55135-010-001	Lab Analysis for the PID	1,000	1,000	2,000	698	SPLIT PID LAB FEES FROM MUD FEES AS BILLED SEPARATELY; TCEQ ADDED SAMPLING THIS YEAR FOR PID
135-60135-010-001	TCEQ Fees & Permits-PID	0	5,000	5,000	2,496	SPLIT TCEQ FEES & PERMITS FROM MUD FEES AS BILLED SEPARATELY
	<b>Subtotal Water</b>	<b>3,932,956</b>	<b>-33,816</b>	<b>3,899,140</b>	<b>1,293,013</b>	
135-50005-020-000	Salaries & Wages	202,894	0	202,894	93,899	
135-50010-020-000	Overtime	11,965	0	11,965	7,104	
135-50016-020-000	Longevity	2,998	0	2,998	2,998	
135-50017-020-000	Certification	4,800	0	4,800	2,400	
135-50020-020-000	Retirement	19,905	0	19,905	10,023	
135-50026-020-000	Medical Insurance	43,471	0	43,471	20,108	
135-50028-020-000	Dental Insurance	2,989	0	2,989	1,314	
135-50028-020-000	Vision Insurance	658	0	658	304	
135-50029-020-000	Life Insurance & Other	2,303	0	2,303	1,036	
135-50030-020-000	Social Security Taxes	13,805	0	13,805	6,153	
135-50035-020-000	Medicare Taxes	3,229	0	3,229	1,439	
135-50040-020-000	Unemployment Taxes	56	792	848	828	INCREASE OF \$198 PER EMPLOYEE PER YEAR IN SUTA RATE
135-50045-020-000	Workman's Compensation	6,552	0	6,552	3,210	
135-50060-020-000	Pre-emp Physical/Testing	150	0	150	63	
135-50070-020-000	Employee Relations	350	0	350	60	
135-50070-020-000	Independent Labor	0	880,000	880,000	460,966	ENGINEERING FOR WASTEWATER PLANT EXPANSION- TO BE REIMBURSED FROM BONDS
135-55080-020-000	Maintenance & Repairs	35,000	1,120	36,120	23,694	GENERATOR MAINTENANCE MOVED TO MAINTENANCE & REPAIRS
135-55090-020-000	Vehicle Maintenance	2,000	0	2,000	1,227	
135-55105-020-000	Maintenance-Heavy Equipment	500	-500	0	0	REDUCTION DUE TO REALLOCATION OF FUNDS
135-55125-020-000	Dumpster Services	52,000	-5,000	47,000	24,775	REDUCTION DUE TO PROCESS CONTROL IMPROVEMENTS

Trophy Club MUD No.1  
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Account	Description	Original Budget	Amount \$ (+/-)	PROPOSED AMENDED FY 2014	YTD Total thru 3/31/14	Comments
135-55135-020-000	Lab Analysis	30,000	0	30,000	15,851	
135-60010-020-000	Communications/Pagers/Mobiles	3,329	0	3,329	1,230	
135-60020-020-000	Electricity	148,229	-10,000	138,229	48,642	REDUCTION DUE TO REALLOCATION OF FUNDS
135-60066-020-000	Publications/Books/Subscriptions	400	0	400	351	
135-60090-020-000	Schools & Training	2,636	-1,000	1,636	517	REDUCTION DUE TO REALLOCATION OF FUNDS
135-60090-020-000	Safety Program	250	250	500	432	ADDITIONAL SAFETY EXPENSES
135-60100-020-000	Travel & per diem	1,050	0	1,050	293	
135-60105-020-000	Rent/Lease Equipment	1,500	0	1,500	300	
135-60135-020-000	TECO Fees & Permits	17,150	0	17,150	8,919	
135-60243-020-000	Prior Year Expense	0	3,554	3,554	3,554	VENDOR INVOICE FROM PRIOR FISCAL YEAR. (HACH SENT BILL FROM 2011)
135-60245-020-000	Miscellaneous Expenses	200	0	200	0	
135-60245-020-000	Lawn Equipment & Maintenance	500	-250	250	0	REDUCTION DUE TO REALLOCATION OF FUNDS
135-60285-020-000	Furniture/Equipment < \$5000	3,000	-1,921	1,079	1,079	REDUCTION DUE TO REALLOCATION OF FUNDS
135-60360-020-000	Fuel & Lube	14,720	-1,120	13,600	5,323	GENERATOR MAINTENANCE MOVED TO MAINTENANCE & REPAIRS
135-65005-020-000	Uniforms	1,752	0	1,752	1,437	
135-65010-020-000	Chemicals	39,000	-8,000	31,000	14,158	IMPROVEMENTS OF PLANT OPERATIONS REDUCING CHEMICAL NEED
135-65030-020-000	Small Tools	1,000	-700	300	91	REDUCTION DUE TO REALLOCATION OF FUNDS
135-65035-020-000	Safety Equipment	250	250	500	231	ADDITIONAL SAFETY EQUIPMENT
135-65040-020-000	Lab Supplies	15,000	0	15,000	6,643	
135-65045-020-000	Capital Outlays	31,000	-31,000	0	0	NAME CHANGE PER AUDITOR- SEE GF-A
135-69005-020-000	Short Term Debt-Principal	20,020	0	20,020	20,020	
135-69009-020-000	Short Term Debt-Interest	1,422	0	1,422	1,044	
135-69280-020-000	Capital Repairs	30,000	-30,000	0	0	COMBINED WITH CAPITAL OUTLAYS PER AUDITOR- SEE GF-A
	<b>Subtotal Wastewater</b>	<b>768,011</b>	<b>796,475</b>	<b>1,564,486</b>	<b>791,615</b>	
<b>Collection</b>						
135-50005-021-000	Salaries & Wages	90,299	0	90,299	33,176	
135-50010-021-000	Overtime	10,028	0	10,028	2,359	
135-50016-021-000	Longevity	17,913	-15,805	2,108	2,108	NOTED CALCULATION ERROR IN ORIGINAL BUDGET
135-50017-021-000	Certification	1,800	0	1,800	900	
135-50020-021-000	Retirement	9,025	0	9,025	3,816	
135-50026-021-000	Medical Insurance	23,668	0	23,668	9,674	
135-50027-021-000	Dental Insurance	1,703	0	1,703	710	
135-50028-021-000	Vision Insurance	314	0	314	147	
135-50029-021-000	Life Insurance & Other	1,066	0	1,066	539	
135-50030-021-000	Social Security Taxes	7,442	0	7,442	2,379	
135-50035-021-000	Medicare Taxes	1,741	0	1,741	556	
135-50040-021-000	Unemployment Taxes	198	216	414	303	INCREASE OF \$188 PER EMPLOYEE PER YEAR IN SUTA RATE
135-50045-021-000	Workman's Compensation	3,276	0	3,276	1,605	
135-50070-021-000	Employee Relations	200	0	200	132	
135-55005-021-000	Engineering	1,500	-1,500	0	0	REDUCTION DUE TO REALLOCATION OF FUNDS
135-55080-021-000	Maintenance & Repairs	23,801	-9,350	14,451	4,114	REDUCTION DUE TO REALLOCATION OF FUNDS
135-55090-021-000	Vehicle Maintenance	2,000	0	2,000	993	
135-60010-021-000	Communications/Pagers/Mobiles	1,333	0	1,333	686	
135-60020-021-000	Electricity	21,178	0	21,178	10,040	
135-60070-021-000	Dues & Memberships	250	0	250	0	REDUCTION DUE TO REALLOCATION OF FUNDS
135-60080-021-000	Schools & Training	1,711	-800	911	911	
135-60090-021-000	Safety Program	300	0	300	0	
135-60100-021-000	Travel & per diem	550	-300	250	250	REDUCTION DUE TO REALLOCATION OF FUNDS
135-60105-021-000	Rent/Lease Equipment	10,000	-5,000	5,000	0	REDUCTION DUE TO REALLOCATION OF FUNDS
135-60245-021-000	Miscellaneous Expenses	100	0	100	0	

Trophy Club MUD No.1  
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Account	Description	Original Budget	Amount \$ (+/-)	PROPOSED AMENDED FY 2014	YTD Total thru 3/31/14	Comments
135-65005-021-000	Fuel & Lube	22,397	-650	21,747	5,890	REDUCTION DUE TO REALLOCATION OF FUNDS
135-65010-021-000	Uniforms	1,040	0	1,040	814	
135-65030-021-000	Chemicals	6,800	-4,000	2,800	0	USED LESS CHEMICALS DUE TO LESS GREASE IN LINES
135-65035-021-000	Small Tools	1,000	-700	300	44	REDUCTION DUE TO REALLOCATION OF FUNDS
135-65040-021-000	Safety Equipment	500	250	750	587	AMOUNT UNBUDGETED
135-69005-021-000	Capital Outlays	100,000	14,000	114,000	68,300	NAME CHANGE PER AUDITOR- SEE GF-A
135-69008-021-000	Short Term Debt-Principal	35,991	0	35,991	0	
135-69009-021-000	Short Term Debt-Interest	2,846	0	2,846	0	
135-69280-021-000	Capital Repairs	71,000	-71,000	0	0	COMBINED WITH CAPITAL OUTLAYS PER AUDITOR- SEE GF-A
	<b>Subtotal Collection</b>	<b>472,170</b>	<b>-94,639</b>	<b>377,531</b>	<b>149,880</b>	
<b>Board of Directors</b>						
135-50005-026-000	Salaries & Wages	10,000	0	10,000	5,200	
135-50030-026-000	Social Security Taxes	620	0	620	322	
135-50035-026-000	Medicare Taxes	145	0	145	75	
135-50040-026-000	Unemployment Taxes	10	220	230	65	INCREASE IN SUTA RATE
135-50045-026-000	Workman's Compensation	36	0	36	18	
135-60066-026-000	Publications/Books/Subscrips	150	0	150	0	
135-60070-026-000	Dues & Memberships	500	0	500	35	
135-60075-026-000	Meetings	1,200	0	1,200	36	
135-60080-026-000	Schools & Training	4,000	0	4,000	265	
135-60100-026-000	Travel & per diem	5,000	0	5,000	0	
135-60245-026-000	Miscellaneous Expenses	1,000	0	1,000	0	
	<b>Subtotal Board of Directors</b>	<b>22,661</b>	<b>220</b>	<b>22,881</b>	<b>6,016</b>	
<b>Administration</b>						
135-50005-030-000	Salaries & Wages	458,721	0	458,721	213,534	
135-50020-030-000	Overtime	500	250	750	568	ADDITIONAL TIME FOR PUBLIC EDUCATION EVENTS
135-50016-030-000	Longevity	3,018	0	3,018	3,078	
135-50020-030-000	Retirement	41,419	0	41,419	20,475	
135-50026-030-000	Medical Insurance	57,923	0	57,923	27,746	
135-50027-030-000	Dental Insurance	5,100	0	5,100	2,180	
135-50028-030-000	Vision Insurance	1,087	0	1,087	492	
135-50029-030-000	Life Insurance & Other	4,483	1,017	5,500	2,539	CHANGED CAFETERIA PLAN 3/1/14
135-50030-030-000	Social Security Taxes	28,659	0	28,659	13,395	
135-50035-030-000	Medicare Taxes	6,702	0	6,702	3,133	
135-50040-030-000	Unemployment Taxes	63	1,386	1,449	1,449	INCREASE OF \$198 PER EMPLOYEE PER YEAR IN SUTA RATE
135-50045-030-000	Workman's Compensation	1,575	0	1,575	772	
135-50060-030-000	Pre-emp Physicals/Testing	200	0	200	0	
135-50070-030-000	Employee Relations	5,000	0	5,000	2,663	
135-55030-030-000	Software & Support	59,698	0	59,698	21,024	
135-55070-030-000	Independent Labor	7,700	-700	7,000	4,923	REDUCTION DUE TO REALLOCATION OF FUNDS
135-55080-030-000	Maintenance & Repairs	4,500	0	4,500	13	
135-55100-030-000	Building Maint. & Supplies	6,500	0	6,500	1,990	
135-55120-030-000	Cleaning Services	19,140	0	19,140	9,570	
135-55160-030-000	Professional/Outside Services	35,000	-5,000	30,000	0	RATE STUDY EXPENSED TO INDEPENDENT LABOR
135-55161-030-000	Town Personnel Contract	77,048	0	77,048	77,048	
135-55165-030-000	Collection Fees	200	0	200	0	
135-55205-030-000	Utility Billing Contract	6,808	0	6,808	2,900	
135-60005-030-000	Telephone	11,250	0	11,250	6,207	
135-60010-030-000	Communications/Mobiles	3,989	468	4,457	1,494	CELL PLAN ADJUSTMENT
135-60020-030-000	Electricity	15,171	0	15,171	6,319	

Trophy Club MIUD No.1  
 FY 2014 Budget  
 April 22, 2014

Account	Description	Original Budget	Amount \$ (+/-)	PROPOSED AMENDED FY 2014	YTD Total thru 3/31/14	Comments
135-60025-030-000	Water	1,500	0	28,500	430	
135-60035-030-000	Postage	28,500	0	28,500	11,004	
135-60040-030-000	Bank Service Charges & Fees	28,330	0	28,330	14,666	
135-60050-030-000	Bad Debt Expense	1,500	4,700	6,200	4,197	\$3000 PORTABLE METER CHARGES WERE WRITTEN OFF
135-60055-030-000	Insurance	53,561	0	53,561	25,747	
135-60066-030-000	Publications/Books/Subscripts	1,000	0	1,000	401	
135-60070-030-000	Dues & Memberships	4,500	0	4,500	4,012	
135-60075-030-000	Meetings	400	0	400	0	
135-60079-030	Public Education	0	5,000	5,000	275	RECLASSIFIED FROM MISCELLANEOUS & DM DISCRETIONARY
135-60080-030-000	Schools & Training	7,500	-700	6,800	1,651	REDUCED NUMBER OF CLASSES NEEDED THIS YEAR
135-60100-030-000	Travel & per diem	5,000	0	5,000	822	
135-60110-030-000	Physicals/Testing	200	0	200	0	
135-60115-030-000	Elections	2,500	0	2,500	2,500	
135-60125-030-000	Advertising	1,350	0	1,350	589	
135-60235-030-000	Security	2,500	0	2,500	124	
135-60245-030-000	Miscellaneous Expenses & DM Discretionary	22,870	-5,000	17,870	376	RECLASSIFIED TO PUBLIC EDUCATION
135-60270-030-000	4th of July Celebration	10,500	0	10,500	0	
135-60336-030-000	Intergov Trans Out (MIUD I&S)	0	0	0	0	
135-60344-030-000	Intergov Trans Out (Fire Dept )	0	0	0	0	
135-60360-030-000	Furniture/Equipment < \$5000	2,500	0	2,500	0	
135-65010-030-000	Uniforms	1,990	0	1,990	999	
135-65055-030-000	Hardware IT	13,562	0	13,562	2,178	
135-65085-030-000	Office Supplies	9,100	0	9,100	2,368	
135-65090-030-000	Printer Supplies & Maintenance	5,732	0	5,732	1,474	
135-65095-030-000	Maintenance Supplies	2,500	0	2,500	1,469	
135-65097-030-000	Vending Machine Supplies	200	0	200	77	
135-65105-030-000	Printing	4,000	0	4,000	2,348	
135-69005-030-000	Capital Outlays	0	0	0	0	NAME CHANGE PER AUDITOR
135-69170-030-000	Copier Lease Installments	3,450	0	3,450	1,284	
135-69195-030-000	GasB34/Reserve for Replacement IT	0	0	0	0	
	Subtotal Administration	1,055,198	1,421	1,056,619	499,944	
Non Departmental						
135-55045-039-000	Legal	131,300	215,826	347,126	114,582	ADDITIONAL LEGAL FOR PID CONTRACT AND BOND PROTESTS
135-55055-039-000	Auditing	21,840	0	21,840	21,200	
135-55060-039-000	Appraisal	10,000	0	10,000	6,244	
135-55065-039-000	Tax Admin Fees	3,800	0	3,800	2,451	
	Subtotal Non Departmental	166,940	215,826	382,766	144,478	
	Total General Fund Revenues	6,417,937	885,487	7,303,424	2,860,271	
	Total General Fund Expenses	6,417,937	885,487	7,303,424	2,884,946	
	Net Budget Surplus (Deficit)	0	0	0	0	

Trophy Club MUD No.1  
 FY 2014 Budget  
 April 22, 2014

**FIRE DEPARTMENT**

Account	Description	Original Budget	Amend #1 Budget	PROPOSED AMENDED FY 2014	YTD Total thru 3/31/14	Comments
<b>Revenues</b>						
122-40001-000-000	Assessment - Emerg Svcs	305,445	0	305,445	305,154	
122-40003-000-000	Emer Svcs Assessment/Delinquent	0	0	0	1	
122-40010-000-000	Property Taxes/MUD Fire	927,555	0	927,555	905,529	
122-40011-000-000	Property Taxes/Fire-Delinquent	0	0	0	726	
122-40015-000-000	Property Taxes/Assessments P&I	750	0	750	225	
122-40020-000-000	Property Taxes/Fire P&I	4,500	0	4,500	3,543	
122-42014-000-000	Fire Permits/Sprinkler	6,000	0	6,000	2,800	
122-43400-000-000	Fire Inspections	700	0	700	525	
122-43415-000-000	Denton/Tarrant Cty Pledge-Fire	10,000	0	10,000	0	
122-49035-000-000	Prior Year Reserves	0	0	0	0	
122-49900-000-000	Miscellaneous Income	6,000	0	6,000	4,475	
	<b>Total</b>	<b>1,260,950</b>	<b>0</b>	<b>1,260,950</b>	<b>1,222,977</b>	
<b>Expenses</b>						
122-50005-045-000	Salaries & Wages	455,916	0	455,916	220,775	
122-50010-045-000	Overtime	44,225	0	44,225	16,848	
122-50011-045-000	Holiday Pay	13,529	0	13,529	13,290	
122-50016-045-000	Longevity	4,768	0	4,768	4,655	
122-50017-045-000	Certification	4,350	0	4,350	2,214	
122-50020-045-000	Retirement	70,991	0	70,991	36,293	
122-50026-045-000	Medical Insurance	56,968	0	56,968	24,509	
122-50027-045-000	Dental Insurance	4,230	0	4,230	1,998	
122-50028-045-000	Vision Insurance	892	0	892	416	
122-50029-045-000	Life Insurance & Other	4,250	0	4,250	1,869	
122-50030-045-000	Social Security Taxes	32,980	0	32,980	14,823	
122-50035-045-000	Medicare Taxes	7,713	0	7,713	3,466	
122-50040-045-000	Unemployment Taxes	2,259	0	2,259	1,536	
122-50045-045-000	Workman's Compensation	8,708	0	8,708	3,977	
122-50060-045-000	Pre-employment Physicals/Test	500	0	500	206	
122-50075-045-000	Tuition Reimbursement	600	0	600	0	
122-55030-045-000	Software & Support	8,682	-1,848	6,834	463	Reduced to fund prior year expense
122-55045-045-000	Legal	5,000	-1,609	3,391	-2,508	Reduced to fund prior year expense
122-55080-045-000	Maintenance & Repairs	20,472	0	20,472	9,333	
122-55090-045-000	Vehicle Maintenance	14,850	0	14,850	2,919	
122-60005-045-000	Telephone	100	0	100	3	
122-60010-045-000	Communications/Mobiles	4,237	0	4,237	1,388	
122-60020-045-000	Electricity/Gas	6,568	2,700	9,268	3,680	Additional expense due to very cold weather
122-60025-045-000	Water	1,500	0	1,500	407	
122-60030-045-000	Rent And/Or Usage	214,279	0	214,279	214,279	
122-60035-045-000	Postage	100	0	100	30	
122-60055-045-000	Insurance	12,111	0	12,111	6,098	
122-60066-045-000	Publications/Books/Subscrips	400	0	400	113	
122-60070-045-000	Dues & Memberships	15,180	0	15,180	8,198	

Trophy Club MUD No.1  
 FY 2014 Budget  
 April 22, 2014

Account	Description	Original Budget	Amend #1 Budget	PROPOSED AMENDED FY 2014	YTD Total thru 3/31/14	Comments
122-60080-045-000	Schools & Training	4,280	0	4,280	2,270	
122-60096-045-000	Emergency Management	2,000	0	2,000	1,525	
122-60100-045-000	Travel & per diem	4,577	0	4,577	1,812	
122-60110-045-000	Physicals/Testing	2,000	0	2,000	0	Reduced to fund additional electric/gas
122-60125-045-000	Advertising	200	-200	0	0	
122-60160-045-000	Programs & Special Projects	4,500	0	4,500	341	
122-60180-045-000	Fire Inspection/Enforcement	1,500	0	1,500	150	
122-60195-045-000	Flags & Repair	2,000	0	2,000	833	
122-60243-045	Prior Year Expense	0	3,457	3,457	3,457	Additional expense from prior year
122-60245-045-000	Miscellaneous Expense	1,000	0	1,000	360	
122-65005-045-000	Fuel & Lube	11,698	-1,500	10,198	3,917	Reduced to fund additional electric/gas
122-65010-045-000	Uniforms	3,360	0	3,360	1,386	
122-65015-045-000	Protective Clothing	7,600	0	7,600	1,652	
122-65035-045-000	Chemicals	1,000	-500	500	0	Reduced to fund additional electric/gas
122-65085-045-000	Small Tools	2,500	0	2,500	345	
122-65085-045-000	Office Supplies	1,000	-500	500	161	Reduced to fund additional electric/gas
122-65105-045-000	Printing	100	0	100	0	
122-69008-045-000	Short Term Debt -Principal	70,000	0	70,000	0	
122-69009-045-000	Short Term Debt -Interest	3,031	0	3,031	1,516	
122-69050-045-000	Radios	34,200	0	34,200	0	
122-69195-045-000	GASB34/Reserve for Replacement	67,647	0	67,647	0	
122-69255-045-000	Airpacks	20,400	0	20,400	0	
<b>Total</b>		<b>1,260,950</b>	<b>0</b>	<b>1,260,950</b>	<b>611,003</b>	

<b>Total Fire Revenues</b>	<b>1,260,950</b>	<b>0</b>	<b>1,260,950</b>
<b>Total Fire Expenses</b>	<b>1,260,950</b>	<b>0</b>	<b>1,260,950</b>
<b>Net Budget Surplus (Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>

SCHEDULE GF - A  
 CAPITAL OUTLAYS- FY 14 AMENDED BUDGET

WATER - PURCHASES

DESCRIPTION	AMOUNT
<b>Total</b>	<b>0</b>

WATER - MAINTENANCE & REPAIRS

DESCRIPTION	AMOUNT
Phenix & Pablic Bearch 4" water line & 2. 5in valves	11,250
Trophy Wood & Pablic Bearch 10" Valve	8,276
Mag Meter	16,295
<b>Total</b>	<b>35,821</b>

WASTEWATER - PURCHASES

DESCRIPTION	AMOUNT
<b>Total</b>	<b>0</b>

WASTEWATER - MAINTENANCE & REPAIRS

DESCRIPTION	AMOUNT
<b>Total</b>	<b>0</b>

COLLECTION - PURCHASES

DESCRIPTION	AMOUNT
Replacement of Truck Unit #301	45,000
	0
	0
<b>Total</b>	<b>45,000</b>

COLLECTION - MAINTENANCE & REPAIRS

DESCRIPTION	AMOUNT
LTR Station No. 4	69,000
<b>Total</b>	<b>69,000</b>

CAPITAL EXPENSES- FY 14 BUDGET

WATER - CAPITAL PURCHASES

DESCRIPTION	AMOUNT
Replacement of Truck Unit #104	37,000
<b>Total</b>	<b>37,000</b>

WATER - CAPITAL REPAIRS

DESCRIPTION	AMOUNT
Water Line Replacement 223 Phoenix	7,500
<b>Total</b>	<b>7,500</b>

WASTEWATER - CAPITAL PURCHASES

DESCRIPTION	AMOUNT
Skid Loader	25,000
Aerator for Effluent	6,000
<b>Total</b>	<b>31,000</b>

WASTEWATER - CAPITAL REPAIRS

DESCRIPTION	AMOUNT
Repair Digester Blowers & Motors	30,000
<b>Total</b>	<b>30,000</b>

COLLECTION - CAPITAL PURCHASES

DESCRIPTION	AMOUNT
Replacement of Truck Unit #301	45,000
Simple Electric & Hydraulic Repairs	55,000
	0
<b>Total</b>	<b>100,000</b>

COLLECTION - CAPITAL REPAIRS

DESCRIPTION	AMOUNT
Dakota Ln	71,000
<b>Total</b>	<b>71,000</b>

DESCRIPTION	AMOUNT
<b>Total</b>	<b>0</b>

DESCRIPTION	AMOUNT
<b>Total</b>	<b>0</b>

# Trophy Club Municipal Utility District No. 1 Long Term Debt 2015

## Contractual Obligations (COs) CO Repayment

Public Property Contactual Obligation - Series 2010  
(\$179,955) Gapvax

FISCAL YEAR	PRINCIPAL DUE 09/01	INTEREST DUE 08/01	MUD NO. 2 TOTAL
2015	35,991.00	1,423.14	37,414.14
	\$ 35,991.00	\$ -	\$ 37,414.14

TCMUD000720

**Trophy Club Municipal Utility District No. 1  
Short Term Debt 2014**

**Note Repayment**

**Revenue Note - Series 2013**

(\$445,000) Water/Wastewater Capital Projects

<b>FISCAL YEAR</b>	<b>PRINCIPAL DUE 09/01</b>	<b>INTEREST DUE 03/01</b>	<b>INTEREST DUE 09/01</b>	<b>MUD NO. 1 TOTAL</b>
2014	143,000.00	7,363.51	2,793.50	153,157.01
2015	150,000.00	2,793.50	1,406.00	154,199.50
2016	152,000.00	1,406.00		153,406.00
	<b>\$ 445,000.00</b>	<b>\$ 11,563.01</b>	<b>\$ 4,199.50</b>	<b>\$ 460,762.51</b>

TCMUD000721

TCMUD  
Notes Payable  
September 30, 2015

PURPOSE TO ANALYZE THE DEBT ACTIVITY FOR NOTES PAYABLE DURING FYE 9/30/2015

Notes Payable	PY 9/30/2014 Balance	A/B Retirements	B 9/30/2015 Balance	B Interest Paid	WTR P&I	G/L ACCT #	G/L ACT NAME	Confirm	
								Principle Paid	Principle O/S Int Paid
First Financial Bank 2009- Int Maxx Force 9	35,991	-	-	1,361	37,352	135-69008-020 135-69009-020	Short Term Debt-Principal Short Term Debt-Interest	-	-
First Financial Bank 2013-Revenue Note Capital Projects	302,000	-	152,000	4,223	154,223	86% Water, 14% Wastewater 135-69008-010 135-69009-010	Short Term Debt-Principal Short Term Debt-Interest	-	-
	337,991	-	152,000	5,583	191,574			-	-

A Auditor agreed amount to debt payout schedule attached, W/O/E. See copy of debt payout schedule in debt agreement in PF  
 B Auditor agreed amount per schedule to bond confirmation at 9/30/2014, W/O/E. See confirmation at w/p F-8 & F-8 1

CONCLUSION AS THE DEBT ACTIVITY AND O/S BALANCE FOR N/P's AT 9/30/2015 PER THE DEBT SCHEDULES AGREED TO THE CONFIRMATIONS, AUDITOR WILL PASS FURTHER WORK.

Principal Due During Fiscal Years Ending	2010		2012		2013		2014		2015		Total P&I
	Maxx Force	Revenue Note									
2015	35,991	150,000	1,361	4,223	1,361	4,223	-	-	-	-	191,574
2016	-	152,000	-	1,406	-	1,406	-	-	-	-	153,406
2017	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-
	35,991	302,000	1,361	5,629	1,361	5,629	-	-	-	-	344,980

NOTES PAYABLE Repayment Schedule

ES Disclosure 4  
For Footnotes

Year	Principal	Interest
2015	185,991	5,583
2016	152,000	1,406
2017-18	-	-
	\$ 337,991	\$ 6,989

TCMUD000722

**TROPHY CLUB  
MUNICIPAL UTILITY DISTRICT NO. 1  
BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR  
ENDED SEPTEMBER 30, 2014**

ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }  
COUNTY OF DENTON }

I, Jennifer McKnight, General Manager  
(Name of Duly Authorized District Representative)

Of the Trophy Club Municipal Utility District No. 1  
(Name of District)

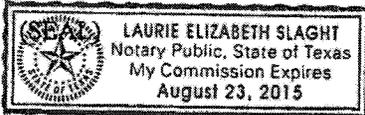
Hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the 20th day of January, 2015, its annual audit report for the fiscal year or period ended September 30, 2014 and that copies of the annual audit report have been filed in the district office, located at 100 Municipal Drive, Trophy Club, Texas, 76262.

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

Date: January 22, 2015 By: Jennifer McKnight  
(Signature of District Representative)

Jennifer McKnight, General Manager  
(Typed Name & Title of above District Representative)

Sworn to and subscribed to before me this 22nd day of January, 2015.

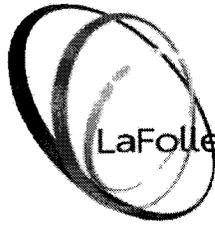


Laurie Elizabeth Slaght  
(Signature of Notary)

My Commission Expires On: August 23, 2015  
Notary Public in the State of Texas

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LaFollett and Abbott PLLC  
Certified Public Accountants

Susan LaFollett, CPA – Partner  
Rod Abbott, CPA – Partner

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Trophy Club Municipal Utility District No. 1  
Trophy Club, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Trophy Club Municipal Utility District No. 1 (the "District"), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Trophy Club Municipal Utility District No. 1, as of September 30, 2014, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons, and retirement system funding information on pages 3-10 and 35-37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trophy Club Municipal Utility District No. 1's basic financial statements. The accompanying individual schedules and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying individual schedules and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying individual schedules and other supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2015, on our consideration of Trophy Club Municipal Utility District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Trophy Club Municipal Utility District No. 1's internal control over financial reporting and compliance.

*Tom Falletts and Abbott PLLC*

Tom Bean, Texas  
January 20, 2015

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2014**

Trophy Club Municipal Utility District No. 1, Texas (the "District") Management's Discussion and Analysis (MD&A) is a narrative overview and analysis designed to provide the reader a means to identify and understand the financial activity of the District and changes in the District's financial position during the fiscal year ended September 30, 2014.

The Management's Discussion and Analysis is supplemental to, and should be considered along with, the District's financial statements.

**Financial Highlights**

At the close of the fiscal year, the assets of the District exceeded its liabilities by \$16,804,343. Of this amount, \$2,961,240 is unrestricted net position and may be used to meet the District's ongoing commitments.

The District's net position increased by \$1,654,193 during 2014. The increase is mostly attributable to \$936,481 of developer capital contributions to the District's water and wastewater systems.

At the end of the fiscal year, the District's governmental type funds reported a combined fund balance of \$2,962,683. As of September 30, 2014, the unassigned fund balance of the General Fund was \$488,818.

Long-term debt activity for the District included debt principal repayments totaling \$1,040,991. No new debt was issued by the District during 2014.

**Overview of the Financial Statements**

The MD&A is intended to introduce the reader to the District's basic financial statements, which are comprised of three components: 1. Government-Wide Financial Statements, 2. Fund Financial Statements, and 3. Notes to Basic Financial Statements. The report also contains other required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements – the government-wide financial statements are designed to provide the reader with a general overview of the District's finances in a way that is comparable with financial statements from the private sector.

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2014**

**Overview of the Financial Statements – continued**

The government-wide financial statements consist of two statements:

1. The Statement of Net Position – (Page 11) this statement presents information on all of the District's assets and liabilities; the difference between the two is reported as net position. Over an extended period, the increase or decrease in net position will serve as a good indicator of whether the financial position of the District is improving or deteriorating.
2. The Statement of Activities – (Page 12) gives information showing how the District's net position has changed during the fiscal year. All revenues and expenses are reported on the full accrual basis.

Fund Financial Statements - Fund financial statements provide detailed information about the most important funds and not about the District as a whole as in the government-wide financial statements.

The District uses fund accounting to demonstrate compliance with finance related legal requirements which can be categorized as governmental fund activities.

Governmental Funds – All of the District's activities are reported in governmental funds. They are used to account for those functions known as governmental activities. But unlike government-wide financial statements, governmental fund financial statements focus on how monies flow into and out of those funds and their resulting balances at the end of the fiscal year. Statements of governmental funds provide a detailed short-term view of the District's general government operations and the basic services it provides. Such information can be useful in evaluating a government's short-term financing requirements.

The District maintains three governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Debt Service Fund and Capital Projects Fund.

The District adopts annual appropriated budgets for the General Fund and Debt Service Funds. A budgetary comparison statement is provided for each annually budgeted fund to demonstrate compliance with its budget.

Notes to the Basic Financial Statements – The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 17-34.

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2014**

**Overview of the Financial Statements - continued**

**Government-wide Financial Analysis**

The Management's Discussion and Analysis highlights the information provided in both the Statement of Net Position and Statement of Activities in the government-wide financial statements. It may serve over an extended period of time, as a useful indicator of the District's financial position. At the end of the fiscal year, the District's assets exceeded liabilities by \$16,804,343. Of this amount, \$13,843,103 (82%) reflects the District's investment in capital assets (e.g., land, buildings, machinery and equipment, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide service to the community; therefore these assets are not available for future spending.

Table 1  
Condensed Statements of Net Position

	Governmental Activities 2014	Governmental Activities 2013
Current and other	\$ 4,485,026	\$ 5,111,997
Capital assets	19,849,794	18,047,016
Total Assets	24,334,820	23,159,013
Long-term liabilities	6,031,304	6,101,472
Other liabilities	1,499,173	1,930,110
Total liabilities	7,530,477	8,031,582
Net Position:		
Net investment in capital assets	13,843,103	10,886,696
Unrestricted	2,961,240	4,240,735
Total Net Position	\$ 16,804,343	\$ 15,127,431

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2014**

**Overview of the Financial Statements - continued**

District operational analysis – The following table provides a summary analysis of the District's consolidated operations for the fiscal years ended September 30, 2014 and 2013. Governmental activities have increased the District's net position by \$1,654,193, which amounts to a 10.9% increase in net position for the year ended September 30, 2014.

Table 2  
Changes in Net Position

	Governmental Activities 2014	Governmental Activities 2013
Revenue:		
Program revenue		
Charges for services	\$ 6,150,179	\$ 6,070,147
Grants and Contributions	946,481	284,684
General Revenue		
Ad valorem taxes	1,740,079	1,619,051
Unrestricted investment earnings	6,255	16,649
Miscellaneous	115,102	114,036
<b>Total Revenue</b>	<b>8,958,096</b>	<b>8,104,567</b>
Expenses:		
Water & Wastewater operations	4,083,929	3,759,269
General government	2,113,413	2,290,093
Fire	901,351	811,552
Interest charges	205,210	256,272
<b>Total Expenses</b>	<b>7,303,903</b>	<b>7,117,186</b>
<b>Increase in net position</b>	<b>\$ 1,654,193</b>	<b>\$ 987,381</b>

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**September 30, 2014**

**Financial analysis of the District's funds**

Governmental Funds - the main focus of the District's governmental funds is to provide information on the flow of monies to and from the funds, and to note the unassigned fund balance, which is a good indicator of resources available for spending in the near term. The information derived from these funds is highly useful in assessing the District's financial requirements. The unassigned fund balance may serve as a useful measure of the government's net resources available for use at the fiscal year-end.

At the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$2,962,683, of which 16%, or \$488,818, is unassigned and available to the District for future spending.

**General Fund budgetary highlights**

The most significant amendment to the General Fund 2014 budget involved increasing budgeted capital expenditures by \$868,681 for on-going water and wastewater system improvements.

**Revenue: Revenues were \$65,521 (0.8%) less than budgeted**

- Water and wastewater charges were \$120,058 (2.1%) more than budgeted.
- Utility fees were \$250,909 (43.1%) less than budgeted.

**Expenses: Expenses were \$152,028 (1.8%) less than budgeted**

- Water operations expenditures were \$394,226 (9.6%) less than budgeted.
- Non-departmental expenditures were \$394,226 (102.9%) more than budgeted and attributable to budget overruns for legal expenses.

**Debt Service Fund:**

- Debt Service Fund budget versus actual results were generally in line with expectations. The fund experienced a slight decrease in fund balance of \$3,126 due to a small 0.9% unfavorable budget variance for property tax revenue.

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2014**

**Capital Asset and Debt Administration**

The District's investment in capital assets for its governmental activities as of September 30, 2014 amounted to \$19,849,794, net of accumulated depreciation. This represents a broad range of capital assets including, but not limited to land, buildings, improvements, machinery and equipment, vehicles, and water, wastewater treatment, and wastewater collection systems.

Capital assets increased 10% during 2014 primarily due to approximately \$1.3 million of on-going water and wastewater system improvements and \$936,481 of capital contributions. Additional information about capital assets may be found in Note 5 in the notes to financial statements.

**Debt administration**

Long-Term Liabilities – at the end of the current fiscal year, the District had \$6,031,304 of general obligation bonds, notes payable and accrued compensated absences, which is a decrease of 15.8% from the previous fiscal year. Of this amount, \$7,065,539 is backed by the full faith and credit of the government. No new debt was issued for the District during 2014.

Table 3  
Outstanding Debt at Year-end

	Governmental Activities 2014	Governmental Activities 2013
General obligation bonds	\$ 5,668,700	\$ 6,111,557
Contractual obligations	-	70,000
Notes payable	337,991	883,982
Compensated absences	24,613	94,781
<b>Total</b>	<b>\$ 6,031,304</b>	<b>\$ 7,160,320</b>

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2014**

**Economic factors and next year's budgets and rates:**

**General fund fiscal year 2015 budgetary highlights:**

**Revenue:** The District's 2015 operational revenue is budgeted to increase by \$1,298,499.

- Property tax revenue is budgeted to increase from \$1,026,805 for fiscal year 2014 to \$1,040,716 for fiscal year 2015.
- Water and wastewater revenue is budgeted to increase by \$2,099,396 due to an increase in the number of utility customers and to a rate increase that was effective July 1, 2014.
- Utility fee revenue is budgeted to decrease by \$398,109 due to slow down of expected new home construction in the Public Improvement District.
- Reserve funds of \$100,000 will be allocated to the Debt Service Fund.

**Expenses:** The District's 2015 operational expense is budgeted to increase by \$1,298,499. The wholesale water expense will increase by \$589,835 due to an increase in the cost of water purchased from wholesaler.

**Overall:**

The District's 2015 operational budget is anticipated to have expenses of \$9,862,873 and revenues of \$9,862,873.

**Debt Service Fund 2015 budget:**

- Debt service revenues are budgeted to increase from \$624,495 in fiscal year 2014 to \$1,078,256 in fiscal year 2015. This is an increase of \$453,761 and is needed to cover new debt service expenses.
- Property tax revenues are budgeted to increase by \$76,803 due to an increase in taxable property values.
- Reserve funds of \$100,000 will be allocated to the Debt Service Fund in fiscal year 2015.

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2014**

**Economic factors and next year's budgets and rates: (Continued)**

The consolidated District's overall budget for revenue increased from \$9,188,869 in fiscal year 2014 to \$10,941,129, in fiscal year 2015, which is a 19.07% increase. The overall budgeted expenses increased from \$9,188,869 to \$10,939,204, which is a 19.05% increase.

The O&M tax decreased and the debt service tax increased which resulted in the overall tax rate remaining the same for 2015 as was assessed in 2014.

**Requests for information**

This financial report is designed to provide a general overview of the District's consolidated finances for all interested parties. Questions concerning any of the information in this report or requests for additional information should be directed to the Trophy Club Municipal Utility District No. 1, Finance Manager, 100 Municipal Drive, Trophy Club, Texas 76262.

**BASIC FINANCIAL STATEMENTS**

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

		<u>Governmental Activities</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	3,431,448
Receivables		
Accounts receivable, net		969,666
Taxes		38,046
Due from other governments		31,886
Prepays		13,980
Non-depreciable capital assets:		
Land		648,178
Construction in progress		1,366,502
Depreciable capital assets: (net)		
Buildings and other improvements		3,099,011
Machinery, vehicles, and other equipment		1,313,382
Water system		13,365,163
Organization costs		57,558
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>24,334,820</u></b>
<b>LIABILITIES</b>		
Accounts payable	\$	1,148,882
Accrued liabilities		35,418
Accrued interest payable		14,876
Customer deposits		299,997
Noncurrent liabilities:		
Debt due within one year		625,991
Debt due in more than one year		5,405,313
<b>TOTAL LIABILITIES</b>		<b><u>7,530,477</u></b>
<b>NET POSITION</b>		
Net investment in capital assets		13,843,103
Unrestricted		2,961,240
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b><u>16,804,343</u></b>

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

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2014**

Program Activities	Governmental Activities				Net (Expenses) Revenue and Changes in Net Assets
	Expenses	Program Revenues		Capital Grants and Contributions	
		Charges for Services	Operating Grants and Contributions		
Governmental Activities					
General government	\$ 1,320,187	\$ 419,307	\$ -	\$ -	\$ (900,880)
Water operations	3,160,821	3,534,240	-	224,812	598,231
Wastewater operations	688,212	2,196,632	-	711,669	2,220,089
Wastewater collection system	234,896	-	-	-	(234,896)
Non-Departmental	781,325	-	-	-	(781,325)
Directors	11,901	-	-	-	(11,901)
Fire	901,351	-	10,000	-	(891,351)
Interest on long term debt	205,210	-	-	-	(205,210)
<b>Total governmental activities</b>	<b>\$ 7,303,903</b>	<b>\$ 6,150,179</b>	<b>\$ 10,000</b>	<b>\$ 936,481</b>	<b>\$ (207,243)</b>

General Revenues:

Ad valorem taxes	1,740,079
Investment income	6,255
Miscellaneous	115,102
<b>Total general revenues</b>	<b>1,861,436</b>

**Change in net position** 1,654,193

Net Position - beginning of year	15,127,431
Prior period adjustments	22,719
<b>Net Position - end of year</b>	<b>\$ 16,804,343</b>

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

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO.1**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**September 30, 2014**

	ASSETS			
	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 3,264,105	\$ 15,253	\$ 152,090	\$ 3,431,448
Receivables:				
Accounts receivables, net	969,666	-	-	969,666
Taxes	28,051	9,995	-	38,046
Due from other governments	31,886	-	-	31,886
Due from other funds	86,259	-	-	86,259
Prepays	13,980	-	-	13,980
<b>TOTAL ASSETS</b>	<b>\$ 4,393,947</b>	<b>\$ 25,248</b>	<b>\$ 152,090</b>	<b>\$ 4,571,285</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,092,819	\$ 500	\$ 55,563	\$ 1,148,882
Accrued liabilities	35,418	-	-	35,418
Customer deposits	299,997	-	-	299,997
Due to other funds	-	-	86,259	86,259
<b>Total liabilities</b>	<b>1,428,234</b>	<b>500</b>	<b>141,822</b>	<b>1,570,556</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues - property taxes	28,051	9,995	-	38,046
<b>Total deferred inflows of resources</b>	<b>28,051</b>	<b>9,995</b>	<b>-</b>	<b>38,046</b>
<b>Fund Balances</b>				
Non-spendable prepaids	13,980	-	-	13,980
Assigned-Capital outlays	2,434,864	-	10,268	2,445,132
Assigned-Debt service	-	14,753	-	14,753
Unassigned	488,818	-	-	488,818
<b>Total fund balauces</b>	<b>2,937,662</b>	<b>14,753</b>	<b>10,268</b>	<b>2,962,683</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>	<b>\$ 4,393,947</b>	<b>\$ 25,248</b>	<b>\$ 152,090</b>	<b>\$ 4,571,285</b>

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

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014**

Total fund balances - governmental funds	\$ 2,962,683
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	19,849,794
Unavailable tax revenues that are reported as deferred inflows of resources in the governmental funds balance sheet is recognized as revenue in the government-wide financial statements.	38,046
Interest payable on long term debt does not require current financial resources; therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(14,876)
Accrued compensated absences do not require the use of current financial resources; therefore accrued vacation is not reported as a liability in the governmental funds balance sheet.	(24,613)
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the fund financial statements.	<u>(6,006,691)</u>
Net position of governmental activities	<u>\$ 16,804,343</u>

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

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO.1**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended September 30, 2014**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Water and wastewater charges	\$ 5,730,872	\$ -	\$ -	\$ 5,730,872
Taxes	1,340,502	389,668	-	1,730,170
Utility Fees	331,200	-	-	331,200
Miscellaneous	115,102	-	-	115,102
Oversize meter reimbursements	77,380	-	-	77,380
Inspection and tap fees	10,725	-	-	10,725
Intergovernmental revenues	10,000	-	-	10,000
Investment income	6,071	97	87	6,255
<b>Total Revenues:</b>	<u>7,621,852</u>	<u>389,765</u>	<u>87</u>	<u>8,011,704</u>
<b>Expenditures</b>				
Water	3,031,672	-	-	3,031,672
Administration	990,577	-	-	990,577
Wastewater	621,108	-	-	621,108
Fire	879,830	-	-	879,830
Collections	185,561	-	-	185,561
Non-Departmental	776,992	-	-	776,992
Board of Directors	11,901	-	-	11,901
Capital Outlay	990,311	-	354,919	1,345,230
Debt Service				
Principal	615,991	425,000	-	1,040,991
Interest and fiscal charges	26,656	197,195	-	223,851
Bond Administrative Fees	-	1,500	-	1,500
<b>Total Expenditures:</b>	<u>8,130,599</u>	<u>623,695</u>	<u>354,919</u>	<u>9,109,213</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(508,747)</u>	<u>(233,930)</u>	<u>(354,832)</u>	<u>(1,097,509)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	230,804	120,000	350,804
Transfers out	(350,804)	-	-	(350,804)
<b>Total Other Financing Sources (Uses):</b>	<u>(350,804)</u>	<u>230,804</u>	<u>120,000</u>	<u>-</u>
Net change in fund balance	(859,551)	(3,126)	(234,832)	(1,097,509)
Fund Balances - beginning of year	3,797,213	17,879	245,100	4,060,192
Fund Balances - end of year	<u>\$ 2,937,662</u>	<u>\$ 14,753</u>	<u>\$ 10,268</u>	<u>\$ 2,962,683</u>

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

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
RECONCILIATION OF THE STATEMENT OF REVENUES  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED SEPTEMBER 30, 2014**

Net change in fund balances - total governmental funds	\$	(1,097,509)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Depreciation expense on capital assets reported in the statement of activities does not require the use of current financial resources, therefore, depreciation expense is not reported as expenditures in the governmental funds.		(671,240)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.		1,345,230
Debt principal payments reduces long-term liabilities in the statement of net position, but it is recorded as an expenditure in the governmental funds.		1,111,159
Current year contributions of capital assets are not recorded in the governmental funds, but are recognized for the government-wide financial statements.		936,481
Governmental funds report the effects of debt premiums, debt discounts, and deferred losses on refunding when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.		17,857
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing the change in deferred revenue and various other items. The net effect of these reclassifications is to decrease net position.		9,931
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		<u>2,284</u>
Change in net position of governmental activities	\$	<u>1,654,193</u>

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

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

**A. General Statement**

Denton County Municipal Utility District No. 1 (the District) was created by the Texas Water Rights Commission (later known as Texas Commission on Environmental Quality (TCEQ)) on March 4, 1975 and confirmed by the electorate of the District at a confirmation election on October 7, 1975. The Board of Director's held its first meeting on April 24, 1975. The Bonds were first sold on June 8, 1976. The District operates pursuant to Article XVI, Chapter 59 of the Texas Constitution and Chapter 54 of the Texas Water Code, as amended. Effective April 1, 1983, the District's name was officially changed by order from Denton County Municipal Utility District No. 1 to Trophy Club Municipal Utility District No. 1.

On May 9, 2009, citizens voted to consolidate the District and Trophy Club Municipal Utility District No. 2 (MUD2). As a result, the District reports consolidated activity and balances for the District and the entities formerly known as MUD2 and the Trophy Club Master District Joint Venture (a joint venture of MUD1 and MUD2).

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for the District. The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units.

**B. Financial Reporting Entity**

As required by accounting principles generally accepted in the United States of America, these financial statements include the activities of the District and any organizations for which the District is financially accountable or for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

rates or charges, or issue bonded debt without approval by the primary government. Accordingly, the District has no component units.

**C. Government-Wide and Fund Financial Statements**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the District, except for fiduciary funds. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The activities of the District are comprised only of governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

The District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. These statements are required to present each major fund in a separate column on the fund financial statements. For fiscal year 2014, the major fund is the General Fund. The non-major funds are the Capital Projects Fund and Debt Service Fund.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented the following governmental funds:

**General Fund**

The General Fund is the main operating fund of the District. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

**Debt Service Fund**

The Debt Service Fund is used to account for resources accumulated and payments made for principal and interest on the long-term debt of governmental funds.

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

**Capital Projects Fund**

The Capital Projects Fund is used to account for funds received and expended for the acquisition and construction of infrastructure and other capital assets.

**D. Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available.

“Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are interest income and ad valorem taxes. All other governmental fund revenues are recognized when received.

**E. Cash and Investments**

The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments of three months or less from the date of acquisition.

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

**E. Cash and Investments - Continued**

The District's investment policy requires that all monies be deposited with the authorized District depository or in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) – (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the District, and placed through a primary government securities dealer.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

**F. Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	50 Years
Improvements other than buildings	15 - 30 Years
Machinery and equipment	5 - 15 Years
Vehicles	6 - 12 Years
Water and wastewater systems	30 - 65 Years

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

**G. Accumulated Vacation Time**

Employees earn vacation pay based upon seniority that accrues at various rates up to a maximum four weeks per year. Upon termination, employees will be paid for their unused earned vacation. The District records a liability for the value of these compensated absences.

**H. Organizational Costs**

The District, in conformance with requirements of the TCEQ, capitalized costs incurred in the creation of the District. The TCEQ requires capitalization of organizational costs for the construction period, amortized bond premium and discount losses on sales of investments, accrued interest on investments purchased, attorney fees and some administrative expenses until construction and acceptance or use of the first revenue producing facility has occurred. The District amortizes the organizational costs using the straight-line method over a period of 22 to 45 years.

**I. Net Position**

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**J. Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported amounts of revenue and expenses/expenditures. Actual results could differ from those estimates.

**K. Fund Balances**

Governmental Accounting Standards Board (GASB) *Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes in the fund financial statements for governmental type funds. It does not apply for the government-wide financial statements.

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

**K. Fund Balances - Continued**

GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

*Nonspendable* - such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned)

*Restricted* - fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

*Committed* - fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the district's highest level of decision-making authority),

*Assigned* - fund balance classifications are assigned by the District Manager with the intentions to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

*Unassigned* - fund balance is the residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications, and other fund's that have total negative fund balances.

**NOTE 2. CASH AND INVESTMENTS**

The funds of the District must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At September 30, 2014, the carrying amount of the District's deposits (cash, certificates of deposit, and non-pooled savings accounts) was \$2,096,845 and the bank balance was \$2,078,148. The District's cash deposits at September 30, 2014, and during the year then ended were entirely covered by FDIC insurance, pledged securities, or by a letter of credit pledged by the District's agent bank in the District's name.

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 2. CASH AND INVESTMENTS – CONTINUED**

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy. That policy must address the following areas; (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

Statutes and the District’s investment policy authorized the District to invest in the following investments as summarized below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	2 years	50%	NA
U.S. Agencies Securities	2 years	50%	NA
State of Texas Securities	2 years	50%	NA
Certificates of Deposits	2 years	90%	NA
Money Market	2 years	90%	NA
Investment pools	2 years	90%	NA

The Act also requires the District to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

Cash and investments as of September 30, 2014 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Primary Government:	
Cash and cash equivalents	<u>\$ 3,431,448</u>
Total cash and investments	<u><u>\$ 3,431,448</u></u>

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 2. CASH AND INVESTMENTS – CONTINUED**

Cash and investments as of September 30, 2014 consist of the following:

Petty Cash	\$ 600
Deposits with financial institutions	2,096,845
Texpool Investments	<u>1,334,003</u>
Total cash and pooled investments	<u>\$ 3,431,448</u>

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days thus reducing the interest rate risk. The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The District has no specific limitations with respect to this metric.

As of September 30, 2014, the District had the following investment:

Investment Type	Amount	Weighted Average Maturity
TexPool	<u>\$ 1,334,003</u>	53 days
Total Investments	<u>\$ 1,334,003</u>	

As of September 30, 2014, the District did not invest in any securities which are highly sensitive to interest rate fluctuations.

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 2. CASH AND INVESTMENTS – CONTINUED**

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>
TexPool	\$ 1,334,003	AAAm	AAAm
Total Investments	<u>\$ 1,334,003</u>		

**Concentration of Credit Risk**

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2014, other than external investment pools, the District did not have 5% or more of its investments with one issuer.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by either 1) pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit), or 2) an irrevocable standby letter of credit with the District named as the beneficiary. The market value of pledged securities in the collateral pool or the value of the letter of credit must equal at least the bank balance less FDIC insurance at all times.

**Investment in State Investment Pools**

The District is a voluntary participant in TexPool. The State Comptroller of Public Accounts exercises responsibility over TexPool. This oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized costs rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 3. ACCOUNTS RECEIVABLE**

Receivables as of year-end, including the applicable allowances for uncollectible accounts, are as follows:

Accounts Receivable:		
MUD water	\$	489,293
MUD sewer		239,218
Unbilled receivables		147,752
Refuse (as agent for Town of Trophy Club)		61,676
Refuse tax (as agent for Town of Trophy Club)		5,300
Storm drainage (as agent for Town of Trophy Club)		38,478
		981,717
Allowance for uncollectible accounts		(12,051)
Total (net)	\$	969,666
Due from Other Governments:		
Town of Trophy Club	\$	31,886

**NOTE 4. INTERFUND TRANSFERS**

Transfers between funds during the year are as follows:

Transfer In	Transfer Out	Amount	Purpose
Capital Projects	General Fund	\$ 120,000	Capital Imp. Reimbursements
Debt Service	General Fund	230,804	Debt service
	Total	\$ 350,804	

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 5. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2014, was as follows:

	Beginning Balances	Additions	Retirements/ Transfers	Ending Balance
<u>Governmental Activities:</u>				
Capital assets - Non-Depreciable				
Land	\$ 648,178	\$ -	\$ -	\$ 648,178
Construction in progress (restated)	361,822	1,527,999	(523,319)	1,366,502
Total capital assets not being depreciated	<u>1,010,000</u>	<u>1,527,999</u>	<u>(523,319)</u>	<u>2,014,680</u>
Capital assets - Depreciable				
Buildings	3,344,790	-	-	3,344,790
Improvements other than buildings	303,492	-	-	303,492
Machinery and equipment	1,651,136	-	15,505	1,666,641
Organization costs	2,331,300	-	-	2,331,300
Vehicles	1,477,017	-	-	1,477,017
Water system	9,720,832	412,091	214,566	10,347,489
Wastewater treatment system	5,663,320	341,641	-	6,004,961
Wastewater collection system	3,208,855	-	293,248	3,502,103
Total capital assets being depreciated	<u>27,700,742</u>	<u>753,732</u>	<u>523,319</u>	<u>28,977,793</u>
Less accumulated depreciation for:				
Buildings	(258,974)	(66,888)	-	(325,862)
Improvements other than buildings	(212,591)	(10,819)	-	(223,410)
Machinery and equipment	(648,301)	(89,690)	-	(737,991)
Organization costs	(2,229,494)	(44,248)	-	(2,273,742)
Vehicles	(997,585)	(94,701)	-	(1,092,286)
Water system	(3,081,035)	(168,343)	-	(3,249,378)
Wastewater treatment system	(1,779,496)	(140,977)	-	(1,920,473)
Wastewater collection system	(1,263,964)	(55,574)	-	(1,319,538)
Total accumulated depreciation	<u>(10,471,440)</u>	<u>(671,240)</u>	<u>-</u>	<u>(11,142,680)</u>
Governmental activities capital assets, net	<u>\$ 18,239,302</u>	<u>\$ 1,610,491</u>	<u>\$ -</u>	<u>\$ 19,849,793</u>

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 5. CAPITAL ASSETS - CONTINUED**

Depreciation expense was charged as direct expense to programs of the primary government as follows:

General government	\$	360,484
Water operations		148,114
Fire department		21,521
Non-Departmental		4,333
Wastewater operations		80,436
Wastewater collection systems		56,352
Total depreciation expense	\$	671,240

**NOTE 6. LONG-TERM DEBT**

At September 30, 2014, the District's long-term debt payable consisted of the following:

Description	Interest Rate Payable	Year of Issue	Final Maturity	Average Annual Payment	Original Amount	Outstanding 9/30/2014
Tax and revenue bonds:						
Improvements	3.50-5.00%	2010	2031	148,205	2,000,000	\$ 1,800,000
Refunding	2.00-3.00%	2012	2023	251,373	2,355,000	1,980,000
Refunding	2.00-3.50%	2013	2023	224,734	1,905,000	1,740,000
						\$ 5,520,000
Notes payable:						
Equipment	3.90%	2010	2015	201,318	179,955	\$ 35,991
Water/Wastewater Imp.'s	1.85%	2013	2016	153,588	445,000	302,000
						\$ 337,991

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

The following is a summary of long-term debt transactions of the District for the year ended September 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Tax, revenue, and refunding bonds	\$ 5,945,000	\$ -	\$ (425,000)	\$ 5,520,000	\$ 440,000
Contractual obligations	70,000	-	(70,000)	-	-
Deferred loss on refunding	(8,666)	-	867	(7,799)	-
Premium on bonding	175,223	-	(18,726)	156,497	-
	<u>6,181,557</u>	-	<u>(512,859)</u>	<u>5,668,698</u>	<u>440,000</u>
Notes payable	883,982	-	(545,991)	337,991	185,991
Compensated absences	94,781	-	(70,168)	24,613	-
Total Governmental Activities					
Long-term Liabilities	<u>\$ 7,160,320</u>	<u>\$ -</u>	<u>\$ (1,129,018)</u>	<u>\$ 6,031,302</u>	<u>\$ 625,991</u>

The annual requirements to amortize all debt outstanding as of September 30, 2014, are as follows:

Tax, revenue, and refunding bonds:

Year Ending September 30,	Principal	Interest	Total
2015	\$ 440,000	\$ 178,508	\$ 618,508
2016	450,000	168,658	618,658
2017	470,000	155,783	625,783
2018	480,000	142,309	622,309
2019	505,000	128,534	633,534
2020-2024	2,270,000	401,015	2,671,015
2025-2029	620,000	140,160	760,160
2030-2031	285,000	18,276	303,276
Total	<u>\$ 5,520,000</u>	<u>\$ 1,333,243</u>	<u>\$ 6,853,243</u>

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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

Notes payable:

Year Ending September 30,	Principal	Interest	Total
2015	\$ 185,991	\$ 5,623	\$ 191,614
2016	152,000	1,406	153,406
Total	<u>\$ 337,991</u>	<u>\$ 7,029</u>	<u>\$ 345,020</u>

*Tax Revenue Bonds*

The tax revenue bonds are payable from the proceeds of ad valorem taxes levied upon all property subject to taxation within the District, without limitation as to rate or amount, and are further payable from, and secured by a lien on and pledge of the net revenue to be received from the operation of the District's waterworks and sanitary sewer system.

The outstanding bonds are callable for redemption prior to maturity at the option of the District as follows:

Series 2010 - All maturities from 2021 to 2025 are callable in principal increments of \$5,000 on or after September 1, 2020 at par plus unpaid accrued interest to the fixed date for redemptions.

Series 2012 - All maturities from 2021 to 2023 are callable in principal increments of \$5,000 on or after September 1, 2020 at par plus unpaid accrued interest to the fixed date for redemptions.

Series 2013 – The Series 2013 bonds are not subject to redemption prior to their stated maturity.

Contractual obligations and notes payable are liquidated from the General Fund. Tax and revenue bonds are liquidated from the Debt Service Fund.

The provisions of the bond resolutions relating to debt service requirements have been met, and the cash allocated for these purposes was sufficient to meet debt service requirements for the year ended September 30, 2014.

**NOTE 7. PROPERTY TAXES**

Property taxes are levied as of October 1, on the assessed value listed as of the prior January 1, for all real and certain personal property located in the District. The appraisal of property within the District is the responsibility of Denton Appraisal District (Appraisal District) as required by legislation passed by the Texas legislature. The Appraisal District is required under such legislation to assess all property within the Appraisal District on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the Appraisal District must be reviewed every five years; however, the District may, at its own expense, require annual reviews of appraised values. The District may challenge appraised values established by the Appraisal District

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 7. PROPERTY TAXES – CONTINUED**

through various appeals and, if necessary, legal action. Property taxes for the District are not limited as to rate or amount. In an election held October 7, 1975, the electorate of the District authorized the levy of up to \$0.25 per \$100 valuation for the operations and maintenance of the District. Property taxes attach as an enforceable lien on property as of January 1, following the levy date. Taxes are due by January 31, following the levy date.

Property taxes are recorded as receivables when levied. Following is information regarding the 2014 tax levies:

Adjusted taxable values		<u>\$ 1,275,127,821</u>
O & M and Fire tax levy	\$0.09673/\$100	1,316,961
I & S tax levy	\$0.03666/\$100	<u>383,932</u>
Total tax levy	\$0.13339/\$100	<u>\$ 1,700,893</u>

**NOTE 8. FUND BALANCE CLASSIFICATIONS**

The District's authorized their Director to designate certain fund balances as assigned. Excluding unassigned fund balances, the following describes the District's fund balance classifications at September 30, 2014:

*Non-Spendable Fund Balances*

The District's \$13,980 non-spendable fund balance represents expenses prepaid at fiscal year-end.

*Assigned Fund Balances*

The District assigned a total of \$2,434,864 of General Fund fund balances for the following future capital outlays: \$767,996 for wastewater system improvements, \$810,100 for water system improvements, \$396,969 for vehicles, \$308,906 for street projects, and \$150,893 for other improvements. Total fund balances for the Debt Service Fund and Capital Projects Fund have been assigned by the District for those respective purposes.