

Brazoria County Municipal Utility District No. 6

Brazoria County, Texas

Auditor's Report and Financial Statements

December 31, 2014



Brazoria County Municipal Utility District No. 6
December 31, 2014

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Independent Auditor's Report

Board of Directors
Brazoria County Municipal Utility District No. 6
Brazoria County, Texas

We have audited the accompanying financial statements of the governmental activities of Brazoria County Municipal Utility District No. 6 (the District), which are comprised of a statement of net position as of December 31, 2014, and a statement of activities for the year then ended; as well as the accompanying financial statements of each major fund, which for governmental funds are comprised of a balance sheet as of December 31, 2014, and a statement of revenues, expenditures and changes in fund balances for the year then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of the District as of December 31, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Houston, Texas
May 11, 2015

Brazoria County Municipal Utility District No. 6

Management's Discussion and Analysis

December 31, 2014

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and other supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current accounting period.

Brazoria County Municipal Utility District No. 6
Management's Discussion and Analysis (Continued)
December 31, 2014

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the general fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water, sewer and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Brazoria County Municipal Utility District No. 6
Management's Discussion and Analysis (Continued)
December 31, 2014

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2014	2013
Current and other assets	\$ 9,018,781	\$ 9,336,041
Capital assets	<u>27,374,131</u>	<u>27,887,490</u>
Total assets	<u>36,392,912</u>	<u>37,223,531</u>
Deferred outflows of resources	<u>695,532</u>	<u>345,637</u>
Total assets and deferred outflows of resources	<u>\$ 37,088,444</u>	<u>\$ 37,569,168</u>
Long-term liabilities	\$ 25,108,140	\$ 26,770,159
Other liabilities	<u>545,472</u>	<u>669,096</u>
Total liabilities	<u>25,653,612</u>	<u>27,439,255</u>
Deferred inflows of resources	<u>3,236,154</u>	<u>3,135,908</u>
Net position:		
Net investment in capital assets	3,581,115	2,083,127
Restricted	3,249,201	3,311,567
Unrestricted	<u>1,368,362</u>	<u>1,599,311</u>
Total net position	<u>\$ 8,198,678</u>	<u>\$ 6,994,005</u>

The total net position of the District increased by \$1,204,673, or about 17 percent. The majority of the increase in net position is related to tax revenues intended to pay principal on the District's bonded indebtedness, which is shown as long-term liabilities in the government-wide financial statements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Brazoria County Municipal Utility District No. 6
Management's Discussion and Analysis (Continued)
December 31, 2014

Summary of Changes in Net Position

	2014	2013
Revenues:		
Property taxes	\$ 3,130,349	\$ 3,094,190
Charges for services	1,560,137	1,540,966
Other revenues	73,640	86,723
	<hr/>	<hr/>
Total revenues	4,764,126	4,721,879
	<hr/>	<hr/>
Expenses:		
Services	1,683,442	1,663,508
Depreciation	873,481	813,223
Debt service	1,002,530	1,049,374
	<hr/>	<hr/>
Total expenses	3,559,453	3,526,105
	<hr/>	<hr/>
Change in net position	1,204,673	1,195,774
Net position, beginning of year	6,994,005	5,798,231
	<hr/>	<hr/>
Net position, end of year	\$ 8,198,678	\$ 6,994,005
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Financial Analysis of the District's Funds

The District's combined fund balances as of December 31, 2014, were \$5,458,901, a decrease of \$373,954 from the prior period.

The general fund's fund balance decreased by \$231,127, primarily due to service expenditures in excess of the maintenance tax component of property taxes and service revenues.

The debt service fund's fund balance decreased by \$143,088, primarily due to principal and interest requirements being greater than tax revenues generated.

The capital projects fund's fund balance increased by \$261 due to investment income exceeding capital outlay expenditures.

Brazoria County Municipal Utility District No. 6
Management's Discussion and Analysis (Continued)
December 31, 2014

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to water service revenues and purchased services and recreational facilities expenditures being less than anticipated, as well as other expenditures being greater than anticipated. In addition, capital outlay expenditures were not budgeted. The fund balance as of December 31, 2014, was expected to be \$1,412,407 and the actual end-of-year fund balance was \$1,367,655.

Capital Assets and Related Debt

Capital Assets

Capital assets held by the District at the end of the current and previous fiscal years are summarized below:

Capital Assets (Net of Accumulated Depreciation)

	2014	2013
Land and improvements	\$ 7,444,338	\$ 7,316,122
Construction in progress	198,660	1,061,369
Water facilities	4,719,235	4,719,391
Wastewater facilities	6,478,103	6,827,407
Drainage facilities	7,582,523	7,820,789
Parks and recreational facilities	951,272	142,412
Total capital assets	\$ 27,374,131	\$ 27,887,490

During the current year, additions to capital assets were as follows:

Construction in progress related to storm water detention trail development and park crosswalk	\$ 16,221
Silverlake water plant SCADA system	18,533
Water well No. 4 rework at water plant No. 3	71,405
Detention area amenity package, Phase 1	137,021
Construction of pedestrian bridge	106,365
Park fence	10,577
Total additions to capital assets	\$ 360,122

Brazoria County Municipal Utility District No. 6
Management's Discussion and Analysis (Continued)
December 31, 2014

Developers within the District are constructing water, sewer and drainage facilities on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues subject to the approval of the Commission. As of December 31, 2014, a liability for developer-constructed capital assets of \$1,915,880 was recorded in the government-wide financial statements.

Debt

The changes in the debt position of the District during the fiscal year ended December 31, 2014, are summarized as follows:

Long-term debt payable, beginning of year	\$	26,770,159
Increases in long-term debt		8,394,021
Decreases in long-term debt		<u>(10,056,040)</u>
Long-term debt payable, end of year	\$	<u>25,108,140</u>

At December 31, 2014, the District had \$10,645,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District.

The District's bonds carry an underlying rating of "A" by Standard & Poor's. The Series 2009 and 2010A bonds carry a "AA" rating by virtue of bond insurance issued by Assured Guaranty Corp. The Series 2011, 2012 and 2014 bonds carry a "AA" rating by virtue of bond insurance issued by Assured Guaranty Municipal Corp.

During the current year, the District issued \$8,060,000 in unlimited tax refunding bonds at a net effective interest rate of approximately 3.05 percent to advance-refund \$5,135,000 of outstanding Series 2004 bonds and \$2,800,000 of outstanding Series 2004A bonds. The District refunded the bonds to reduce total debt service payments over future years by approximately \$828,975 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$705,335.

Other Relevant Factors

Relationship to the City of Pearland and the City of Manvel

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Pearland and the City of Manvel (the Cities), the District must conform to the Cities' ordinances consenting to the creation of the District and consenting to the addition of land into the District. In addition, the District may be annexed by a city (the portion of the District within the respective city's extraterritorial jurisdiction) without the District's consent. If the District is annexed, the annexing city must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

Brazoria County Municipal Utility District No. 6
Statement of Net Position and Governmental Funds Balance Sheet
December 31, 2014

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 532,423	\$ 1,474,649	\$ 701,756	\$ 2,708,828	\$ -	\$ 2,708,828
Certificates of deposit	960,000	3,300,000	-	4,260,000	-	4,260,000
Receivables:						
Property taxes	318,195	1,509,556	-	1,827,751	-	1,827,751
Service accounts	103,191	-	-	103,191	-	103,191
Accrued penalty and interest	-	-	-	-	2,828	2,828
Accrued interest	1,218	6,084	-	7,302	-	7,302
Interfund receivable	215,212	-	-	215,212	(215,212)	-
Operating deposit	107,508	-	-	107,508	-	107,508
Prepaid expenditures	1,373	-	-	1,373	-	1,373
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	7,444,338	7,444,338
Construction in progress	-	-	-	-	198,660	198,660
Infrastructure	-	-	-	-	18,779,861	18,779,861
Parks and recreation	-	-	-	-	951,272	951,272
Total assets	2,239,120	6,290,289	701,756	9,231,165	27,161,747	36,392,912
Deferred Outflows of Resources						
Deferred amount on debt refundings	0	0	0	0	695,532	695,532
Total assets and deferred outflows of resources	\$ 2,239,120	\$ 6,290,289	\$ 701,756	\$ 9,231,165	\$ 27,857,279	\$ 37,088,444

Brazoria County Municipal Utility District No. 6
Statement of Net Position and Governmental Funds Balance Sheet (Continued)
December 31, 2014

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	\$ 151,600	\$ 5,771	\$ -	\$ 157,371	\$ -	\$ 157,371
Accrued interest payable	-	-	-	-	233,986	233,986
Customer deposits	154,115	-	-	154,115	-	154,115
Interfund payable	-	215,212	-	215,212	(215,212)	-
Long-term liabilities:						
Due within one year	-	-	-	-	2,295,000	2,295,000
Due after one year	-	-	-	-	22,813,140	22,813,140
Total liabilities	<u>305,715</u>	<u>220,983</u>	<u>0</u>	<u>526,698</u>	<u>25,126,914</u>	<u>25,653,612</u>
Deferred Inflows of Resources						
Deferred property tax revenues	<u>565,750</u>	<u>2,679,816</u>	<u>0</u>	<u>3,245,566</u>	<u>(9,412)</u>	<u>3,236,154</u>
Fund Balances/Net Position						
Fund balances:						
Nonspendable, prepaid expenditures	1,373	-	-	1,373	(1,373)	-
Restricted:						
Unlimited tax bonds	-	3,389,490	-	3,389,490	(3,389,490)	-
Water, sewer and drainage	-	-	701,756	701,756	(701,756)	-
Assigned, operating deposit	107,508	-	-	107,508	(107,508)	-
Unassigned	<u>1,258,774</u>	<u>-</u>	<u>-</u>	<u>1,258,774</u>	<u>(1,258,774)</u>	<u>-</u>
Total fund balances	<u>1,367,655</u>	<u>3,389,490</u>	<u>701,756</u>	<u>5,458,901</u>	<u>(5,458,901)</u>	<u>0</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,239,120</u>	<u>\$ 6,290,289</u>	<u>\$ 701,756</u>	<u>\$ 9,231,165</u>		
Net position:						
Net investment in capital assets					3,581,115	3,581,115
Restricted for debt service					3,167,037	3,167,037
Restricted for capital projects					82,164	82,164
Unrestricted					<u>1,368,362</u>	<u>1,368,362</u>
Total net position					<u>\$ 8,198,678</u>	<u>\$ 8,198,678</u>

Brazoria County Municipal Utility District No. 6
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances
Year Ended December 31, 2014

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 148,886	\$ 2,976,736	\$ -	\$ 3,125,622	\$ 4,727	\$ 3,130,349
Water service	819,545	-	-	819,545	-	819,545
Sewer service	730,334	-	-	730,334	-	730,334
Surface water conversion	10,258	-	-	10,258	-	10,258
Penalty and interest	34,678	10,033	-	44,711	1,378	46,089
Tap connection and inspection fees	8,465	-	-	8,465	-	8,465
Investment income	4,058	13,744	1,284	19,086	-	19,086
	<u>1,756,224</u>	<u>3,000,513</u>	<u>1,284</u>	<u>4,758,021</u>	<u>6,105</u>	<u>4,764,126</u>
Total revenues						
Expenditures/Expenses						
Service operations:						
Purchased services	561,656	-	-	561,656	-	561,656
Professional fees	96,652	2,735	-	99,387	63	99,450
Contracted services	419,418	48,704	-	468,122	504	468,626
Utilities	17,682	-	-	17,682	-	17,682
Repairs and maintenance	324,286	-	-	324,286	66,177	390,463
Other expenditures	128,713	3,751	456	132,920	9,970	142,890
Tap connections	2,675	-	-	2,675	-	2,675
Recreational facilities	163,819	-	-	163,819	(163,819)	-
Capital outlay	272,450	-	567	273,017	(273,017)	-
Depreciation	-	-	-	-	873,481	873,481
Debt service:						
Principal retirement	-	2,290,000	-	2,290,000	(2,290,000)	-
Interest and fees	-	808,852	-	808,852	(70,183)	738,669
Bond issuance costs	-	263,861	-	263,861	-	263,861
	<u>1,987,351</u>	<u>3,417,903</u>	<u>1,023</u>	<u>5,406,277</u>	<u>(1,846,824)</u>	<u>3,559,453</u>
Total expenditures/expenses						
Excess (Deficiency) of Revenues						
Over Expenditures	<u>(231,127)</u>	<u>(417,390)</u>	<u>261</u>	<u>(648,256)</u>	<u>1,852,929</u>	

Brazoria County Municipal Utility District No. 6
Statement of Activities and Governmental Funds Revenues,
Expenditures and Changes in Fund Balances (Continued)
Year Ended December 31, 2014

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Other Financing Sources (Uses)						
General obligation bonds issued	\$ -	\$ 8,060,000	\$ -	\$ 8,060,000	\$ (8,060,000)	
Premium on debt issued	-	334,021	-	334,021	(334,021)	
Deposit with escrow agent	-	(8,119,719)	-	(8,119,719)	8,119,719	
Total other financing sources	<u>0</u>	<u>274,302</u>	<u>0</u>	<u>274,302</u>	<u>(274,302)</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses						
	(231,127)	(143,088)	261	(373,954)	373,954	
Change in Net Position						
					1,204,673	\$ 1,204,673
Fund Balances/Net Position						
Beginning of year	<u>1,598,782</u>	<u>3,532,578</u>	<u>701,495</u>	<u>5,832,855</u>	<u>-</u>	<u>6,994,005</u>
End of year	<u>\$ 1,367,655</u>	<u>\$ 3,389,490</u>	<u>\$ 701,756</u>	<u>\$ 5,458,901</u>	<u>\$ 0</u>	<u>\$ 8,198,678</u>

Brazoria County Municipal Utility District No. 6

Notes to Financial Statements

December 31, 2014

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Brazoria County Municipal Utility District No. 6 (the District) was created by an order of the Texas Water Rights Commission, now known as the Texas Commission on Environmental Quality (the Commission), effective April 1, 1987, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District. The District also provides solid waste disposal services.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

Brazoria County Municipal Utility District No. 6

Notes to Financial Statements

December 31, 2014

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

Debt Service Fund – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

The fund balances for the District's governmental funds can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as deferred inflows of resources.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Investments and Investment Income

Investments in certificates of deposit, mutual funds, U.S. Government and agency securities, and pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Any collections on the current year tax levy are deferred and recognized in the subsequent fiscal year. Current year revenues recognized are those taxes collected during the fiscal year for prior years' tax levies, plus any collections received during fiscal 2013 on the 2013 levy.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended December 31, 2014, the tax levied in October 2014 is recorded as receivable and deferred inflows of resources and will be considered earned during the fiscal year ended December 31, 2015. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of \$5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Drainage facilities	10-45
Park and recreational facilities	10-30

Deferred Amount on Debt Refundings

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and therefore are recognized as an expense/expenditure in the period incurred.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, generally, it is the District's policy to use restricted resources first.

Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	\$ 27,374,131
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	9,412
Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds.	2,828
Deferred amount on debt refundings for governmental activities are not financial resources and are not reported in the funds.	695,532

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	\$ (233,986)
Long-term debt obligations are not due and payable in the current year and are not reported in the funds.	<u>(25,108,140)</u>
Adjustment to fund balances to arrive at net position.	<u><u>\$ 2,739,777</u></u>

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances.	\$ (373,954)
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and noncapitalized costs exceeded capital outlay expenditures in the current year.	(513,359)
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	(334,021)
Governmental funds report proceeds of bonds and bond anticipation notes because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position.	2,349,719
Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statements of activities.	6,105
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>70,183</u>
Change in net position of governmental activities.	<u><u>\$ 1,204,673</u></u>

Note 2: Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At December 31, 2014, approximately \$81,490 of the District's bank balances were uninsured and uncollateralized.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

At December 31, 2014, the District had no investments other than certificates of deposit.

Investment Income

Investment income of \$19,086 for the year ended December 31, 2014, consisted of interest income.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended December 31, 2014, is as follows:

Governmental Activities	Balances, Beginning of Year	Additions	Reclassi- fications	Balances, End of Year
Capital assets, non-depreciable:				
Land and improvements	\$ 7,316,122	\$ 128,216	\$ -	\$ 7,444,338
Construction in progress	1,061,369	16,221	(878,930)	198,660
Total capital assets, non-depreciable	8,377,491	144,437	(878,930)	7,642,998

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

Governmental Activities (Continued)	Balances, Beginning of Year	Additions	Reclassi- fications	Balances, End of Year
Capital assets, depreciable:				
Water production and distribution facilities	\$ 7,438,921	\$ 89,939	\$ 145,130	\$ 7,673,990
Wastewater collection and treatment facilities	11,565,711	-	-	11,565,711
Drainage facilities	10,831,993	-	-	10,831,993
Parks and recreational facilities	147,323	125,746	733,800	1,006,869
Total capital assets, depreciable	<u>29,983,948</u>	<u>215,685</u>	<u>878,930</u>	<u>31,078,563</u>
Less accumulated depreciation:				
Water production and distribution facilities	(2,719,530)	(235,225)	-	(2,954,755)
Wastewater collection and treatment facilities	(4,738,304)	(349,304)	-	(5,087,608)
Drainage facilities	(3,011,204)	(238,266)	-	(3,249,470)
Parks and recreational facilities	(4,911)	(50,686)	-	(55,597)
Total accumulated depreciation	<u>(10,473,949)</u>	<u>(873,481)</u>	<u>0</u>	<u>(11,347,430)</u>
Total governmental activities, net	<u>\$ 27,887,490</u>	<u>\$ (513,359)</u>	<u>\$ 0</u>	<u>\$ 27,374,131</u>

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended December 31, 2014, were as follows:

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:					
General obligation bonds	\$ 24,655,000	\$ 8,060,000	\$ 10,225,000	\$ 22,490,000	\$ 2,295,000
Add premiums on bonds	542,675	334,021	77,208	799,488	-
Less discounts on bonds	343,396	-	246,168	97,228	-
	<u>24,854,279</u>	<u>8,394,021</u>	<u>10,056,040</u>	<u>23,192,260</u>	<u>2,295,000</u>
Due to developers	1,915,880	-	-	1,915,880	-
Total governmental activities long-term liabilities	<u>\$ 26,770,159</u>	<u>\$ 8,394,021</u>	<u>\$ 10,056,040</u>	<u>\$ 25,108,140</u>	<u>\$ 2,295,000</u>

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

General Obligation Bonds

	Series 2005	Refunding Series 2009
Amounts outstanding, December 31, 2014	\$1,550,000	\$1,785,000
Interest rates	3.70% to 4.15%	3.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2015/2024	September 1, 2015/2019
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2015	N/A
	Refunding Series 2010	Series 2010-A
Amounts outstanding, December 31, 2014	\$1,605,000	\$930,000
Interest rates	3.00% to 4.00%	2.00% to 3.75%
Maturity dates, serially beginning/ending	September 1, 2015/2020	September 1, 2015/2024
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	N/A	September 1, 2019
	Series 2011	Refunding Series 2012
Amounts outstanding, December 31, 2014	\$1,070,000	\$2,950,000
Interest rates	2.500% to 4.125%	2.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2015/2024	September 1, 2015/2021
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2020	N/A

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

	Refunding Series 2013	Refunding Series 2014
Amounts outstanding, December 31, 2014	\$4,645,000	\$7,955,000
Interest rates	2.00% to 2.50%	2.00% to 3.50%
Maturity dates, serially beginning/ending	September 1, 2015/2022	September 1, 2015/2024
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	N/A	N/A

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at December 31, 2014.

Year	Principal	Interest	Total
2015	\$ 2,295,000	\$ 701,959	\$ 2,996,959
2016	2,365,000	642,050	3,007,050
2017	2,445,000	577,075	3,022,075
2018	2,510,000	509,374	3,019,374
2019	2,585,000	434,224	3,019,224
2020-2024	<u>10,290,000</u>	<u>993,725</u>	<u>11,283,725</u>
Total	<u>\$ 22,490,000</u>	<u>\$ 3,858,407</u>	<u>\$ 26,348,407</u>

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Bonds voted	\$ 51,500,000
Bonds sold	40,855,000
Refunding bonds voted	38,500,000
Refunding bonds authorization used	921,290*

*The District has issued \$22,390,000 of refunding bonds, however, of such amount, \$921,290 has been applied to the voter-authorized bonds and the remaining \$21,468,710 has been issued pursuant to Chapter 1207 of the Texas Government Code.

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

Refunding Bonds

During the current year, the District issued \$8,060,000 in unlimited tax refunding bonds at a net effective interest rate of approximately 3.05 percent to advance-refund \$5,135,000 of outstanding Series 2004 bonds and \$2,800,000 of outstanding Series 2004A bonds. The District refunded the bonds to reduce total debt service payments over future years by approximately \$828,975 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$705,335.

Due to Developers

Developers of the District have constructed underground utilities on behalf of the District. The District is maintaining and operating the facilities and has agreed to reimburse the developers for these construction costs and interest to the extent approved by the Commission. The District's engineer estimates reimbursable costs for completed projects are \$1,915,880. The District has agreed to reimburse these amounts, plus interest, to the extent approved by the Commission from the proceeds of future bond sales. These amounts have been recorded in the financial statements as long-term liabilities.

Note 5: Significant Bond Order and Commission Requirements

The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended December 31, 2014, the District levied an ad valorem debt service tax at the rate of \$0.5200 per \$100 of assessed valuation, which resulted in a tax levy of \$2,671,110 on the taxable valuation of \$513,622,625 for the 2014 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are \$2,996,959.

Note 6: Maintenance Taxes

At an election held May 3, 1997, voters authorized a maintenance tax not to exceed \$1.25 per \$100 valuation on all property within the District subject to taxation. During the year ended December 31, 2014, the District levied an ad valorem maintenance tax at the rate of \$0.1100 per \$100 of assessed valuation, which resulted in a tax levy of \$565,043 on the taxable valuation of \$513,622,625 for the 2014 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

Note 7: Contracts With Other Districts

Joint Water Facility

Effective September 1, 1999, the District entered into a Restated Joint Water Facilities Contract with Brazoria County Municipal Utility District No. 1 (Brazoria No. 1), Brazoria County Municipal Utility District No. 2 (Brazoria No. 2) and Brazoria County Municipal Utility District No. 3 (Brazoria No. 3), which was amended December 3, 2001, August 1, 2004, and May 25, 2006, respectively, to provide for the joint production, treatment and storage of potable water. The City of Pearland (Pearland) annexed and dissolved Brazoria No. 1. Under the terms of the agreement, Brazoria No. 2 owns and operates the facilities on behalf of the participants. Costs of the facilities constructed are shared, based on capacity acquired by the participants. Fixed operating costs are shared, based on capacity owned and variable operating costs are shared, based on percentage of gallons billed. The participants' proportionate share of the facilities is as shown below:

	Percentage of Ownership				
	Water Plant No. 1	Water Plant No. 2	Water Plant No. 3	Water Plant No. 4/ Well No. 5	Elevated Storage Tank
City of Pearland	71.00 %	20.00 %	15.10 %	- %	25.78 %
Brazoria No. 2	24.00	23.00	12.80	-	20.08
Brazoria No. 3	5.00	24.60	22.60	-	22.54
The District	-	32.40	49.50	100.00	31.60
Totals	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

During the current year, the District paid \$257,472 as its share of operating costs. The following table is condensed audited financial information, audited by another certified public accounting firm, of the joint venture as of and for the year ended December 31, 2014.

	Plant General Fund
Total assets	\$ 157,172
Total liabilities	\$ 157,172
Total fund balance	-
Total liabilities and fund balance	\$ 157,172
Total revenues	\$ 885,621
Total expenditures	885,621
Excess revenues	\$ 0

Brazoria County Municipal Utility District No. 6
Notes to Financial Statements
December 31, 2014

Wastewater Treatment

Effective September 1, 1999, the District entered into a Restated Regional Wastewater Treatment Facilities Contract with Brazoria Nos. 1, 2 and 3, which was amended August 1, 2001, and August 1, 2004. Under the terms of the agreement, Brazoria No. 1 operates the facilities. However, in September 2006, operation of the facilities was transferred to Brazoria No. 3 as a result of Pearland's annexation and dissolution of Brazoria No. 1. As of December 31, 2014, the participants' pro rata share of capacity in the 2,400,000 gallons-per-day facility is as follows: Pearland – 24.58 percent, Brazoria No. 2 – 16.71 percent, Brazoria No. 3 – 17.63 percent and the District – 41.08 percent. Fixed operating costs are shared, based on capacity owned and variable costs are shared, based on connections served. The District started participating in the operations in May 2001. In the current year, the District incurred charges of \$304,184 related to this agreement. The information shown below presents condensed audited financial information of the joint venture reflected in Brazoria No. 3's financial statements as of and for the year ended December 31, 2014.

	Plant General Fund
Total assets	\$ 223,187
Total liabilities	\$ 189,172
Total fund balance	34,015
Total liabilities and fund balance	\$ 223,187
Total revenues	\$ 1,014,940
Total expenditures	1,014,940
Excess revenues	\$ 0

Note 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Required Supplementary Information

Brazoria County Municipal Utility District No. 6
Budgetary Comparison Schedule – General Fund
Year Ended December 31, 2014

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	\$ 143,433	\$ 148,886	\$ 5,453
Water service	878,500	819,545	(58,955)
Sewer service	723,760	730,334	6,574
Surface water conversion	11,000	10,258	(742)
Penalty and interest	32,000	34,678	2,678
Tap connection and inspection fees	125	8,465	8,340
Investment income	15,200	4,058	(11,142)
	<u>1,804,018</u>	<u>1,756,224</u>	<u>(47,794)</u>
Total revenues			
Expenditures			
Service operations:			
Purchased services	677,871	561,656	116,215
Professional fees	131,500	96,652	34,848
Contracted services	399,500	419,418	(19,918)
Utilities	15,652	17,682	(2,030)
Repairs and maintenance	355,400	324,286	31,114
Other expenditures	100,470	128,713	(28,243)
Tap connections	-	2,675	(2,675)
Recreational facilities	310,000	163,819	146,181
Capital outlay	-	272,450	(272,450)
	<u>1,990,393</u>	<u>1,987,351</u>	<u>3,042</u>
Total expenditures			
Deficiency of Revenues Over Expenditures	(186,375)	(231,127)	(44,752)
Fund Balances, Beginning of Year	<u>1,598,782</u>	<u>1,598,782</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 1,412,407</u></u>	<u><u>\$ 1,367,655</u></u>	<u><u>\$ (44,752)</u></u>

Brazoria County Municipal Utility District No. 6
Notes to Required Supplementary Information
December 31, 2014

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during 2014.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule - General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current period.

Supplementary Information

Brazoria County Municipal Utility District No. 6
Supplementary Schedules Included Within This Report
December 31, 2014

(Schedules included are checked or explanatory notes provided for omitted schedules.)

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 13-26
- [X] Schedule of Services and Rates
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-term Debt Service Requirements by Years
- [X] Changes in Long-term Bonded Debt
- [X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund
- [X] Board Members, Key Personnel and Consultants

Brazoria County Municipal Utility District No. 6

Schedule of Services and Rates

Year Ended December 31, 2014

1. Services provided by the District:

<input checked="" type="checkbox"/> Retail Water	<input type="checkbox"/> Wholesale Water	<input checked="" type="checkbox"/> Drainage
<input checked="" type="checkbox"/> Retail Wastewater	<input type="checkbox"/> Wholesale Wastewater	<input type="checkbox"/> Irrigation
<input checked="" type="checkbox"/> Parks/Recreation	<input type="checkbox"/> Fire Protection	<input checked="" type="checkbox"/> Security
<input checked="" type="checkbox"/> Solid Waste/Garbage	<input checked="" type="checkbox"/> Flood Control	<input type="checkbox"/> Roads
<input checked="" type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)		
<input type="checkbox"/> Other _____		

2. Retail service providers

a. Retail rates for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels
Water:	\$ 15.00	5,000	N	\$ 1.50	5,001 to 10,000
				\$ 1.75	10,001 to 20,000
				\$ 2.00	20,001 to No Limit
Wastewater:	\$ 28.40	0	Y		
Regional water fee:	\$ 0.03	1	N	\$ 0.03	1,001 to No Limit
Does the District employ winter averaging for wastewater usage?					Yes _____ No <u>X</u>
Total charges per 10,000 gallons usage (including fees):			Water	\$ 22.80	Wastewater \$ 28.40

b. Water and wastewater retail connections:

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFC*</u>
Unmetered	-	-	x1.0	-
≤ 3/4"	572	569	x1.0	569
1"	808	805	x2.5	2,013
1 1/2"	19	19	x5.0	95
2"	86	86	x8.0	688
3"	3	3	x15.0	45
4"	-	-	x25.0	-
6"	3	3	x50.0	150
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	1,491	1,485		3,560
Total wastewater	1,376	1,370	x1.0	1,370

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	319,253
Gallons billed to customers:	319,253
Water accountability ratio (gallons billed/gallons pumped):	100.00%

*"ESFC" means equivalent single-family connections

Brazoria County Municipal Utility District No. 6
Schedule of General Fund Expenditures
Year Ended December 31, 2014

Personnel (including benefits)		\$	-
Professional Fees			
Auditing	\$ 17,600		
Legal	53,876		
Engineering	25,176		
Financial advisor	-		96,652
	<u> -</u>		
Purchased Services for Resale			
Bulk water and wastewater service purchases			561,656
Regional Water Fee			-
Contracted Services			
Bookkeeping	23,838		
General manager	-		
Appraisal district	-		
Tax collector	-		
Security	60,060		
Other contracted services	116,253		200,151
	<u> 116,253</u>		
Utilities			17,682
Repairs and Maintenance			324,286
Administrative Expenditures			
Directors' fees	21,600		
Office supplies	17,142		
Insurance	13,031		
Other administrative expenditures	76,940		128,713
	<u> 76,940</u>		
Capital Outlay			
Capitalized assets	196,304		
Expenditures not capitalized	76,146		272,450
	<u> 76,146</u>		
Tap Connection Expenditures			2,675
Solid Waste Disposal			219,267
Fire Fighting			-
Parks and Recreation			163,819
Other Expenditures			<u> -</u>
Total expenditures		<u>\$</u>	<u>1,987,351</u>

Brazoria County Municipal Utility District No. 6
Schedule of Temporary Investments
December 31, 2014

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 100141665	0.40%	02/09/15	\$ 120,000	\$ 339
No. 9009010279	0.35%	05/26/15	120,000	6
No. 9009010320	0.30%	03/30/15	120,000	150
No. 1112821813	0.20%	01/12/15	120,000	170
No. 271536	0.30%	03/10/15	120,000	198
No. 220005336	0.45%	03/31/15	120,000	178
No. 0460018091	0.35%	04/28/15	120,000	72
No. 6000019650	0.35%	03/30/15	120,000	105
			<u>960,000</u>	<u>1,218</u>
Debt Service Fund				
Certificates of Deposit				
No. 6711156427	0.25%	05/20/15	900,000	1,387
No. 6723009365	0.25%	04/14/15	500,000	894
No. 6723008237	0.25%	04/14/15	500,000	894
No. 6723010290	0.25%	04/14/15	500,000	894
No. 6723008695	0.20%	02/20/15	500,000	715
No. 302547	0.60%	05/19/15	200,000	743
No. 4987	0.45%	04/19/15	200,000	557
			<u>3,300,000</u>	<u>6,084</u>
Totals			<u><u>\$ 4,260,000</u></u>	<u><u>\$ 7,302</u></u>

Brazoria County Municipal Utility District No. 6
Analysis of Taxes Levied and Receivable
Year Ended December 31, 2014

	Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year	\$ 77,916	\$ 1,551,887
Additions and corrections to prior years' taxes	(265)	(5,293)
Adjusted receivable, beginning of year	77,651	1,546,594
 2014 Original Tax Levy	 561,838	 2,655,961
Additions and corrections	3,205	15,149
Adjusted tax levy	565,043	2,671,110
Total to be accounted for	642,694	4,217,704
Tax collections: Current year	(247,555)	(1,170,260)
Prior years	(76,944)	(1,537,888)
Receivable, end of year	\$ 318,195	\$ 1,509,556
 Receivable, by Years		
2014	\$ 317,488	\$ 1,500,850
2013	321	6,418
2012	45	892
2011	291	388
2010	42	840
2009	8	168
Receivable, end of year	\$ 318,195	\$ 1,509,556

Brazoria County Municipal Utility District No. 6
Analysis of Taxes Levied and Receivable (Continued)
Year Ended December 31, 2014

	2014	2013	2012	2011
Property Valuations				
Land	\$ 105,592,230	\$ 105,262,880	\$ 105,300,360	\$ 105,509,120
Improvements	434,480,021	412,407,851	407,241,602	407,410,012
Personal property	48,388,540	51,059,550	49,994,000	48,810,150
Exemptions	<u>(74,838,166)</u>	<u>(70,990,206)</u>	<u>(70,586,665)</u>	<u>(70,230,530)</u>
 Total property valuations	 <u><u>\$ 513,622,625</u></u>	 <u><u>\$ 497,740,075</u></u>	 <u><u>\$ 491,949,297</u></u>	 <u><u>\$ 491,498,752</u></u>
 Tax Rates per \$100 Valuation				
Debt service tax rates	\$ 0.5200	\$ 0.6000	\$ 0.6000	\$ 0.3600
Maintenance tax rates*	<u>0.1100</u>	<u>0.0300</u>	<u>0.0300</u>	<u>0.2700</u>
 Total tax rates per \$100 valuation	 <u><u>\$ 0.6300</u></u>	 <u><u>\$ 0.6300</u></u>	 <u><u>\$ 0.6300</u></u>	 <u><u>\$ 0.6300</u></u>
 Tax Levy	 <u><u>\$ 3,236,153</u></u>	 <u><u>\$ 3,135,908</u></u>	 <u><u>\$ 3,099,750</u></u>	 <u><u>\$ 3,096,745</u></u>
 Percent of Taxes Collected to Taxes Levied**	 <u><u>44%</u></u>	 <u><u>99%</u></u>	 <u><u>99%</u></u>	 <u><u>99%</u></u>

*Maximum tax rate approved by voters: \$1.25 on May 3, 1997

**Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

Brazoria County Municipal Utility District No. 6
Schedule of Long-term Debt Service Requirements by Years
December 31, 2014

Due During Fiscal Years Ending December 31	Series 2005		
	Principal Due September 1	Interest Due September 1, March 1	Total
2015	\$ 120,000	\$ 62,328	\$ 182,328
2016	125,000	57,768	182,768
2017	135,000	53,018	188,018
2018	140,000	47,618	187,618
2019	150,000	42,018	192,018
2020	160,000	36,018	196,018
2021	165,000	29,618	194,618
2022	175,000	22,853	197,853
2023	185,000	15,678	200,678
2024	195,000	8,093	203,093
Totals	\$ 1,550,000	\$ 375,010	\$ 1,925,010

Brazoria County Municipal Utility District No. 6
Schedule of Long-term Debt Service Requirements by Years (Continued)
December 31, 2014

Due During Fiscal Years Ending December 31	Refunding Series 2009		
	Principal Due September 1	Interest Due September 1, March 1	Total
2015	\$ 320,000	\$ 71,400	\$ 391,400
2016	340,000	58,600	398,600
2017	355,000	45,000	400,000
2018	375,000	30,800	405,800
2019	395,000	15,800	410,800
Totals	<u>\$ 1,785,000</u>	<u>\$ 221,600</u>	<u>\$ 2,006,600</u>

Brazoria County Municipal Utility District No. 6
Schedule of Long-term Debt Service Requirements by Years (Continued)
December 31, 2014

Due During Fiscal Years Ending December 31	Refunding Series 2010		
	Principal Due September 1	Interest Due September 1, March 1	Total
2015	\$ 240,000	\$ 61,800	\$ 301,800
2016	250,000	54,600	304,600
2017	260,000	44,600	304,600
2018	275,000	34,200	309,200
2019	285,000	23,200	308,200
2020	295,000	11,800	306,800
Totals	\$ 1,605,000	\$ 230,200	\$ 1,835,200

Brazoria County Municipal Utility District No. 6
Schedule of Long-term Debt Service Requirements by Years (Continued)
December 31, 2014

Due During Fiscal Years Ending December 31	Series 2010-A		
	Principal Due September 1	Interest Due September 1, March 1	Total
2015	\$ 75,000	\$ 31,888	\$ 106,888
2016	80,000	29,638	109,638
2017	85,000	27,238	112,238
2018	85,000	24,688	109,688
2019	90,000	21,713	111,713
2020	95,000	18,563	113,563
2021	100,000	15,238	115,238
2022	105,000	11,738	116,738
2023	105,000	8,063	113,063
2024	110,000	4,125	114,125
Totals	<u>\$ 930,000</u>	<u>\$ 192,892</u>	<u>\$ 1,122,892</u>

Brazoria County Municipal Utility District No. 6
Schedule of Long-term Debt Service Requirements by Years (Continued)
December 31, 2014

Due During Fiscal Years Ending December 31	Series 2011		Total
	Principal Due September 1	Interest Due September 1, March 1	
2015	\$ 85,000	\$ 38,468	\$ 123,468
2016	90,000	36,344	126,344
2017	95,000	33,644	128,644
2018	100,000	30,793	130,793
2019	105,000	27,793	132,793
2020	110,000	24,119	134,119
2021	115,000	19,719	134,719
2022	115,000	15,119	130,119
2023	125,000	10,519	135,519
2024	130,000	5,362	135,362
Totals	<u>\$ 1,070,000</u>	<u>\$ 241,880</u>	<u>\$ 1,311,880</u>

Brazoria County Municipal Utility District No. 6
Schedule of Long-term Debt Service Requirements by Years (Continued)
December 31, 2014

Due During Fiscal Years Ending December 31	Refunding Series 2012		
	Principal Due September 1	Interest Due September 1, March 1	Total
2015	\$ 375,000	\$ 96,400	\$ 471,400
2016	385,000	87,025	472,025
2017	400,000	77,400	477,400
2018	420,000	67,400	487,400
2019	435,000	54,800	489,800
2020	455,000	37,400	492,400
2021	480,000	19,200	499,200
Totals	<u>\$ 2,950,000</u>	<u>\$ 439,625</u>	<u>\$ 3,389,625</u>

Brazoria County Municipal Utility District No. 6
Schedule of Long-term Debt Service Requirements by Years (Continued)
December 31, 2014

Due During Fiscal Years Ending December 31	Refunding Series 2013		
	Principal Due September 1	Interest Due September 1, March 1	Total
2015	\$ 505,000	\$ 105,400	\$ 610,400
2016	520,000	95,300	615,300
2017	540,000	84,900	624,900
2018	580,000	74,100	654,100
2019	595,000	62,500	657,500
2020	610,000	47,625	657,625
2021	630,000	32,375	662,375
2022	665,000	16,625	681,625
Totals	\$ 4,645,000	\$ 518,825	\$ 5,163,825

Brazoria County Municipal Utility District No. 6
Schedule of Long-term Debt Service Requirements by Years (Continued)
December 31, 2014

Due During Fiscal Years Ending December 31	Refunding Series 2014		
	Principal Due September 1	Interest Due September 1, March 1	Total
2015	\$ 575,000	\$ 234,275	\$ 809,275
2016	575,000	222,775	797,775
2017	575,000	211,275	786,275
2018	535,000	199,775	734,775
2019	530,000	186,400	716,400
2020	685,000	173,150	858,150
2021	840,000	152,600	992,600
2022	1,165,000	127,400	1,292,400
2023	1,215,000	86,625	1,301,625
2024	1,260,000	44,100	1,304,100
Totals	\$ 7,955,000	\$ 1,638,375	\$ 9,593,375

Brazoria County Municipal Utility District No. 6
Schedule of Long-term Debt Service Requirements by Years (Continued)
December 31, 2014

Due During Fiscal Years Ending December 31	Annual Requirements For All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2015	\$ 2,295,000	\$ 701,959	\$ 2,996,959
2016	2,365,000	642,050	3,007,050
2017	2,445,000	577,075	3,022,075
2018	2,510,000	509,374	3,019,374
2019	2,585,000	434,224	3,019,224
2020	2,410,000	348,675	2,758,675
2021	2,330,000	268,750	2,598,750
2022	2,225,000	193,735	2,418,735
2023	1,630,000	120,885	1,750,885
2024	1,695,000	61,680	1,756,680
Totals	<u>\$ 22,490,000</u>	<u>\$ 3,858,407</u>	<u>\$ 26,348,407</u>

Brazoria County Municipal Utility District No. 6
Changes in Long-term Bonded Debt
Year Ended December 31, 2014

	Bond		
	Series 2003	Series 2004	Series 2004-A
Interest rates	3.25%	4.55%	4.00%
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1
Maturity dates			
Bonds outstanding, beginning of current year	\$ 450,000	\$ 5,460,000	\$ 3,005,000
Bonds sold during current year	-	-	-
Bonds refunded during current year	-	5,135,000	2,800,000
Retirements, principal	450,000	325,000	205,000
Bonds outstanding, end of current year	\$ 0	\$ 0	\$ 0
Interest paid during current year	\$ 14,625	\$ 142,100	\$ 66,833

Paying agent's name and address:

Series 2003	- Bank of New York, Jacksonville, Florida
Series 2004	- Bank of New York, Jacksonville, Florida
Series 2004-A	- Wells Fargo Bank, N.A., Houston, Texas
Series 2005	- Wells Fargo Bank, N.A., Houston, Texas
Series 2009	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2010	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2010-A	- Wells Fargo Bank, N.A., Houston, Texas
Series 2011	- Wells Fargo Bank, N.A., Houston, Texas
Series 2012	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2013	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2014	- The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond authority:

	Tax Bonds	Other Bonds	Refunding Bonds
Amount authorized by voters	\$ 51,500,000	0	\$ 38,500,000
Amount issued/authorization used	\$ 40,855,000	0	\$ 921,290
Remaining to be issued	\$ 10,645,000	0	\$ 37,578,710

Debt service fund cash and temporary investment balances as of December 31, 2014: \$ 4,774,649

Average annual debt service payment (principal and interest) for remaining term of all debt: \$ 2,634,841

Issues

Series 2005	Refunding Series 2009	Refunding Series 2010	Series 2010-A	Series 2011
3.70% to 4.15%	3.00% to 4.00%	3.00% to 4.00%	2.00% to 3.75%	2.500% to 4.125%
September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
September 1, 2015/2024	September 1, 2015/2019	September 1, 2015/2020	September 1, 2015/2024	September 1, 2015/2024
\$ 1,665,000	\$ 2,090,000	\$ 1,840,000	\$ 1,000,000	\$ 1,155,000
-	-	-	-	-
-	-	-	-	-
115,000	305,000	235,000	70,000	85,000
<u>\$ 1,550,000</u>	<u>\$ 1,785,000</u>	<u>\$ 1,605,000</u>	<u>\$ 930,000</u>	<u>\$ 1,070,000</u>
<u>\$ 66,583</u>	<u>\$ 80,550</u>	<u>\$ 68,850</u>	<u>\$ 33,288</u>	<u>\$ 40,594</u>

Brazoria County Municipal Utility District No. 6
Changes in Long-term Bonded Debt (Continued)
Year Ended December 31, 2014

	Bond Issues			Totals
	Refunding Series 2012	Refunding Series 2013	Refunding Series 2014	
Interest rates	2.00% to 4.00%	2.00% to 2.50%	2.00% to 3.50%	
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1	
Maturity dates	September 1, 2015/2021	September 1, 2015/2022	September 1, 2015/2024	
Bonds outstanding, beginning of current year	\$ 3,315,000	\$ 4,675,000	\$ -	\$ 24,655,000
Bonds sold during current year	-	-	8,060,000	8,060,000
Bonds refunded during current year	-	-	-	7,935,000
Retirements, principal	<u>365,000</u>	<u>30,000</u>	<u>105,000</u>	<u>2,290,000</u>
Bonds outstanding, end of current year	<u>\$ 2,950,000</u>	<u>\$ 4,645,000</u>	<u>\$ 7,955,000</u>	<u>\$ 22,490,000</u>
Interest paid during current year	<u>\$ 103,700</u>	<u>\$ 106,000</u>	<u>\$ 98,490</u>	<u>\$ 821,613</u>

Brazoria County Municipal Utility District No. 6
Comparative Schedule of Revenues and Expenditures – General Fund
Periods Ended December 31,

	Amounts				
	2014	2013	2012	2011	2010
General Fund					
Revenues					
Property taxes	\$ 148,886	\$ 148,902	\$ 1,323,745	\$ 148,472	\$ 154,630
Water service	819,545	828,217	920,852	1,006,478	812,015
Sewer service	730,334	702,890	583,235	569,766	493,697
Surface water conversion	10,258	9,859	9,921	12,650	9,112
Penalty and interest	34,678	45,927	27,197	26,704	23,137
Tap connection and inspection fees	8,465	1,375	700	7,314	12,276
Investment income	4,058	8,987	12,500	7,268	7,666
Total revenues	<u>1,756,224</u>	<u>1,746,157</u>	<u>2,878,150</u>	<u>1,778,652</u>	<u>1,512,533</u>
Expenditures					
Service operations:					
Purchased services	561,656	607,881	531,366	635,456	586,341
Professional fees	96,652	120,784	104,775	117,121	127,364
Contracted services	419,418	393,259	385,385	397,629	359,184
Utilities	17,682	15,199	16,095	15,693	17,740
Repairs and maintenance	324,286	214,855	137,533	201,135	253,070
Other expenditures	128,713	75,740	92,894	91,802	101,925
Tap connections	2,675	3,997	-	7,114	2,634
Recreational facilities	163,819	938,318	113,444	959	-
Capital outlay	<u>272,450</u>	<u>338,165</u>	<u>40,616</u>	<u>28,275</u>	<u>41,935</u>
Total expenditures	<u>1,987,351</u>	<u>2,708,198</u>	<u>1,422,108</u>	<u>1,495,184</u>	<u>1,490,193</u>
Excess (Deficiency) of Revenues Over Expenditures	(231,127)	(962,041)	1,456,042	283,468	22,340
Other Financing Sources (Uses)					
Interfund transfers in (out)	<u>-</u>	<u>(12,484)</u>	<u>12,484</u>	<u>-</u>	<u>124,986</u>
Excess (Deficiency) of Revenues and Transfer In Over Expenditures and Transfers Out	(231,127)	(974,525)	1,468,526	283,468	147,326
Fund Balance, Beginning of Period	<u>1,598,782</u>	<u>2,573,307</u>	<u>1,104,781</u>	<u>821,313</u>	<u>673,987</u>
Fund Balance, End of Period	<u>\$ 1,367,655</u>	<u>\$ 1,598,782</u>	<u>\$ 2,573,307</u>	<u>\$ 1,104,781</u>	<u>\$ 821,313</u>
Total Active Retail Water Connections	<u>1,485</u>	<u>1,485</u>	<u>1,482</u>	<u>1,478</u>	<u>1,477</u>
Total Active Retail Wastewater Connections	<u>1,370</u>	<u>1,367</u>	<u>1,374</u>	<u>1,359</u>	<u>1,363</u>

Percent of Fund Total Revenues

2014	2013	2012	2011	2010
8.5 %	8.5 %	46.0 %	8.4 %	10.2 %
46.7	47.4	32.0	56.6	53.7
41.6	40.3	20.3	32.0	32.7
0.6	0.6	0.3	0.7	0.6
1.9	2.6	0.9	1.5	1.5
0.5	0.1	0.1	0.4	0.8
0.2	0.5	0.4	0.4	0.5
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
32.0	34.8	18.5	35.7	38.8
5.5	6.9	3.6	6.6	8.4
23.9	22.5	13.4	22.3	23.7
1.0	0.9	0.6	0.9	1.2
18.5	12.3	4.8	11.3	16.7
7.3	4.3	3.2	5.2	6.7
0.2	0.2	-	0.4	0.2
9.3	53.8	3.9	0.1	-
15.5	19.4	1.4	1.6	2.8
<u>113.2</u>	<u>155.1</u>	<u>49.4</u>	<u>84.1</u>	<u>98.5</u>
<u>(13.2) %</u>	<u>(55.1) %</u>	<u>50.6 %</u>	<u>15.9 %</u>	<u>1.5 %</u>

Brazoria County Municipal Utility District No. 6
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Periods Ended December 31,

	Amounts				
	2014	2013	2012	2011	2010
Debt Service Fund					
Revenues					
Property taxes	\$ 2,976,736	\$ 2,946,666	\$ 1,776,413	\$ 2,969,437	\$ 3,092,554
Penalty and interest	10,033	11,911	22,525	12,673	19,723
Investment income	13,744	16,877	28,829	43,481	61,270
Total revenues	<u>3,000,513</u>	<u>2,975,454</u>	<u>1,827,767</u>	<u>3,025,591</u>	<u>3,173,547</u>
Expenditures					
Current:					
Professional fees	2,735	2,469	6,546	1,544	2,280
Contracted services	48,704	42,571	37,240	43,712	44,997
Other expenditures	3,751	3,636	3,875	3,495	1,932
Debt service:					
Principal retirement	2,290,000	2,145,000	2,060,000	1,865,000	1,650,000
Interest and fees	808,852	930,024	1,063,350	1,237,056	1,256,526
Bond issuance costs	263,861	159,295	167,177	-	105,021
Debt defeasance	-	45,000	35,000	-	35,000
Total expenditures	<u>3,417,903</u>	<u>3,327,995</u>	<u>3,373,188</u>	<u>3,150,807</u>	<u>3,095,756</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(417,390)</u>	<u>(352,541)</u>	<u>(1,545,421)</u>	<u>(125,216)</u>	<u>77,791</u>
Other Financing Sources (Uses)					
Interfund transfers in (out)	-	12,484	(12,484)	-	27,344
General obligation bonds issued	8,060,000	4,750,000	3,870,000	-	2,495,000
Premium on debt issued	334,021	204,816	299,731	-	76,685
Deposit with escrow agent	(8,119,719)	(4,782,318)	(3,991,086)	-	(2,457,452)
Total other financing sources	<u>274,302</u>	<u>184,982</u>	<u>166,161</u>	<u>0</u>	<u>141,577</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures					
Other Financing Uses	(143,088)	(167,559)	(1,379,260)	(125,216)	219,368
Fund Balance, Beginning of Period	<u>3,532,578</u>	<u>3,700,137</u>	<u>5,079,397</u>	<u>5,204,613</u>	<u>4,985,245</u>
Fund Balance, End of Period	<u>\$ 3,389,490</u>	<u>\$ 3,532,578</u>	<u>\$ 3,700,137</u>	<u>\$ 5,079,397</u>	<u>\$ 5,204,613</u>

Percent of Fund Total Revenues

2014	2013	2012	2011	2010
99.2 %	99.0 %	97.2 %	98.1 %	97.5 %
0.3	0.4	1.2	0.4	0.6
<u>0.5</u>	<u>0.6</u>	<u>1.6</u>	<u>1.5</u>	<u>1.9</u>
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.1	0.1	0.4	0.1	0.1
1.6	1.4	2.0	1.4	1.4
0.1	0.1	0.2	0.1	0.1
76.3	72.1	112.7	61.6	52.0
27.0	31.3	58.2	40.9	39.6
8.8	5.3	9.2	-	3.3
<u>-</u>	<u>1.5</u>	<u>1.9</u>	<u>-</u>	<u>1.1</u>
<u>113.9</u>	<u>111.8</u>	<u>184.6</u>	<u>104.1</u>	<u>97.6</u>
<u><u>(13.9) %</u></u>	<u><u>(11.8) %</u></u>	<u><u>(84.6) %</u></u>	<u><u>(4.1) %</u></u>	<u><u>2.4 %</u></u>

Brazoria County Municipal Utility District No. 6
Board Members, Key Personnel and Consultants
Year Ended December 31, 2014

Complete District mailing address:	Brazoria County Municipal Utility District No. 6 c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 140 Houston, Texas 77056	
District business telephone number:	713.623.4531	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	February 3, 2015	
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200	

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Rick King	Elected 05/14- 05/18	\$ 7,200	\$ 2,957	President
L' Sheryl D. Hudson	Elected 05/14- 05/18	3,750	0	Vice President
Richard A. Skotak	Elected 05/12- 05/16	6,000	3,483	Secretary
Erich R. Bell	Elected 05/12- 05/16	2,400	0	Assistant Secretary
R. Michael Haney	Appointed 07/13- 05/16	2,250	3,244	Assistant Secretary

*Fees are the amounts actually paid to a director during the District's fiscal year.

Brazoria County Municipal Utility District No. 6
Board Members, Key Personnel and Consultants (Continued)
Year Ended December 31, 2014

Consultants	Date Hired	Fees and Expense Reimbursements	Title
BKD, LLP	08/24/98	\$ 17,600	Auditor
Brazoria County Appraisal District	Legislative Action	28,267	Appraiser
Jones & Carter, Inc.	06/18/96	64,026	Engineer
Thomas W. Lee, RTA	01/26/98	23,995	Tax Assessor/ Collector
Municipal Accounts & Consulting, L.P.	06/08/87	28,339	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	01/26/98	2,735	Delinquent Tax Attorney
RBC Capital Markets, LLC	08/06/03	82,450	Financial Advisor
Schwartz, Page & Harding, L.L.P.	06/08/87	123,048	Attorney
Si Environmental LLC	04/20/12	409,195	Operator
Investment Officers			
Mark M. Burton and Ghia Lewis	03/28/00	N/A	Bookkeepers