

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17**

TRAVIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2016

McCALL GIBSON SWEDLUND BARFOOT PLLC
Certified Public Accountants

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17**

TRAVIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2016

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ANNUAL FILING AFFIDAVIT

STATE OF TEXAS

COUNTY OF TRAVIS

I, Jeff Roberts of the
(Name of Duly Authorized District Representative)

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17
(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 **16th day of February, 2017**, its annual audit report for the fiscal year ended **September 30, 2016** and that copies of the annual audit report have been filed in the District's office, located at:

3812 Eck Lane
Austin, Texas 78734
(Address of District's Office)

The annual filing affidavit and the attached copy of the 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: February 16, 2017

By:

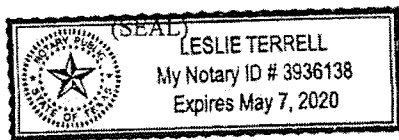
(Signature of District Representative)

Jeff Roberts, President
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 16th day of February, 2017.

Leslie A. Terrell
(Signature of Notary)

Leslie A. Terrell
(Printed Name of Notary)



My Commission Expires On: May 7, 2020
Notary Public in the State of Texas

McCALL GIBSON SWEDLUND BARFOOT PLLC

Certified Public Accountants

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Houston, Texas 77065-5610
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Travis County Water Control
and Improvement District No. 17
Travis County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Travis County Water Control and Improvement District No. 17 (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.

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.

Board of Directors
Travis County Water Control
and Improvement District No. 17

Correction of Errors

As described in Note 15 to the financial statements, the District's government-wide financial statements as of and for the year ended September 30, 2015, have been restated to correct certain misstatements. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – 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 supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* and other supplementary information is presented for purposes of additional analysis and is 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 supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide any assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot PLLC

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Houston, Texas

February 16, 2017

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Management's discussion and analysis of Travis County Water Control and Improvement District No. 17's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2016.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The basic financial statements include: (1) combined fund financial statements and government-wide financial statements and (2) notes to the financial statements. The combined fund financial statements and government-wide financial statements combine both: (1) the Statement of Net Position and Governmental Funds Balance Sheet and (2) the Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. This report also includes other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The District's annual report includes two financial statements combining the government-wide financial statements and the fund financial statements. The government-wide portion of these statements provides both long-term and short-term information about the District's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of the government-wide statements is the Statement of Net Position. The Statement of Net Position is the District-wide statement of its financial position presenting information that includes all of the District's assets, liabilities and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The government-wide portion of the Statement of Activities reports how the District's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in the Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI"). The budgetary comparison schedule is included as RSI for the General Fund. Following the RSI is Supplementary Information Required by the Water District Financial Management Guide and Other Supplementary Information.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by \$133,030,373 as of September 30, 2016.

A portion of the District's net position reflects its net investment in capital assets (e.g. water, wastewater and drainage facilities, as well as land, construction in progress, buildings, and furniture, fixtures and equipment, less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide water and wastewater services.

The following is a comparative analysis of government-wide changes in net position:

	Summary of Changes in the Statement of Net Position		
	2016	2015 *	Change Positive (Negative)
Current and Other Assets, as restated	\$ 57,384,211	\$ 57,193,298	\$ 190,913
Capital Assets (Net of Accumulated Depreciation)	<u>219,782,926</u>	<u>219,930,293</u>	<u>(147,367)</u>
Total Assets, as restated	<u>\$ 277,167,137</u>	<u>\$ 277,123,591</u>	<u>\$ 43,546</u>
Deferred Outflows of Resources	<u>\$ 1,718,958</u>	<u>\$ 753,008</u>	<u>\$ 965,950</u>
Current Liabilities, as restated	\$ 14,446,056	\$ 12,262,972	\$ (2,183,084)
Long -Term Liabilities	<u>131,409,666</u>	<u>139,588,004</u>	<u>8,178,338</u>
Total Liabilities, as restated	<u>\$ 145,855,722</u>	<u>\$ 151,850,976</u>	<u>\$ 5,995,254</u>
Net Position:			
Net Investment in Capital Assets	\$ 99,837,485	\$ 89,156,777	\$ 10,680,708
Restricted	7,324,026	14,530,360	(7,206,334)
Unrestricted, as restated	<u>25,868,862</u>	<u>22,338,486</u>	<u>3,530,376</u>
Total Net Position, as restated	<u>\$ 133,030,373</u>	<u>\$ 126,025,623</u>	<u>\$ 7,004,750</u>

* As restated, see Note 15

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table provides a summary of the District's operations for the years ended September 30, 2016, and September 30, 2015. The District's net position increased by \$7,004,750.

	Summary of Changes in the Statement of Activities		
	2016	2015 *	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 12,402,125	\$ 12,097,391	\$ 304,734
Charges for Services	19,607,638	15,653,099	3,954,539
Developer Contributions	377,719	779,281	(401,562)
Other Revenues	<u>762,523</u>	<u>441,781</u>	<u>320,742</u>
Total Revenues	\$ 33,150,005	\$ 28,971,552	\$ 4,178,453
Expenses for Services	<u>26,145,255</u>	<u>25,505,326</u>	<u>(639,929)</u>
Change in Net Position	\$ 7,004,750	\$ 3,466,226	\$ 3,538,524
Net Position, Beginning of Year, Restated	<u>126,025,623</u>	<u>122,559,397</u>	<u>3,466,226</u>
Net Position, End of Year, Restated	<u>\$ 133,030,373</u>	<u>\$ 126,025,623</u>	<u>\$ 7,004,750</u>

* As restated, see Note 15

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of September 30, 2016, were \$54,382,318, an increase of \$966,061 from the prior year.

The General Fund fund balance increased by \$3,842,092, primarily due to service and property tax revenues exceeding operating expenditures.

The Debt Service Fund fund balance decreased by \$2,418,931, primarily due to the structure of the District's outstanding debt service requirements.

The Capital Projects Fund fund balance decreased by \$457,100, primarily due to the use of bond proceeds received in prior years on planned capital projects.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the current fiscal year. Actual revenues were \$1,514,872 more than budgeted revenues. Actual expenditures were \$1,424,065 less than budgeted expenditures. The District also had an unbudgeted transfer out to the Capital Projects Fund of \$1,815,404 and unbudgeted developer contributions of \$377,719.

CAPITAL ASSETS

Capital assets as of September 30, 2016, total \$219,782,926 (net of accumulated depreciation). These capital assets include land, buildings and furniture, fixtures, and equipment as well as the water, wastewater and drainage systems.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2016	2015	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 2,659,764	\$ 2,559,764	\$ 100,000
Construction in Progress	3,359,977	29,338,513	(25,978,536)
Capital Assets, Net of Accumulated Depreciation:			
Infrastructure	211,623,139	186,428,847	25,194,292
Buildings	740,058	813,497	(73,439)
Furniture, Fixtures and Equipment	1,399,988	789,672	610,316
Total Net Capital Assets	<u>\$ 219,782,926</u>	<u>\$ 219,930,293</u>	<u>\$ (147,367)</u>

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

LONG-TERM DEBT ACTIVITY

At year-end, the District had total bond debt payable of \$133,384,971. The changes in the debt position of the District during the fiscal year ended September 30, 2016, are summarized as follows:

Bond Debt Payable, October 1, 2015	\$ 140,608,816
Add: Bond Sale - SRDA Series 2016 Refunding	11,574,998
Add: Bond Sale - WSSR Series 2016 Refunding	6,705,000
Less: Bonds Refunded	18,785,000
Less: Bond Principal Paid	<u>6,718,843</u>
Bond Debt Payable, September 30, 2016	<u>\$ 133,384,971</u>

The District's Series 2010, Series 2012 and Series 2016 Bonds carry an underlying rating of "AA". All of the District's outstanding Steiner Ranch defined area bonds carry an underlying rating of "A+" and Flintrock Ranch defined area bonds carry an underlying rating of "A". All of Steiner Ranch defined area bonds carry an insured rating of "AA" by virtue of bond insurance issued by either Assured Guaranty Municipal Corp. or Build America Mutual. The Flintrock Ranch defined area Series 2009 bonds carry an insured rating of "AA" by virtue of bond insurance issued by Assured Guaranty Municipal Corp. In addition, the Flintrock Ranch defined area Series 2013 bonds carry an insured rating of "AA" by virtue of bond insurance issued by Build America Mutual. The Serene Hills defined area bonds are not rated. The ratings above are based on rating at September 30, 2016.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The amount of assessed value of property within the District-wide area for the 2016 tax year (September 30, 2017 fiscal year) is approximately \$5.6 billion and the tax rate levied was \$0.0599 per \$100 of assessed valuation which will fund General Fund costs. The amount of assessed value of property within the Steiner Ranch Defined Area and Flintrock Ranch Estates Defined Area for the 2016 tax year is approximately \$2.2 billion and \$296.9 million, respectively, and the tax rates levied were \$0.3000 and \$0.4320, respectively, per \$100 of assessed valuation which will be to fund debt service costs. The amount of assessed value of property within the Serene Hills Defined Area for the 2016 tax year is approximately \$106.6 million and the tax rate levied was \$0.6250 per \$100 of assessed valuation which will be allocated 60% to fund General Fund costs and 40% to fund debt service costs.

The adopted budget for fiscal year 2017 projects a General Fund balance increase of \$1,167,756.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Travis County Water Control and Improvement District No. 17, 3812 Eck Lane, Austin, Texas 78734.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2016

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
ASSETS						
Cash	\$ 1,869,611	\$ 43,672	\$ 340,374	\$ 2,253,657	\$	\$ 2,253,657
Investments	24,669,401	15,178,023	12,597,582	52,445,006		52,445,006
Receivables:						
Property Taxes	75,784	60,765		136,549		136,549
Service Accounts (Net of Allowance for Uncollectible Accounts of \$-0-)	2,050,644			2,050,644		2,050,644
Other			121,066	121,066		121,066
Inventory	5,000			5,000		5,000
Due from Other Funds	131,555	356,573	2,746,673	3,234,801	(3,234,801)	
Prepaid Costs	45,875			45,875	326,414	372,289
Capital Assets (Net of Accumulated Depreciation):						
Land					2,659,764	2,659,764
Construction in Progress					3,359,977	3,359,977
Infrastructure					211,623,139	211,623,139
Buildings					740,058	740,058
Furniture, Fixtures and Equipment					1,399,988	1,399,988
TOTAL ASSETS	\$ 28,847,870	\$ 15,639,033	\$ 15,805,695	\$ 60,292,598	\$ 216,874,539	\$ 277,167,137
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 1,718,958	\$ 1,718,958
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 28,847,870	\$ 15,639,033	\$ 15,805,695	\$ 60,292,598	\$ 218,593,497	\$ 278,886,095
LIABILITIES						
Accounts Payable	\$ 557,501	\$	\$ 729,464	\$ 1,286,965	\$	\$ 1,286,965
Accrued Interest Payable					6,249,748	6,249,748
Due to Other Funds	1,169,542	2,065,259		3,234,801	(3,234,801)	
Security Deposits	732,761			732,761		732,761
Unearned Revenue	519,204			519,204		519,204
Long-Term Liabilities:						
Due Within One Year					5,657,378	5,657,378
Due After One Year					131,409,666	131,409,666
TOTAL LIABILITIES	\$ 2,979,008	\$ 2,065,259	\$ 729,464	\$ 5,773,731	\$ 140,081,991	\$ 145,855,722
DEFERRED INFLOWS OF RESOURCES						
Property Taxes	\$ 75,784	\$ 60,765	\$ -0-	\$ 136,549	\$ (136,549)	\$ -0-
FUND BALANCES						
Nonspendable-						
Prepaid Costs	\$ 45,875	\$	\$	\$ 45,875	\$ (45,875)	\$
Restricted for Authorized Construction:						
Bond Proceeds			8,602,938	8,602,938	(8,602,938)	
Committed to Impact Fee Expenditures			6,473,293	6,473,293	(6,473,293)	
Restricted for Debt Service		13,513,009		13,513,009	(13,513,009)	
Unassigned	25,747,203			25,747,203	(25,747,203)	
TOTAL FUND BALANCES	\$ 25,793,078	\$ 13,513,009	\$ 15,076,231	\$ 54,382,318	\$ (54,382,318)	\$ - 0 -
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 28,847,870	\$ 15,639,033	\$ 15,805,695	\$ 60,292,598		
NET POSITION						
Net Investment in Capital Assets					\$ 99,837,485	\$ 99,837,485
Restricted for Debt Service					7,324,026	7,324,026
Unrestricted					25,868,862	25,868,862
TOTAL NET POSITION					\$ 133,030,373	\$ 133,030,373

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

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

Total Fund Balances - Governmental Funds \$ 54,382,318

Amounts reported for governmental activities in the Statement of Net Position are different because:

Prepaid bond insurance is amortized over the term of the refunding bonds. 326,414

Land, construction in progress and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 219,782,926

Deferred charges on refunding bonds are not an expenditure of the current period. 1,718,958

Deferred tax revenues for the 2015 and prior tax levies became part of recognized revenue in the governmental activities of the District. 136,549

Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:

Accrued Interest Payable	\$ (1,960,026)	
Accretion Payable	(4,289,722)	
Long-Term Liabilities Due Within One Year	(5,657,378)	
Long-Term Liabilities Due After One Year	<u>(131,409,666)</u>	<u>(143,316,792)</u>

Total Net Position - Governmental Activities \$ 133,030,373

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

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
REVENUES						
Property Taxes	\$ 3,231,133	\$ 9,166,766	\$	\$ 12,397,899	\$ 4,226	\$ 12,402,125
Water and Wastewater Service	13,722,221			13,722,221		13,722,221
Trash and Recycling Service	364,560			364,560		364,560
Connection and Service Fees	203,408			203,408		203,408
Apache Shores Income	942,062			942,062		942,062
Penalty and Interest	309,211	25,232		334,443		334,443
Permit and Inspection Income	490,242			490,242		490,242
Impact Fees			2,969,002	2,969,002	581,700	3,550,702
Investment Revenues	68,212	53,950	33,168	155,330		155,330
Other Income	337,661	269,532		607,193	377,719	984,912
TOTAL REVENUES	\$ 19,668,710	\$ 9,515,480	\$ 3,002,170	\$ 32,186,360	\$ 963,645	\$ 33,150,005
EXPENDITURES/EXPENSES						
Service Operations:						
Salaries and Related Expenditures	\$ 4,106,105	\$	\$	\$ 4,106,105	\$	\$ 4,106,105
Professional Fees	718,005			718,005		718,005
Contracted Services	422,223	112,799		535,022		535,022
Purchased Water and Wastewater Services	1,408,151			1,408,151		1,408,151
Utilities	1,930,636			1,930,636		1,930,636
Materials and Supplies	645,310			645,310		645,310
Repairs and Maintenance	1,461,467			1,461,467		1,461,467
Apache Shores	734,567			734,567		734,567
Depreciation					6,382,705	6,382,705
Other	1,865,977	16,189		1,882,166		1,882,166
Capital Outlay	1,096,492		5,138,846	6,235,338	(6,235,338)	
Debt Service:						
Bond Principal		6,718,843		6,718,843	(6,718,843)	
Bond Interest		4,838,083		4,838,083	838,423	5,676,506
Bond Issuance Costs		700,485		700,485	(35,870)	664,615
TOTAL EXPENDITURES/EXPENSES	\$ 14,388,933	\$ 12,386,399	\$ 5,138,846	\$ 31,914,178	\$ (5,768,923)	\$ 26,145,255
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/ EXPENSES	\$ 5,279,777	\$ (2,870,919)	\$ (2,136,676)	\$ 272,182	\$ 6,732,568	\$ 7,004,750
OTHER FINANCING SOURCES (USES)						
Transfers In (Out)	\$ (1,815,404)	\$ 145,401	\$ 1,670,003	\$	\$	\$
Long-Term Debt Issued		18,270,425	9,573	18,279,998	(18,279,998)	
Transfer to Refunding Escrow Agent		(20,186,167)		(20,186,167)	20,186,167	
Bond Premium		2,222,329		2,222,329	(2,222,329)	
Developer Contributions	377,719			377,719	(377,719)	
TOTAL OTHER FINANCING SOURCES (USES)	\$ (1,437,685)	\$ 451,988	\$ 1,679,576	\$ 693,879	\$ (693,879)	\$ -0-
NET CHANGE IN FUND BALANCES	\$ 3,842,092	\$ (2,418,931)	\$ (457,100)	\$ 966,061	\$ (966,061)	\$
CHANGE IN NET POSITION					7,004,750	7,004,750
FUND BALANCES/NET POSITION - OCTOBER 1, 2015, AS RESTATED	21,950,986	15,931,940	15,533,331	53,416,257	72,609,366	126,025,623
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2016	\$ 25,793,078	\$ 13,513,009	\$ 15,076,231	\$ 54,382,318	\$ 78,648,055	\$ 133,030,373

The accompanying notes to the financial statements are an integral part of this report

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Net Change in Fund Balances - Governmental Funds	\$	966,061
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		4,226
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In the Statement of Net Position, long-term liabilities are decreased by the activation of living unit equivalents and the revenue is recorded in the Statement of Activities.		581,700
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Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(6,382,705)
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Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		6,235,338
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Governmental funds report bond insurance costs as expenditures and bond discounts and bond premiums as other financing sources/uses in the year paid. However, in the Statement of Net Position, the bond insurance costs, bond discounts, and bond premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		(2,423,252)
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Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		6,718,843
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Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(601,630)
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Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.		(18,279,998)
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Governmental funds report the payment to the refunded bond escrow agent as an other financing use. However, the refunding of outstanding bonds decreases long-term liabilities in the Statement of Net Position.		20,186,167
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Change in Net Position - Governmental Activities	\$	<u>7,004,750</u>
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The accompanying notes to the financial statements are an integral part of this report.

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**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 1. CREATION OF DISTRICT

Travis County Water Control and Improvement District No. 17 (the “District”) was created by an Order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the “Commission”) on December 8, 1958, and confirmed by the electorate of the District at a confirmation election held on February 28, 1959. The Board of Directors (the “Board”) held its first meeting in December 1958, and the first bonds were sold on November 15, 1959. The District operates and maintains a water treatment and distribution system in Travis County, Texas under Chapter 51 of the Texas Water Code. The District is a political subdivision of the State of Texas and operates under a five member Board of Directors, which has been elected by District residents or appointed by the Board of Directors.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). In addition, the accounting records of the District are maintained generally in accordance with the *Water District Financial Management Guide* published by the Commission.

The District is a political subdivision of the State of Texas governed by an elected board. GASB has established the criteria for determining whether or not an entity is a primary government or a component unit of a primary government. The primary criteria are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District’s financial statement as component units.

Financial Statement Presentation

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:

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

- 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.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the District as a whole. The District's Statement of Net Position and Statement of Activities are combined with the governmental fund financial statements. The District is viewed as a special-purpose government and has the option of combining these financial statements.

The Statement of Net Position is reported by adjusting the governmental fund types to report on the full accrual basis, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. Any amounts recorded due to and due from other funds are eliminated in the Statement of Net Position.

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated to obtain net total revenues and expenses in the government-wide Statement of Activities.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

As discussed above, the District's fund financial statements are combined with the government-wide financial statements. The fund statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has three governmental funds and considers these funds to be major funds:

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues and costs and general operating expenditures.

Debt Service Fund - To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund - To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days after year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due. The District has applied a current accounting standard that provides for an exception to the basic concept that long-term indebtedness is not reported as an expenditure until the amount becomes due and payable. This exception allows the District to record the 2016 debt service payments as expenditures during the current fiscal year.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. The General Fund recorded a liability to the Debt Service Fund in the amount of \$356,573 for subsequent user fees and to the Capital Projects Fund in the amount of \$812,969 for construction costs paid in a prior fiscal year. The Debt Service fund recorded a liability to the General Fund in the amount of \$131,555 for maintenance tax collections and a liability to the Capital Projects Fund in the amount of \$1,933,704 for capital project related expenditures. During the current fiscal year, the District's Capital Projects Fund transferred \$145,401 to the Debt Service Fund for bond principal and interest payments and the General Fund transferred \$1,815,404 to the Capital Projects Fund for capital asset acquisition.

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 no allowance for uncollectible accounts at September 30, 2016.

Capital Assets

Capital assets, which include land, construction in progress, infrastructure assets, buildings, and furniture, fixtures and equipment, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Interest costs, including developer interest, engineering fees and certain other costs are capitalized as part of the asset.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Assets are capitalized, including infrastructure assets, if they have an original cost of \$5,000 or more and a useful life of at least two years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	<u>Years</u>
Buildings	30
Water System	20-50
Wastewater System	20-50
Drainage System	20-50
Furniture, Fixtures and Equipment	5-10

Budgeting

In compliance with governmental accounting principles, the Board of Directors annually adopts an unappropriated budget for the General Fund. The budget was not amended during the current fiscal year.

Pensions

The District has 59 full-time employees. Payments are made into the social security system for them. The Internal Revenue Service has determined that the District's directors are considered to be "employees" for federal payroll tax purposes only. A separate pension plan has not been established for the directors. See Note 10 for full-time employee's retirement plan.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources. 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 has no 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 authorized the General Manager to have the authority to assign any amount of funds which may occur subsequent to fiscal year end. The District has no 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 of 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.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain amounts in the prior year have been reclassified to conform to the presentation adopted in the current year. There was no impact on net position or fund balance.

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.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 3. LONG-TERM DEBT

The following is a summary of transactions regarding bonds payable for the year ended September 30, 2016:

	October 1, 2015	Additions/ Refundings	Retirements	September 30, 2016
Bonds Payable	\$ 140,608,816	\$ 18,279,998	\$ (25,503,843)	\$ 133,384,971
Premium on Bond Issuances	2,153,206	2,222,329	(253,904)	4,121,631
Discount on Bond Issuances	(469,717)		30,159	(439,558)
Bonds Payable, Net	<u>\$ 142,292,305</u>	<u>\$ 20,502,327</u>	<u>\$ (25,727,588)</u>	<u>\$ 137,067,044</u>

Long-term debt at September 30, 2016, is comprised of the following:

	Balance September 30, 2016	Due in One Year
\$1,120,000 Series 1997, Apache Shores Revenue Bonds, maturing annually on October 1, 2017 through 2026. Interest rates vary from 5.95% to 6.10% and is payable April 1 and October 1 each year. Bonds are callable on October 1, 2007.	\$ 1,120,000	\$ 85,000
\$795,000 Series 2004, River Ridge Unlimited Tax Bonds, maturing on November 1, 2017 through 2029. Interest rates vary from 4.80% to 5.75% and is payable May 1 and November 1 each year. Bonds are callable on May 1, 2014.	795,000	40,000
\$240,000 Series 2005, Water and Sewer System Revenue and Refunding Bonds, maturing on November 1, 2017. Interest rates vary from 4.52% to 5.57% and is payable May 1 and November 1 each year. Bonds are callable on May 1, 2016.	240,000	240,000
\$185,000 Series 2006, Steiner Ranch Defined Area Unlimited Tax Bonds, maturing on November 1, 2017. Interest rates vary from 4.52% to 4.67% and is payable May 1 and November 1 each year. Bonds are callable on May 1, 2016.	185,000	185,000
\$100,000 Series 2007, Water and Sewer System Revenue Bonds, maturing on November 1, 2017. Interest rates vary from 4.67% to 5.62% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2017.	100,000	100,000

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 3. LONG-TERM DEBT (Continued)

\$3,005,000 Series 2009, Steiner Ranch Defined Area Unlimited Tax Bonds, maturing annually on November 1 through 2020. Interest rates vary from 4.50% to 5.25% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2018.	3,005,000	535,000
\$4,545,000 Series 2009, Flintrock Estates Defined Area Unlimited Tax Bonds, maturing annually on November 1 through 2033. Interest rates vary from 4.00% to 5.00% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2018.	4,545,000	145,000
\$3,540,000 Series 2009, Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, maturing annually on November 1 through 2020. Interest rates vary from 3.00% to 4.00% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2017.	3,540,000	835,000
\$1,040,000 Series 2009A, Steiner Ranch Defined Area Unlimited Tax Bonds, maturing annually on November 1 through 2019. Interest rates vary from 3.125% to 4.55% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2017.	1,040,000	235,000
\$10,280,000 Series 2009A, Flintrock Estates Defined Area Unlimited Tax Bonds, maturing annually on November 1 through 2037. Interest rates vary from 4.25% to 5.00% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2018.	10,280,000	245,000
\$1,520,000 Series 2010, Water and Sewer System Revenue Bonds, maturing annually on November 1 through 2032. Interest rates vary from 2.84% to 5.34% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2020.	1,520,000	60,000
\$2,985,000 Series 2010, Steiner Ranch Defined Area Unlimited Tax Bonds, maturing annually on November 1 through 2032. Interest rates vary from 3.50% to 6.00% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2018.	2,985,000	115,000
\$5,115,000 Series 2011, Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, maturing annually on November 1 through 2021. Interest rates vary from 2.00% to 3.25% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2020.	5,115,000	770,000
\$2,185,000 Series 2011, Steiner Ranch Defined Area Unlimited Tax Bonds, maturing annually on November 1 through 2031. Interest rates vary from 2.00% to 4.00% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2020.	2,185,000	90,000

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 3. LONG-TERM DEBT (Continued)

\$10,900,000 Series 2012, Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, maturing annually on November 1 through 2025. Interest rates vary from 2.00% to 4.50% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2020.	10,900,000	475,000
\$23,525,000 Series 2012, Water and Sewer System Revenue Bonds, maturing annually on November 1 through 2037. Interest rates vary from 2.00% to 4.00% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2019.	23,525,000	395,000
\$13,014,984 Series 2013, Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, maturing annually on November 1 through 2031. Interest rates vary from 2.00% to 3.25% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2020.	13,014,984	342,389
\$2,345,000 Series 2013, Steiner Ranch Defined Area Unlimited Tax Bonds, maturing annually on November 1 through 2031. Interest rates vary from 2.00% to 3.25% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2020.	2,345,000	105,000
\$2,590,000 Series 2013, Flintrock Estates Defined Area Unlimited Tax Refunding Bonds, maturing annually on November 1 through 2031. Interest rates vary from 2.00% to 3.375% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2020.	2,590,000	175,000
\$6,650,000 Series 2014, Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, maturing annually on November 1 through 2025. Interest rates vary from 2.00% to 4.00% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2021.	6,650,000	90,000
\$12,744,989 Series 2015, Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, maturing annually on November 1 through 2031. Interest rates vary from 2.00% to 3.125% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2022.	12,744,989	144,989
\$2,230,000 Series 2015, Steiner Ranch Defined Area Unlimited Tax Bonds, maturing annually on November 1 through 2035. Interest rates vary from 2.00% to 3.50% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2022.	2,230,000	70,000
\$4,450,000 Series 2015, Serene Hills Defined Area Unlimited Tax Bonds, maturing annually on November 1 through 2040. Interest rates vary from 2.00% to 4.125% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2023.	4,450,000	-

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 3. LONG-TERM DEBT (Continued)

\$11,574,998 Series 2016, Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, maturing annually on November 1 through 2031. Interest rates vary from 2.00% to 4.00% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2023.		
	11,574,998	100,000
\$6,705,000 Series 2016, Water and Sewer System Refunding Bonds, maturing annually on November 1 through 2033. Interest rates vary from 2.00% to 4.00% and is payable May 1 and November 1 each year. Bonds are callable on November 1, 2019.		
	<u>6,705,000</u>	<u>80,000</u>
Total Long-Term Debt	<u>\$ 133,384,971</u>	<u>\$ 5,657,378</u>

Unlimited tax bonds authorized but not issued as of September 30, 2016, were \$49,780,000.

On July 21, 2016, the District issued Water and Sewer System Revenue Refunding Bonds, Series 2016 of \$6,705,000 with interest rates of 2.0% to 4.0% to currently refund \$4,685,000 of its previously issued Series 2005 bonds and advance refund \$2,525,000 of its previously issued Series 2007 bonds in order to lower its overall debt service requirements. The net proceeds of \$7,424,970 (after payment of the re-offering premium, underwriting fees, insurance and other issuance costs) were used for the following: \$7,415,397 was deposited with an escrow agent to provide the debt service payment on the portion of bonds currently refunded and \$9,573 was deposited in the Capital Projects Fund for subsequent issuance costs. As a result, \$6,705,000 of bond principal is considered defeased and the liability for these bonds was removed from the basis financial statements. At September 30, 2016, \$2,525,000 of the refunded bonds are considered defeased as principal balances will be retired subsequent to year end on May 1, 2017; the remaining refunded principal balance of \$4,685,000 was called prior to year end on August 25, 2016. The reacquisition price exceeded the net carrying amount of the old debt by \$205,395; this amount is considered a deferred inflow of resources and amortized over the life of the refunded debt which is shorter than the life of the new debt issued. The advance refunding resulted in an economic gain of \$1,335,255 and an overall debt service savings of \$1,847,265.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 3. LONG-TERM DEBT (Continued)

On March 4, 2016, the District issued Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, Series 2016 of \$11,574,998 with interest rates of 2.0% to 4.0% to advance refund \$4,550,000 of its previously issued Series 2009A bonds and \$7,025,000 of its previously issued Series 2009 bonds in order to lower its overall debt service requirements. The net proceeds of \$12,786,574 (after payment of the re-offering premium, underwriting fees, insurance and other issuance costs) were used for the following: \$12,770,770 was deposited with an escrow agent to provide the debt service payment on the portion of bonds currently refunded and \$15,804 was deposited in the Debt Service Fund for future interest and bond issuance costs. As a result, \$11,575,000 of bond principal is considered defeased and the liability for these bonds was removed from the basis financial statements. At September 30, 2016, \$4,550,000 of the refunded bonds are considered defeased as principal balances will be retired subsequent to year end on November 1, 2017 and \$7,025,000 of the refunded bonds are considered defeased as principal balances will be retired subsequent to year end on November 1, 2018. The reacquisition price exceeded the net carrying amount of the old debt by \$1,195,770; this amount is considered a deferred inflow of resources and amortized over the life of the refunded debt which is shorter than the life of the new debt issued. The advance refunding resulted in an economic gain of \$512,564 and an overall debt service savings of \$659,683.

As of September 30, 2016, the debt service requirements on the bonds outstanding were as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 5,657,378	\$ 6,485,903	\$ 12,143,281
2018	6,687,595	5,709,728	12,397,323
2019	7,715,000	4,850,569	12,565,569
2020	8,690,000	4,063,438	12,753,438
2021	8,390,000	3,592,538	11,982,538
2022-2026	36,254,998	15,206,650	51,461,648
2027-2031	37,670,000	7,749,872	45,419,872
2032-2036	16,240,000	2,650,348	18,890,348
2037-2041	6,080,000	355,241	6,435,241
	<u>\$ 133,384,971</u>	<u>\$ 50,664,287</u>	<u>\$ 184,049,258</u>

In current and prior years, the District defeased certain outstanding general obligation bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all the future debt service payments on the old bonds. Accordingly, the trust account assets and the defeased bonds are not included in the District's financial statements. At September 30, 2016, outstanding bonds of \$15,225,000 are considered defeased.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

A portion of the Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, Series 2012, Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, Series 2013, Flintrock Ranch Estates Defined Area Unlimited Tax Refunding Bonds, Series 2013, Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, Series 2014, Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, Series 2015 and Steiner Ranch Defined Area Unlimited Tax Refunding Bonds, Series 2016 are 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 in Note 3 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. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

The bond resolutions require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and cover the cost of assessing and collecting taxes. These provisions have been met, and the cash allocated for these purposes is sufficient to meet debt service requirements through the fiscal year ended September 30, 2016.

The Series 1997 bond resolution requires the District to use fees collected from users in the Apache Shores water system for payment of the interest and principal on bonds when due.

The bond resolutions state that the District is required by the Securities and Exchange Commission to provide continuing disclosure of certain general financial information and operating data with respect to the District to the Municipal Securities Rulemaking Board. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

For the Bonds sold, the District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the Bonds be rebated to the federal government, within the meaning of Section 148(f) of the Internal Revenue Code. The minimum requirement for determination of the rebatable amount is on the five-year anniversary of each issue.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS
(Continued)

In accordance with the Serene Hills Defined Area Series 2015 bond order, a portion of the bond proceeds was deposited into the Debt Service Fund and restricted for the payment of bond interest during the construction period. Transactions for the current year are summarized as follows:

Restricted for Bond Interest - October 1, 2015	\$ 360,798
Less: Bond Interest Paid - SHDA Series 2015	<u>(111,672)</u>
Restricted for Bond Interest - September 30, 2016	<u>\$ 249,126</u>

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was \$2,253,657 and the bank balance was \$3,175,514. Of the bank balance, \$293,674 was covered by federal depository insurance and the balance was covered by collateral pledged in the name of the District and held in a third-party depository.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at September 30, 2016, as listed below:

	<u>Cash</u>
GENERAL FUND	\$ 1,869,611
DEBT SERVICE FUND	43,672
CAPITAL PROJECTS FUND	<u>340,374</u>
TOTAL DEPOSITS	<u>\$ 2,253,657</u>

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth and yield, sixth. The District's investments must be made "with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors.

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. Authorized investments are summarized as follows: (1) obligations of the United States or its agencies and instrumentalities, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states, agencies, counties, cities, and other political subdivisions of any state, (6) insured or collateralized certificates of deposit issued by a depository institution that has its main office or branch in the State of Texas, (7) certain fully collateralized repurchase agreements secured by delivery, (8) certain bankers' acceptances with limitations, (9) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (10) no-load money market mutual funds and no-load mutual funds with limitations, (11) certain guaranteed investment contracts, (12) certain qualified governmental investment pools and (13) a qualified securities lending program.

The District invests in TexPool and TexSTAR, external investment pools that are not SEC-registered but operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool. Federated Investors, Inc. manages the daily operations of TexPool under a contract with the Comptroller. First Southwest Asset Management, Inc. and JPMorgan Chase manage the daily operations of TexSTAR. Both TexPool and TexSTAR have investment policies that stipulate that they must invest in accordance with the Public Funds Investment Act. These investments are stated at amortized cost in accordance with GASB Statement No. 31.

The District also invests in money market mutual funds that are stated at amortized cost.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of September 30, 2016, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities in Years			
		Less Than 1	1-5	6-10	More Than 10
<u>GENERAL FUND</u>					
TexSTAR	\$ 24,669,401	\$ 24,669,401	\$	\$	\$
<u>DEBT SERVICE FUND</u>					
TexSTAR	15,177,083	15,177,083			
TexPool	940	940			
<u>CAPITAL PROJECTS FUND</u>					
TexSTAR	9,328,392	9,328,392	\$	\$	\$
Money Market Mutual Funds	3,269,190	3,269,190			
TOTAL INVESTMENTS	\$ 52,445,006	\$ 52,445,006	\$ - 0 -	\$ - 0 -	\$ - 0 -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2016, the District's investments in TexPool and TexSTAR were rated "AAAm" by Standard and Poor's. The District's investments in money market mutual funds were rated AAAM by Standard and Poor's and/or Aaa-mf by Moody's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investments in TexPool, TexSTAR and the money market mutual funds to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value.

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016 was as follows:

	October 1, 2015	Increases	Decreases	September 30, 2016
Capital Assets Not Being Depreciated				
Land, Land Improvements and Water Rights	\$ 2,559,764	\$ 100,000	\$	\$ 2,659,764
Construction in Progress	<u>29,338,513</u>	<u>4,928,333</u>	<u>30,906,869</u>	<u>3,359,977</u>
Total Capital Assets Not Being Depreciated	<u>\$ 31,898,277</u>	<u>\$ 5,028,333</u>	<u>\$ 30,906,869</u>	<u>\$ 6,019,741</u>
Capital Assets Subject to Depreciation				
Infrastructure	\$ 240,108,645	\$ 31,279,034	\$	\$ 271,387,679
Buildings	1,581,587			1,581,587
Furniture, Fixtures and Equipment	<u>3,879,543</u>	<u>834,840</u>		<u>4,714,383</u>
Total Capital Assets Subject to Depreciation	<u>\$ 245,569,775</u>	<u>\$ 32,113,874</u>	<u>\$ - 0 -</u>	<u>\$ 277,683,649</u>
Less Accumulated Depreciation				
Infrastructure	\$ 53,679,798	\$ 6,084,742	\$	\$ 59,764,540
Buildings	768,090	73,439		841,529
Furniture, Fixtures and Equipment	<u>3,089,871</u>	<u>224,524</u>		<u>3,314,395</u>
Total Accumulated Depreciation	<u>\$ 57,537,759</u>	<u>\$ 6,382,705</u>	<u>\$ - 0 -</u>	<u>\$ 63,920,464</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 188,032,016</u>	<u>\$ 25,731,169</u>	<u>\$ - 0 -</u>	<u>\$ 213,763,185</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 219,930,293</u>	<u>\$ 30,759,502</u>	<u>\$ 30,906,869</u>	<u>\$ 219,782,926</u>

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 7. DEFERRED OUTFLOWS OF RESOURCES

The following is a summary of changes in the deferred outflows of resources for the year ended September 30, 2016:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Deferred charges on refundings	\$ 753,008	1,401,167	(435,217)	\$ 1,718,958

NOTE 8. PROPERTY TAX

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 current tax rates on October 15, 2015.

The combined tax rate was \$0.0585 per \$100 assessed valuation District-wide, except for the Steiner Ranch Defined Area, Flintrock Ranch Estates Defined Area, and the Serene Hills Defined Area. The Steiner Ranch Defined Area, Flintrock Ranch Estates Defined Area, and Serene Hills Defined Area had additional tax rates of \$0.3751, \$0.4505, and \$0.6500 per \$100 assessed valuation, respectively. The total 2015 tax levy was \$12,405,231 based on a taxable valuation of \$7,490,114,215 for all areas combined.

The District's tax calendar is as follows:

- Levy Date - October 1, as soon thereafter as practicable.
- Lien Date - January 1.
- Due Date - Upon receipt but not later than January 31.
- Delinquent Date - February 1, at which time the taxpayer is liable for penalty and interest.

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

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 9. IMPACT FEES

In July 1984, the District's Board voted for an amendment to the District's Rules and Policies which provides for the assessing of certain fees from developers in the area serviced by the District. These fees are kept separate from other revenue of the District and are used for the purpose of constructing improvements to the District's water treatment, storage, pumping and transmission facilities.

In December 1987, the District and Steiner Ranch Development Corporation (the "Developer") entered into an annexation agreement. In May 1988, the voters of the District approved the issuance of Defined Area Bonds for the annexed land. The issuance of the Defined Area Bonds is for payment and reimbursement to the Developer for a portion of all costs to provide water, sewer and drainage facilities for the annexed land. The District cannot issue new Steiner Ranch Defined Area debt if the tax rate for payment of debt service on the Defined Area Bonds is greater than \$0.89 minus the District-wide tax rate per \$100 assessed valuation.

In September 1999, the District's Board adopted the Land Use Assumptions and Capital Improvements Plan for wastewater facilities to serve the southern portion of the District. By adoption, the Board approved a wastewater impact fee of \$5,250. These fees are kept separate from other revenue of the District and are used for the purpose of constructing improvements to the District's wastewater treatment storage, pumping and transmission facilities. At September 30, 2016, the District had restricted fund balance related to these impact fees of \$6,473,293.

NOTE 10. DEFERRED COMPENSATION PLANS

The District offers a deferred compensation plan established in accordance with Internal Revenue Code 401(a). Assets and income of the District's plan are held in custodial accounts with a bank for the exclusive benefit of participants and their beneficiaries. Accordingly, the plan's assets and liabilities are not recorded in the District's basic financial statements.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 11. COMMITMENTS

The District has entered into construction contracts for the following projects as of September 30, 2016:

Project Name	Remaining Commitments
Apache Shores Water Line Improvements 2016	\$ 333,045
Eck Lane Water Treatment Plant Improvements Project	226,680
Flintrock Wastewater Treatment Plant Expansion	7,639,203
Steiner Ranch Lift Station No. 6 Improvements	344,000
Total Remaining Commitments	<u>\$ 8,542,928</u>

The District has entered into a cost share agreement with Travis County for the relocation of portions of Flintrock Road, which includes portions of the water and wastewater lines. The District has already paid its pro-rata share, but could be subject to subsequent costs, should any unknown contingencies arise.

The District has entered into several cost share agreements between the District and the developers for the sharing of construction and engineering expenses related to various projects. The cost share agreements represent the respective pro-rata share of capacity each party shall have in the projects.

In May 2010, the District entered into an agreement with a developer resulting in the District receiving approximately 41 acres of land in Serene Hills Defined Area. As consideration for the land, the District will credit the developer for payment of water and wastewater impact fees incurred in the future. As a result of this transaction, the District has recognized \$581,700 of revenue for the year ended September 30, 2016 and there is no remaining long-term liability in the Statement of Net Position at September 30, 2016 in the government-wide financial statements.

NOTE 12. RISK MANAGEMENT

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

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 13. WATER SUPPLY CONTRACTS

Contract 59757

On May 23, 2001, the District entered into a contract with the Lower Colorado River Authority (the "LCRA") for the right to divert up to 8,800 acre-feet (2,867,920,000 gallons) of raw water per annum from Lake Travis in Travis County, Texas. This contract was amended on April 7, 2011. Water supplied under this contract will be utilized for municipal uses only. The term of the contract is 50 years, ending on May 23, 2051.

On a monthly basis, the District agrees to pay an amount equal to the water rate determined by the Board of Directors of the LCRA to then be in effect for all sales of water for municipal purposes times the amount of water diverted during the previous month. On a calendar year basis, the District agrees to pay an amount equal to the rate determined by the Board of Directors of the LCRA, to then be in effect for diversion of water in amounts in excess of the maximum annual quantity (the "Inverted Block Rate"). As of September 30, 2016, the raw water rate was \$145/acre-feet of water and the Inverted Block Rate was \$290/acre-feet of water. During the current fiscal year, the District incurred cost of \$986,996 in relation to Contract 59757 with the LCRA.

Contract 8000287348

On August 16, 2013, the District entered into a contract with the LCRA for the right to divert up to 494 acre-feet of raw water per annum from Lake Travis in Travis County, Texas. Water supplied under this contract will be utilized for recreational uses only. The term of the contract is 10 years.

On a monthly basis, the District agrees to pay an amount equal to the water rate determined by the Board of Directors of the LCRA to then be in effect for all sales of water for recreational purposes times the amount of water diverted during the previous month. On a calendar year basis, the District agrees to pay an amount equal to the water rate times 50% of the "reserved water", which is the difference between the maximum annual quantity and the amount of water actually diverted. In addition, the District agrees to pay an amount equal to the rate determined by the Board of Directors of the LCRA, to then be in effect for diversion of water in amounts in excess of the maximum annual quantity (the "Inverted Block Rate"). As of September 30, 2016, the raw water rate was \$145/acre-feet of water, the reserved water rate was \$72.50/acre-feet of water and the Inverted Block Rate was \$290/acre-feet of water. During the current fiscal year, the District incurred cost of \$65,136 in relation to this contract with the LCRA.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 14. WHOLESALE WASTEWATER SERVICE AGREEMENTS

West Travis County Public Utility Agency

On May 10, 2007, the District entered into a Wholesale Wastewater Service Agreement with the LCRA. The First Amendment to the agreement was approved on January 6, 2009. In addition, on February 16, 2012, the District consented to the assignment of this agreement from the LCRA to the West Travis County Public Utility Agency (the "PUA"). In accordance with the agreement, the PUA agrees to collect, treat and dispose of wastewater originating from the Falconhead West development. The PUA will provide up to a maximum monthly flow rate of 100 gallons per minute and a peak flow rate of 400 gallons per minute. The District has installed flow meters to accurately account for the flow of wastewater to the PUA. The PUA will establish rates, charges and fees for the service provided under the agreement. As of September 30, 2016, the minimum monthly fee being charged to the District was \$15,380. The District is also charged \$4.51 per 1,000 gallons of actual flow through the meters. During the current fiscal year, the District incurred \$268,475 in charges related to this agreement for wastewater delivered to the PUA.

Lakeway Municipal Utility District

On December 23, 2005, the District entered into an Agreement for Wholesale Wastewater Service with Lakeway Municipal Utility District ("Lakeway"). The First Amendment to the agreement was approved on December 17, 2009. In accordance with the agreement, Lakeway commits and agrees to accept and treat up to 600 living unit equivalents (LUE's), as defined in the agreement, of wastewater from development within the District. The purchase price to be paid by the District for each LUE is \$7,300. As of September 30, 2016, the District had purchased 305 LUE's from Lakeway. The District is required to make monthly reservation fee payments to Lakeway in the amount \$15 per month per LUE for the remainder of the 600 LUE's of capacity being made available by Lakeway for purchase under this agreement. The reservation fee paid each month during the current fiscal year was \$4,425 (\$15 multiplied by 295 unfunded LUE's). In addition, Lakeway charges a monthly volume charge for wastewater that flows through the meter. The current volume charge, as of September 30, 2016, is \$4.53 per 1,000 gallons of flow. During the current fiscal year, the District paid Lakeway \$33,983 for volume charges in relation to actual wastewater flows.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016**

NOTE 15. RESTATEMENT OF GENERAL FUND FUND BALANCE AND NET POSITION BALANCE

In previous years, the District improperly recorded various assets and liabilities in the General Fund which should have been cleared out as of September 30, 2015. As a result, adjustments to correctly reflect these balances were posted to the District's beginning General Fund fund balance and Net Position balance (as of September 30, 2015). The effect of these corrections is as follows:

General Fund fund balance, September 30, 2015	\$ 20,791,706
Remove retainage payable for completed projects	209,688
Reconcile accounts receivable to support	(355,535)
Adjust accrued payroll to actuals	136,280
Recognize subsequent user fees recorded as liabilities	1,006,140
Reconcile customer plumbing deposits to support	123,064
Reconcile accounts payable to support	39,643
General Fund fund balance, September 30, 2015, as restated	<u>\$ 21,950,986</u>
Net position, September 30, 2015	\$ 124,866,343
Adjustments noted above	<u>1,159,280</u>
Net position, September 30, 2015, as restated	<u>\$ 126,025,623</u>

NOTE 16. SUBSEQUENT EVENT

On January 10, 2017, the District issued \$4,125,000 of Serene Hills Defined Area Unlimited Tax Bonds, Series 2017. Proceeds of the bonds were used to reimburse a developer within the District for water, wastewater and drainage facilities costs, impact fees and operating advances. The Series 2017 bonds were sold with interest rates ranging from 3.00% - 4.25% and principal maturities through November 2041.

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**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17**

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2016

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 2,974,275	\$ 3,231,133	\$ 256,858
Water and Wastewater Service	12,812,000	13,722,221	910,221
Trash and Recycling Service	335,000	364,560	29,560
Connection and Service Fees	196,858	203,408	6,550
Apache Shores Income	1,032,405	942,062	(90,343)
Penalty and Interest	211,600	309,211	97,611
Permit and Inspection Income	421,500	490,242	68,742
Investment Revenues	9,000	68,212	59,212
Other Income	161,200	337,661	176,461
TOTAL REVENUES	<u>\$ 18,153,838</u>	<u>\$ 19,668,710</u>	<u>\$ 1,514,872</u>
EXPENDITURES			
Services Operations:			
Salaries and Related Expenditures	\$ 4,130,253	\$ 4,106,105	\$ 24,148
Professional Fees	910,000	718,005	191,995
Contracted Services	395,000	422,223	(27,223)
Purchased Water and Wastewater Services	1,680,500	1,408,151	272,349
Utilities	2,094,050	1,930,636	163,414
Materials and Supplies	581,300	645,310	(64,010)
Repairs and Maintenance	2,593,000	1,461,467	1,131,533
Apache Shores	943,105	734,567	208,538
Other	1,154,358	1,865,977	(711,619)
Capital Outlay	1,331,432	1,096,492	234,940
TOTAL EXPENDITURES	<u>\$ 15,812,998</u>	<u>\$ 14,388,933</u>	<u>\$ 1,424,065</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 2,340,840</u>	<u>\$ 5,279,777</u>	<u>\$ 2,938,937</u>
OTHER FINANCING SOURCES(USES)			
Transfers Out	\$	\$ (1,815,404)	\$ (1,815,404)
Developer Contributions		377,719	377,719
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -0-</u>	<u>\$ (1,437,685)</u>	<u>\$ (1,437,685)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,340,840</u>	<u>\$ 3,842,092</u>	<u>\$ 1,501,252</u>
FUND BALANCE - OCTOBER 1, 2015, AS RESTATED	<u>21,950,986</u>	<u>21,950,986</u>	
FUND BALANCE - SEPTEMBER 30, 2016	<u>\$ 24,291,826</u>	<u>\$ 25,793,078</u>	<u>\$ 1,501,252</u>

See accompanying independent auditor's report.

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**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17**

**SUPPLEMENTARY INFORMATION REQUIRED BY THE
WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**

SEPTEMBER 30, 2016

1. SERVICES PROVIDED BY THE DISTRICT DURING THE FISCAL YEAR:

2. RETAIL SERVICE PROVIDERS

Based on the rate order effective January 1, 2016.

Total charges per 10,000 gallons usage: Water: \$36.00 Wastewater: \$50.50 Surcharge: \$0.43 Total: \$86.93

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**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
5/8"	<u>5,710</u>	<u>5,624</u>	x 1.0	<u>5,624</u>
3/4"	<u>5,423</u>	<u>5,286</u>	x 1.5	<u>7,929</u>
1"	<u>290</u>	<u>283</u>	x 2.5	<u>708</u>
1½"	<u>219</u>	<u>219</u>	x 5.0	<u>1,095</u>
2"	<u>141</u>	<u>141</u>	x 8.0	<u>1,128</u>
3"	<u>42</u>	<u>42</u>	x 15.0	<u>630</u>
4"	<u>2</u>	<u>2</u>	x 25.0	<u>50</u>
6"	<u>4</u>	<u>4</u>	x 50.0	<u>200</u>
8"	<u>1</u>	<u>1</u>	x 90.0	<u>90</u>
10"	<u>-</u>	<u>-</u>	x 115.0	<u>-</u>
Total Water Connections	<u>11,832</u>	<u>11,602</u>		<u>17,454</u>
Total Wastewater Connections	<u>6,849</u>	<u>6,849</u>	x 1.0	<u>6,849</u>

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into the System: 2,268,872,000 Water Accountability Ratio: 92.2%
(Gallons billed /Gallons pumped)

Gallons billed to customers: 2,091,689,000

The water accountability ratio does not include water lost to flushing and unmetered water.

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

4. STANDBY FEES (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes ☐ No ☒

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes ☒ No ☐

County in which District is located:

Travis County, Texas

Is the District located within a city?

Entirely ☐ Partly ☒ Not at all ☐

Cities in which District is located:

Lakeway, Texas

Bee Cave, Texas

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

Entirely ☐ Partly ☒ Not at all ☐

ETJ's in which District is located:

City of Austin, Texas

City of Lakeway, Texas

City of Bee Cave, Texas

Are Board Members appointed by an office outside the District?

Yes ☐ No ☒

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

SALARY AND RELATED EXPENDITURES	\$ 4,106,105
PROFESSIONAL FEES:	
Auditing	\$ 34,500
Engineering	551,474
Legal	132,031
TOTAL PROFESSIONAL FEES	\$ 718,005
PURCHASED SERVICES FOR RESALE:	
Purchased Water Service	\$ 984,639
Purchased Wastewater Service	423,512
TOTAL PURCHASED SERVICES FOR RESALE	\$ 1,408,151
CONTRACTED SERVICES	\$ 104,604
UTILITIES	\$ 1,930,636
MATERIALS AND SUPPLIES	\$ 645,310
REPAIRS AND MAINTENANCE	\$ 1,461,467
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 16,051
Dues	11,387
Insurance	241,270
Other	175,973
TOTAL ADMINISTRATIVE EXPENDITURES	\$ 444,681
CAPITAL OUTLAY:	
Capitalized Assets	\$ 1,096,492
Expenditures Not Capitalized	-
TOTAL CAPITAL OUTLAY	\$ 1,096,492
SOLID WASTE DISPOSAL	\$ 317,619
APACHE SHORES	\$ 734,567
OTHER EXPENDITURES:	
Chemicals	\$ 368,012
Equipment Rental and Leases	39,846
Laboratory Fees	73,600
License and Permit Fees	36,918
Inspection Fees	230,450
Sludge Hauling	568,484
Training	8,459
Other	95,527
TOTAL OTHER EXPENDITURES	\$ 1,421,296
TOTAL EXPENDITURES	\$ 14,388,933

Number of persons employed by the District

59

Full-Time

-0-

Part-Time

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
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
<u>GENERAL FUND</u>					
TexSTAR	8021111000	Varies	Daily	\$ 2,474,265	\$
TexSTAR	8021116000	Varies	Daily	395,760	
TexSTAR	8021116100	Varies	Daily	20,098,667	
TexSTAR	8021116200	Varies	Daily	345,150	
TexSTAR	8021190000	Varies	Daily	165,950	
TexSTAR	8022535000	Varies	Daily	607,526	
TexSTAR	8022543000	Varies	Daily	163,050	
TexSTAR	8020085000	Varies	Daily	56,104	
TexSTAR	8020545000	Varies	Daily	362,929	
TOTAL GENERAL FUND				\$ 24,669,401	\$ - 0 -
<u>DEBT SERVICE FUND</u>					
TexSTAR	8021024000	Varies	Daily	\$ 15,133	\$
TexSTAR	8023794000	Varies	Daily	10,926	
TexSTAR	8020745000	Varies	Daily	10,638,158	
TexSTAR	8020745300	Varies	Daily	558,102	
TexSTAR	8023003000	Varies	Daily	272,659	
TexSTAR	8020745200	Varies	Daily	140,261	
TexSTAR	8023333100	Varies	Daily	135	
TexSTAR	8023333000	Varies	Daily	1,229,347	
TexSTAR	8021191000	Varies	Daily	102,390	
TexSTAR	8021562100	Varies	Daily	2,209,972	
TexPool	80200007	Varies	Daily	712	
TexPool	80200005	Varies	Daily	228	
TOTAL DEBT SERVICE FUND				\$ 15,178,023	\$ - 0 -
<u>CAPITAL PROJECTS FUND</u>					
TexSTAR	8023100000	Varies	Daily	\$ 307,286	\$
TexSTAR	8026233000	Varies	Daily	363,434	
TexSTAR	8021030000	Varies	Daily	285,960	
TexSTAR	8021030100	Varies	Daily	240,603	
TexSTAR	8020935000	Varies	Daily	5,871,819	
TexSTAR	8021030200	Varies	Daily	144,855	
TexSTAR	8021030300	Varies	Daily	52,948	
TexSTAR	8022009000	Varies	Daily	1,446,321	
TexSTAR	8021189000	Varies	Daily	272,045	
TexSTAR	8021562000	Varies	Daily	61	
TexSTAR	8021030400	Varies	Daily	343,060	
Money Market Mutual Fund	765866	Varies	Daily	1,563,563	
Money Market Mutual Fund	761575	Varies	Daily	668,119	
Money Market Mutual Fund	147857	Varies	Daily	577,836	
Money Market Mutual Fund	766559	Varies	Daily	441,437	
Money Market Mutual Fund	147856	Varies	Daily	18,235	
TOTAL CAPITAL PROJECTS FUND				\$ 12,597,582	\$ - 0 -
TOTAL - ALL FUNDS				\$ 52,445,006	\$ - 0 -

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Maintenance Taxes</u>		<u>Debt Service Taxes</u>	
TAXES RECEIVABLE -				
OCTOBER 1, 2015	\$	71,635	\$	60,688
Adjustments to Beginning				
Balance		<u>9,232</u>	<u>(19,597)</u>	\$ 41,091
Original 2015 Tax Levy	\$	3,229,172	\$	9,186,662
Adjustment to 2015 Tax Levy		<u>(9,125)</u>	<u>(1,478)</u>	<u>9,185,184</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 3,300,914		\$ 9,226,275
TAX COLLECTIONS:				
Prior Years	\$	20,034	\$	4,969
Current Year		<u>3,205,096</u>	<u>9,160,541</u>	<u>9,165,510</u>
TAXES RECEIVABLE -				
SEPTEMBER 30, 2016		<u>\$ 75,784</u>		<u>\$ 60,765</u>
TAXES RECEIVABLE BY				
YEAR:				
2015	\$	14,951	\$	24,643
2014		8,789		6,989
2013		9,266		3,444
2012		7,380		2,666
2011		7,407		4,108
2010		2,928		3,307
2009		2,417		3,409
2008		2,327		2,210
2007 & Prior		<u>20,319</u>		<u>9,989</u>
TOTAL	\$	<u>75,784</u>	\$	<u>60,765</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
PROPERTY VALUATIONS:				
District-wide	\$ 5,072,406,592	\$ 4,601,869,243	\$ 4,226,322,435	\$ 3,943,203,100
Steiner Ranch	2,079,216,463	1,891,387,080	1,722,462,641	1,635,148,372
Comanche Trail				
Flintrock Estates	281,429,168	253,326,960	227,587,133	213,872,636
Serene Hills	<u>57,061,992</u>	<u>25,115,601</u>	<u>6,976,158</u>	<u>765,077</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 7,490,114,215</u>	<u>\$ 6,771,698,884</u>	<u>\$ 6,183,348,367</u>	<u>\$ 5,792,989,185</u>
TAX RATES PER \$100 VALUATION:				
District-wide	\$ 0.0585	\$ 0.0575	\$ 0.0575	\$ 0.0600
Steiner Ranch	0.3751	0.4285	0.4498	0.4926
Comanche Trail				
Flintrock Estates	0.4505	0.4526	0.4656	0.4988
Serene Hills	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>	<u>0.6500</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 1.5341</u>	<u>\$ 1.5886</u>	<u>\$ 1.6229</u>	<u>\$ 1.7014</u>
ADJUSTED TAX LEVY*	<u>\$ 12,405,231</u>	<u>\$ 12,113,941</u>	<u>\$ 11,286,520</u>	<u>\$ 11,492,433</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>99.68 %</u>	<u>99.87 %</u>	<u>99.89 %</u>	<u>99.91 %</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2016**

Due During Fiscal Years Ending September 30	APACHE SHORES SERIES-1997			RIVER RIDGE SERIES-2004			TWDB #1 REFUNDING SERIES-2005		
	Principal Due October 1	Interest Due April 1/ October 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total
2017	\$ 85,000	\$ 67,745	\$ 152,745	\$ 40,000	\$ 42,967	\$ 82,967	\$ 240,000	\$ 5,604	\$ 245,604
2018	90,000	62,645	152,645	40,000	40,958	80,958			
2019	95,000	57,245	152,245	45,000	38,767	83,767			
2020	100,000	51,498	151,498	45,000	36,416	81,416			
2021	110,000	45,448	155,448	50,000	33,898	83,898			
2022	115,000	38,792	153,792	50,000	31,197	81,197			
2023	120,000	31,835	151,835	55,000	28,309	83,309			
2024	125,000	24,575	149,575	55,000	25,243	80,243			
2025	135,000	17,012	152,012	60,000	22,008	82,008			
2026	145,000	8,845	153,845	65,000	18,460	83,460			
2027				65,000	14,755	79,755			
2028				70,000	10,907	80,907			
2029				75,000	6,756	81,756			
2030				80,000	2,300	82,300			
2031									
2032									
2033									
2034									
2035									
2036									
2037									
2038									
2039									
2040									
2041									
	<u>\$ 1,120,000</u>	<u>\$ 405,640</u>	<u>\$ 1,525,640</u>	<u>\$ 795,000</u>	<u>\$ 352,941</u>	<u>\$ 1,147,941</u>	<u>\$ 240,000</u>	<u>\$ 5,604</u>	<u>\$ 245,604</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2016**

Due During Fiscal Years Ending September 30	SRDA #10 SERIES-2006			DISTRICT - T W D B # 2 SERIES - 2007			SRDA #13 SERIES-2009		
	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total
2017	\$ 185,000	4,320	189,320	\$ 100,000	2,335	102,335	\$ 535,000	123,188	658,188
2018							565,000	98,438	663,438
2019							600,000	72,225	672,225
2020							635,000	44,438	679,438
2021							670,000	15,075	685,075
2022									
2023									
2024									
2025									
2026									
2027									
2028									
2029									
2030									
2031									
2032									
2033									
2034									
2035									
2036									
2037									
2038									
2039									
2040									
2041									
	<u>\$ 185,000</u>	<u>4,320</u>	<u>189,320</u>	<u>\$ 100,000</u>	<u>2,335</u>	<u>102,335</u>	<u>\$ 3,005,000</u>	<u>353,364</u>	<u>\$ 3,358,364</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2016**

Due During Fiscal Years Ending September 30	FRDA #3 SERIES - 2009			SRDA REFUNDING SERIES - 2009			SRDA #14 SERIES - 2009A		
	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total
2017	\$ 145,000	202,738	347,738	\$ 835,000	120,725	955,725	\$ 235,000	233,542	468,542
2018	155,000	196,738	351,738	865,000	90,900	955,900	250,000	224,889	474,889
2019	160,000	190,438	350,438	900,000	55,600	955,600	270,000	214,801	484,801
2020	175,000	183,737	358,737	655,000	24,500	679,500	285,000	203,701	488,701
2021	185,000	176,538	361,538	285,000	5,700	290,700			
2022	195,000	168,938	363,938						
2023	205,000	160,681	365,681						
2024	220,000	151,650	371,650						
2025	235,000	141,687	376,687						
2026	250,000	130,775	380,775						
2027	265,000	119,188	384,188						
2028	280,000	106,925	386,925						
2029	295,000	93,803	388,803						
2030	315,000	79,696	394,696						
2031	335,000	64,455	399,455						
2032	355,000	47,625	402,625						
2033	375,000	29,375	404,375						
2034	400,000	10,000	410,000						
2035									
2036									
2037									
2038									
2039									
2040									
2041									
	<u>\$ 4,545,000</u>	<u>\$ 2,254,987</u>	<u>\$ 6,799,987</u>	<u>\$ 3,540,000</u>	<u>\$ 297,425</u>	<u>\$ 3,837,425</u>	<u>\$ 1,040,000</u>	<u>\$ 876,933</u>	<u>\$ 1,916,933</u>

See accompanying independent auditor's report.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 LONG-TERM DEBT SERVICE REQUIREMENTS SEPTEMBER 30, 2016

Due During Fiscal Years Ending September 30	FRDA # 4 SERIES - 2009 A			WATER & SEWER SYSTEM REVENUE BOND SERIES - 2010			SRDA # 15 SERIES - 2010		
	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total
2017	\$ 245,000	\$ 483,400	\$ 728,400	\$ 60,000	\$ 70,313	\$ 130,313	\$ 115,000	\$ 122,819	\$ 237,819
2018	260,000	472,669	732,669	65,000	68,301	133,301	125,000	115,619	240,619
2019	275,000	461,300	736,300	65,000	66,081	131,081	130,000	107,969	237,969
2020	290,000	449,294	739,294	70,000	63,638	133,638	135,000	101,706	236,706
2021	305,000	436,650	741,650	70,000	60,880	130,880	140,000	96,894	236,894
2022	325,000	423,059	748,059	75,000	57,803	132,803	150,000	91,538	241,538
2023	345,000	408,188	753,188	80,000	54,380	134,380	155,000	85,628	240,628
2024	365,000	392,213	757,213	85,000	50,612	135,612	165,000	79,325	244,325
2025	385,000	375,097	760,097	85,000	46,647	131,647	170,000	72,625	242,625
2026	405,000	356,828	761,828	90,000	42,453	132,453	180,000	65,625	245,625
2027	430,000	337,519	767,519	95,000	37,882	132,882	190,000	58,225	248,225
2028	450,000	316,888	766,888	100,000	32,966	132,966	195,000	50,525	245,525
2029	480,000	294,800	774,800	105,000	27,724	132,724	205,000	42,525	247,525
2030	505,000	271,406	776,406	110,000	22,171	132,171	215,000	34,125	249,125
2031	535,000	246,706	781,706	115,000	16,304	131,304	225,000	25,325	250,325
2032	565,000	219,875	784,875	120,000	10,117	130,117	240,000	15,725	255,725
2033	595,000	190,875	785,875	130,000	3,471	133,471	250,000	5,312	255,312
2034	630,000	160,250	790,250						
2035	665,000	127,875	792,875						
2036	700,000	93,750	793,750						
2037	740,000	57,749	797,749						
2038	785,000	19,624	804,624						
2039									
2040									
2041									
	<u>\$ 10,280,000</u>	<u>\$ 6,596,015</u>	<u>\$ 16,876,015</u>	<u>\$ 1,520,000</u>	<u>\$ 731,743</u>	<u>\$ 2,251,743</u>	<u>\$ 2,985,000</u>	<u>\$ 1,171,510</u>	<u>\$ 4,156,510</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2016**

Due During Fiscal Years Ending September 30	SRDA REFUNDING SERIES-2011			SRDA SERIES-2011			SRDA REFUNDING SERIES-2012		
	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total
2017	\$ 770,000	\$ 128,975	\$ 898,975	\$ 90,000	\$ 73,350	\$ 163,350	\$ 475,000	\$ 366,444	\$ 841,444
2018	790,000	112,388	902,388	95,000	71,500	166,500	490,000	356,794	846,794
2019	795,000	93,563	888,563	100,000	69,300	169,300	725,000	877,369	1,602,369
2020	1,105,000	67,050	1,172,050	105,000	66,475	171,475	1,305,000	306,744	1,611,744
2021	1,325,000	30,600	1,355,600	110,000	63,250	173,250	1,360,000	260,244	1,620,244
2022	330,000	5,362	335,362	115,000	59,875	174,875	1,850,000	198,218	2,048,218
2023				125,000	56,275	181,275	1,500,000	126,594	1,626,594
2024				130,000	52,450	182,450	1,560,000	73,194	1,633,194
2025				135,000	48,306	183,306	1,040,000	34,193	1,074,193
2026				145,000	43,756	188,756	595,000	9,296	604,296
2027				150,000	38,400	188,400			
2028				160,000	32,200	192,200			
2029				170,000	25,600	195,600			
2030				175,000	18,700	193,700			
2031				185,000	11,500	196,500			
2032				195,000	3,900	198,900			
2033									
2034									
2035									
2036									
2037									
2038									
2039									
2040									
2041									
	<u>\$ 5,115,000</u>	<u>\$ 437,938</u>	<u>\$ 5,552,938</u>	<u>\$ 2,185,000</u>	<u>\$ 734,837</u>	<u>\$ 2,919,837</u>	<u>\$ 10,900,000</u>	<u>\$ 2,609,090</u>	<u>\$ 13,509,090</u>

See accompanying independent auditor's report.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 LONG-TERM DEBT SERVICE REQUIREMENTS SEPTEMBER 30, 2016

Due During Fiscal Years Ending September 30	WATER & SEWER SYSTEM REVENUE BOND SERIES-2012			SRDA REFUNDING SERIES-2013			SRDA SERIES-2013		
	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total
2017	\$ 395,000	\$ 807,512	\$ 1,202,512	\$ 342,389	\$ 1,062,986	\$ 1,405,375	\$ 105,000	\$ 62,237	\$ 167,237
2018	535,000	795,538	1,330,538	252,595	1,152,780	1,405,375	110,000	60,087	170,087
2019	675,000	780,762	1,455,762	295,000	362,425	657,425	115,000	57,838	172,838
2020	820,000	761,713	1,581,713	310,000	356,375	666,375	120,000	55,488	175,488
2021	850,000	732,412	1,582,412	395,000	349,325	744,325	125,000	53,038	178,038
2022	885,000	697,713	1,582,713	390,000	341,475	731,475	125,000	50,325	180,325
2023	920,000	661,612	1,581,612	405,000	331,500	736,500	135,000	47,344	182,344
2024	955,000	624,113	1,579,113	415,000	319,200	734,200	140,000	43,900	183,900
2025	995,000	585,112	1,580,112	430,000	306,525	736,525	150,000	39,912	189,912
2026	1,035,000	544,512	1,579,512	450,000	293,325	743,325	155,000	35,525	190,525
2027	1,075,000	507,687	1,582,687	1,120,000	269,775	1,389,775	160,000	30,800	190,800
2028	1,105,000	474,987	1,579,987	1,850,000	225,225	2,075,225	165,000	25,925	190,925
2029	1,140,000	441,312	1,581,312	1,890,000	169,125	2,059,125	175,000	20,825	195,825
2030	1,175,000	405,853	1,580,853	1,945,000	110,384	2,055,384	180,000	15,275	195,275
2031	1,210,000	368,588	1,578,588	1,655,000	54,134	1,709,134	185,000	9,344	194,344
2032	1,250,000	329,369	1,579,369	870,000	14,138	884,138	195,000	3,169	198,169
2033	1,295,000	287,203	1,582,203						
2034	1,340,000	242,738	1,582,738						
2035	1,385,000	194,157	1,579,157						
2036	1,440,000	141,187	1,581,187						
2037	1,495,000	86,156	1,581,156						
2038	1,550,000	29,063	1,579,063						
2039									
2040									
2041									
	\$ 23,525,000	\$ 10,499,299	\$ 34,024,299	\$ 13,014,984	\$ 5,718,697	\$ 18,733,681	\$ 2,345,000	\$ 611,032	\$ 2,956,032

See accompanying independent auditor's report.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 LONG-TERM DEBT SERVICE REQUIREMENTS SEPTEMBER 30, 2016

Due During Fiscal Years Ending September 30	FRDA REFUNDING SERIES-2013			SRDA REFUNDING SERIES-2014			SRDA REFUNDING SERIES-2015		
	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total
2017	\$ 175,000	\$ 66,981	\$ 241,981	\$ 90,000	\$ 170,650	\$ 260,650	\$ 144,989	\$ 1,440,580	\$ 1,585,569
2018	175,000	63,481	238,481	570,000	564,150	1,134,150	565,000	344,919	909,919
2019	180,000	59,931	239,931	1,000,000	148,550	1,148,550	580,000	333,469	913,469
2020	180,000	56,331	236,331	1,020,000	128,350	1,148,350	595,000	321,719	916,719
2021	185,000	52,681	237,681	715,000	111,000	826,000	440,000	311,369	751,369
2022	190,000	48,931	238,931	740,000	92,750	832,750	455,000	302,419	757,419
2023	205,000	43,956	248,956	800,000	69,650	869,650	460,000	292,694	752,694
2024	210,000	37,732	247,732	535,000	49,625	584,625	750,000	276,269	1,026,269
2025	115,000	32,856	147,856	560,000	33,200	593,200	775,000	253,394	1,028,394
2026	120,000	29,332	149,332	620,000	12,400	632,400	810,000	229,619	1,039,619
2027	125,000	25,657	150,657				1,505,000	194,894	1,699,894
2028	135,000	21,757	156,757				855,000	159,494	1,014,494
2029	135,000	17,537	152,537				885,000	133,394	1,018,394
2030	145,000	12,987	157,987				2,030,000	89,669	2,119,669
2031	155,000	8,016	163,016				930,000	44,687	974,687
2032	160,000	2,700	162,700				965,000	15,078	980,078
2033									
2034									
2035									
2036									
2037									
2038									
2039									
2040									
2041									
	<u>\$ 2,590,000</u>	<u>\$ 580,866</u>	<u>\$ 3,170,866</u>	<u>\$ 6,650,000</u>	<u>\$ 1,380,325</u>	<u>\$ 8,030,325</u>	<u>\$ 12,744,989</u>	<u>\$ 4,743,667</u>	<u>\$ 17,488,656</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2016**

Due During Fiscal Years Ending September 30	SRDA SERIES-2015			SERENE HILLS SERIES-2015			SRDA REFUNDING SERIES-2016		
	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total	Principal Due November 1	Interest Due November 1/ May 1	Total
2017	\$ 70,000	\$ 66,063	\$ 136,063	\$ -	\$ 163,423	\$ 163,423	\$ 100,000	\$ 402,428	\$ 502,428
2018	75,000	64,612	139,612	85,000	162,572	247,572	150,000	343,950	493,950
2019	75,000	63,113	138,113	90,000	160,823	250,823	155,000	340,900	495,900
2020	80,000	61,562	141,562	95,000	158,853	253,853	160,000	337,750	497,750
2021	85,000	59,913	144,913	105,000	156,473	261,473	460,000	331,550	791,550
2022	90,000	57,712	147,712	110,000	153,702	263,702	194,998	1,296,952	1,491,950
2023	95,000	54,938	149,938	115,000	150,664	265,664	1,195,000	315,000	1,510,000
2024	95,000	52,087	147,087	125,000	147,207	272,207	1,235,000	290,700	1,525,700
2025	100,000	49,163	149,163	130,000	143,318	273,318	1,275,000	265,600	1,540,600
2026	105,000	46,087	151,087	140,000	139,028	279,028	1,315,000	233,125	1,548,125
2027	110,000	42,863	152,863	145,000	134,215	279,215	1,380,000	185,800	1,565,800
2028	115,000	39,487	154,487	155,000	128,888	283,888	1,450,000	129,200	1,579,200
2029	120,000	35,888	155,888	165,000	123,045	288,045	1,520,000	69,800	1,589,800
2030	125,000	32,059	157,059	175,000	116,711	291,711	475,000	29,900	504,900
2031	130,000	27,994	157,994	185,000	109,915	294,915	510,000	10,200	520,200
2032	140,000	23,607	163,607	200,000	102,400	302,400			
2033	145,000	18,884	163,884	210,000	94,200	304,200			
2034	150,000	13,906	163,906	225,000	85,500	310,500			
2035	160,000	8,575	168,575	235,000	76,300	311,300			
2036	165,000	2,887	167,887	250,000	66,600	316,600			
2037				265,000	56,300	321,300			
2038				285,000	45,300	330,300			
2039				300,000	33,412	333,412			
2040				320,000	20,625	340,625			
2041				340,000	7,012	347,012			
	<u>\$ 2,230,000</u>	<u>\$ 821,400</u>	<u>\$ 3,051,400</u>	<u>\$ 4,450,000</u>	<u>\$ 2,736,486</u>	<u>\$ 7,186,486</u>	<u>\$ 11,574,998</u>	<u>\$ 4,582,855</u>	<u>\$ 16,157,853</u>

See accompanying independent auditor's report.

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 17 LONG-TERM DEBT SERVICE REQUIREMENTS SEPTEMBER 30, 2016

WATER & SEWER SYSTEM REVENUE REFUNDING SERIES-2016				ANNUAL REQUIREMENTS FOR ALL SERIES			
Due During Fiscal Years Ending September 30	Principal Due November 1	Interest Due November 1/ May 1	Total	Total Principal Due	Total Interest Due	Total Principal and Interest Due	
2017	\$ 80,000	\$ 194,578	\$ 274,578	5,657,378	6,485,903	12,143,281	
2018	380,000	245,800	625,800	6,687,595	5,709,728	12,397,323	
2019	390,000	238,100	628,100	7,715,000	4,850,569	12,565,569	
2020	405,000	226,100	631,100	8,690,000	4,063,438	12,753,438	
2021	420,000	209,600	629,600	8,390,000	3,592,538	11,982,538	
2022	440,000	192,400	632,400	6,829,998	4,309,161	11,139,159	
2023	460,000	174,400	634,400	7,375,000	3,093,648	10,468,648	
2024	475,000	155,700	630,700	7,640,000	2,845,795	10,485,795	
2025	495,000	136,300	631,300	7,270,000	2,602,955	9,872,955	
2026	515,000	116,100	631,100	7,140,000	2,355,091	9,495,091	
2027	540,000	95,000	635,000	7,355,000	2,092,660	9,447,660	
2028	560,000	73,000	633,000	7,645,000	1,828,374	9,473,374	
2029	585,000	50,100	635,100	7,945,000	1,552,234	9,497,234	
2030	605,000	26,300	631,300	8,255,000	1,267,536	9,522,536	
2031	115,000	11,900	126,900	6,470,000	1,009,068	7,479,068	
2032	120,000	7,200	127,200	5,375,000	794,903	6,169,903	
2033	120,000	2,400	122,400	3,120,000	631,720	3,751,720	
2034				2,745,000	512,394	3,257,394	
2035				2,445,000	406,907	2,851,907	
2036				2,555,000	304,424	2,859,424	
2037				2,500,000	200,205	2,700,205	
2038				2,620,000	93,987	2,713,987	
2039				300,000	33,412	333,412	
2040				320,000	20,625	340,625	
2041				340,000	7,012	347,012	
	\$ 6,705,000	\$ 2,154,978	\$ 8,859,978	\$ 133,384,971	\$ 50,664,287	\$ 184,049,258	

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17
CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2016**

	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue
	Apache Shores Series 1997	River Ridge 2004	Series 2005 Refunding	SRDA Series 2006	SRDA Series 2006B Refunding	SRDA Series 2006C	Series 2007	SRDA Series 2007
Interest Rate	5.95% - 6.10%	4.80% - 5.75%	4.52% - 5.57%	4.52% - 4.67%	4.00%	4.00%	4.67% - 5.62%	4.25%
Dates Interest Payable	4/1; 10/1	11/1; 5/1	11/1; 5/1	11/1; 5/1	11/1; 5/1	11/1; 5/1	11/1; 5/1	11/1; 5/1
Maturity Date	10/1/2026	11/1/2029	11/1/2029	11/1/2016	11/1/2015	11/1/2015	11/1/2032	11/1/2015
Callable Date	10/1/2007	5/1/2014	5/1/2016	5/1/2016	11/1/2014	11/1/2014	11/1/2017	11/1/2014
Bonds Outstanding at Beginning of Current Fiscal Year	\$ 1,200,000	\$ 830,000	\$ 5,155,000	\$ 360,000	\$ 415,000	\$ 255,000	\$ 2,720,000	\$ 355,000
Bonds Sold During the Current Fiscal Year	-	-	-	-	-	-	-	-
Retirements During the Current Fiscal Year	-	-	-	-	-	-	-	-
Refunded Principal	(80,000)	(35,000)	(4,685,000) (230,000)	(175,000)	(415,000)	(255,000)	(2,525,000) (95,000)	(355,000)
Bonds Outstanding at End of Current Fiscal Year	\$ 1,120,000	\$ 795,000	\$ 240,000	\$ 185,000	\$ -	\$ -	\$ 100,000	\$ -
Interest Paid During the Current Fiscal Year	\$ 72,505	\$ 44,797	\$ 264,890	\$ 12,595	\$ 8,300	\$ 5,100	\$ 142,730	\$ 7,544

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17
CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2016**

Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue
SRDA Series 2009	FREDA Series 2009	SRDA Series 2009 Refunding	SRDA Series 2009A	FREDA Series 2009A	Bond Issue Series 2010	SRDA Series 2010	SRDA Series 2011 Refunding	SRDA Series 2011	SRDA Series 2012 Refunding
4.50% - 5.25%	4.00% - 5.00%	3.00% - 4.00%	3.125% - 4.5%	4.25% - 5.00%	2.84% - 5.34%	3.50% - 6.00%	2.00% - 3.25%	2.00% - 4.00%	2.00% - 4.50%
11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1
11/1/2020	11/1/2033	11/1/2020	11/1/2019	11/1/2037	11/1/2032	11/1/2032	11/1/2021	11/1/2031	11/1/2025
11/1/2018	11/1/2018	11/1/2017	11/1/2017	11/1/2018	11/1/2020	11/1/2018	11/1/2020	11/1/2020	11/1/2020
\$ 10,535,000	\$ 4,680,000	\$ 4,345,000	\$ 5,815,000	\$ 10,515,000	\$ 1,575,000	\$ 3,095,000	\$ 5,870,000	\$ 2,270,000	\$ 10,985,000
-	-	-	-	-	-	-	-	-	-
(7,025,000)	-	-	(4,550,000)	-	-	-	-	-	-
(505,000)	(135,000)	(805,000)	(225,000)	(235,000)	(55,000)	(110,000)	(755,000)	(85,000)	(85,000)
\$ 3,005,000	\$ 4,545,000	\$ 3,540,000	\$ 1,040,000	\$ 10,280,000	\$ 1,520,000	\$ 2,985,000	\$ 5,115,000	\$ 2,185,000	\$ 10,900,000
\$ 317,631	\$ 208,337	\$ 145,325	\$ 142,023	\$ 493,600	\$ 72,022	\$ 129,569	\$ 144,225	\$ 75,100	\$ 372,044

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17
CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2016**

Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue	Bond Issue
Series 2012	SRDA Series 2013 Refunding	SRDA Series 2013	FREDA Series 2013 Refunding	SRDA Series 2014 Refunding	SRDA Series 2015 Refunding	SRDA Series 2015	SRDA Series 2015	SRDA Series 2016 Refunding	Bond Issue Series 2016 Refunding
2.00% - 4.00%	2.00% - 3.25%	2.00% - 3.25%	2.00% - 3.375%	2.00% - 4.00%	2.00% - 3.125%	2.00% - 3.50%	2.00% - 4.125%	2.00% - 4.00%	2.00% - 4.00%
11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1	11/1, 5/1
11/1/2037	11/1/2031	11/1/2031	11/1/2031	11/1/2025	11/1/2031	11/1/2035	11/1/2040	11/1/2031	11/1/2033
11/1/2019	11/1/2020	11/1/2020	11/1/2020	11/1/2021	11/1/2022	11/1/2022	11/1/2022	11/1/2023	11/1/2023
\$ 23,785,000	\$ 14,429,984	\$ 2,450,000	\$ 2,628,843	\$ 6,740,000	\$ 12,919,989	\$ 2,230,000	\$ 4,450,000	\$ -	\$ -
-	-	-	-	-	-	-	-	11,574,998	6,705,000
(250,000)	(1,415,000)	(105,000)	(38,843)	(90,000)	(175,000)	-	-	-	-
\$ 23,525,000	\$ 13,014,984	\$ 2,345,000	\$ 2,590,000	\$ 6,650,000	\$ 12,744,989	\$ 2,230,000	\$ 4,450,000	\$ 11,574,998	\$ 6,705,000
\$ 814,063	\$ 379,525	\$ 64,337	\$ 199,887	\$ 172,450	\$ 352,319	\$ 85,493	\$ 111,672	\$ -	\$ -

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17
CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2016**

	<u>Grand Total</u>		
Bonds Outstanding at Beginning of Current Fiscal Year	\$ 140,608,816		
Bond Sold During the Current Fiscal Year	18,279,998		
Retirements During the Current Fiscal Year:			
Refunded	(18,785,000)		
Principal	(6,718,843)		
Bonds Outstanding at End of Current Fiscal Year	<u>\$ 133,384,971</u>		
Interest Paid During the Current Fiscal Year	<u>\$ 4,838,083</u>		
Paying Agent:	All Bonds	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas	
Bond Authority:	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Refunding Bonds</u>
Amount Authorized by Voters	\$ 198,515,000	\$	\$ 75,000,000
Amount Issued	<u>148,735,000</u>	<u>3,200,000</u>	
Remaining to be Issued	<u>\$ 49,780,000</u>	<u>\$ - 0 -</u>	<u>\$ 75,000,000</u>
Debt Service Fund cash and investment balances as of September 30, 2016:			<u>\$ 15,221,695</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:			<u>\$ 7,361,970</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS**

<u>GENERAL FUND</u>	Amounts					Percentage of Total Revenue				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
REVENUES AND OTHER FINANCING SOURCES										
Property Taxes	\$ 3,231,133	\$ 2,684,398	\$ 2,506,566	\$ 2,363,624	\$ 2,311,282	17.8 %	15.4 %	15.2 %	15.6 %	14.3 %
Water and Wastewater Service	13,722,221	11,474,863	11,194,188	10,452,544	11,000,579	75.3	65.3	67.7	68.7	68.1
Trash and Recycling Service	364,560	338,652	312,234	286,178	255,095	2.0	1.9	1.9	1.9	1.6
Connection and Service Fees	203,408	200,148	265,795	217,338	190,198	1.1	1.1	1.6	1.4	1.2
Penalty and Fines	942,062	848,458	854,918	812,683	221,268	5.1	4.8	5.2	5.3	1.4
Investment Revenues	309,211	252,105	228,736	201,111	14,186	1.7	1.4	1.4	1.3	0.1
Permit/Inspection Income	490,242	487,853	549,383	547,423	617,970	2.7	2.8	3.3	3.6	3.8
Annexation Fees										
Apache Shores Income	68,212	12,882	6,929	15,784	762,028	0.4	0.1		0.1	4.7
Other Income	337,661	159,852	148,937	134,103	101,607	1.8	0.9	0.9	0.9	0.6
Developer Contributions	377,719	779,281	449,924	118,360	198,551	2.1	4.4	2.7	0.8	1.2
Proceeds from Disposal of Assets		7,442		64,205	326,812		0.1	0.1	0.4	2.0
Transfer In (Out)	(1,815,404)	324,187	7,016		159,793	(10.0)	1.8			1.0
TOTAL REVENUES	\$ 18,231,025	\$ 17,570,121	\$ 16,524,626	\$ 15,213,353	\$ 16,159,369	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
EXPENDITURES										
Salary and Related Expenditures	\$ 4,106,105	\$ 3,681,756	\$ 3,515,717	\$ 3,329,247	\$ 3,327,319	22.5 %	21.0 %	21.3 %	21.9 %	20.6 %
Purchased Water and Wastewater Service	1,408,151	1,162,057	1,171,389	1,192,933	1,144,551	7.7	6.6	7.1	7.8	7.1
Professional and Contracted Fees	1,140,228	976,233	890,644	1,026,831	821,066	6.3	5.6	5.4	6.7	5.1
Materials and Supplies	645,310	556,260	594,191	588,260	616,194	3.6	3.2	3.6	3.9	3.8
Repairs and Maintenance	1,461,467	1,553,918	914,302	1,372,400	1,227,881	8.0	8.8	5.5	9.0	7.6
Utilities	1,930,636	1,711,688	1,670,672	1,780,392	1,569,435	10.6	9.7	10.1	11.7	9.7
Other	1,865,977	1,614,599	1,489,783	1,196,920	1,330,795	10.2	9.2	9.0	7.9	8.2
Apache Shores	734,567	664,742	895,334	627,715	670,520	4.0	3.8	5.4	4.1	4.1
Capital Outlay	1,096,492	2,018,490	3,234,907	1,775,215	1,992,598	6.0	11.5	19.6	11.7	12.3
TOTAL EXPENDITURES	\$ 14,388,933	\$ 13,939,743	\$ 14,376,939	\$ 12,889,913	\$ 12,700,359	78.9 %	79.4 %	87.0 %	84.7 %	78.5 %
EXCESS OF REVENUES AND OTHER FINANCING SOURCES (USDS) OVER EXPENDITURES	\$ 3,842,092	\$ 3,630,378	\$ 2,147,687	\$ 2,323,440	\$ 3,459,010	21.1 %	20.6 %	13.0 %	15.3 %	21.5 %

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 17
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS**

DEBT SERVICE FUND	Amounts					Percentage of Total Revenue					
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	
REVENUES											
Property Taxes	\$ 9,166,766	\$ 9,424,869	\$ 8,837,457	\$ 9,115,907	\$ 8,738,080	96.3 %	97.1 %	96.9 %	96.8 %	97.1 %	
Penalty and Interest	25,232	27,005	29,628	35,179		0.3	0.3	0.3	0.4		
Investment Revenues	53,950	10,716	5,607	14,277	17,310	0.6	0.1	0.1	0.2	0.2	
Miscellaneous Revenues	269,532	240,052	248,654	247,892	242,756	2.8	2.5	2.7	2.6	2.7	
TOTAL REVENUES	\$ 9,515,480	\$ 9,702,642	\$ 9,121,346	\$ 9,413,255	\$ 8,998,146	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	
EXPENDITURES											
Tax Collection Expenditures	\$ 91,020	\$ 92,301	\$ 78,317	\$ 79,296	\$ 71,495	1.0 %	1.0 %	0.9 %	0.8 %	0.8 %	
Debt Service Principal	6,718,843	5,969,566	6,936,743	4,786,977	4,380,519	70.6	61.5	76.0	50.9	48.7	
Debt Service Interest and Fees	4,838,083	5,329,884	6,369,112	5,959,064	5,882,134	50.8	54.9	69.8	63.3	65.4	
Transfer to Refunding Escrow Agent		255,000	105,000	280,000	260,000		2.6	1.2	3.0	2.9	
Bond Issuance Costs	700,485		296,312	832,291	444,051	7.4	5.0	3.2	8.8	4.9	
Other	37,968					0.4					
TOTAL EXPENDITURES	\$ 12,386,399	\$ 12,131,836	\$ 13,785,484	\$ 11,937,628	\$ 11,038,199	130.2 %	125.0 %	151.1 %	126.8 %	122.7 %	
DEFICIENCY OF REVENUES UNDER EXPENDITURES	\$ (2,870,919)	\$ (2,429,194)	\$ (4,664,138)	\$ (2,524,372)	\$ (2,040,053)	(30.2) %	(25.0) %	(51.1) %	(26.8) %	(22.7) %	
OTHER FINANCING SOURCES (USES)											
Transfers In	\$ 145,401	\$ 1,803,142	\$ 4,288,777	\$ 1,623,112	\$ 1,104,326	1.5 %	18.6 %	47.0 %	17.2 %	12.3 %	
Long-Term Debt Issued	18,270,425	13,280,787	6,830,000	19,380,181	11,160,000	192.0	136.9	74.9	205.9	124.0	
Transfer to Refunding Escrow Agent	(20,186,167)	(13,335,260)	(7,016,628)	(18,205,318)	(11,670,106)	(212.1)	(137.4)	(76.9)	(193.4)	(129.7)	
Bond Discount					(85,556)					(1.0)	
Bond Premium	2,222,329	912,899	486,036	1,456,046	1,044,106	23.4	9.4	5.3	15.5	11.6	
TOTAL OTHER FINANCING SOURCES	\$ 451,988	\$ 2,661,568	\$ 4,588,185	\$ 4,254,021	\$ 1,552,770	4.8 %	27.5 %	50.3 %	45.2 %	17.2 %	
NET CHANGE IN FUND BALANCE	\$ (2,418,931)	\$ 232,374	\$ (75,953)	\$ 1,729,648	\$ (487,283)	(25.4) %	2.5 %	(0.8) %	18.4 %	(5.5) %	
TOTAL ACTIVE RETAIL WATER CONNECTIONS	11,602	11,191	10,957	10,757	10,337						
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	6,849	6,555	6,387	6,262	5,967						

See accompanying independent auditor's report.

District Mailing Address	- Travis County Water Control and Improvement District No. 17 3812 Eck Lane Austin, TX 78734
District Telephone Number	- (512) 266-1111

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution (TWC Section 49.060). Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

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**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2016**

Key Personnel:	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2016</u>	<u>Title</u>
Deborah S. Gernes	1996	\$ 142,575	General Manager/ Investment Officer
Consultants:			
Lloyd Gosselink Rochelle & Townsend, P.C.	1996	\$ 89,905	General Counsel
McCall Gibson Swedlund Barfoot PLLC	2012	\$ 33,000 \$ 1,500	Audit Related Bond Related
McCall, Parkhurst & Horton	1998	\$ 184,800	Bond Counsel
River City Engineering	1983	\$ 948,180	Engineer
Specialized Public Finance, Inc.	2008	\$ 293,875	Financial Advisor
Travis County Tax Assessor-Collector	1981	\$ 91,020	Tax Assessor/ Collector

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
ASSESSED VALUE BY CLASSIFICATION
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>District-Wide Area</u>	Tax Roll Year					
	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
Type of Property						
Single Family	\$ 4,951,551,036	88.4%	\$ 4,585,853,818	90.5%	\$ 4,223,970,479	91.8%
Multi-Family	250,373,703	4.5	188,066,676	3.7	116,967,421	2.5
Commercial	718,218,375	12.8	569,655,577	11.2	521,612,270	11.3
Acreage	54,330,407	1.0	54,066,877	1.1	55,449,107	1.2
Telephone Company	4,416,302	0.1	4,235,900	0.1	3,966,344	0.1
Vacant Lot	162,342,397	2.9	169,889,908	3.3	173,833,645	3.8
Special Inventory Tax	3,259,672	0.1	1,077,378	0.0	980,808	0.0
Total Exempt Property	291,982,654	5.2	253,065,477	5.0	232,549,498	5.1
Adjustments	(838,362,950)	(15.0)	(753,505,019)	(14.9)	(727,460,329)	(15.8)
Total	<u>\$ 5,598,111,596</u>	<u>100.0%</u>	<u>\$ 5,072,406,592</u>	<u>100.0%</u>	<u>\$ 4,601,869,243</u>	<u>100.0%</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
ASSESSED VALUE BY CLASSIFICATION
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**Steiner Ranch
Defined Area**

Type of Property	Tax Roll Year					
	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
Single Family	\$ 2,099,147,715	93.6%	\$ 1,968,776,706	94.8%	\$ 1,811,351,319	95.9%
Multi-Family	122,600,000	5.5	95,726,349	4.6	67,000,000	3.5
Commercial	36,764,380	1.6	36,054,003	1.7	31,902,060	1.7
Acreage	10,581,216	0.5	9,032,575	0.4	6,351,296	0.3
Telephone Company	865,153	0.0	791,083	0.0	727,279	0.0
Vacant Lot	2,377,933	0.1	3,690,911	0.2	6,681,190	0.4
Total Exempt Property	110,342,567	4.9	110,877,324	5.3	110,506,530	5.8
Adjustments	(139,287,749)	(6.2)	(145,732,488)	(7.0)	(143,132,594)	(7.6)
Total	<u>\$ 2,243,391,215</u>	<u>100.0%</u>	<u>\$ 2,079,216,463</u>	<u>100.0%</u>	<u>\$ 1,891,387,080</u>	<u>100.0%</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
ASSESSED VALUE BY CLASSIFICATION
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Flintrock Estates

Defined Area

Type of Property	Tax Roll Year					
	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
Single Family	\$ 279,640,437	94.2%	\$ 265,027,158	94.2%	\$ 236,248,038	93.3%
Commercial	12,056,866	4.1	11,235,936	4.0	10,677,377	4.2
Acreage	1,594,050	0.5	1,466,527	0.5	2,397,953	0.9
Vacant Lot	6,485,832	2.2	7,017,398	2.5	8,585,023	3.4
Adjustments	(2,922,959)	(1.0)	(3,317,851)	(1.2)	(4,581,431)	(1.8)
Total	<u>\$ 296,854,226</u>	<u>100.0%</u>	<u>\$ 281,429,168</u>	<u>100.0%</u>	<u>\$ 253,326,960</u>	<u>100.0%</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
ASSESSED VALUE BY CLASSIFICATION
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Serene Hills Defined

Area

Type of Property	Tax Roll Year					
	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
Single Family	\$ 79,372,192	74.5%	\$ 48,638,248	85.3%	\$ 16,630,199	66.1%
Multi-Family	20,842,413	19.6	2,629,793	4.6	-	-
Commercial	49,235	0.0	-	-	-	-
Acreage	4,656,113	4.4	3,426,538	6.0	4,720,605	18.8
Vacant Lot	6,867,292	6.4	6,431,542	11.3	7,555,130	30.1
Total Exempt Property	6,350,091	6.0	6,350,091	11.1	2,298,754	9.2
Adjustments	(11,567,229)	(10.9)	(10,414,220)	(18.3)	(6,089,087)	(24.2)
Total	<u>\$ 106,570,107</u>	<u>100.0%</u>	<u>\$ 57,061,992</u>	<u>100.0%</u>	<u>\$ 25,115,601</u>	<u>100.0%</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>District-Wide Area</u> Taxpayer	Tax Roll Year		
	2016	2015	2014
Sir Steiner Ranch Apartments LLC	\$ 73,600,000	\$ 72,100,000	\$ 76,881,234
Lakeway Realty LLC	59,563,456		
Cielo Multifamily LLC	54,692,700	52,126,363	37,825,000
Stratus Lakeway Center LLC	50,142,530	19,425,501	
Steiner Ranch Residences LLC	49,001,754	23,628,083	
Madrone Apartments LLC	36,604,600	31,423,790	
Whitestone Quinlan Crossing LLC	36,538,490		
Lakeway Regional Medical Center LLC	22,296,394	73,212,456	81,756,390
Western Rim Investors 2013-4 LP	20,842,413		
LMV-AL Ventures LLC	18,817,000	16,362,795	
Quinlan Crossing in Steiner Ranch LLC		25,685,223	
Property Development Centers LLC			21,456,475
Theriot Robert H			11,106,868
Comanche Canyon West		12,348,907	9,933,569
Aqua Land Makeway Medical Development LLC			8,960,652
PMB Lakeway Medical Plaza LLC			8,900,058
Lakeway Plaza Combined LLC		10,017,633	8,888,135
HCN Interra Lake Travis			8,239,163
Total	<u>\$ 422,099,337</u>	<u>\$ 336,330,751</u>	<u>\$ 273,947,544</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Steiner Ranch Defined Area</u> Taxpayer	Tax Roll Year		
	2016	2015	2014
Sir Steiner Ranch Apartments LLC	\$ 73,600,000	\$ 72,100,000	\$ 76,881,234
Steiner Ranch Residences LLC	49,001,754	23,628,083	
Shops at Steiner Ranch Ltd.	11,853,002	9,691,293	7,203,126
Varisty Golf Club Ltd.	5,401,166	5,493,657	5,500,000
S G P Properties Ltd.	4,732,859	3,700,832	3,207,224
Semiconductor Support Svcs Co.	4,151,737	3,724,497	4,400,000
Homeowner	2,344,279	2,189,907	1,957,200
Homeowner	2,066,269		
Homeowner	1,995,977		
Hightech Brokers LLC	1,881,244		
Board of Regents of the University		2,581,996	
Taylor Morrision of Texas Inc.		2,467,860	2,321,797
SGP Ten Acres Ltd.		2,190,952	3,285,623
Gehan Homes Ltd.			1,699,548
McSpadden Revocable Living Trust			1,622,389
Total	<u>\$ 157,028,287</u>	<u>\$ 127,769,077</u>	<u>\$ 108,078,141</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Flintrock Estates Defined Area</u> Taxpayer	Tax Roll Year		
	2016	2015	2014
Hills II of Lakeway Inc.	\$ 3,621,662	\$ 3,775,154	\$ 3,800,649
Flintrock MV Ltd	3,230,850	1,657,500	
Systems Holding Ltd.	2,060,148	1,746,478	1,603,579
Homeowner	1,866,437		
Prominence Homes-Vistas LLC	1,509,296		
Homeowner	1,475,663	1,475,663	1,267,404
Homeowner	1,393,700	1,267,000	
Homeowner	1,391,817	1,365,000	
Ryan Revocable Trust	1,385,771	1,397,508	1,395,000
Homeowner	1,289,970	1,283,700	
Homeowner		2,039,862	1,655,011
Homeowner		1,261,855	
Prominence Homes LLC			1,861,691
FS Flintrock LLC			1,680,000
Homeowner			1,395,000
Homeowner			1,190,057
Homeowner			1,169,904
Total	<u>\$ 19,225,314</u>	<u>\$ 17,269,720</u>	<u>\$ 17,018,295</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
PRINCIPAL TAXPAYERS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Serene Hills Defined Area</u> Taxpayer	Tax Roll Year		
	2016	2015	2014
Western Rim Investors 2013-4 LP	\$ 20,842,413	\$ 2,629,793	\$ 1,189,223
Serene Hills Ltd	6,660,834	6,492,787	4,127,296
HEB Grocery Company LP	3,690,874	3,690,874	922,718
Lennar Homes of Texas Land	3,099,845	2,362,017	
Sitterle Homes - Austin LLC	2,783,775	3,684,273	1,795,559
Homeowner	2,398,668	882,864	
Serene Hills Partners LP	2,311,468	1,444,668	1,279,924
Ambitola LLC	1,920,000	1,815,903	
Seven Custom Homes LLC	1,748,000		
Homeowner	1,716,128		
Bellaheim Inc.		1,431,123	1,121,247
Homeowner		861,665	
Brohn Group LLC			923,656
Homeowner			759,013
Pottorff Michael J Living Trust			758,286
Homeowner			756,297
Total	<u>\$ 47,172,005</u>	<u>\$ 25,295,967</u>	<u>\$ 13,633,219</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY WATER CONTROL
AND IMPROVEMENT DISTRICT NO. 17
PRINCIPAL WATER CUSTOMERS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

<u>Customer</u>	<u>Usage (gallons)</u>	<u>%*</u>
Lake Travis Independent School District	34,785,450	1.53%
SIR Steiner Ranch Apartments LLC	34,050,360	1.50%
Lakeway Regional Medical Center	15,034,900	0.66%
CRSA-Longhorn Village	12,899,120	0.57%
Lake Austin Spa and Resort**	12,265,530	0.54%
Austin Water Utility - WTP4	9,925,200	0.44%
Cielo Multifamily LLC	8,747,600	0.39%
Leander Independent School District	8,364,320	0.37%
Madrone Acquisition LP	7,589,300	0.33%
Serene Hills Homeowners Association	<u>7,409,900</u>	0.33%
Total	<u><u>151,071,680</u></u>	

* Calculation based on fiscal year usage of 2,268,871,610 gallons

** Out of District - River Ridge customer

See accompanying independent auditor's report.

