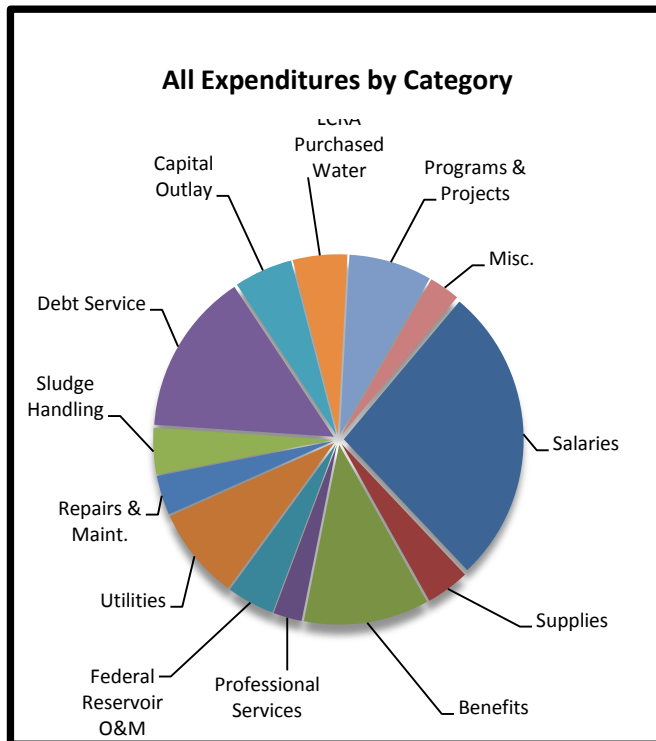
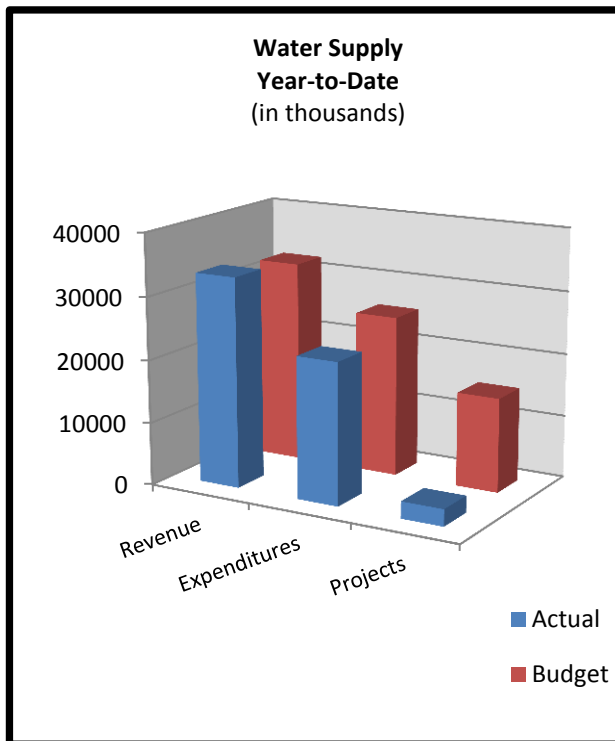


**BRAZOS RIVER AUTHORITY  
SUMMARY  
QUARTERLY BUDGET REPORT - 3rd QUARTER FY 2014  
(in thousands)**

	<u>Year-to Date</u>			<u>Annual Budget</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
<b><u>Water Supply</u></b>				
<b>Beginning Reserves</b>	<b>\$ 53,442</b>	<b>\$ 53,442</b>	<b>\$ -</b>	<b>\$ 53,442</b>
Revenues	32,227	33,410	1,183	35,437
Less: Expenses	25,578	22,550	3,028	33,274
Less: Project Expenditures	913	420	493	1,217
<b>Surplus/(Deficit)</b>	<b>5,736</b>	<b>10,440</b>	<b>4,704</b>	<b>946</b>
Less: Capital Projects	14,132	2,286	11,846	18,842
Less: Bond Retirement	-	8,535	(8,535)	-
<b>Ending Reserves</b>	<b>\$ 45,046</b>	<b>\$ 53,061</b>	<b>\$ 8,015</b>	<b>\$ 35,546</b>

<b><u>Cost Reimbursable</u></b>				
Revenues	\$ 10,516	\$ 11,461	\$ 945	\$ 14,012
Less: Expenses	10,666	9,705	960	14,012
<b>Surplus/(Deficit)</b>	<b>\$ (150)</b>	<b>\$ 1,756</b>	<b>\$ 1,905</b>	<b>\$ -</b>





**BRAZOS RIVER AUTHORITY**  
**WATER SUPPLY OPERATIONS**  
**QUARTERLY BUDGET REPORT - 3rd QUARTER FY 2014**  
(in thousands)

	Year-to Date			Annual Budget
	Budget	Actual	Variance	
<b>Beginning Uncommitted Reserves</b>	\$ 53,442	\$ 53,442	\$ -	\$ 53,442
<b>Revenues</b>				
Raw Water Sales - Non-System	7,813	7,459	(354)	8,874
Raw Water Sales - System	19,465	21,218	1,753	20,075
Georgetown WW	135	132	(3)	135
East Williamson County RWS	1,203	1,329	126	1,604
Sugar Land WW	1,475	1,418	(57)	1,967
Lake Operations	785	585	(200)	1,038
Grants - Operations only	666	455	(211)	888
Management Fees	331	361	30	442
Interest Income	289	351	62	385
Miscellaneous	65	102	37	29
<b>Total Revenues</b>	<b>32,227</b>	<b>33,410</b>	<b>1,183</b>	<b>35,437</b>
<b>Operating Expenses</b>				
<u>Upper Basin</u>				
Upper Basin Management	409	365	44	540
PK Lake	3,901	3,495	406	5,150
Lake Granbury	2,080	1,775	305	2,704
West Central Brazos WDS	470	440	30	631
<u>Central Basin</u>				
Central Basin Management	1,094	832	262	1,382
Georgetown WWTP	129	137	(8)	129
East Williamson County RWS	1,120	968	152	1,467
<u>Lower Basin</u>				
Lake Limestone	1,585	1,240	345	2,030
Sugar Land	1,401	1,366	35	1,827
Allens Creek	36	31	5	48
<u>Technical Services</u>				
Management	307	279	28	406
Construction	100	125	(25)	125
Water Services	503	464	39	674
Federal Reservoirs	6,444	5,292	1,152	7,903
Engineering	820	691	129	1,077
Environmental Services	1,022	997	25	1,343
Emergency, Safety & Compliance	229	171	58	307
<u>Planning Services</u>				
Strategic Planning	148	103	45	181
Planning & Development	142	141	1	189
<u>Central Services</u>				
Board of Directors	103	56	47	137
General Administration	424	418	6	559
Legal	387	364	23	516
Government & Customer Relations	615	583	32	813
Human Resources	489	376	113	659
Finance & Administration	1,131	1,070	61	1,478
Information Technology	1,398	1,336	62	1,731
<i>Less Central Services allocated to:</i>				
Contract Operations & Projects	(4,547)	(4,203)	(344)	(5,893)
<b>Total Operating Expenses</b>	<b>21,940</b>	<b>18,912</b>	<b>3,028</b>	<b>28,113</b>
<b>Debt Service</b>				
East Williamson County	2,249	2,249	-	2,974
Allens Creek	-	-	-	351
Federal Reservoirs	1,389	1,389	-	1,836
<b>Project Expenditures</b>	<b>913</b>	<b>420</b>	<b>493</b>	<b>1,217</b>
<b>Total Expenses</b>	<b>26,491</b>	<b>22,970</b>	<b>3,521</b>	<b>34,491</b>
<b>Surplus/(Deficit) before CIP</b>	<b>5,736</b>	<b>10,440</b>	<b>4,704</b>	<b>946</b>
Less: Capital Improvement Projects	14,132	2,286	11,846	18,842
Less: Bond Retirement	-	8,535	(8,535)	-
<b>Ending Uncommitted Reserves</b>	<b>\$ 45,046</b>	<b>\$ 53,061</b>	<b>\$ 8,015</b>	<b>\$ 35,546</b>



**BRAZOS RIVER AUTHORITY**  
**COST REIMBURSABLE OPERATIONS**  
**QUARTERLY BUDGET REPORT - 3rd QUARTER FY 2014**  
(in thousands)

	<u>Year to Date</u>			<u>Annual Budget</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
<b>Operating Revenues</b>				
WCRRL	\$ 850	\$ 945	\$ 94	\$ 1,134
TBRSS	1,813	2,012	199	2,418
BCRWS	3,729	4,014	285	4,972
Hutto	549	610	61	732
Georgetown R&R	10	18	8	10
Sandy Creek	733	817	84	977
Clute	610	654	44	814
Liberty Hill	266	255	(12)	355
Interest Income	-	9	9	-
Supplemental Revenues	191	299	108	255
<b>Debt Service Revenues</b>				
WCRRL	1,689	1,800	111	2,245
<b>Total Revenues</b>	<u>10,516</u>	<u>11,461</u>	<u>945</u>	<u>14,012</u>
<b>Operating Expenses</b>				
<u>Central Basin</u>				
WCRRL	856	811	45	1,134
TBRSS	1,974	1,704	270	2,518
BCRWS	3,843	3,680	164	5,127
Hutto	575	341	234	732
Georgetown R&R	10	18	(8)	10
Liberty Hill	269	313	(43)	355
Sandy Creek	740	724	17	977
<u>Lower Basin</u>				
Clute	668	433	235	814
<b>Debt Service Expenses</b>				
WCRRL	1,655	1,655	-	2,245
<b>Total Expenses</b>	<u>10,666</u>	<u>9,705</u>	<u>960</u>	<u>14,012</u>
<b>Surplus/(Deficit)</b>	<u>\$ (150)</u>	<u>\$ 1,756</u>	<u>\$ 1,905</u>	<u>\$ -</u>



**BRAZOS RIVER AUTHORITY  
DIRECTOR'S FEES AND EXPENSES  
3RD QUARTER FY 2014**

	<b>Year to Date</b>			<b>Total Annual Budget</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>	
Director Fees	\$ 20,500	\$ 12,150	\$ 8,350	\$ 31,000
Telephone/Communications	11,178	9,215	1,963	12,050
Professional Development	9,747	2,058	7,690	13,000
Transportation	23,625	12,339	11,286	31,500
Lodging	13,500	4,855	8,645	18,000
Meals	13,500	10,991	2,508	18,000
Materials & Supplies	4,500	1,125	3,375	6,000
Postage & Delivery	675	70	605	900
Bonds/Insurance	5,030	3,582	1,448	5,030
Rental	1,125	-	1,125	1,500
<b>Total Directors' Expense</b>	<b>\$ 103,380</b>	<b>\$ 56,385</b>	<b>\$ 46,995</b>	<b>\$ 136,980</b>



**BRAZOS RIVER AUTHORITY  
PROGRAMS AND PROJECTS  
QUARTERLY BUDGET REPORT - 3rd 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	
<b>Water Supply System Programs</b>											
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	108	(22)	85	204	532	223	309	
Lake Granbury Generator Replacement	-	248	248	-	1	1	247	248	1	247	
Lk Granbury Dam Boathouse	-	209	209	-	184	184	25	214	208	6	
PK Rec Development-South D&D	-	40	40	-	14	14	26	1,057	96	962	
PK Rec Development-North D&D	-	125	125	-	124	124	1	752	368	384	
PK Rec Development-Sandy Beach	-	110	110	-	100	100	10	1,040	470	570	
PK Dam Sedimentation Survey	-	263	263	-	2	2	261	350	2	348	
<b>Total Water Supply Programs</b>	<b>289</b>	<b>1,217</b>	<b>1,507</b>	<b>108</b>	<b>420</b>	<b>528</b>	<b>978</b>	<b>8,451</b>	<b>2,308</b>	<b>6,143</b>	
<b>Water Supply System Projects</b>											
<b>Upper Basin</b>											
PK Property Management Study	-	457	457	-	26	26	431	3,571	3,142	429	
PK Dam Miscellaneous Maintenance	-	1,243	1,243	-	781	781	463	1,954	781	1,173	
PK Buttress Corbels & Deck Panels	-	980	980	-	3	3	977	1,000	22	978	
PK Dam 12-inch Waterline	-	1,107	1,107	-	-	-	1,107	1,327	203	1,125	
PK RSMU Waterline Replace	-	313	313	-	-	-	313	350	36	314	
PK Dam Pier 8 Spray Deflector	-	25	25	-	-	-	25	49	28	21	
PK Hydro Decommissioning	-	886	886	-	318	318	567	9,300	8,090	1,210	
PK Hearth & Bank Erosion Repair	-	279	279	-	13	13	265	1,139	599	540	
LG Boat Ramp/Courtesy Dock	83	143	226	-	3	3	222	486	271	215	
DeCordova Inspection Walkway Lighting System	-	594	594	-	4	4	589	853	67	786	
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	-	67	67	341	4,344	3,566	778	
DeCordova Bend Trolley Replacement	-	926	926	-	4	4	921	1,480	165	1,314	
Lk Granbury Hunter Park Improvements	-	179	179	-	15	15	164	179	18	160	
Lk Granbury DeCordova Park Improvements	-	169	169	-	156	156	13	177	167	11	
Lk Granbury Rough Creek Park Improvements	-	40	40	-	6	6	34	177	6	171	
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	-	27	27	142	452	328	124	
WCB Pipeline MCC Replacement	-	350	350	-	5	5	345	350	5	345	
WCB Pipeline Segment Replacement	-	48	48	-	8	8	39	218	8	210	
Graham Flood Control	-	1,595	1,595	-	-	-	1,595	6,840	5,191	1,649	
<b>Subtotal - Upper Basin Projects</b>	<b>83</b>	<b>11,376</b>	<b>11,459</b>	<b>-</b>	<b>1,437</b>	<b>1,437</b>	<b>10,022</b>	<b>35,973</b>	<b>22,696</b>	<b>13,276</b>	
<b>Central Basin</b>											
Lake Granger/Groundwater Intakes	2	1,707	-	1,707	179	55	234	1,472	23,000	18,828	4,172
Groundwater Study/Evaluation	-	25	25	-	-	-	25	996	732	264	
Trinity Groundwater	-	1,330	795	2,125	1,230	(368)	862	1,263	30,241	1,238	29,003
Lake Belton/Stillhouse Pipeline	-	509	509	-	9	9	500	31,630	87	31,543	
<b>Subtotal - Central Basin Projects</b>	<b>3,037</b>	<b>1,329</b>	<b>4,366</b>	<b>1,410</b>	<b>(304)</b>	<b>1,106</b>	<b>3,260</b>	<b>85,868</b>	<b>20,885</b>	<b>64,982</b>	



**BRAZOS RIVER AUTHORITY  
PROGRAMS AND PROJECTS  
QUARTERLY BUDGET REPORT - 3rd 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
<b>Lower Basin</b>										
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	6	-	6	2,064	5,938	224	5,714
<b>Subtotal - Lower Basin Projects</b>	<b>2,360</b>	<b>301</b>	<b>2,661</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>2,655</b>	<b>75,936</b>	<b>7,453</b>	<b>68,482</b>
<b>Basin Wide</b>										
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	-	32	32	1,944	1,976	32	1,944
Central Office Telephone System	-	70	70	-	70	70	-	143	70	73
Central Office Landscaping Phase II	-	125	125	-	7	7	118	125	7	118
Enterprise Financial Software	-	740	740	-	44	44	696	740	44	696
System Permit Application	3	2,365	2,368	-	982	982	1,386	21,794	13,524	8,270
Potential Future Water Management Strategies	-	260	260	-	5	5	255	5,000	5	4,995
<b>Subtotal - Basin Wide Projects</b>	<b>3</b>	<b>5,836</b>	<b>5,839</b>	<b>-</b>	<b>1,153</b>	<b>1,153</b>	<b>4,686</b>	<b>40,978</b>	<b>19,997</b>	<b>20,981</b>
<b>Total Water Supply Projects</b>	<b>5,482</b>	<b>18,842</b>	<b>24,325</b>	<b>1,416</b>	<b>2,286</b>	<b>3,702</b>	<b>20,623</b>	<b>238,754</b>	<b>71,032</b>	<b>167,722</b>
<b>Cost Reimbursable Projects</b>										
WCRRWL SH 195 Relocation	200	-	200	5	-	5	195	1,142	992	150
WCRRWL Phase II Pumping	4	660	660	317	-	317	343	8,185	7,900	285
WCRRWL Encasement Bud Stockton	477	-	477	37	-	37	440	477	40	437
<b>Total Cost Reimbursable Projects</b>	<b>1,337</b>	<b>-</b>	<b>1,337</b>	<b>358</b>	<b>-</b>	<b>358</b>	<b>979</b>	<b>9,804</b>	<b>8,932</b>	<b>872</b>

**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**  
**MAY 31, 2014 AND 2013**  
**(unaudited)**  
**(in thousands)**

ASSETS	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS:</b>		
<b>UNRESTRICTED:</b>		
Cash and cash equivalents	\$ 11,388	\$ 17,238
Investments	49,917	53,528
Accounts receivable	2,944	3,169
Other receivables	32	47
Other current assets	1,052	1,415
<b>TOTAL UNRESTRICTED</b>	<u>65,333</u>	<u>75,397</u>
<b>RESTRICTED:</b>		
Cash and cash equivalents	6,309	10,109
Investments	6,125	6,588
Interest	4	5
<b>TOTAL RESTRICTED</b>	<u>12,438</u>	<u>16,702</u>
<b>TOTAL CURRENT ASSETS</b>	<u>77,771</u>	<u>92,099</u>
<b>NONCURRENT ASSETS:</b>		
<b>CAPITAL ASSETS:</b>		
Land, storage and water rights	90,526	83,796
Reservoirs, water treatment & sewerage facilities	130,087	125,555
Building, structure & improvements	121,184	96,681
Vehicle, furniture & equipment	18,943	16,551
Construction in progress	34,033	57,598
<b>TOTAL CAPITAL ASSETS</b>	<u>394,773</u>	<u>380,182</u>
Less accumulated depreciation	(101,034)	(92,123)
<b>NET CAPITAL ASSETS</b>	<u>293,739</u>	<u>288,059</u>
<b>OTHER NONCURRENT ASSETS:</b>		
Contract receivable, net of current portion	184	363
Bond related costs	1,510	1,627
Other assets	2,011	2,096
<b>TOTAL OTHER NONCURRENT ASSETS</b>	<u>3,705</u>	<u>4,086</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>297,444</u>	<u>292,145</u>
<b>TOTAL ASSETS</b>	<u>\$ 375,215</u>	<u>\$ 384,244</u>



**BRAZOS RIVER AUTHORITY**  
**STATEMENTS OF NET POSITION (continued)**  
**MAY 31, 2014 AND 2013**  
**(unaudited)**  
**(in thousands)**

	2014	2013
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
<b>PAYABLE FROM CURRENT ASSETS:</b>		
Accounts payable	\$ 5,702	\$ 7,217
Contracts payable	392	80
Accrued interest	286	297
Unearned revenues	5,435	4,759
<b>TOTAL PAYABLE FROM CURRENT ASSETS</b>	<b>11,815</b>	<b>12,353</b>
<b>PAYABLE FROM RESTRICTED ASSETS:</b>		
Accrued interest	1,057	1,058
Construction contracts payable	2,109	1,968
Other	222	1,282
<b>TOTAL PAYABLE FROM RESTRICTED ASSETS</b>	<b>3,388</b>	<b>4,308</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>15,203</b>	<b>16,661</b>
<b>NONCURRENT LIABILITIES:</b>		
Revenue bonds payable, net of current portion	74,155	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
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>103,619</b>	<b>110,943</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 118,822</b>	<b>\$ 127,604</b>
<b>NET POSITION:</b>		
Invested in capital assets	192,377	180,948
Restricted for construction and debt service	10,873	14,065
Unrestricted	53,143	61,627
<b>TOTAL NET POSITION</b>	<b>\$ 256,393</b>	<b>\$ 256,640</b>





**BRAZOS RIVER AUTHORITY**  
**STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**FOR THE NINE MONTHS ENDED**  
**MAY 31, 2014 AND 2013**  
**(unaudited)**  
**(in thousands)**

OPERATING REVENUES:	<u>2014</u>	<u>2013</u>
Water Supply System:		
Raw water sales-non-system	\$ 7,459	\$ 9,986
Raw water sales-system	21,218	20,652
Treated water	1,329	1,320
Wastewater treatment	1,568	2,751
Lake operations	630	1,447
Grants	562	503
Other	680	665
Cost Reimbursable Operations:		
Water conveyance	2,753	2,708
Water treatment	822	984
Wastewater treatment	7,596	7,352
TOTAL OPERATING REVENUES	<u>44,617</u>	<u>48,368</u>
 OPERATING EXPENSES:		
Personnel services	12,837	11,482
Materials and supplies	1,446	1,752
Utilities	3,126	2,759
Outside services	2,626	3,130
Repair and maintenance	1,368	1,748
Landfill and sludge hauling	1,645	1,701
Purchased water	1,771	1,771
Other	776	802
TOTAL OPERATING EXPENSES	<u>25,595</u>	<u>25,145</u>
 OPERATING INCOME	 <u>19,022</u>	 <u>23,223</u>
 NON-OPERATING REVENUES (EXPENSES):		
Investment income	361	494
Gain on sale of capital assets	50	19
Interest expense	(2,683)	(2,682)
Debt service - principal	(2,606)	(2,572)
Other expenses	(115)	(39)
Capital expenditures	(1,254)	(1,024)
TOTAL NET NON-OPERATING EXPENSES	<u>(6,247)</u>	<u>(5,804)</u>
 INCOME BEFORE CONTRIBUTIONS	 12,775	 17,419
Capital contributions	<u>37</u>	<u>129</u>
 CHANGE IN NET POSITION	 12,812	 17,548
 NET POSITION, BEGINNING	 <u>243,581</u>	 <u>239,092</u>
 NET POSITION, ENDING	 <u>\$ 256,393</u>	 <u>\$ 256,640</u>



**BRAZOS RIVER AUTHORITY**  
**ACCOUNTS RECEIVABLE AGING REPORT**  
 as of June 30, 2014  
 (in thousands)

Type	CURRENT	1-30 DAYS	31-60 DAYS	61-90 DAYS	91-120 DAYS	OVER 120 DAYS	TOTALS
<b>Water Sales:</b>							
Short Term System Contracts	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1
Long Term System Contracts	220	7					227
CPI -based & Fixed-rate Contracts							-
Utility Contracts	22	22	20				64
Transportation	7						7
Stream Gauging							-
<b>Lake Operations:</b>							
Commercial Leases & Docks						(198)	(198)
Special-Use Leases						22	22
Watercraft User Fees - PK	19						19
PK Cottage Site & Encroachments							-
PK Water Permits & Mooring					(1)	(58)	(58)
LL Water Permits						(20)	(20)
LG Water Permits & Applic.Fees						(51)	(51)
Fed. Res. Water Permits						(8)	(9)
<b>Water Treatment:</b>							
Central Basin	1,022	2	5			69	1,098
Lower Basin	210						210
	<u>\$ 1,501</u>	<u>\$ 30</u>	<u>\$ 25</u>	<u>\$ (0)</u>	<u>\$ (1)</u>	<u>\$ (244)</u>	<u>\$ 1,311</u>

**Water Treatment:**

**Central Basin**

City of Liberty Hill

(Payment due for Under-Recovery of O&M in FY-2013) plus late fees

\$ 76

**Lake Operations:**

**Special Use Lease**

Cholla Petroleum Inc.

(Disputed well drilling billing)

\$ 22

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

\$ (336)