

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED SEPTEMBER 30, 2011

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT

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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }

COUNTY OF: _____ }

I, _____
(Name of Duly Authorized District Representative)

of the _____ Dallas County Park Cities Municipal Utility District _____
(Name of District)

hereby swear, or affirm, that the district named above has reviewed and approved at a meeting of the Board of Directors of the District on the _____ day of _____, 20____ its annual audit report for the fiscal year or period ended September 30, 2011 and that copies of the annual audit report have been filed in the District office, located at 1811 Regal Row, Dallas, Texas .

The annual 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.

Date: _____, 20____.

By: _____
(Signature of District Representative)

(Typed Name & Title of Above District Representative)

Sworn to and subscribed to before me this _____ day of _____, 20____.

(Seal)

(Signature of Notary)

My Commission Expires On: _____, _____, Notary Public in and for the State of Texas.
(Annual Filing Affidavit Revised 8/95, effective on 9/1/95)

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Dallas County Park Cities Municipal Utility District

We have audited the accompanying basic financial statements of Dallas County Park Cities Municipal Utility District as of and for the year ended September 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dallas County Park Cities Municipal Utility District as of September 30, 2011, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3-5 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Dallas County Park Cities Municipal Utility District. The supplemental section as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Fox, Byrd + Company, P.C.

Dallas, Texas
February 8, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis is provided by the Dallas County Park Cities Municipal Utility District, hereafter referred to as the District.

The Dallas County Park Cities Municipal Utility District was created in 1938 primarily to treat raw water from Lake Grapevine, Texas, for the Town of Highland Park and City of University Park, Texas.

Financial Highlights

- The assets of the District at the end of the year totaled \$59,846,480.
- The fund equity of the District at the end of the year was \$26,302,210 and increased during the year by \$2,882,191 or 12.3%.
- The District had operating income of \$3,876,915 for the year.
- The District's cash and cash equivalents decreased during the year by \$216,938.
- The District's investments increased during the year by \$23,826,152.
- The District's capital assets increased during the year by \$10,961,570.
- The District's long-term debt increased during the year by \$31,983,543.

Overview of the Financial Statements

This section is intended to serve as introduction to the District's basic financial statements. The basic financial statements are: 1) Balance Sheet; 2) Statement of Revenues, Expenditures and Changes in Fund Equity; and 3) Statement of Cash Flows.

The financial statements of the District report information using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Balance Sheet includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Equity. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, profitability, and creditworthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The financial statements also include notes that explain in more detail some of the information in the financial statements.

Overview of Financial Activities and Analysis

To begin our analysis, summaries of the District's Balance Sheets and Statements of Revenues, Expenses, and Changes in Fund Equity are presented below.

Condensed Balance Sheets

	9/30/11	9/30/10	Dollar Change	Percent Change
Current and other assets	\$ 32,972,092	\$ 8,600,792	\$ 24,371,300	283.4%
Capital assets, net	<u>26,874,388</u>	<u>15,912,818</u>	<u>10,961,570</u>	<u>68.9%</u>
Total assets	<u>\$ 59,846,480</u>	<u>\$ 24,513,610</u>	<u>\$ 35,332,870</u>	<u>144.1%</u>
Long-term liabilities	\$ 31,983,543	\$ -	\$ 31,983,543	0.0%
Other liabilities	<u>1,560,727</u>	<u>1,093,591</u>	<u>467,136</u>	<u>42.7%</u>
Total liabilities	<u>33,544,270</u>	<u>1,093,591</u>	<u>32,450,679</u>	<u>2967.4%</u>
Invested in capital assets	17,108,692	15,912,818	1,195,874	7.5%
Restricted for debt service	1,361,990	-	1,361,990	0.0%
Unrestricted	<u>7,831,528</u>	<u>7,507,201</u>	<u>324,327</u>	<u>4.3%</u>
Total fund equity	<u>26,302,210</u>	<u>23,420,019</u>	<u>2,882,191</u>	<u>12.3%</u>
Total liabilities and fund equity	<u>\$ 59,846,480</u>	<u>\$ 24,513,610</u>	<u>\$ 35,332,870</u>	<u>144.1%</u>

Condensed Statements of Revenues, Expenses, and Changes in Fund Equity

	Year Ended 9/30/11	Year Ended 9/30/10	Dollar Change	Percent Change
Operating revenues	\$ 7,760,781	\$ 5,820,075	\$ 1,940,706	33.3%
Non-operating revenues	<u>57,135</u>	<u>41,744</u>	<u>15,391</u>	<u>36.9%</u>
Total revenues	<u>7,817,916</u>	<u>5,861,819</u>	<u>1,956,097</u>	<u>33.4%</u>
Depreciation expense	766,287	704,001	62,286	8.8%
Other operating expenses	3,117,579	3,072,290	45,289	1.5%
Non-operating expenses	<u>1,051,859</u>	<u>86,482</u>	<u>965,377</u>	<u>1116.3%</u>
Total expenses	<u>4,935,725</u>	<u>3,862,773</u>	<u>1,072,952</u>	<u>27.8%</u>
Change in fund equity	2,882,191	1,999,046	883,145	44.2%
Beginning fund equity	<u>23,420,019</u>	<u>21,420,973</u>	<u>1,999,046</u>	<u>9.3%</u>
Ending fund equity	<u>\$ 26,302,210</u>	<u>\$ 23,420,019</u>	<u>\$ 2,882,191</u>	<u>12.3%</u>

Overview of Financial Activities and Analysis – continued

The overall financial position of the District is strong. The increases in current assets and long-term liabilities are due to the issuance of \$33 million in revenue bonds in October 2010. The increase in net capital assets represents capital expenditures primarily in connection with the Membrane Filter Facility and Plant Improvement project. Similarly, the increase in current liabilities represents an increase in amounts owed to the contractor and engineer on the project, as well as accrued interest payable on the bonds.

The increase in operating revenues is due to water rate increases to pay debt service on the bonds, as well as increases in usage due to an unusually dry weather pattern in 2011. The increase in non-operating expenses represents interest expense on the bonds.

There were no amendments to the District's budget during the year. Operating revenues were \$611,587 more than budgeted, due to more water demand from the District's customers than projected. Operating expenses were \$618,099 less than budgeted, primarily as a result of lower-than-anticipated costs for utilities and chemicals. While the District's utilization of electricity and chemicals increased due to higher-than-anticipated water demand, the prices for these commodities were lower than projected.

Capital Asset and Debt Administration

The District's investment in capital assets as of September 30, 2011, consists of buildings, water systems, easements and rights-of-way, vehicles, machinery and equipment, and furniture and fixtures. The District issued \$33 million in revenue bonds in October 2010 to fund its Membrane Filter Facility and Plant Improvement project. The District raised its water rates, effective October, 1, 2010, to its two customers, The Town of Highland Park and the City of University Park, to pay the debt service on these bonds, which began in 2011. The District commenced construction on the project immediately upon receipt of bond funds and drew the first funds for payment to the contractor in November 2010. Construction is expected to last 18 to 24 months.

Economic Factors and Next Year's Budget and Rates

The most significant variance in the 2012 budget as compared to 2011 is the inclusion of \$1.25 million for the dredging of two sludge lagoons. While the nation's economy continues to be down, the economic outlook for both the water industry and the District continues to be stable. Water revenues are influenced directly by weather conditions. A dry year will result in increased revenues as well as increased expenses, while a wet year will result in decreased revenues as well as decreased expenses. The 2012 budget is based on an average weather year.

Request for Information

This financial report is designed to provide a general overview of the District's finances for those with an interest in the District's activities. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Dallas County Park Cities Municipal Utility District, 1811 Regal Row, Dallas, Texas 75235, or contact Larry McDaniel at (214) 652-8639.

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
BALANCE SHEET
SEPTEMBER 30, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	259,516
Investments		31,225,361
Receivables:		
City of University Park		549,926
Town of Highland Park		349,790
City of Grapevine		21,286
Brookhollow Country Club		6,439
Prepaid items and other assets		3,333
Total current assets		32,415,651

NONCURRENT ASSETS

Deferred bond issuance costs		556,441
Capital assets		36,420,954
Less: accumulated depreciation		(9,546,566)
Total noncurrent assets		27,430,829

TOTAL ASSETS

\$ 59,846,480

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts payable	\$	1,282,109
Salaries and wages payable		15,593
Payroll taxes and related payables		39,557
Accrued compensated absences		49,350
Accrued interest payable		174,118
Current portion of bonds payable		1,285,000
Total current liabilities		2,845,727

NONCURRENT LIABILITIES

Bonds payable		30,698,543
Total noncurrent liabilities		30,698,543

FUND EQUITY

Invested in capital assets, net of related debt		17,108,692
Restricted for debt service		1,361,990
Unrestricted:		
Reserved for special restoration and capital projects		6,037,037
Reserved for subsequent year's operating expenses		1,794,491
Total fund equity		26,302,210

TOTAL LIABILITIES AND FUND EQUITY

\$ 59,846,480

The accompanying notes are an integral part of the financial statements.

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2011

OPERATING REVENUES	
City of University Park	\$ 4,810,746
Town of Highland Park	2,643,547
City of Grapevine	271,374
Brookhollow Country Club	35,114
Total operating revenues	<u>7,760,781</u>
OPERATING EXPENSES	
Salaries and wages	1,157,366
Utilities	636,757
Depreciation	766,287
Chemicals	464,135
Group insurance premiums	240,747
Retirement premiums	123,050
Social Security and Medicare tax	86,623
Professional fees	104,565
Maintenance and repairs	110,448
Other operating expenses	65,696
Insurance and surety bond premiums	85,200
Contract labor	24,693
Legal notices and publications	2,097
Fuels and lubricants	11,172
Printing, office supplies, and postage	5,030
Total operating expenses	<u>3,883,866</u>
OPERATING INCOME	<u>3,876,915</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	51,417
Interest expense	(1,040,419)
Loss on retirement of capital assets	(11,440)
Miscellaneous income	5,718
Total non-operating revenues (expenses)	<u>(994,724)</u>
INCREASE IN FUND EQUITY	2,882,191
Fund equity at beginning of year	<u>23,420,019</u>
Fund equity at end of year	<u>\$ 26,302,210</u>

The accompanying notes are an integral part of the financial statements.

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 7,499,184
Other receipts	5,718
Cash paid to suppliers	(1,468,288)
Cash paid to employees	(1,582,732)
Net cash provided by operating activities	<u>4,453,882</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(11,459,510)
Proceeds from issuance of bonds	33,345,835
Issuance costs paid on bonds	(585,727)
Accrued interest received on bonds	127,997
Principal paid on bonds	(1,345,000)
Interest paid on bonds	(982,304)
Net cash provided by capital and related financing activities	<u>19,101,291</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net increase in investment pool	(26,223,423)
Proceeds from maturity of U.S. Treasury Bill	2,400,000
Interest received	51,312
Net cash used in investing activities	<u>(23,772,111)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(216,938)
CASH AND CASH EQUIVALENTS, beginning of year	<u>476,454</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 259,516</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 3,876,915
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	766,287
Miscellaneous income	5,718
Decrease (increase) in assets:	
Accounts receivable	(261,597)
Prepaid items and other assets	53,328
Increase (decrease) in liabilities:	
Accounts payable	(11,823)
Salaries and wages payable	3,952
Payroll taxes and related payables	13,482
Accrued compensated absences	7,620
Net cash provided by operating activities	<u><u>\$ 4,453,882</u></u>

The accompanying notes are an integral part of the financial statements.

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Dallas County Park Cities Municipal Utility District was originally created in 1938 as the Dallas County Park Cities Water Control and Improvement District No. 2 by the Board of Water Engineers of the State of Texas. The Action of the Board responded to the joint petition of the Town of Highland Park and the City of University Park (Park Cities) for creation of the District as an agency through which the Park Cities could act together to obtain a common and independent water supply. The design and construction of the District's water supply and treatment facilities were completed in August 1950. Bond issues provided the original funds required to purchase and construct the facilities. In March 1973, the District was converted from a Water District into a Municipal Utility District under Chapter 54 of the Texas Water Code. In 1995, the code was recodified and the District currently operates under Chapter 49.

The District serves as an agency through which the Park Cities act jointly to assure their citizens of an adequate water supply. The raw water is provided solely from Lake Grapevine, Texas. Treated water is sold and delivered by the District to the two municipalities; each in turn then retails the water to its customer citizens through its own distribution facilities. The District's charge for treated water is adjusted from time to time to provide adequate revenues to meet all of its financial obligations. For the fiscal year ending September 30, 2011, treated water was sold for \$2.0008 per thousand gallons to Highland Park and \$2.0142 per thousand gallons to University Park.

The District's operations are directed by a board of five directors who are elected biennially for overlapping four-year terms (three or two directors elected biennially) by the voters of the Town of Highland Park and City of University Park in a common election.

The Reporting Entity

The District's financial statements include the accounts of all District operations. The criteria for including organizations within the District's reporting entity, as set forth in Governmental Accounting Standards Board (GASB) Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity*, is financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The District's financial statements do not include any component units because none of the criteria for inclusion as set forth in GASB 14 have been met.

Financial Statement Presentation

These financial statements are presented in accordance with GASB 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

GASB 34 requires the use of an enterprise fund to account for any activity for which the government's policy is to establish activity fees or charges designed to recover the cost of providing services, including costs such as depreciation or debt service. Accordingly, the District began reporting as an enterprise fund effective October 1, 2002, concurrent with its adoption of GASB 34.

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Statement Presentation – continued

GASB 34 requires the classification of fund equity into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt – This component of fund equity 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 improvement of those assets.

Restricted – This component of fund equity consists of constraints placed on net asset use through external constraints 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 – This component of fund equity consists of net assets that do not meet the definition of "restricted," or "invested in capital assets, net of related debt."

Proprietary Funds

Enterprise funds (a type of proprietary fund) are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District's enterprise fund accounts for the operations of treating raw water for municipal use from Grapevine Lake, Texas.

Basis of Accounting

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by GASB. Generally accepted accounting principles prescribed by the Financial Accounting Standards Board are applied unless they conflict with or contradict GASB pronouncements, or were issued after November 30, 1989.

Proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Budgets and Budgetary Accounting

Each year the District prepares a budget for the fiscal year in accordance with generally accepted accounting principles. The District's budget is used as a policy document, a financial plan, an operational guide, and a communication device.

- A. As a policy document – The District's budget is used to outline major principles of policy being implemented by the District concerning financial matters. It documents limits on reserves, uses of reserves, and policy principles of meeting expenses out of current revenue.

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Budgets and Budgetary Accounting – continued

The Board of Directors must approve any transfer of appropriation balances from one expenditure account to another within a single fund, any transfer of unencumbered appropriation balances or portions thereof from one fund to another, or any increases in fund appropriations. All appropriations lapse at fiscal year-end.

- B. As a financial plan – Projections on revenue generation and expenses are defined in order to plan yearly financial activities. Monthly projections are made to help plan expenditures concurrent with available revenue and reserves. The cost of service document is an integral part of the budget that allows the District's customers to plan and develop their budget in harmony with the District.
- C. As an operational guide – Guidelines are included in the budget to assist policy makers and administrators to perpetuate policy and continuity of operation.
- D. As a communication device – By contract, the District provides the Park Cities with a projected cost of service each year by July 1 in order for the two entities to construct their budgets. When the District's budget is adopted by its Board, it is circulated to the two entities in order to communicate the District's goals for the year, any policy changes in effect, and financial projections for the year.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and demand deposit accounts in banks.

Investments

Investments are recorded at cost which approximates market value. The District invests funds exclusively in U.S. Government securities and local government investment pools.

Receivables

Accounts receivable are considered fully collectible; accordingly, no allowance for doubtful accounts is required. In the event an account in whole or in part becomes uncollectible in the future, such amount will be charged to operations when that determination is made.

Inventories

The District expenses all supplies used in the water treatment operations on a continuous basis as needed; therefore, no inventory balances are reflected in the financial statements.

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Deferred Bond Issuance Costs

Deferred bond issuance costs represent underwriter's discount and other costs related to bond issuance. These costs are capitalized and amortized using the straight-line method over the life of the bonds.

Depreciation

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives on the straight-line method. The District's capitalization threshold is \$500 for water systems and buildings and \$250 for furniture and equipment. The estimated service lives by type of asset are as follows:

Water systems	15 - 50 years
Buildings	10 - 50 years
Auto, furniture, and equipment	5 - 50 years

Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Compensated absences for vacation time accumulate and are accrued when they are earned.

Fund Equity Reserves

In accordance with the District's water contract with the Park Cities, each year the District reserves a portion of fund equity for: (a) 50% of the subsequent year's estimated operating and maintenance expenditures and (b) up to 100% of future estimated capital projects expenditures.

Estimates

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

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS

2. DEPOSITS AND INVESTMENTS

Deposits

The Board of Directors designates a financial institution to serve as the depository for the funds of the District. To the extent that funds in the depository are not insured by the Federal Deposit Insurance Corporation, they are secured in the manner provided by law for the security of funds per Chapter 2257, Texas Government Code (Public Funds Collateral Act).

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. At September 30, 2011, the District's deposits were entirely insured or collateralized with securities held by the pledging financial institution's trust department or agent in the District's name; as a result, the District's deposits were not exposed to custodial credit risk.

Investments

Funds of the District may be invested and reinvested by the District's investment officer or its authorized representative in U.S. Treasury and federal agency securities, certificates of deposit, repurchase agreements, and local government investment pools. The Board adopted an investment and collateral policy to comply with Chapter 2256 and 2257 of the Texas Government Code on September 10, 1998.

Custodial credit risk for investments is the risk that the District will not be able to recover the value of its investments that are in the possession of an outside party. At September 30, 2011, the District's investments were entirely insured or registered in the District's name; as a result, the District's investments were not exposed to custodial credit risk.

At September 30, 2011, the District's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>	<u>S&P Credit Rating</u>
Local government investment pools:			
TexPool Prime	\$ <u>31,225,361</u>	34 days	AAAm
	\$ <u><u>31,225,361</u></u>		

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS

3. CAPITAL ASSETS

The District's capital asset activity for the year ended September 30, 2011, is as follows:

	Balance 10/1/10	Additions	Deletions	Balance 9/30/11
Buildings, water system, easements, and right-of-way	\$ 9,429,658	\$ 17,734	\$ (2,916)	\$ 9,444,476
Machinery and equipment	10,989,895	408,215	(52,997)	11,345,113
Vehicles	193,444	-	(360)	193,084
Furniture and fixtures	39,925	-	(347)	39,578
Construction in progress	4,085,355	11,313,348	-	15,398,703
 Total capital assets	 24,738,277	 11,739,297	 (56,620)	 36,420,954
Accumulated depreciation	(8,825,459)	(766,287)	45,180	(9,546,566)
	<u>\$ 15,912,818</u>	<u>\$ 10,973,010</u>	<u>\$ (11,440)</u>	<u>\$ 26,874,388</u>

4. LONG-TERM DEBT

The District's long-term debt activity for the year ended September 30, 2011, is as follows:

	Balance 10/1/10	Issued During the Year	Retired During the Year	Balance 9/30/11	Current Portion
Water System Revenue Bonds, Series 2010	\$ -	\$ 33,000,000	\$ (1,345,000)	\$ 31,655,000	\$ 1,285,000
Unamortized bond premium	-	345,835	(17,292)	328,543	-
	<u>\$ -</u>	<u>\$ 33,345,835</u>	<u>\$ (1,362,292)</u>	<u>\$ 31,983,543</u>	<u>\$ 1,285,000</u>

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS

4. LONG-TERM DEBT – continued

Details of bonds payable as of September 30, 2011, are as follows:

Water System Revenue Bonds, Series 2010, dated September 1, 2010, in the aggregate principal amount of \$33,000,000; interest payable semi-annually at coupon rates ranging from 2.00% to 4.00%; principal payable annually through August 1, 2030; secured by a first lien on and pledge of certain revenues of the District's water system, including contract payments from the District's contracts for the sale of treated water to the Town of Highland Park and the City of University Park. The bond proceeds will be used to fund (1) modifications and upgrades to the existing conventional water treatment plant unit processes (screening, pumping, rapid mix, flocculation, and sedimentation); (2) modification of the existing filters to granular activated carbon media for taste and odor control; and (3) construction of a 24-million-gallon-per-day low pressure membrane facility to address turbidity and microbial removal goals of the District.

The scheduled maturities of bonds payable as of September 30, 2011, are as follows:

Year Ended December 31,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,285,000	\$ 1,044,705	\$ 2,329,705
2013	1,310,000	1,019,005	2,329,005
2014	1,335,000	992,805	2,327,805
2015	1,365,000	966,105	2,331,105
2016	1,390,000	938,805	2,328,805
2017	1,420,000	911,005	2,331,005
2018	1,455,000	875,505	2,330,505
2019	1,510,000	817,305	2,327,305
2020	1,570,000	756,905	2,326,905
2021	1,620,000	709,805	2,329,805
2022	1,670,000	659,180	2,329,180
2023	1,725,000	604,070	2,329,070
2024	1,785,000	543,695	2,328,695
2025	1,845,000	481,220	2,326,220
2026	1,915,000	414,800	2,329,800
2027	1,990,000	338,200	2,328,200
2028	2,070,000	258,600	2,328,600
2029	2,155,000	175,800	2,330,800
2030	<u>2,240,000</u>	<u>89,600</u>	<u>2,329,600</u>
	<u>\$ 31,655,000</u>	<u>\$ 12,597,115</u>	<u>\$ 44,252,115</u>

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS

5. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The District purchases commercial insurance to indemnify it in the event of loss.

6. RETIREMENT PLAN

The District provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit pension plan in the statewide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 618 nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034.

The plan provisions are adopted by the governing body of the employer, within the options available in the Texas state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Funding Policy. The employer has elected the annually determined contribution rate (ADCR) plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the employer is actuarially determined annually. The employer contributed using the actuarially determined rate of 10.89% for the months of the accounting year in 2010, and 10.65% for the months of the accounting year in 2011.

The contribution rate payable by the employee members for calendar years 2010 and 2011 is the rate of 7.00% as adopted by the governing body of the employer. The employee contribution rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act.

Annual Pension Cost. For the employer's fiscal year ending September 30, 2011, the annual pension cost for the TCDRS plan was \$123,050.

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS

6. RETIREMENT PLAN – continued

The annual required contributions were actuarially determined as a percent of the covered payroll of the participating employees, and were in compliance with the GASB 27 parameters based on the actuarial valuations as of December 31, 2009 and December 31, 2010, the basis for determining the contribution rates for calendar years 2010 and 2011. The December 31, 2010 actuarial valuation is the most recent valuation.

Employee contributions are put into the Employee Saving Fund (ESF). Each account is increased as a member makes deposits and interest is allocated. The total becomes the personal account balance. The account is reduced for payments due to withdrawal, death or ineligibility, and by transfer of a personal account balance to the Current Service Annuity Reserve Fund due to retirement.

The Subdivision Accumulation Fund (SAF) contains an account for each participating employer to fund retirement benefits. An account is increased as an employer makes contributions and by annual board-determined allocations. Whenever an employee retires, an amount equal to the employee's personal account balance is transferred to the Current Service Annuity Reserve Fund for the purpose of funding the employee's basic annuity. If the employer provides retirement benefits in excess of the basic annuity, then the account is also reduced monthly by the amount of the additional benefit payments.

Actuarial Valuation Information

Actuarial valuation date	December 31, 2008	December 31, 2009	December 31, 2010
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period	20.0 years	20.0 years	20.0 years
Asset valuation method	SAF: 10-year smoothed value ESF: Fund value	SAF: 10-year smoothed value ESF: Fund value	SAF: 10-year smoothed value ESF: Fund value
Actuarial assumptions:			
Investment return *	8.0%	8.0%	8.0%
Projected salary increases *	5.3%	5.4%	5.4%
Inflation	3.5%	3.5%	3.5%
Cost of living adjustments	0.0%	0.0%	0.0%

* Includes inflation at the stated rate

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
NOTES TO FINANCIAL STATEMENTS

6. RETIREMENT PLAN – continued

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/09	\$ 99,478	100%	\$ -
9/30/10	118,651	100%	-
9/30/11	123,050	100%	-

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll ¹ (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	\$3,044,131	\$3,515,157	\$ 471,026	86.60%	\$1,070,680	43.99%
12/31/09	3,502,618	3,967,494	464,876	88.28%	1,115,528	41.67%
12/31/10	3,749,983	4,303,173	553,190	87.14%	1,141,079	48.48%

¹ The annual covered payroll is based on the employee contributions received by TCDRS for the year ending with the valuation date.

SUPPLEMENTAL SECTION

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND EQUITY - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
City of University Park	\$ 4,355,196	\$ 4,810,746	\$ 455,550
Town of Highland Park	2,432,997	2,643,547	210,550
City of Grapevine	349,419	271,374	(78,045)
Brookhollow Country Club	11,582	35,114	23,532
Total operating revenues	7,149,194	7,760,781	611,587
OPERATING EXPENSES			
Salaries and wages	1,128,901	1,157,366	(28,465)
Utilities	803,500	636,757	166,743
Chemicals	723,000	464,135	258,865
Group insurance premiums	294,100	240,747	53,353
Retirement premiums	120,164	123,050	(2,886)
Social Security and Medicare tax	86,466	86,623	(157)
Professional fees	135,000	104,565	30,435
Maintenance and repairs	182,700	110,448	72,252
Other operating expenses	128,900	65,696	63,204
Insurance and surety bond premiums	83,147	85,200	(2,053)
Contract labor	20,000	24,693	(4,693)
Legal notices and publications	6,000	2,097	3,903
Fuels and lubricants	15,000	11,172	3,828
Printing, office supplies, and postage	8,800	5,030	3,770
Total operating expenses	3,735,678	3,117,579	618,099
Total operating income	3,413,516	4,643,202	1,229,686
NON-OPERATING REVENUES (EXPENSES)			
Investment income	100,000	51,417	(48,583)
Interest expense	(982,305)	(1,040,419)	(58,114)
Total non-operating revenues (expenses)	(882,305)	(989,002)	(106,697)
INCREASE IN FUND EQUITY BEFORE NON-BUDGETED REVENUES (EXPENSES)			
	\$ 2,531,211	3,654,200	\$ 1,122,989
NON-BUDGETED REVENUES (EXPENSES)			
Depreciation		(766,287)	
Loss on retirement of capital assets		(11,440)	
Miscellaneous income		5,718	
Total non-budgeted revenues (expenses)		(771,909)	
Total increase in fund equity		\$ 2,882,191	

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
INDEX OF SUPPLEMENTAL SCHEDULES INCLUDED WITHIN THIS REPORT
REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Page</u>
Schedule of Services and Rates	21
Schedule of Operating Expenses	N/A
Schedule of Temporary Investments	N/A
Schedule of Taxes Levied and Receivable	N/A
Schedule of Long-Term Debt Service Requirements	23
Schedule of Changes in Long-Term Debt	24
Comparative Schedule of Revenues and Expenses - Five Years	25
Board Members, Key Personnel, and Consultants	27

N/A - not applicable

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
 SCHEDULE OF SERVICES AND RATES
 FOR THE YEAR ENDED SEPTEMBER 30, 2011

1. Services Provided by the District:

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

2. Retail Rates Based on 5/8" Meter: Retail Rates Not Applicable

Most prevalent type of meter (if not a 5/8"): _____

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	\$ _____.	_____.	___	\$ _____.	_____ to _____
WASTEWATER:	\$ _____.	_____.	___	\$ _____.	_____ to _____
SURCHARGE:	\$ _____.	_____.	___	\$ _____.	_____ to _____

District employs winter averaging for wastewater usage? Yes No

Total water and wastewater charges per 10,000 gallons usage (including surcharges). \$ _____.

3. Retail Service Providers: Number of retail water and/or wastewater* connections within the District as of the fiscal year end. Provide actual numbers and single family equivalents (ESFC) as noted:

N/A	Active Connections	Active ESFC	Inactive Connections (ESFC)**
Single Family	_____	_____	_____
Multi-Family	_____	_____	_____
Commercial	_____	_____	_____
Other – recreational centers, Government & VFD	_____	_____	_____
TOTAL	=====	=====	=====

4. Total Water Consumption (in Thousands) During the Fiscal Year:

Gallons pumped into system: 3,600,446
 Gallons billed to customers: 3,709,660

* Number of connections relates to water service, if provided. Otherwise, the number of wastewater connections should be provided.

** "Inactive" means that water and wastewater connections were made, but service is not being provided.

5. **Standby Fees:** Does the District assess standby fees? Yes No

For the most recent full fiscal year, FYE _____ :

Debt Service: Total Levy \$ _____
 Total Collected \$ _____
 Percentage Collected _____

Operation & Maintenance: Total Levy \$ _____
 Total Collected \$ _____
 Percentage Collected _____

Have standby fees been levied in accordance with Water Code Section 49.231, thereby constituting a lien on property: Yes No

6. **Anticipated Sources of Funds to be Used for Debt Service Payments in the District's Following Fiscal Year:**

	<u>Amount</u>
a. Debt Service Tax Receipts	\$ _____
b. Surplus Construction Funds	_____
c. Water and/or Wastewater Revenue	<u>2,329,705</u>
d. Standby Fees	_____
e. Debt Service Fund Balance to be Used	_____
f. Interest Revenues	_____
g. Other (Describe)	_____
*TOTAL ANTICIPATED FUNDS TO BE USED	<u>\$ 2,329,705</u>

7. **Location of District:**

County(ies) in which District is located. Dallas

Is the District located entirely within one county? Yes No

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

City(ies) in which District is located. Highland Park, University Park

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

Entirely Partly Not at all

ETJs in which District is located. _____

Is the general membership of the Board appointed by an office outside the District? Yes No

If Yes, by whom? _____

* This total should equal the District's total annual debt service for the fiscal year following the fiscal year reported on in the audited financial statements.

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
SCHEDULE OF LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

Fiscal Year Ending September 30,	Water System Revenue Bonds Series 2010		
	Principal	Interest	Total
	Due 8/1	Due 2/1, 8/1	
2012	\$ 1,285,000	\$ 1,044,705	\$ 2,329,705
2013	1,310,000	1,019,005	2,329,005
2014	1,335,000	992,805	2,327,805
2015	1,365,000	966,105	2,331,105
2016	1,390,000	938,805	2,328,805
2017	1,420,000	911,005	2,331,005
2018	1,455,000	875,505	2,330,505
2019	1,510,000	817,305	2,327,305
2020	1,570,000	756,905	2,326,905
2021	1,620,000	709,805	2,329,805
2022	1,670,000	659,180	2,329,180
2023	1,725,000	604,070	2,329,070
2024	1,785,000	543,695	2,328,695
2025	1,845,000	481,220	2,326,220
2026	1,915,000	414,800	2,329,800
2027	1,990,000	338,200	2,328,200
2028	2,070,000	258,600	2,328,600
2029	2,155,000	175,800	2,330,800
2030	2,240,000	89,600	2,329,600
	\$ 31,655,000	\$ 12,597,115	\$ 44,252,115

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
SCHEDULE OF CHANGES IN LONG-TERM DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	<u>Series 2010</u>
Interest rates	2.0% to 4.0%
Dates interest payable	2/1 and 8/1
Maturity dates	8/1/2011 to 8/1/2030
Bonds outstanding at beginning of current year	\$ -
Bonds sold during the current year	33,000,000
Bonds retired during the current year	<u>1,345,000</u>
Bonds outstanding at end of current year	\$ <u>31,655,000</u>
Interest paid during the current year	\$ <u>982,304</u>

Paying agent's name and city:
Bank of Texas - Dallas, Texas

Bond Authority:	Tax Bonds *	Other Bonds	Refunding Bonds
Amount authorized	\$ -	\$ 33,000,000	\$ -
Amount issued	\$ -	\$ 33,000,000	\$ -
Remaining to be issued	\$ -	\$ -	\$ -

* Includes all bonds secured with tax revenues.

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
 COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES
 FOR THE FIVE YEARS ENDED SEPTEMBER 30, 2011

	AMOUNTS				
	2011	2010	2009	2008	2007
OPERATING REVENUES					
Water sales	\$ 7,760,781	\$ 5,820,075	\$ 4,611,273	\$ 4,249,786	\$ 3,712,669
OPERATING EXPENSES					
Salaries and wages	1,157,366	1,135,480	1,104,164	1,060,537	1,023,887
Utilities	636,757	673,742	661,482	824,495	629,478
Chemicals and fuels	475,307	436,052	546,366	400,840	332,126
Group insurance premiums	240,747	267,329	243,152	237,245	197,619
Other operating expenses	182,716	193,692	167,373	154,575	122,987
Retirement premiums	123,050	118,651	99,478	95,305	97,688
Social Security and Medicare tax	86,623	84,256	83,023	78,489	75,785
Professional fees	104,565	112,937	127,159	96,355	119,601
Maintenance and repairs	110,448	50,151	58,283	74,785	67,260
Depreciation	766,287	704,001	689,703	582,002	595,986
	<u>3,883,866</u>	<u>3,776,291</u>	<u>3,780,183</u>	<u>3,604,628</u>	<u>3,262,417</u>
OPERATING INCOME	<u>3,876,915</u>	<u>2,043,784</u>	<u>831,090</u>	<u>645,158</u>	<u>450,252</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment income	51,417	16,021	65,752	211,015	365,494
Interest expense	(1,040,419)	-	-	-	-
Loss on retirement of capital assets	(11,440)	(86,482)	-	-	-
Miscellaneous income (expense)	5,718	25,723	9,337	2,848	(1,016)
	<u>(994,724)</u>	<u>(44,738)</u>	<u>75,089</u>	<u>213,863</u>	<u>364,478</u>
INCREASE IN FUND EQUITY	<u>\$ 2,882,191</u>	<u>\$ 1,999,046</u>	<u>\$ 906,179</u>	<u>\$ 859,021</u>	<u>\$ 814,730</u>

PERCENT OF TOTAL OPERATING REVENUES

2011	2010	2009	2008	2007
100.0%	100.0%	100.0%	100.0%	100.0%
14.9%	19.5%	23.9%	25.0%	27.6%
8.2%	11.6%	14.3%	19.4%	17.0%
6.1%	7.5%	11.8%	9.4%	8.9%
3.1%	4.6%	5.3%	5.6%	5.3%
2.4%	3.3%	3.6%	3.6%	3.3%
1.6%	2.0%	2.2%	2.2%	2.6%
1.1%	1.4%	1.8%	1.8%	2.0%
1.3%	1.9%	2.8%	2.3%	3.2%
1.4%	0.9%	1.3%	1.8%	1.8%
9.9%	12.1%	15.0%	13.7%	16.1%
<u>50.0%</u>	<u>64.8%</u>	<u>82.0%</u>	<u>84.8%</u>	<u>87.8%</u>
<u>50.0%</u>	<u>35.2%</u>	<u>18.0%</u>	<u>15.2%</u>	<u>12.2%</u>
0.7%	0.3%	1.4%	5.0%	9.8%
-13.4%	0.0%	0.0%	0.0%	0.0%
-0.1%	-1.5%	0.0%	0.0%	0.0%
0.1%	0.4%	0.2%	0.1%	0.0%
<u>-12.7%</u>	<u>-0.8%</u>	<u>1.6%</u>	<u>5.1%</u>	<u>9.8%</u>
<u><u>37.3%</u></u>	<u><u>34.4%</u></u>	<u><u>19.6%</u></u>	<u><u>20.3%</u></u>	<u><u>22.0%</u></u>

DALLAS COUNTY PARK CITIES MUNICIPAL UTILITY DISTRICT
 BOARD MEMBERS, KEY PERSONNEL, AND CONSULTANTS
 SEPTEMBER 30, 2011

District Mailing Address:
 Dallas County Park Cities M.U.D.
 1811 Regal Row
 Dallas, Texas 75235

District Business Telephone Number:
 (214) 652-8639

Name and Address	Term of Office (Elected or Appointed) or Date Hired	Fees (Fiscal Year Ended September 30, 2011)	Expense Reimbursements (Fiscal Year Ended September 30, 2011)	Title at End of Year	Resident of District
<u>Board Members:</u>					
Mr. Mark W. Connell P.O. Box 541057 Dallas, TX 75354-4694	Elected 5/08-5/12	\$ - \$	-	President	Yes
Mr. Michael R. Lacy P.O. Box 541297 Dallas, TX 75354-1297	Elected 5/08-5/12	-	-	Vice President	Yes
Mr. Phillip H. Cullum 2814 Industrial Lane Garland, TX 75401	Elected 5/10-5/14	-	-	Secretary	Yes
Mr. William B. Madden 1901 North Akard Street Dallas, TX 75201	Elected 5/10-5/14	-	-	Director	Yes
Ms. Leslie J. Conant 3712 Caruth Dallas, TX 75225	Elected 5/08-5/12	-	-	Director	Yes

Note: No director is disqualified from serving on this board under the Texas Water Code.

Key Administrative Personnel:

Larry McDaniel 1811 Regal Row Dallas, TX 75235	10/01	\$ - \$	-	General Manager & Investment Officer
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Consultants:

Thomson, Coe, Cousins & Irons	1968	\$ 8,095	\$ -	Attorneys
Bickerstaff Heath Delgado Acosta LLP	1998	39,662	-	Attorneys
CDM	2005	995,515	-	Consultant
Ribbit Multimedia, Inc.	2008	204	-	Consultant
Sweeney Media Group, Inc.	2008	2,003	-	Consultant
Vail Warren & Knauth, LLP	2009	20,990	-	Consultant
The Hutson Group, Inc.	2010	1,250	-	Consultant
Fox, Byrd & Company, P.C.	2011	14,500	-	Auditors