

SENNA HILLS  
MUNICIPAL UTILITY DISTRICT  
YEAR ENDED SEPTEMBER 30, 2016

FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT



SENNA HILLS  
**MUNICIPAL UTILITY DISTRICT**

FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED  
SEPTEMBER 30, 2016



**SENNA HILLS  
MUNICIPAL UTILITY DISTRICT**

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# ANNUAL FILING AFFIDAVIT





# ANNUAL FILING AFFIDAVIT

STATE OF TEXAS

COUNTY OF TRAVIS

I, \_\_\_\_\_ of the  
(Name of Duly Authorized District Representative)

SENNA HILLS MUNICIPAL UTILITY DISTRICT  
(Name of District)

hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the 27th **day of January, 2017**, its annual audit report for the fiscal period ended **September 30, 2016** and that copies of the annual audit report have been filed in the District's office, located at:

12912 Hill Country Blvd., Suite F-232  
Austin, Texas 78738  
(Address of District's Office)

This filing affidavit and the attached copy of the annual audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of all annual filing requirements within Section 49.194 of the Texas Water Code and to the Texas Comptroller of Public Accounts in satisfaction of the annual filing requirements of Section 140.008 of the Texas Local Government Code.

Date: \_\_\_\_\_ By: \_\_\_\_\_  
(Signature of District Representative)

\_\_\_\_\_  
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(SEAL)

\_\_\_\_\_  
(Signature of Notary)

My Commission Expires On: \_\_\_\_\_  
Notary Public in the State of Texas



# INDEPENDENT AUDITOR'S REPORT



# McCALL GIBSON SWEDLUND BARFOOT PLLC

*Certified Public Accountants*

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Board of Directors  
Senna Hills Municipal Utility District  
Travis County, Texas

## Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities and each majoi fund of Senna Hills Municipal Utility District (the "District"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 District'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.



Board of Directors  
Senna Hills Municipal Utility District

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 September 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* and the Other Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The Texas Supplementary Information and the Other Supplementary Information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



McCall Gibson Swedlund Barfoot PLLC  
Certified Public Accountants  
Houston, Texas

January 27, 2017





MANAGEMENT'S DISCUSSION  
AND ANALYSIS



# SENNA HILLS MUNICIPAL UTILITY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2016

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the management of Senna Hills Municipal Utility District (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the year ended September 30, 2016. Since this information is designed to focus on current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the District's financial statements that follow.

## FINANCIAL HIGHLIGHTS

- *General Fund:* At the end of the current fiscal year, the nonspendable and unassigned fund balance was \$1,345,395, an increase of \$422,766 from the previous fiscal year. General Fund revenues decreased from \$1,607,432 in the previous fiscal year to \$1,412,401 in the current fiscal year due to a decrease in the property tax rate allocated to the General Fund and a decrease in the service account revenues.
- *Debt Service Fund:* Fund balance restricted for debt service increased from \$512,211 in the previous fiscal year to \$518,734 in the current fiscal year. Debt Service Fund revenues increased from \$768,283 in the previous fiscal year to \$973,968 in the current fiscal year due to an increase in the District's assessed valuation and an increase in the property tax rate allocated to the Debt Service Fund.
- *Governmental Activities:* On a government-wide basis for governmental activities, the District had revenues net of expenses of \$754,200. Net position increased from a deficit balance of \$1,602,989 to a deficit balance of \$848,789.

## OVERVIEW OF THE DISTRICT

The District was created by an order of the Commissioner's Court of Travis County, Texas on April 6, 1988, and confirmed by the electorate of the District at a confirmation election held on January 21, 1995. The District operates and maintains a water distribution system and a sewer treatment facility and collection system in Travis County, Texas under Chapter 54 of the Texas Water Code. The reporting entity of the District encompasses those activities and functions over which the District's elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors which has been elected by District residents or appointed by the Board of Directors. The District is not included in any other governmental "reporting entity" as defined by Statement No. 14 of the GASB, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Statements No. 14 and No. 39 which are included in the District's reporting entity.

# SENNA HILLS MUNICIPAL UTILITY DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2016

## USING THIS ANNUAL REPORT

This annual report consists of five parts:

1. *Management's Discussion and Analysis* (this section)
2. *Basic Financial Statements*
3. *Required Supplementary Information*
4. *Texas Supplementary Information* (required by the Texas Commission on Environmental Quality (the TSI section))
5. *Other Supplementary Information* (the OSI section)

For purposes of GASB 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Governmental Funds Total" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

## OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled "Governmental Funds Total") that represents a balance sheet prepared using the modified accrual basis of accounting. This method measures cash and all other financial assets that can be readily converted to cash. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

The *Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* includes a column (titled "Governmental Funds Total") that derives the change in fund balances resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances*.

The *Required Supplementary Information* presents a comparison statement between the District's adopted budget and its actual results.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

Summary Statement of Net Position

	<u>Activities</u>		Increase
	<u>2016</u>	<u>2015</u>	<u>(Decrease)</u>
Current and other assets	\$2,052,403	\$1,644,104	\$408,299
Capital and non-current assets	8,294,642	8,545,237	(250,595)
Total Assets	<u>10,347,045</u>	<u>10,189,341</u>	<u>157,704</u>
Current Liabilities	813,761	1,011,705	(197,944)
Long-term Liabilities	10,382,073	10,780,625	(398,552)
Total Liabilities	<u>11,195,834</u>	<u>11,792,330</u>	<u>(596,496)</u>
Net Investment in Capital Assets	(2,482,431)	(2,630,388)	147,957
Restricted	287,180	104,319	182,861
Unrestricted	<u>1,346,462</u>	<u>923,080</u>	<u>423,382</u>
Total Net Position	<u>\$ (848,789)</u>	<u>\$ (1,602,989)</u>	<u>\$754,200</u>

The District's combined net position increased by \$754,200 to a deficit balance of \$848,789 from the previous year deficit amount of \$1,602,989. Some of the District's assets are accounted for by capital assets or restricted for debt service. The District's unrestricted net assets, which can be used to finance day to day operations, totaled \$1,346,462.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

Revenues and  
Expenses:

Summary Statement of Activities

	Governmental Activities		Change Increase (Decrease)
	2016	2015	
Service accounts	\$866,537	\$904,279	\$ (37,742)
Property taxes	1,501,070	1,380,307	120,763
Other	20,500	88,477	(67,977)
<b>Total Revenues</b>	<b>2,388,107</b>	<b>2,373,063</b>	<b>15,044</b>
Water/sewer service	280,708	315,408	(34,700)
Repairs/maintenance	372,762	458,126	(85,364)
Contracted services	75,357	75,015	342
Professional fees	182,928	193,735	(10,807)
Other	83,387	85,559	(2,172)
Debt Service	388,170	402,376	(14,206)
Depreciation/Amortization	250,595	254,094	(3,499)
<b>Total Expenses</b>	<b>1,633,907</b>	<b>1,784,313</b>	<b>(150,406)</b>
Change in Net Position	754,200	588,750	165,450
Beginning Net Position	(1,602,989)	(2,191,739)	588,750
<b>Ending Net Position</b>	<b>\$ (848,789)</b>	<b>\$ (1,602,989)</b>	<b>\$754,200</b>

Revenues were \$2,388,107 for the fiscal year ended September 30, 2016 while expenses were \$1,633,907. Net position increased \$754,200.

Property taxes totaled \$1,501,070. Included in these taxes are real and personal property taxes which are assessed October 1 and payable before the following January 31.

The District's assessed value in fiscal year 2016 was approximately \$277 million compared to approximately \$255 million in fiscal year 2015. The tax rate is set after reviewing the operating and debt service requirements and appraised values determined by Travis County. The ad valorem tax rate for fiscal year 2016 and 2015 was \$0.5411 per \$100 assessed valuation. The District's primary revenue sources are service account fees and property taxes.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

ANALYSIS OF GOVERNMENTAL FUNDS

<u>Governmental Funds by Year</u>		
	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$1,901,342	\$1,479,839
Receivables and other assets	152,271	172,820
Total Assets	\$ 2,057,613	\$ 1,652,659
Accounts payable	103,546	130,074
Other payables	86,616	86,159
Total Liabilities	190,162	216,233
Deferred Inflows of Resources	3,324	1,586
Nonspendable	25,283	
Restricted	518,734	512,211
Unassigned	1,320,112	922,629
Total Fund Balance	1,864,129	1,434,840
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$2,057,615	\$1,652,659

For the fiscal year ended September 30, 2016, the District's governmental funds reflect a combined fund balance of \$1,864,129.

This fund balance includes a \$422,766 increase in the General Fund balance.

The Debt Service Fund reflects an increase of \$6,523 in fiscal year 2016. The Debt Service Fund remitted bond principal of \$395,000 and interest of \$565,938. More detailed information about the District's debt is presented in the *Notes to the Financial Statements*.

**BUDGETARY HIGHLIGHTS**

The *General Operating Fund* pays for daily operating expenses. On August 31, 2015, the Board of Directors approved a budget for the fiscal year ending September 30, 2016. The budget included revenues of \$1,368,209 as compared to expenses of \$1,310,668. When comparing actual to budget, the District had a positive variance of \$365,225. More detailed information about the District's budgetary comparison is presented in the *Required Supplementary Information*.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**CAPITAL ASSETS**

The District's governmental activities had invested \$8,294,642 in land and infrastructure. The detail is reflected in the following schedule:

	<u>Summary of Capital Assets, net</u>	
	<u>9/30/2016</u>	<u>9/30/2015</u>
Capital Assets:		
Land and Easements	\$ 50,000	\$ 50,000
Construction in progress		
Water/Wastewater/Drainage Facilities	10,835,131	10,835,131
Less: Accumulated Depreciation	<u>(2,590,489)</u>	<u>(2,339,894)</u>
Total Net Capital Assets	<u>\$8,294,642</u>	<u>\$8,545,237</u>

More detailed information about the District's capital assets is presented in the *Notes to the Financial Statements*.

**LONG TERM DEBT**

The District has the following balances outstanding on unlimited tax bonds:

	<u>Bonds Payable</u>
Series 2010	<u>\$4,740,000</u>
Series 2014	<u>5,980,000</u>
Total	<u>\$10,720,000</u>

The District owes approximately \$11 million to bond holders. During the year, the principal balance was reduced by \$395,000. More detailed information about the District's long-term debt is presented in the *Notes to the Financial Statements*.

**CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS**

The total assessed value for the 2016 tax year is approximately \$289 million and the net taxable assessed value is approximately \$288 million. The fiscal year 2017 tax rate is \$0.5411 on each \$100 of taxable value. Approximately 35% of the property tax will fund general operating expenses, and approximately 65% of the property tax will be set aside for debt service on the District's bonded debt.

The adopted budget for fiscal year 2017 projects an operating fund balance increase of \$96,720.



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**SENNA HILLS MUNICIPAL UTILITY DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
SEPTEMBER 30, 2016**

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Willatt & Flickinger, PLLC, 12912 Hill Country Blvd., Suite F-232, Austin, Texas, 78738.

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# FINANCIAL STATEMENTS



SENNA HILLS MUNICIPAL UTILITY DISTRICT  
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET  
SEPTEMBER 30, 2016

	General	Debt Service	Governmental Funds	Adjustments	Government - wide Statement of
	Fund	Fund	Total	Note 2	Net Position
<b>ASSETS</b>					
Cash and cash equivalents:					
Cash	\$ 179,851	\$ 223,992	\$ 403,843	\$	
Cash equivalents	1,197,545	299,954	1,497,499	-	\$ 403,843
Receivables:					1,497,499
Service accounts, provision					
for uncollectible accounts of \$1,000	120,059		120,059		120,059
Taxes, no provision for uncollectible accounts	1,067	2,257	3,324		3,324
Interfund receivables	5,212		5,212	(5,212)	
Other	2,395		2,395		2,393
Prepaid items	25,283		25,283		23,283
Capital assets, net of accumulated depreciation:					
Land and easements				50,000	50,000
Water/wastewater/drainage facilities			-	8,244,642	8,244,642
<b>TOTAL ASSETS</b>	<b>\$ 1, 1,412</b>	<b>\$ 526,203</b>	<b>\$ 2,057,615</b>	<b>8,289,430</b>	<b>10,347,045</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 103,546	\$	\$ 103,546		103,546
Refundable deposits	81,404		81,404		81,404
Accrued interest payable			-	233,811	233,811
Interfund payables		5,212	5,212	(5,212)	
Bonds payable:					
Due within one year				395,000	395,000
Due after one year				10,382,073	10,382,073
<b>TOTAL LIABILITIES</b>	<b>184,950</b>	<b>5,212</b>	<b>190,162</b>	<b>11,003,672</b>	<b>11,195,834</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property taxes	1,067	2,257	3,324	(3,324)	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,067</b>	<b>2,257</b>	<b>3,324</b>	<b>(3,324)</b>	<b>-</b>
<b>FUND BALANCES / NET POSITION</b>					
Fund balances:					
Nonspendable	25,283		25,283	(25,283)	
Restricted for debt service		518,734	518,734	(518,734)	-
Unassigned	1,320,112		1,320,112	(1,320,112)	-
<b>TOTAL FUND BALANCES</b>	<b>1,345,395</b>	<b>518,734</b>	<b>1,864,129</b>	<b>(1,864,129)</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,531,412</b>	<b>\$ 526,203</b>	<b>\$ 2,057,615</b>		
<b>NET POSITION:</b>					
Net investment in capital assets				(2,482,431)	(2,482,431)
Restricted for debt service				287,180	287,180
Unrestricted				1,346,462	1,346,462

TOTAL NET POSITION

\$ (848,789) \$ (848,789)

*The accompanying notes are an integral part of this statement.*

FS-1

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT**  
**OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SEPTEMBER 30, 2016**

	General	Debt Service	Governmental Funds	Adjustments	Government - wide Statement of
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>	Note 2	Activities
<b><u>REVENUES:</u></b>					
Service revenues, including penalties	\$866,537	\$	\$866,537	\$	\$866,537
Property taxes, including penalties and interest	529,515	969,817	1,499,332	1,738	1,501,070
System connection/inspection fees	100		100		100
Interest	5,079	4,151	9,230		9,230
Other	11,170		11,170		11,170
<b>TOTAL REVENUES</b>	<u>1,412,401</u>	<u>973,968</u>	<u>2,386,369</u>	<u>1,738</u>	<u>2,388,107</u>
<b><u>EXPENDITURES / EXPENSES:</u></b>					
Current:					
Water/wastewater purchases	280,708		280,708		280,708
Repairs/maintenance	372,762	-	372,762		372,762
Operations/management fee	75,357		75,357		75,357
Utilities/telephone	57,920		57,920		57,920
Director fees, including payroll taxes	10,819		10,819		10,819
Legal fees	66,333		66,333		66,333
Engineering fees	84,495		84,495		84,495
Accounting fees	22,350		22,350		22,350
Audit fees	9,750		9,750		9,750
Insurance	3,291		3,291		3,291
Tax appraisal/collection	3,007	5,507	8,514		8,514
Other	2,843		2,843		2,843
Debt service:					
Principal		395,000	395,000	(395,000)	
Interest		565,938	565,938	(178,768)	387,170
Fiscal agent fees	-	1,000	1,000		1,000
Depreciation				250,595	250,595
<b>TOTAL EXPENDITURES / EXPENSES</b>	<u>989,635</u>	<u>967,445</u>	<u>1,957,080</u>	<u>(323,173)</u>	<u>1,633,907</u>
Change in fund balances / net position	<del>422,766</del> 922,629	<del>6,523</del> 512,211	<del>429,289</del> 1,434,840	324,911	754,200
<b><u>FUND BALANCES / NET POSITION:</u></b>					
Beginning of the year	<u>\$ 1,345,395</u>	<u>\$ 518,734</u>	<u>\$ 1,864,129</u>	<u>(3,037,829)</u>	<u>(1,602,989)</u>
End of the year				<u>\$ (2,712,918)</u>	<u>\$ (848,789)</u>



*The accompanying notes are an integral part of this statement.*

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NOTES TO THE  
FINANCIAL STATEMENTS



**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of the Senna Hills Municipal Utility District (the “District”) relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles (“GAAP”) as applied to governmental entities. Generally accepted accounting principles for local governments include those principles prescribed by the *Governmental Accounting Standards Board* (“GASB”), which constitutes the primary source of GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

*Reporting Entity* - The District was created by an order of the Commissioner’s Court of Travis County, Texas on April 6, 1988, and confirmed by the electorate of the District at a confirmation election held on January 21, 1995. The District operates and maintains a water distribution system and a sewer treatment facility and collection system in Travis County, Texas under Chapter 54 of the Texas Water Code. The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors which has been elected by District residents or appointed by the Board of Directors. The District is not included in any other governmental “reporting entity” as defined by GASB standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in GASB standards which are included in the District’s reporting entity.

*Basis of Presentation - Government-wide and Fund Financial Statements* - These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

GASB Codification sets forth standards for external financial reporting for all state and local government entities, which include a requirement for a Statement of Net Position and a Statement of Activities. It requires the classification of net position into three components: Net Investment in Capital Assets; Restricted; and Unrestricted. These classifications are defined as follows:

- Net Investment in Capital Assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position - This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

SENNA HILLS MUNICIPAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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1. SIGNIFICANT ACCOUNTING POLICIES (continued) —

The financial statements are prepared in conformity with GASB Statement No. 34, and include a column for government-wide (based upon the District as a whole) and fund financial statement presentations. GASB Statement No. 34 also requires as supplementary information Management's Discussion and Analysis, which includes an analytical overview of the District's financial activities. In addition, a budgetary comparison statement is presented that compares the adopted General Fund budget with actual results.

- **Government-wide Statements:** The District's Statement of Net Position includes both non-current assets and non-current liabilities of the District, which were previously recorded in the General Fixed Assets Account Group and the General Long-Term Debt Account Group. In addition, the government-wide Statement of Activities column reflects depreciation expense on the District's capital assets, including infrastructure.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from financial activities of the fiscal period. The focus of the fund financial statements is on the individual funds of the governmental categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

- **Fund Financial Statements:** Fund based financial statement columns are provided for governmental funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures of either fund category) for the determination of major funds. All of the District's funds are reported as major funds.

*Governmental Fund Types* - The accounts of the District are organized and operated on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The various funds are grouped by category and type in the financial statements. The District maintains the following fund types:

- **General Fund** - The General Fund accounts for financial resources in use for general types of operations which are not encompassed within other funds. This fund is established to account for resources devoted to financing the general services that the District provides for its residents. Tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund.

**Debt Service Fund** - The Debt Service Fund is used to account for the resources restricted, committed or assigned for the payment of debt principal, interest and related costs.

*Non-current Governmental Assets and Liabilities* - GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the government-wide financial statement column in the Statement of Net Position.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued) —**

*Basis of Accounting*

*Government-wide Statements* - The government-wide financial statement column is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

*Fund Financial Statements* - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the net current assets. Governmental funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e. both measurable and available).

"Measurable" means that the amount of the transaction can be determined and "available" means the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures, if measurable, are generally recognized on the accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include the unmatured principal and interest on general obligation long-term debt which is recognized when due. This exception is in conformity with generally accepted accounting principles.

Property tax revenues are recognized when they become available. In this case, available means when due or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as deferred revenue. All other revenues of the District are recorded on the accrual basis in all funds.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

SENNA HILLS MUNICIPAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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1. SIGNIFICANT ACCOUNTING POLICIES (continued) —

*Budgets and Budgetary Accounting* - An unappropriated budget was adopted on August 31, 2015, for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. All annual appropriations lapse at fiscal year-end. The budget was not amended during the fiscal year.

*Pensions* - The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that Directors are considered to be "employees" for federal payroll tax purposes only.

*Cash and Cash Equivalents* - Cash and cash equivalents includes cash on deposit as well as investments with maturities of three months or less. The investments, consisting of LOGIC Liquid Asset Investment Pool, are recorded at amortized cost.

*Accounts Receivable* - The District provides for uncollectible service accounts receivable using the allowance method of accounting for bad debts. Under this method of accounting, a provision for uncollectible accounts is charged to earnings. The allowance account is increased or decreased based on past collection history and management's evaluation of accounts receivable. All amounts considered uncollectible are charged against the allowance account, and recoveries of previously charged off accounts are added to the allowance. The District had an allowance for uncollectible accounts of \$1,000 at September 30, 2016.

*Capital Assets* - Capital assets, which include land and easements and water, wastewater and drainage facilities, are reported in the government-wide column in the Statement of Net Position. Public domain ("infrastructure") capital assets, including water, wastewater and drainage systems, are capitalized. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at their estimated acquisition value at the time received. Interest incurred during construction of capital facilities is not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Water, Wastewater and Drainage System

10 - 50

*Interfund Transactions* - Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay that amount and if the debtor fund has 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.

SENNA HILLS MUNICIPAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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1. SIGNIFICANT ACCOUNTING POLICIES (continued) —

*Long-Term Debt* - Unlimited tax bonds, which have been issued to fund capital projects, are to be repaid from tax revenues of the District.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

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

*Fund Balance* - Fund balances in governmental funds are classified using the following hierarchy:

- *Nonspendable*: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- *Restricted*: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.
- *Committed*: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.
- *Assigned*: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District does not have any assigned fund balances.
- *Unassigned*: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

*Accounting Estimates* - The preparation of financial statements in conformity with accounting principles generally accepted in the United States America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.



SENNA HILLS MUNICIPAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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1. SIGNIFICANT ACCOUNTING POLICIES (continued) —

*Fair Value Measurements* - The District implemented GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity
- Level 3 are unobservable inputs that reflect the entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available

There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations

Implementation of GASB Statement No. 72 did not have a significant impact on the District's financial statements for the year ended September 30, 2016.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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2. RECONCILIATION OF THE GOVERNMENTAL FUNDS -

Adjustments to convert the Governmental Funds Balance Sheet to the Statement of Net Position are as follows:

Fund Balances - Total Governmental Funds		\$1,864,129
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds-		
Capital assets	\$10,885,131	
Less: Accumulated depreciation	<u>(2,590,489)</u>	8,294,642
Revenue is recognized when earned in the government statements, regardless of availability. Governmental funds report deferred revenue for revenues earned but not available		3,324
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable	\$ (10,720,000)	
Bond discounts, net	59,056	
Bond premiums, net	(116,129)	
Accrued interest	<u>(233,811)</u>	<u>(11,010,884)</u>
Net Position - Governmental Activities		<u>\$ (848,789)</u>

Adjustments to convert the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities are as follows :

Changes in Fund Balances - Governmental Funds		\$429,289
Amounts reported for governmental activities in the Statement of activities are different because:		
Governmental funds report:		
Bond principal payments as expenditures	\$395,000	
Interest expenditures in year paid	178,768	
Tax revenue when collected	<u>1,738</u>	575,506
Governmental funds do not report:		
Depreciation		<u>(250,595)</u>
Change in Net Position - Governmental Activities		<u>\$754,200</u>

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SENNA HILLS MUNICIPAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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3. CASH AND INVESTMENTS

The investment policies of the District are governed by State statute and an adopted District investment policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's investment policy include: depositories must be FDIC-insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; securities collateralizing time deposits are held by independent third party trustees.

*Cash* - At September 30, 2016, the carrying amount of the District's deposits was \$403,843 and the bank balance was \$492,405. The bank balance was covered by federal depository insurance and other pledged collateral.

*Investments* -

*Interest rate risk.* In accordance with its investment policy, the District manages its exposure to declines in fair values through investment diversification and limiting investments as follows:

- Money market mutual funds are required to have weighted average maturities of 90 days or fewer; and
- Other mutual fund investments are required to have weighted average maturities of less than two years.

*Credit risk.* The District's investment policy requires the application of the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, and considering the probable safety of their capital as well as the probable income to be derived. The District's investment policy required that District funds be invested in:

- Obligations of the United States Government and or its agencies and instrumentalities;
- Money market mutual funds with investment objectives of maintaining a stable net asset value of \$1 per share;
- Mutual funds rated in one of the three highest categories by a nationally recognized rating agency; and
- Securities issued by a State or local government or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency; and
- Public funds investment pools rated AAA or AAAM by a nationally recognized rating agency.

SENNA HILLS MUNICIPAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

**3. CASH AND INVESTMENTS (continued) —**

At September 30, 2016, the District held the following investments:

	Fair Value	Governmental Fund		Investment Rating	
		General	Debt Service		
Investment	at 9/30/2016	Unrestricted	Restricted (1)	Rating	Rating Agency
LOGIC	1,497,499	\$ 1,197,545	\$ 299,954	AAAm	Standard & Poors
	\$	_____	=====		

(1) Restricted for payment of debt service and cost of assessing and collecting taxes.

The District invests in LOGIC Liquid Asset Investment Pool (LOGIC), a public funds investment pool created pursuant to the Interlocal Cooperation Act of the State of Texas. The District has delegated the authority to hold legal title to LOGIC as custodian and to make investment purchases with the District's funds.

LOGIC is a member-owned, member-governed public funds investment pool. The Board of Trustees, who have governance responsibilities, is comprised of participants in LOGIC and members of the Texas Association of School Business Officials (TASBO).

The District has investments in the Liquidity Asset Fund. The Liquidity Asset Fund operates in a manner consistent with the Securities and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. These investments are stated at amortized cost in accordance with GASB Statement No. 31.

*Concentration of credit risk.* In accordance with the District's investment policy, investments in individual securities are to be limited to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. As of September 30, 2016, the District did not own any investments in individual securities.

*Custodial credit risk-deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The government's investment policy requires that the District's deposits be fully insured by FDIC insurance or collateralized with obligations of the United States or its agencies and instrumentalities. As of September 30, 2016, the District's bank deposits were covered by FDIC insurance and other pledged collateral.



**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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4. PROPERTY TAXES

Property taxes attach, as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Travis Central Appraisal District established appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Travis County Tax Assessor Collector bills and collects the District's property taxes. The Board of Directors set tax rates for the 2015 tax year on September 24, 2015.

The property tax rates, established in accordance with State law, were based on 100% of the net assessed valuation of real property within the District on the 2015 tax roll. The tax rate, based on total taxable assessed valuation of \$277,058,165 was \$0.5411 on each \$100 valuation and was allocated as follows:

	<u>Tax Rate</u>
General Fund	\$0.1911
Debt Service Fund	<u>0.3500</u>
	<u>\$0.5411</u>

The maximum allowable maintenance tax of \$1.00 was established by the voters on January 21, 1995.

Property taxes receivable at September 30, 2016, consisted of the following:

	General Fund	Debt Service Fund	Total
Current year levy	\$ 617	<b>\$ 1,130</b>	<b>\$ 1,747</b>
Prior years' levies	450	1,127	1,577
	<u><b>\$1,067</b></u>	<u><b>\$2,257</b></u>	<u><b>\$3,324</b></u>

The District is prohibited from writing off real property taxes without specific authority from the Texas Legislature.

SENNA HILLS MUNICIPAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

5. INTERFUND ACCOUNTS

A summary of interfund accounts at September 30, 2016, is as follows:

	Interfund	
	Receivables	Payables
General Fund -		
Debt Service Fund	\$5,212	\$
Debt Service Fund -		
General Fund		5,212
	\$ 5,212	\$ 5,212

6. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance 10/1/2015	Additions	Deletions	Balance 9/30/2016
Capital assets not being depreciated:				
Land and easements	\$50,000	\$	\$	\$50,000
Total Capital assets not being depreciated	50,000			50,000
Capital assets being depreciated:				
Water/Wastewater/Drainage System	10,835,131			10,835,131
Total capital assets being depreciated	10,835,131			10,835,131
Less accumulated depreciation for:				
Water/Wastewater/Drainage System	(2,339,894)	(250,595)	-	(2,590,489)
Total accumulated depreciation	(2,339,894)	(250,595)	-	(2,590,489)
Total capital assets being depreciated, net of accumulated depreciation	8,495,237	(250,595)	-	8,244,642
Total capital assets, net	\$8,545,237	\$ (250,595)	\$ -	\$8,294,642



SENNA HILLS MUNICIPAL UTILITY DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2016

7. BONDED DEBT

The following is a summary of bond transactions of the District for the year ended September 30, 2016:

	Combination Unlimited Tax Bonds
Bonds payable at October 1, 2015	\$ 11,115,000
Bonds issued	
Bonds refunded	
Bonds retired	(395,000)
Bond discount, net of accumulated amortization	(59,056)
Bond premium, net of accumulated amortization	116,129
Bonds payable at September 30, 2016	\$ 10,777,073

Bonds payable at September 30, 2016, were comprised of the following individual issues:

Unlimited Tax and Waterworks and Sewer System Revenue Refunding Bonds:

\$4,740,000 - 2010 Unlimited Tax and Waterworks and Sewer System Revenue Refunding Bonds paid serially through the year 2033 at interest rates which range from 2.00% to 4.50%. Bonds maturing on August 15th of each of the years on or after 2021 are redeemable on August 15, 2020 or on any date thereafter. Bonds maturing on August 15, 2026, 2028, 2030 and 2033 are subject to mandatory redemption.

\$5,980,000 - 2014 Unlimited Tax and Waterworks and Sewer System Revenue Refunding Bonds paid serially through the year 2033 at interest rates which range from 2.00% to 4.00%. Current interest bonds maturing on or after August 15, 2024 are subject to optional redemption on February 15, 2024 or on any date thereafter. Capital appreciation bonds are not subject to redemption prior to stated maturity.

The annual requirement to amortize all bonded debt at September 30, 2016, including interest, is as follows:

Year Ended September 30,	Principal	Interest	Total
2017	\$395,000	<del>\$</del> 567,032	\$962,032
2018	595,000	366,444	961,444
2019	610,000	350,593	960,593
2020	625,000	334,295	959,295
2021	650,000	315,562	965,562
2022 - 2026	3,325,000	1,242,500	4,567,500
2027 - 2031	3,210,000	643,226	3,853,226
2032 - 2033	1,310,000	81,375	1,391,375
	\$10,720,000	\$3,901,027	\$14,621,027

SENNA HILLS MUNICIPAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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7. BONDED DEBT (continued) -

A portion of the Series 2014 bonds were capital appreciation bonds, commonly referred to as “premium compound interest bonds”. These bonds were issued at a discount to their par or maturity value and will accrete interest until maturity. The interest shown above includes the interest to be paid on the bonds maturing in the respective years and does not include accrued interest on bonds not maturing in those years.

\$518,734 is available in the Debt Service Fund to service the bonded debt. Bonds authorized but not issued amounted to \$1,105,000 at September 30, 2016.

8. LINE OF CREDIT

On April 25, 2014, the District secured a line of credit of \$200,000, which was renewed by the District on March 20, 2016. Collateral for the line of credit includes all tax receipts, tax receivables, tax payments, tax obligations, receivables and other such rights to payments of any nature. Interest on the line of credit currently accrues at the greater of prime plus 1% or 4.50%. As of September 30, 2016, the interest rate on the line of credit was 4.50%. All principal and accrued unpaid interest is due and payable in full on or before April 15, 2017. As of and for the year ended September 30, 2016, the District has not drawn on the balance of the line of credit.

9. COMMITMENTS AND CONTINGENCIES

On June 22, 2012, the District entered into an agreement with the Lower Colorado River Authority (“LCRA”) that replaced an earlier agreement dated January 11, 1993 and amended March 25, 1999. Under this agreement, the District is entitled to a maximum quantity of 404 acre feet of raw water. The District is charged \$151 per acre-foot for water usage and \$75.50 per acre-foot for reserved capacity.

On September 2, 1994, the District entered into a water supply agreement with the LCRA. The term of the agreement is for 40 years. Under this agreement, the LCRA agrees to provide certain water services to the District for raw water which the District purchases pursuant to the District’s Raw Water Contract. The District is obligated to pay the LCRA a connection fee for each new retail water connection. Additionally, the District pays a monthly charge each month and a volume rate for the amount of water delivered to the District. During a prior fiscal year, this agreement was assigned by the LCRA to the West Travis County Public Utility Agency.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2016**

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**10. RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained coverage from commercial insurance companies and the Texas Municipal League Intergovernmental Risk Pool (the "TML Pool") to effectively manage its risk. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

The TML Pool was established by various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool Board. Rates are estimated to include all claims expected to occur during the policy including claims incurred but not reported. The TML Pool has established Claims Reserves for each of the types of insurance offered. Although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contribution rate for subsequent years. Members may receive returns of contributions if actual results are more favorable than estimated.

**11. SUBSEQUENT EVENTS**

On December 29, 2016, the District issued \$1,105,000 of Unlimited Tax and Waterworks and Sewer System Revenue Bonds, Series 2016. Proceeds of the bonds will be used to fund an expansion to the wastewater treatment plant and associated engineering fees. The Series 2016 bonds were sold with interest rates ranging from 3.0% - 4.0% and principal maturities through August 2036.

**12. PENDING LITIGATION**

Cause No. D-1-GN-12-000602; Senna Hills, Ltd., Plaintiff v. Senna Hills Municipal Utility District, Defendant in the District Court of Travis County, Texas; 250<sup>th</sup> Judicial District. In this case, Senna Hills, Ltd. complains that Senna Hills MUD installed a wastewater line in a public utility easement. A Motion for Partial Summary Judgment filed by Senna Hills, Ltd. was denied. The possibility of an outcome adverse to the MUD in this litigation is remote.

SENNA HILLS MUNICIPAL UTILITY DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2016

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12. PENDING LITIGATION (continued) -

Cause No. D-1-GN-14-004993; Senna Hills, Ltd., Plaintiff v. Senna Hills Municipal Utility District, Defendant in the District Court of Travis County, Texas; 200<sup>th</sup> Judicial District. In this case the Plaintiff seeks to build an office building on a tract of land of approximately 11.73 acres. The land is addressed in the Conceptual Plan attached to the First Amended and Restated Agreement Concerning Creation and Operation of Senna Hills Municipal Utility District, by and between the Plaintiff, the City of Austin and the District, dated effective as of October 1, 1992. The 11.73 acres is identified on the Conceptual Plan attached to the Consent Agreement as “Lot 3” and “Lot 4”. Lot 3 is a 10 acre tract on which is written “School (irrigation ESMT).” Lot 4 is a 1.73 acre tract on which is written “Irrigation.” The Plaintiff contends that the requirement that the 11.73 acre tract be dedicated or set aside as land available to the MUD for irrigation purposes can be eliminated by the City of Austin Director of Planning and Development without the consent of the MUD. Plaintiff’s petition has been amended to add a claim against the District for inverse condemnation of the 11.73 acre tract, with no amount of damages specified and to request a declaratory judgment finding and declaring that the TCEQ permit held jointly by the Plaintiff and the District should be amended to allow irrigation on tracts of less than 15% slope. The report prepared by the District’s engineer shows that the District requires a part of the 11.73 acre tract for irrigation. The District’s engineer has been deposed and limited written discovery has been conducted. The City of Austin has been made a party to this case. Mediation of this case was held jointly with Cause No. D-1-GN-12- 000602 on January 21, 2016. The outcome of this case cannot be predicted at this time.

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REQUIRED SUPPLEMENTARY  
INFORMATION



SENNA HILLS MUNICIPAL UTILITY DISTRICT  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 SEPTEMBER 30, 2016

	<u>Actual</u>	<u>Original and Final Budget</u>	Variance Positive (Negative)
<b>REVENUES:</b>			
Service revenues, including penalties	\$866,537	\$839,043	\$27,494
Property taxes, including penalties	529,515	529,166	349
Interest	5,079	-	5,079
Other	11,170	-	11,170
<b>TOTAL REVENUES</b>	<u>1,412,401</u>	<u>1,368,209</u>	<u>44,192</u>
<b>EXPENDITURES:</b>			
Current:			
Water/wastewater purchases	280,708	338,799	58,091
Repairs/maintenance	372,762	459,600	86,838
Operations/management fees	75,357	75,600	243
Utilities/telephone	57,920	69,300	11,380
Director fees, including payroll taxes	10,819	9,720	(1,099)
Legal fees	66,333	66,000	(333)
Engineering fees	84,495	48,000	(36,495)
Accounting fees	22,350	22,350	
Audit fees	9,750	10,000	250
Insurance	3,291	3,200	(91)
Tax appraisal/collection	3,007	5,100	2,093
Other	2,843	2,999	156
Capital outlay		<u>200,000</u>	<u>200,000</u>
<b>TOTAL EXPENDITURES</b>	<u>989,635</u>	<u>1,310,668</u>	<u>321,033</u>
Change in fund balance	422,766	<u><b>\$57,541</b></u>	<u><b>\$365,225</b></u>
<b>FUND BALANCE:</b>			
Beginning of the year	<u>922,629</u>		
End of the year	<u><b>\$1,345,395</b></u>		





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TEXAS SUPPLEMENTARY  
INFORMATION



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**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-I. SERVICES AND RATES**  
**SEPTEMBER 30, 2016**

1. Services Provided by the District during the Fiscal Year:

Retail Water	Wholesale Water	Drainage
Retail Wastewater	Wholesale Wastewater	Irrigation
Parks/Recreation	Fire Protection	Security
Solid Waste/Garbage	Flood Control	Roads
Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)		

Other (specify): \_\_\_\_\_

2. Retail Service Providers

a. Retail Rates Based on 5/8" Meter (or equivalent):

	Minimum <u>Charge</u>	Minimum <u>Usage</u>	Flat Rate <u>Y/N</u>	Rate per <b>1000</b> Gallons Over <u>Minimum</u>	Usage <u>Levels</u>
WATER:	<u>\$28.12</u>	_____	<u>N</u>	<u>\$5.05</u>	0,001-20,000
				<u>\$7.00</u>	20,001-30,000
				<u>\$9.00</u>	30,001-45,000
				<u>\$10.00</u>	45,001-60,000
				<u>\$12.00</u>	60,001-75,000
				<u>\$14.00</u>	Over 75,000
WASTEWATER:	<u>\$70.00</u>	<u>10,000</u>	<u>N</u>	<u>\$2.85</u>	10,001 andover
SURCHARGE:	<u>\$</u>	_____	_____	<u>\$</u>	_____

District employs winter averaging for wastewater usage?      Yes       No

Total charges per 10,000 gallons usage:    Water    \$ 78.62      Wastewater    \$ 70.00

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's</u>
Unmetered	<u>0.0</u>	<u>0.0</u>	1.0	<u>0.0</u>
< 3/4"	<u>405.0</u>	<u>405.0</u>	1.0	<u>405.0</u>
1"	<u>5.0</u>	<u>5.0</u>	2.5	<u>12.5</u>
1 1/2"	<u>1.0</u>	<u>1.0</u>	5.0	<u>5.0</u>
2"	<u>1.0</u>	<u>1.0</u>	d.0	<u>8.0</u>
3"	<u>0.0</u>	<u>0.0</u>	15.0	<u>0.0</u>
4"	<u>0.0</u>	<u>0.0</u>	25.0	<u>0.0</u>
6"	<u>0.0</u>	<u>0.0</u>	50.0	<u>0.0</u>
8"	<u>0.0</u>	<u>0.0</u>	80.0	<u>0.0</u>
10"	<u>0.0</u>	<u>0.0</u>	115.0	<u>0.0</u>
Total Water	<u>412.0</u>	<u>412.0</u>		<u>430.5</u>
Total Wastewater	<u>405.0</u>	<u>405.0</u>	1.0	<u>405.0</u>

**SENNA HILLS MUNICIPAL UTILITY DISTRICT  
TSI-I. SERVICES AND RATES  
SEPTEMBER 30, 2016**

---

3. Total Water **Consumption during the Fiscal Year** (rounded to the nearest thousand):

Gallons pumped into system: \_\_\_\_\_ 78,983 \_\_\_\_\_

Gallons billed to customers: \_\_\_\_\_ 65,841 \_\_\_\_\_

<u>Water Accountabilitv Ratio</u> (Gallons billed / Gallons Pumped) 83.4%
---

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District assess standby fees? Yes  No

If yes, Date of the most recent Commission Order: \_\_\_\_\_

Does the District have Operation and Maintenance standby fees? Yes  No

If yes, Date of the most recent Commission Order: \_\_\_\_\_

5. **Location of District**

County(ies) in which district is located: \_\_\_\_\_ Travis \_\_\_\_\_

Is the District located entirely within one county? Yes  No

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

City(ies) in which district is located: \_\_\_\_\_ N/A \_\_\_\_\_

Is the District located within a city's extra territorial jurisdiction (ETJ)?

Entirely  Partly  Not at all

ETJ's in which district is located: \_\_\_\_\_ Austin, Texas \_\_\_\_\_

Are Board members appointed by an office outside the district?

Yes  No

If Yes, by whom? \_\_\_\_\_

SENNA HILLS MUNICIPAL UTILITY DISTRICT  
 TSI-2. GENERAL FUNDEXPENDITURES  
 SEPTEMBER 30, 2016

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Professional Fees:	
Auditing	\$9,750
Legal	66,333
Engineering	84,495
Purchased Services For Resale-	
Bulk Water and Wastewater Purchases	280,708
Contracted Services:	
General Manager / Bookkeeping	97,707
Appraisal District/Tax Collector	3,007
Utilities	57,920
Repairs and Maintenance	372,762
Administrative Expenditures:	
Directors' Fees	10,819
Insurance	3,291
Other Administrative Expenditures	2,843
Capital Outlay:	
Capitalized Assets	_____
TOTAL EXPENDITURES	<u>\$989,635</u>

Number of persons employed by the District:	Full-Time	Part-Time
---	-----------	-----------



**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-3. TEMPORARY INVESTMENTS SEPTEMBER**  
**30, 2016**

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<b>General Fund:</b>					
Logic Investment Pool	XXX80I 0	Varies	N/A	<u>\$1,197,545</u>	<u>\$</u>
Total				<u>1,197,545</u>	<u>-</u>
<b>Debt Service Fund:</b>					
Logic Investment Pool	XXX8020	Varies	N/A	273,247	
Logic Investment Pool	XXX8050	Varies	N/A	<u>26,707</u>	<u></u>
Total				<u>299,954</u>	<u></u>
<b>Total - All Funds</b>				<u><b>\$1,497,499</b></u>	<u><b>\$</b></u>

TSI-3

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-4. TAXES LEVIED AND RECEIVABLE**  
 SEPTEMBER 30, 2016

	Maintenance Taxes	Debt Service Taxes
Taxes Receivable, <b>Beginning</b> of Year	\$ 451	<b>\$ 1,135</b>
2015 Original Tax Levy, less abatements	529,466	969,719
Adjustments	(8)	(15)
Total to be accounted for	529,909	970,839
Tax collections:		
Current year	528,841	968,574
Prior years	1	8
Total collections	528,842	968,582
Taxes Receivable, End of Year	\$ 1,067	\$ 2,257
Taxes Receivable, By Years		
2014 and before	<b>\$ 450</b>	\$ 1,127
2015	617	1,130
Taxes Receivable, <b>End</b> of Year	<b>\$ 1,067</b>	\$ 2,257

	2015	2014	2013	2012
Property Valuations-				
Land and improvements	<b>\$277,058,165</b>	\$254,710,681	\$232,108,431	\$217,425,434
Total Property Valuations	<b>\$277,058,165</b>	\$254,710,681	\$232,108,431	\$217,425,434
Tax Rates per <b>\$100</b> Valuation:				
Debt Service tax rates	<b>\$0.3500</b>	\$0.3000	\$0.3100	\$0.3200
Maintenance tax rates	0.1911	0.2411	0.2390	0.2290
Total Tax Rates per \$100 Valuation:	<b>\$0.5411</b>	\$0.5411	\$0.5490	\$0.5490
Original Tax Levy	\$1,499,162	\$1,378,612	\$1,274,671	\$1,193,666
Percent of Taxes Collected to Taxes Levied **	99.9%	99.9%	99.9%	99.9%

Maximum Maintenance Tax Rate Approved by Voters: \$ 1.00 on 1/21/1995.

\*\*Calculated as taxes collected in current and previous years divided by tax levy.

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS**  
**SEPTEMBER 30, 2016**

Fiscal Year Ending	Unlimited Tax Refunding Bonds Series 2010			Unlimited Tax Refunding Bonds Series 2014			Total - All Issues		
	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total	Principal Due 8/15	Interest Due 2/15, 8/15	Total
2017	\$ 385,000	\$ 172,675	\$ 557,675	\$ 10,000	\$ 394,357	\$ 404,357	\$ 395,000	\$ 567,032	\$ 962,032
2018	395,000	162,088	557,088	200,000	204,356	404,356	595,000	366,444	961,444
2019	410,000	150,237	560,237	200,000	200,356	400,356	610,000	350,593	960,593
2020	415,000	137,938	552,938	210,000	196,357	406,357	625,000	334,295	959,295
2021	440,000	123,931	563,931	210,000	191,631	401,631	650,000	315,562	965,562
2022	455,000	108,531	563,531	210,000	186,119	396,119	665,000	294,650	959,650
2023	470,000	92,038	562,038	220,000	180,344	400,344	690,000	272,382	952,382
2024	405,000	74,413	479,413	225,000	173,744	398,744	630,000	248,157	878,157
2025	145,000	58,212	203,212	515,000	166,712	681,712	660,000	224,924	884,924
2026	135,000	52,412	187,412	545,000	149,975	694,975	680,000	202,387	882,387
2027	130,000	47,013	177,013	570,000	132,262	702,262	700,000	179,275	879,275
2028	120,000	41,650	161,650	610,000	112,313	722,313	730,000	153,963	883,963
2029	175,000	36,700	211,700	395,000	90,200	485,200	570,000	126,900	696,900
2030	175,000	29,262	204,262	420,000	74,400	494,400	595,000	103,662	698,662
2031	165,000	21,826	186,826	450,000	57,600	507,600	615,000	79,426	694,426
2032	165,000	14,400	179,400	480,000	39,600	519,600	645,000	54,000	699,000
2033	155,000	6,975	161,975	510,000	20,400	530,400	665,000	27,375	692,375
	\$ 4	\$ 1 .301	\$ 6,070.301	\$ SQ.000	\$ 2, .726	\$ 8,550,726	\$ 10, .000	\$ 3,901,027	\$ 14,621,027

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-6. CHANGES IN LONG-TERM BONDED DEBT**  
**SEPTEMBER 30, 2016**

	<b>Bond Issues</b>		
	<u>Series 2010</u>	<u>Series 2014</u>	<u>Total</u>
Interest Rate	2.00% - 4.50%	2.00% to 4.00%	
Dates Interest Payable	2/15, 8/15	2/15, 8/15	
Maturity Dates	8/15/2033	8/15/2033	
Bonds Outstanding at Beginning of Current Fiscal Year	<b>\$ 5,115,000</b>	<b>\$6,000,000</b>	<b>\$11,115,000</b>
Bonds Sold During the Current Fiscal Year			
Retirements During the Current Fiscal Year:			
Principal	(375,000)	(20,000)	(395,000)
Refunded			
Bonds Outstanding at End of Current Fiscal Year	<b>\$4,740,000</b>	<b>\$5,980,000</b>	<b>\$10,720,000</b>
Interest Paid During the Current Fiscal Year	<b>\$ 181,582</b>	<b>\$ 384,356</b>	<b>\$ 565,938</b>
Paying Agent's Name & Address:	<u>Wells Fargo Bank</u> <u>Austin, TX</u>	<u>Bank of Texas</u> <u>Austin, TX</u>	
Bond Authority:	<u>Tax Bonds</u>	<u>Refunding Bonds *</u>	
Amount Authorized by Voters	<b>\$16,000,000</b>	N/A	
Amount Issued	<u>(14,895,000)</u>	<u>\$12,505,000</u>	
Remaining To Be Issued	<b>\$1,105,000</b>	N/A	

\* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

Debt Service Fund Cash and Temporary Investments balances as of September 30, 2016: \$ 523,946

Average Annual Debt Service Payment (Principal & Interest) for the remaining term of all debt: \$ 860,060

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES -**  
**GENERAL AND DEBT SERVICE FUNDS - FIVE YEARS**  
**SEPTEMBER 30, 2016**

	Amounts					Fund Total Revenues				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
<b>GENERAL FUND REVENUES:</b>										
penalties and interest	5,529,545	\$ 6,196,196	\$ 5,544,411	5,497,934	5,181,348	37.5%	53.9%	40.9%	38.8%	21.6%
Service revenues, including penalties	866,557	904,229	799,711	319,896	682,060	6.4%	32.6%	59.0%	35.9%	38.3%
Tap fees	100	150	500	-	-	0.1%	0.1%	0.1%	-	-
Settlement proceeds	-	85,280	-	-	-	-	5.0%	-	-	-
Interest	5,079	201	200	181	36	0.4%	-	-	-	-
Transfers In	-	110,188	418	349,714	-	0.8%	6.4%	-	22.3%	-
Other	1,170	826	-	-	1,438	-	-	-	-	0.2%
<b>TOTAL GENERAL FUND REVENUES AND OTHER SOURCES</b>	<b>1,412,401</b>	<b>1,717,620</b>	<b>1,355,300</b>	<b>1,566,925</b>	<b>870,882</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>GENERAL FUND EXPENDITURES:</b>										
Repairs/maintenance	280,708	315,408	329,435	524,857	433,229	19.9%	18.4%	24.4%	26.9%	50.3%
Operations/management fees	302,762	438,419	476,813	92,682	165,873	26.4%	26.7%	34.8%	33.3%	19.0%
Utilities/telephone	53,970	78,027	78,027	58,711	74,683	5.1%	4.4%	5.6%	1.9%	6.6%
	57,920	61,322	61,322	48,460	48,460	4.1%	3.6%	4.4%	3.7%	3.6%
	66,533	76,185	83,817	55,693	71,364	4.7%	4.4%	6.2%	3.6%	8.2%
	84,498	81,900	104,913	44,116	54,339	6.0%	5.0%	7.7%	2.8%	6.2%
Legal fees	22,350	22,350	22,350	22,350	12,600	4.7%	4.4%	6.2%	3.6%	8.2%
Engineering fees	9,750	9,300	8,900	8,900	11,000	6.0%	5.0%	7.7%	2.8%	6.2%
Accounting fees	8,291	3,228	22,350	2,587	2,170	1.6%	1.3%	1.6%	1.4%	1.4%
Audit fees	9,007	3,734	9,000	3,977	1,067	0.7%	0.5%	0.7%	0.6%	1.3%
Insurance	2,845	1,998	3,062	3,306	-	0.2%	0.2%	0.2%	0.2%	0.2%
Tax appraisal/collection	-	-	4,190	1,066	-	0.2%	0.2%	0.3%	0.3%	0.1%
Capital Outlay	-	91,629	-	5,000	153,635	-	5.4%	-	0.3%	17.6%
<b>TOTAL GENERAL FUND EXPENDITURES AND OTHER USES</b>	<b>989,635</b>	<b>1,216,811</b>	<b>1,167,483</b>	<b>1,243,943</b>	<b>1,052,257</b>	<b>70.1%</b>	<b>70.8%</b>	<b>86.1%</b>	<b>79.4%</b>	<b>120.8%</b>
<b>EXCESS (DEFICIENCY) OF GENERAL FUND REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ 412,766</b>	<b>\$ 500,809</b>	<b>\$ 187,817</b>	<b>\$ 322,982</b>	<b>\$ (181,375)</b>	<b>29.9%</b>	<b>29.2%</b>	<b>13.9%</b>	<b>20.6%</b>	<b>20.8%</b>
<b>DEBT SERVICE FUND REVENUES:</b>										
Property taxes, including penalties and interest	\$ 969,817	\$ 766,810	\$ 717,034	\$ 595,206	\$ 890,208	99.6%	98.8%	99.1%	99.2%	99.3%
Interest and other	4,151	1,473	3,403	5,958	4,729	0.4%	0.2%	0.5%	0.8%	0.3%
<b>TOTAL DEBT SERVICE FUND REVENUES AND OTHER SOURCES</b>	<b>973,968</b>	<b>768,283</b>	<b>720,437</b>	<b>601,164</b>	<b>894,937</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>DEBT SERVICE FUND EXPENDITURES:</b>										
Tax appraisal/collection	5,507	4,646	1,377	2,659	1,046	0.6%	0.6%	0.4%	0.4%	0.6%
Financial advisor fees	1,000	950	550,000	435,000	1,323	0.1%	0.1%	0.2%	0.2%	0.1%
Bond principal	398,000	425,000	400,894	761,466	170,000	40.6%	35.4%	36.3%	61.0%	19.0%
Bond interest	565,938	138,338	288,741	-	-	58.8%	70.1%	55.6%	73.7%	85.1%
Bond issue costs	-	-	85	-	60	-	-	40.1%	-	-
Fiscal agent fees and other	15	-	-	1,463	-	-	-	-	0.2%	-
Operating transfers out	-	-	-	216,792	-	-	-	-	30.9%	-
Bond refunding activity, net	-	-	(290,726)	-	-	-	-	40.4%	-	-
<b>TOTAL DEBT SERVICE FUND EXPENDITURES AND OTHER USES</b>	<b>967,445</b>	<b>968,949</b>	<b>953,173</b>	<b>1,174,417</b>	<b>937,895</b>	<b>99.3%</b>	<b>126.2%</b>	<b>132.3%</b>	<b>167.5%</b>	<b>104.8%</b>
<b>EXCESS (DEFICIENCY) OF DEBT SERVICE FUND REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>\$ 6,523</b>	<b>\$ (200,666)</b>	<b>\$ (232,736)</b>	<b>\$ (473,253)</b>	<b>\$ (42,958)</b>	<b>0.7%</b>	<b>-262%</b>	<b>-323%</b>	<b>-67%</b>	<b>-48%</b>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>										
	412	412	410	403	402					
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>										
	405	405	404	397	397					

TSI-7

**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**SEPTEMBER 30, 2016**

Complete **District Mailing** Address:

c/o Willatt & Flickinger, PLLC  
 12912 Hill Country Blvd., Suite F-232, Austin TX 78738

**District Business Telephone Number:**

(512) 476-6604

Submission Date of the most recent **District**  
 Registration Form TWC Sections 36.054 & 49.054:

November 29, 2016

Limits on Fees of Office that a **Director may** receive  
 during a fiscal year: (Set by Board Resolution  
 TWC Section 49.060)

\$7,200

Name and Address:	Term of Office (Elected or <b>Appointed</b> ) or Date Hired	Fees of Office Paid * <b>9/30/2016</b>	Expense Reimbursements <b>9/30/2016</b>	Title at Year End
<i>Board Members:</i>				
CHET PALESKO	(Elected) 5/2014 - 11/2018	\$ 1,650	\$ -	President
DAVID I. PERL	(Elected) 5/2014 - 11/2018	\$ 2,550	\$ -	Vice-President
LISA S. MCKENZIE	(Elected) 11/2016-11/2020	\$ 2,400	\$ -	Secretary
COREY NEWHOUSE	(Elected) 11/2016 - 11/2020	\$ 1,800	\$ -	Assistant Secretary
<b>JOSEPH MATTHEW SZOO</b>	(Elected) 11/2016 - 11/2020	\$ 1,650	\$ -	Assistant Secretary

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

*Consultants:*

Severn Trent Environmental Services Inc.	9/1/2012	\$302,838	\$ -	District Manager
Willatt & Flickinger, PLLC	9/8/2005	\$66,541	\$ -	Attorney
McCall Gibson Siveillund Barfoot PLLC	9/26/2014	\$9,750	\$ -	Auditor
<b>Murfec Engineering</b>	7/13/2011	\$96,081	\$ -	Engineer
SAh4CO Capital Markets	10/15/1997	\$ -	\$ -	Financial Advisor
Bott & Douthitt, PLLC	3/1/2012	\$22,350	\$ 283	Bookkeeper
Travis County Tax Collector	2/27/95	\$578	\$ -	Tax Collector



OTHER SUPPLEMENTARY  
INFORMATION



**SENNA HILLS MUNICIPAL UTILITY DISTRICT**  
**OSI-I. PRINCIPAL TAXPAYERS**  
 SEPTEMBER 30, 2016

Taxpayer	Type of Property	Tax Roll Year		
		2016	2015	2014
Homeowner	N/A	<b>\$1,021,758</b>	\$	<b>\$936,755</b>
Homeowner	N/A	<b>1,006,896</b>	959,864	872,604
Homeowner	N/A	<b>999,455</b>	960,058	883,554
Homeowner	N/A	<b>986,802</b>	991,632	901,484
Homeowner	N/A	<b>985,352</b>	936,047	867,843
Homeowner	N/A	<b>983,619</b>		
Homeowner	N/A	<b>982,588</b>	1,002,705	923,540
Homeowner	N/A	<b>967,130</b>		
Homeowner	N/A	<b>961,492</b>	924,774	
Homeowner	N/A	<b>960,053</b>	968,298	903,732
Homeowner	N/A		933,272	-
Homeowner	N/A		932,188	-
Homeowner	N/A		920,517	857,140
Homeowner	N/A			862,729
Homeowner	N/A	-		848,429
<b>Total</b>		<b><u>\$9,855,145</u></b>	<b><u>\$9,529,355</u></b>	<b><u>\$8,857,810</u></b>
Percent of Assessed Valuation		3.4%	3.4%	3.5%



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SENNA HILLS MUNICIPAL UTILITY DISTRICT  
OSI-2. ASSESSED VALUE BY CLASSIFICATION  
SEPTEMBER 30, 2016

Type of Property	Tax Roll Year					
	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
Single Family	\$288,712,970	100.2%	\$279,711,249	101.0%	\$261,959,488	102.8%
Vacant Lot	219,000	0.1%	146,000	0.1%	356,000	0.1%
Non-Qualified Land	15,000	-	11,730	-	11,730	-
Industrial and Manufacturing Personal	52,209	-	45,399	-	45,399	-
Commercial Real Property	161,328	-	104,380	-	112,922	0.1%
Commercial Personal Property	113,364		117,369	-	99,796	
Totally Exempt Property	180,222	0.1%	119,000	0.1%	119,000	0.1%
Less: Adjustments	<u>(1,244,565)</u>	<u>-0.4%</u>	<u>(3,196,962)</u>	<u>-1.2%</u>	<u>(7,993,654)</u>	<u>-3.1%</u>
Total Taxable	<u>\$ 288,209,528</u>	<u>100.0%</u>	<u>\$ 277,058,165</u>	<u>100.0%</u>	<u>\$ 254,710,681</u>	<u>100.0%</u>

