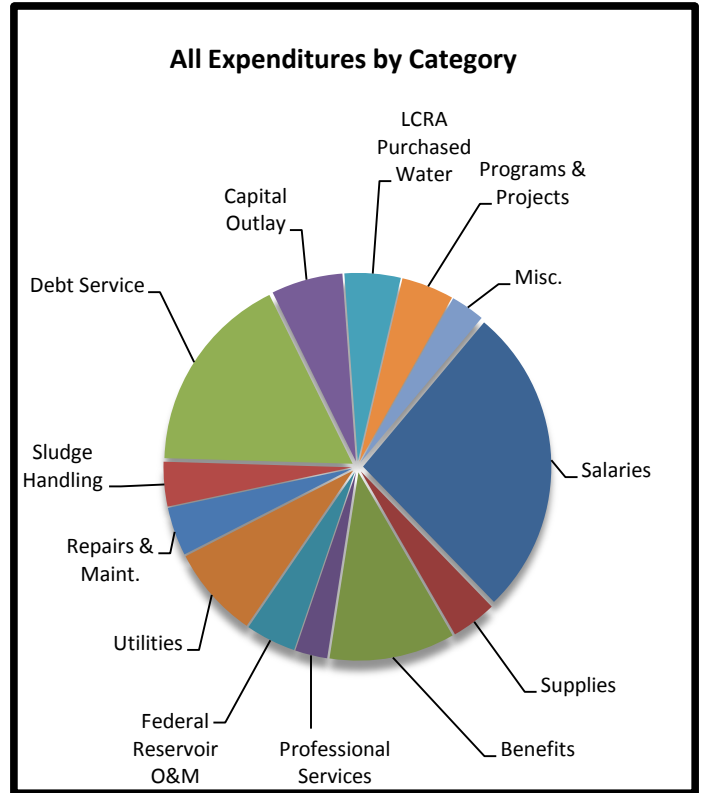
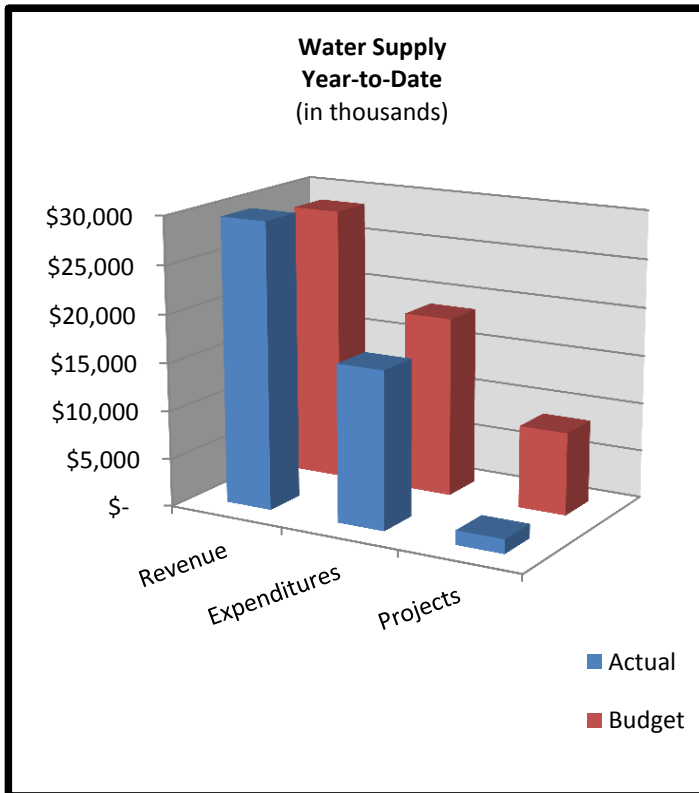




**BRAZOS RIVER AUTHORITY
SUMMARY
QUARTERLY BUDGET REPORT - 2nd QUARTER FY 2014
(in thousands)**

	Year-to Date			Annual Budget
	Budget	Actual	Variance	
<u>Water Supply</u>				
Beginning Reserves	\$ 53,442	\$ 53,442	\$ -	\$ 53,442
Revenues	28,491	29,671	1,180	35,437
Less: Expenses	18,673	16,360	2,316	33,274
Less: Project Expenditures	600	405	195	1,217
Surplus/(Deficit)	9,218	12,906	3,691	946
Less: Capital Projects	8,000	1,087	6,913	18,842
Ending Reserves	\$ 54,660	\$ 65,261	\$ 10,601	\$ 35,546

<u>Cost Reimbursable</u>				
Revenues	\$ 7,021	\$ 7,893	\$ 872	\$ 14,012
Less: Expenses	7,416	6,321	1,095	14,012
Surplus/(Deficit)	\$ (395)	\$ 1,572	\$ 1,967	\$ -





BRAZOS RIVER AUTHORITY
WATER SUPPLY OPERATIONS
QUARTERLY BUDGET REPORT - 2nd QUARTER FY 2014
(in thousands)

	Year-to Date			Annual Budget
	Budget	Actual	Variance	
Beginning Uncommitted Reserves	\$ 53,442	\$ 53,442	\$ -	\$ 53,442
Revenues				
Raw Water Sales - Non-System	6,854	6,506	(348)	8,874
Raw Water Sales - System	18,103	19,823	1,720	20,075
Georgetown WW	135	132	(2)	135
East Williamson County RWS	802	930	128	1,604
Sugar Land WW	983	928	(55)	1,967
Lake Operations	743	541	(202)	1,038
Grants - Operations only	444	282	(162)	888
Management Fees	221	238	17	442
Interest Income	192	243	51	385
Miscellaneous	14	48	33	29
Total Revenues	28,491	29,671	1,180	35,437
Operating Expenses				
<u>Upper Basin</u>				
Upper Basin Management	277	243	34	540
PK Lake	2,670	2,344	326	5,150
Lake Granbury	1,453	1,181	272	2,704
West Central Brazos WDS	318	302	17	631
<u>Central Basin</u>				
Central Basin Management	809	601	208	1,382
Georgetown WWTP	129	141	(12)	129
East Williamson County RWS	772	648	124	1,467
<u>Lower Basin</u>				
Lake Limestone	1,138	903	236	2,030
Sugar Land	975	902	73	1,827
Allens Creek	24	22	2	48
<u>Technical Services</u>				
Management	207	196	12	406
Construction	75	88	(13)	125
Water Services	331	328	3	674
Federal Reservoirs	4,712	3,877	835	7,903
Engineering	563	471	92	1,077
Environmental Services	701	653	48	1,343
Emergency, Safety & Compliance	151	118	33	307
<u>Planning Services</u>				
Strategic Planning	115	91	24	181
Planning & Development	95	93	2	189
<u>Central Services</u>				
Board of Directors	70	39	31	137
General Administration	289	284	5	559
Legal	260	238	22	516
Government & Customer Relations	425	380	45	813
Human Resources	322	273	49	659
Finance & Administration	788	741	47	1,478
Information Technology	1,066	1,031	35	1,731
<i>Less Central Services allocated to:</i>				
Contract Operations & Projects	(3,220)	(2,986)	(234)	(5,893)
Total Operating Expenses	15,515	13,202	2,316	28,113
Debt Service				
East Williamson County	2,217	2,217	-	2,974
Allens Creek	-	-	-	351
Federal Reservoirs	941	941	-	1,836
Project Expenditures	600	405	195	1,217
Total Expenses	19,273	16,765	2,511	34,491
Surplus/(Deficit) before CIP	9,218	12,906	3,688	946
Less: Capital Improvement Projects	8,000	1,087	6,913	18,842
Ending Uncommitted Reserves	\$ 54,660	\$ 65,261	\$ 10,601	\$ 35,546



BRAZOS RIVER AUTHORITY
COST REIMBURSABLE OPERATIONS
QUARTERLY BUDGET REPORT - 2nd QUARTER FY 2014
(in thousands)

	<u>Year to Date</u>			<u>Annual Budget</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
Operating Revenues				
WCRRL	\$ 567	\$ 661	\$ 94	\$ 1,134
TBRSS	1,209	1,409	200	2,418
BCRWS	2,486	2,804	317	4,972
Hutto	366	427	61	732
Georgetown R&R	10	18	8	10
Sandy Creek	489	572	84	977
Clute	407	458	51	814
Liberty Hill	178	198	20	355
Interest Income	-	5	5	-
Supplemental Revenues	127	181	53	255
Debt Service Revenues				
WCRRL	1,133	1,133	-	2,245
Total Revenues	7,021	7,893	872	14,012
Operating Expenses				
<u>Central Basin</u>				
WCRRL	576	590	(14)	1,134
TBRSS	1,430	1,142	288	2,518
BCRWS	2,661	2,337	324	5,127
Hutto	415	202	213	732
Georgetown R&R	10	18	(8)	10
Liberty Hill	184	211	(27)	355
Sandy Creek	504	473	31	977
<u>Lower Basin</u>				
Clute	522	257	265	814
Debt Service Expenses				
WCRRL	1,065	1,064	1	2,245
Total Expenses	7,416	6,321	1,095	14,012
Surplus/(Deficit)	\$ (395)	\$ 1,572	\$ 1,967	\$ -



**BRAZOS RIVER AUTHORITY
DIRECTOR'S FEES AND EXPENSES
2ND QUARTER FY 2014**

	Year to Date			Total Annual Budget
	Budget	Actual	Variance	
Director Fees	\$ 10,000	\$ 6,900	\$ 3,100	\$ 31,000
Telephone/Communications	10,302	9,092	1,210	12,050
Professional Development	6,498	1,078	5,421	13,000
Transportation	15,750	7,398	8,352	31,500
Lodging	9,000	3,281	5,719	18,000
Meals	9,000	7,343	1,656	18,000
Materials & Supplies	3,000	601	2,399	6,000
Postage & Delivery	450	48	402	900
Bonds/Insurance	5,030	3,249	1,781	5,030
Rental	750	-	750	1,500
Total Directors' Expense	\$ 69,780	\$ 38,990	\$ 30,790	\$ 136,980



**BRAZOS RIVER AUTHORITY
PROGRAMS AND PROJECTS
QUARTERLY BUDGET REPORT - 2nd QUARTER FY 2014**

	FY 14 Annual Budget			FY 14 Year to Date Actual				Inception to Date			
	Bonds, Grants, Other Expenditures	BRA Reserves Expenditures	Total Annual Budget	Grants, Other Expenditures	BRA Reserves Expenditures	Total Actual Expenditures	Budget vs. Actual Variance	Budget	Actual	Balance	
Water Supply System Programs											
Microfilm Archiving	-	25	25	-	7	7	18	50	16	34	
Reservoir Volumetric Surveys	-	38	38	-	11	11	27	2,993	169	2,823	
Corps of Engineers Pool Rise	-	160	160	-	-	-	160	1,216	756	460	
Lake Granbury WPP Implementation	289	-	289	58	(16)	42	247	532	179	353	
Lake Granbury Generator Replacement	-	248	248	-	-	-	247	248	-	247	
Lk Granbury Dam Boathouse	-	209	209	-	179	179	30	214	203	10	
PK Rec Development-South D&D	-	40	40	-	10	10	30	1,057	91	966	
PK Rec Development-North D&D	-	125	125	-	121	121	4	752	364	388	
PK Rec Development-Sandy Beach	-	110	110	-	93	93	17	1,040	463	577	
PK Dam Sedimentation Survey	-	263	263	-	-	-	263	350	-	350	
Total Water Supply Programs	289	1,217	1,507	58	405	464	1,043	8,451	2,243	6,207	
Water Supply System Projects											
Upper Basin											
PK Property Management Study	-	457	457	-	7	7	450	3,571	3,123	448	
PK Dam Miscellaneous Maintenance	-	1,243	1,243	-	463	463	780	1,954	463	1,490	
PK Buttress Corbels & Deck Panels	-	980	980	-	-	-	980	1,000	20	980	
PK Dam 12-inch Waterline	-	1,107	1,107	-	-	-	1,107	1,327	203	1,125	
PK RSMU Waterline Replace	-	25	313	-	-	-	313	350	36	314	
PK Dam Pier 8 Spray Deflector	-	313	25	-	-	-	25	49	28	21	
PK Hydro Decommissioning	-	886	886	-	112	112	774	9,300	7,883	1,417	
PK Hearth & Bank Erosion Repair	-	279	279	-	1	1	277	1,139	587	552	
LG Boat Ramp/Courtesy Dock	83	143	226	-	1	1	225	486	269	217	
DeCordova Inspection Walkway Lighting System	-	594	594	-	3	3	591	853	66	787	
DeCordova Concrete Reinforced Components	-	1,145	1,145	-	-	-	1,145	1,405	3	1,402	
DeCordova Bend Dam Improvements-Low Flow Facilities	1	407	407	-	41	41	367	4,344	3,541	804	
DeCordova Bend Trolley Replacement	-	926	926	-	2	2	923	1,480	163	1,316	
Lk Granbury Hunter Park Improvements	-	179	179	-	1	1	177	179	5	174	
Lk Granbury DeCordova Park Improvements	-	169	169	-	5	5	165	177	15	162	
Lk Granbury Rough Creek Park Improvements	-	40	40	-	1	1	39	177	1	175	
Lake Granbury Maint Bldg Expansion	-	131	131	-	-	-	131	131	-	131	
Lake Granbury Admin Office Expansion	-	191	191	-	-	-	191	191	-	191	
WCB Pump Installation & Modifications	-	170	170	-	21	21	149	452	321	130	
WCB Pipeline MCC Replacement	-	350	350	-	3	3	347	350	3	347	
WCB Pipeline Segment Replacement	-	48	48	-	2	2	45	218	2	216	
Graham Flood Control	-	1,595	1,595	-	-	-	1,595	6,840	5,191	1,649	
Subtotal - Upper Basin Projects	83	11,376	11,459	-	664	664	10,794	35,973	21,924	14,049	
Central Basin											
Lake Granger/Groundwater Intakes	2	1,707	-	1,707	57	17	74	1,632	23,000	18,668	4,332
Groundwater Study/Evaluation	-	25	25	-	-	-	25	996	732	264	
Trinity Groundwater	-	1,330	795	2,125	1,138	(368)	770	1,355	30,241	1,145	29,096
Lake Belton/Stillhouse Pipeline	-	-	509	509	-	9	9	500	31,630	87	31,543
Subtotal - Central Basin Projects	3,037	1,329	4,366	1,196	(343)	853	3,513	85,868	20,632	65,235	



**BRAZOS RIVER AUTHORITY
PROGRAMS AND PROJECTS
QUARTERLY BUDGET REPORT - 2nd QUARTER FY 2014**

	FY 14 Annual Budget			FY 14 Year to Date Actual				Inception to Date		
	Bonds, Grants, Other Expenditures	BRA Reserves Expenditures	Total Annual Budget	Grants, Other Expenditures	BRA Reserves Expenditures	Total Actual Expenditures	Budget vs. Actual Variance	Budget	Actual	Balance
Lower Basin										
Allens Creek Reservoir (BRA Portion)	-	301	301	-	-	-	301	67,298	7,230	60,069
Sterling C Robertson Dam Stoplog Hoist	233	-	233	-	-	-	233	2,328	-	2,328
Sterling C Robertson Emergency Personnel Retrieval	58	-	58	-	-	-	58	373	-	373
Sterling C Robertson Dam Steel Re-coating	2,070	-	2,070	4	-	4	2,065	5,938	222	5,715
Subtotal - Lower Basin Projects	2,360	301	2,661	4	-	4	2,656	75,936	7,452	68,484
Basin Wide										
Environmental Laboratory	-	100	100	-	-	-	100	4,000	-	4,000
Central Office Mold Remediation	3	200	200	-	14	14	186	7,200	6,316	884
Central Office HVAC/Flooring/Bldg Automation	-	1,976	1,976	-	9	9	1,967	1,976	9	1,967
Central Office Telephone System	-	70	70	-	57	57	13	143	57	86
Central Office Landscaping Phase II	-	125	125	-	3	3	122	125	3	122
Enterprise Financial Software	-	740	740	-	37	37	703	740	37	703
System Permit Application	3	2,365	2,368	-	645	645	1,723	21,794	13,187	8,606
Potential Future Water Management Strategies	-	260	260	-	-	-	260	5,000	-	5,000
Subtotal - Basin Wide Projects	3	5,836	5,839	-	765	765	5,074	40,978	19,609	21,369
Total Water Supply Projects	5,482	18,842	24,325	1,200	1,087	2,287	22,038	238,754	69,617	169,137
Cost Reimbursable Projects										
WCRRWL SH 195 Relocation	200	-	200	5	-	5	195	1,142	992	150
WCRRWL Phase II Pumping	4	660	660	219	-	219	441	8,185	7,802	383
WCRRWL Encasement Bud Stockton	477	-	477	28	-	28	449	477	31	446
Total Cost Reimbursable Projects	1,337	-	1,337	252	-	252	1,085	9,804	8,825	979

Notes

- 1) DeCordova Bend Dam Low Flow Facilities - On October 28, 2013 the Board of Directors approved an amendment of \$407,495 to the Fiscal Year 2014 budget. The total project budget remained unchanged.
- 2) Lake Granger/Groundwater Intake - On October 28, 2013 the Board of Directors approved an amendment of \$2,166,000 to the Fiscal Year 2014 budget. The total project budget remained unchanged.
- 3) Central Office Mold Remediation - On October 28, 2013 the Board of Directors approved an amendment of \$200,000 to the Fiscal Year 2014 budget. The total project budget remained unchanged.
- 4) WCRRWL Phase II Pumps - On October 28, 2013 the Board of Directors approved an amendment of \$660,000 to the Fiscal Year 2014 budget and to the total project budget.



BRAZOS RIVER AUTHORITY
STATEMENTS OF NET POSITION
FEBRUARY 28, 2014 AND FEBRUARY 28, 2013
(unaudited)
(in thousands)

ASSETS	<u>2014</u>	<u>2013</u>
CURRENT ASSETS:		
UNRESTRICTED:		
Cash and cash equivalents	\$ 25,654	\$ 20,231
Investments	49,953	55,609
Accounts receivable	3,655	3,322
Other receivables	35	39
Other current assets	1,430	1,992
TOTAL UNRESTRICTED	<u>80,727</u>	<u>81,193</u>
RESTRICTED:		
Cash and cash equivalents	7,518	10,137
Investments	4,416	6,577
Interest	4	5
TOTAL RESTRICTED	<u>11,938</u>	<u>16,719</u>
TOTAL CURRENT ASSETS	<u>92,665</u>	<u>97,912</u>
NONCURRENT ASSETS:		
CAPITAL ASSETS:		
Land, storage and water rights	90,526	83,796
Reservoirs, water treatment & sewerage facilities	130,087	125,555
Building, structure & improvements	121,171	96,681
Vehicle, furniture & equipment	18,367	16,551
Construction in progress	32,833	53,315
TOTAL CAPITAL ASSETS	<u>392,984</u>	<u>375,898</u>
Less accumulated depreciation	(100,731)	(91,764)
NET CAPITAL ASSETS	<u>292,253</u>	<u>284,134</u>
OTHER NONCURRENT ASSETS:		
Contract receivable, net of current portion	184	363
Bond related costs	1,510	1,627
Other assets	2,011	2,096
TOTAL OTHER NONCURRENT ASSETS	<u>3,705</u>	<u>4,086</u>
TOTAL NONCURRENT ASSETS	<u>295,958</u>	<u>288,221</u>
TOTAL ASSETS	<u>\$ 388,623</u>	<u>\$ 386,133</u>



BRAZOS RIVER AUTHORITY
STATEMENTS OF NET POSITION (continued)
FEBRUARY 28, 2014 AND FEBRUARY 28, 2013
(unaudited)
(in thousands)

	<u>2014</u>	<u>2013</u>
LIABILITIES		
CURRENT LIABILITIES:		
PAYABLE FROM CURRENT ASSETS:		
Accounts payable	\$ 8,622	\$ 9,525
Contracts payable	392	80
Accrued interest	115	121
Unearned revenues	5,855	4,974
TOTAL PAYABLE FROM CURRENT ASSETS	<u>14,984</u>	<u>14,700</u>
PAYABLE FROM RESTRICTED ASSETS:		
Accrued interest	602	603
Construction contracts payable	2,199	2,237
Other	348	1,367
TOTAL PAYABLE FROM RESTRICTED ASSETS	<u>3,149</u>	<u>4,207</u>
TOTAL CURRENT LIABILITIES	<u>18,133</u>	<u>18,907</u>
NONCURRENT LIABILITIES:		
Revenue bonds payable, net of current portion	82,690	84,479
Discount on revenue bonds payable	(374)	(397)
Contracts payable, net of current portion	26,590	22,608
Unearned revenues	2,416	3,421
Other liabilities	832	832
TOTAL NONCURRENT LIABILITIES	<u>112,154</u>	<u>110,943</u>
TOTAL LIABILITIES	<u>\$ 130,287</u>	<u>\$ 129,850</u>
NET POSITION:		
Invested in capital assets	182,266	176,755
Restricted for construction and debt service	10,873	14,628
Unrestricted	65,197	64,900
TOTAL NET POSITION	<u>\$ 258,336</u>	<u>\$ 256,283</u>



BRAZOS RIVER AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE SIX MONTHS ENDED
FEBRUARY 28, 2014 and 2013
(unaudited)
(in thousands)

OPERATING REVENUES:	<u>2014</u>	<u>2013</u>
Water Supply System:		
Raw water sales-non-system	\$ 6,507	\$ 6,723
Raw water sales-system	19,822	19,045
Treated water	930	924
Wastewater treatment	1,078	1,862
Lake operations	540	1,339
Grants	346	376
Other	439	440
Cost Reimbursable Operations:		
Water conveyance	1,799	1,770
Water treatment	577	695
Wastewater treatment	5,342	5,158
TOTAL OPERATING REVENUES	<u>37,380</u>	<u>38,332</u>
 OPERATING EXPENSES:		
Personnel services	8,474	7,730
Materials and supplies	972	1,072
Utilities	2,012	1,850
Outside services	1,819	2,083
Repair and maintenance	1,076	1,167
Landfill and sludge hauling	1,011	1,015
Purchased water	1,180	1,181
Other	572	581
TOTAL OPERATING EXPENSES	<u>17,116</u>	<u>16,679</u>
 OPERATING INCOME	 <u>20,264</u>	 <u>21,653</u>
 NON-OPERATING REVENUES (EXPENSES):		
Investment income	249	353
Gain on sale of capital assets	50	9
Interest expense	(2,023)	(2,046)
Debt service - principal	(2,196)	(2,169)
Other expenses	(112)	(27)
Capital expenditures	(1,505)	(607)
TOTAL NET NON-OPERATING EXPENSES	<u>(5,537)</u>	<u>(4,487)</u>
 INCOME BEFORE CONTRIBUTIONS	 <u>14,727</u>	 <u>17,166</u>
Capital contributions	<u>28</u>	<u>25</u>
 CHANGE IN NET POSITION	 <u>14,755</u>	 <u>17,191</u>
 NET POSITION, BEGINNING	 <u>243,581</u>	 <u>239,092</u>
 NET POSITION, ENDING	 <u>\$ 258,336</u>	 <u>\$ 256,283</u>



BRAZOS RIVER AUTHORITY
ACCOUNTS RECEIVABLE AGING REPORT
 as of March 31, 2014
 (in thousands)

Type	CURRENT	1-30 DAYS	31-60 DAYS	61-90 DAYS	91-120 DAYS	OVER 120 DAYS	TOTALS
Water Sales:							
Short Term System Contracts	\$ 1		\$ 42				\$ 44
Long Term System Contracts	221		1				222
CPI -based & Fixed-rate Contracts							
Utility Contracts	150						150
Transportation	8	5					12
Stream Gauging							
Lake Operations:							
Commercial Leases & Docks	2		(204)	20			(182)
Special-Use Leases						22	22
Watercraft User Fees - PK							
PK Cottage Site & Encroachments				2			2
PK Water Permits & Mooring			(58)				(58)
LL Water Permits			(20)				(20)
LG Water Permits & Applic.Fees			(52)				(51)
Fed. Res. Water Permits			(8)				(9)
Water Treatment:							
Central Basin	795				69		864
Lower Basin	166						166
	<u>\$ 1,344</u>	<u>\$ 4</u>	<u>\$ (299)</u>	<u>\$ 22</u>	<u>\$ 70</u>	<u>\$ 22</u>	<u>\$ 1,163</u>

Water Sales:

Short Term System

Bland Farms	11
Horseshoe Bend Golf	1
Wapiti Energy	30
	<u>\$ 42</u>

Water Treatment:

Central Basin

City of Liberty Hill	(Payment due for Under-Recovery of O&M in FY-2013)	<u>\$ 69</u>
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Lake Operations:

Special Use Lease

Cholla Petroleum Inc. (Disputed well drilling billing)	<u>\$ 22</u>
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PK Cottage Site Leases

Afton Johnson Estate & Chad Bushaw	<u>\$ 2</u>
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Commercial leases & workbarges,

Workbarges (Argo, Davis, Thomasson, Umphress, Hutchison, Jackson)	7
PK Sky Camp (arranged to pay with interest over 6 months)	4
PK Lodge (arranged to pay with interest over 6 months)	5
Sam Lecomte Com.Lease	3
	<u>\$ 20</u>

All Commercial Docks and Commercial Water \$ (342)

and Residential water invoices were reversed to begin billing in arrears;
 prepays for 2014 result in negative balance