TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

TRAVIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FEBRUARY 28, 2026

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

T A B L E O F C O N T E N T S

McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

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(retired)
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(retired)

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Travis County Municipal Utility District No. 10
Travis County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Travis County Municipal Utility District No. 10 (the "District") as of and for the year ended February 28, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 February 28, 2026, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 is the responsibility of management and, 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.

Board of Directors
Travis County Municipal Utility District No. 10

Supplementary 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* 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 Ellis PLLC

McCall Gibson Swedlund Barfoot Ellis PLLC
Certified Public Accountants
Houston, Texas

July 7, 2026

Management's discussion and analysis of Travis County Municipal Utility District No. 10's (the "District") financial performance provides an overview of the District's financial activities for the year ended February 28, 2026. Please read it in conjunction with the District's financial statements.

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 required and 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 financial statements provide 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 Statement of Net Position 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 Statement of Activities reports how the District's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid.

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 two governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, 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.

FUND FINANCIAL STATEMENTS (Continued)

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") and other supplementary information. The budgetary comparison schedule is included as RSI for the General Fund.

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, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $384,426 as of February 28, 2026.

A portion of the District's net position reflects its net investment in capital assets (land and land improvements and water, wastewater and drainage facilities less any debt used to acquire those assets that is still outstanding). The District uses these assets to provide water and wastewater services.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

Summary of Changes in the Statement of Net Position

	2026	2025	Change Positive (Negative)
Current and Other Assets	$ 3,192,978	$ 2,536,049	$ 656,929
Capital Assets (Net of Accumulated Depreciation)	7,177,276	7,469,459	(292,183)
Total Assets	$ 10,370,254	$ 10,005,508	$ 364,746
Deferred Outflows of Resources	$ 158,896	$ 177,736	$ (18,840)
Due to Developers	$ 5,927,561	$ 5,927,561	$
Long -Term Liabilities	4,180,470	4,444,338	263,868
Other Liabilities	302,575	374,577	72,002
Total Liabilities	$ 10,410,606	$ 10,746,476	$ 335,870
Deferred Inflows of Resources	$ 502,970	$ 263,589	$ (239,381)
Net Investment in Capital Assets	$ (2,771,859)	$ (2,724,704)	$ (47,155)
Restricted	131,443	263,632	(132,189)
Unrestricted	2,255,990	1,634,251	621,739
Total Net Position	$ (384,426)	$ (826,821)	$ 442,395

The following table provides a summary of the District's operations for the year ended February 28, 2026 and February 28, 2025. The District's net position increased by $442,395.

Summary of Changes in the Statement of Activities

	2026	2025	Change Positive (Negative)
Revenues:			
Property Taxes	$ 1,466,112	$ 1,773,487	$ (307,375)
Charges for Services	353,603	328,771	24,832
Other Revenues	94,321	122,883	(28,562)
Total Revenues	$ 1,914,036	$ 2,225,141	$ (311,105)
Expenses for Services	1,471,641	1,589,441	117,800
Change in Net Position	$ 442,395	$ 635,700	$ (193,305)
Net Position, Beginning of Year	(826,821)	(1,462,521)	635,700
Net Position, End of Year	$ (384,426)	$ (826,821)	$ 442,395

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of February 28, 2026, were $2,274,928, an increase of $433,189 from the prior year.

The General Fund fund balance increased by $578,906, primarily due to service and property tax revenues exceeding operating expenditures and capital outlay.

The Debt Service Fund fund balance decreased by $145,717, primarily due to the structure of the District's outstanding debt service requirements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors annually adopts an unappropriated budget for the General Fund and did not amend the budget during the fiscal year. Actual revenues were $138,967 less than budgeted revenues primarily due to lower than anticipated property tax revenues. Actual expenditures were $248,823 lower than budgeted expenditures due to lower than anticipated expenditures generally across all categories. This resulted in a positive variance compared to budget of $109,856. See budget to actual comparison.

CAPITAL ASSETS

Capital assets as of February 28, 2026 totaled $7,177,276 (net of accumulated depreciation) and included land and land improvements and construction in progress as well as the water, wastewater and drainage systems. See also Note 8.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2026	2025	Change Positive (Negative)
Capital Assets Not Being Depreciated -			
Land and Land Improvements	$ 312,524	$ 312,524	$
Construction in Progress	165,312	158,310	7,002
Capital Assets, Net of Accumulated Depreciation:			
Water System	2,916,567	3,094,981	(178,414)
Wastewater System	3,309,968	3,412,599	(102,631)
Drainage System	472,905	491,045	(18,140)
Total Net Capital Assets	$ 7,177,276	$ 7,469,459	$ (292,183)

LONG-TERM DEBT ACTIVITY

At February 28, 2026, the District had total bond debt payable of $4,190,000. The changes in the debt position of the District during the year ended February 28, 2026, are summarized as follows:

Bond Debt Payable, March 1, 2025	$	4,455,000
Less: Bond Principal Paid		265,000
Bond Debt Payable, February 28, 2026	$	4,190,000

The District does not have an underlying rating and the District's bonds do not carry an insured rating.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The adopted budget for fiscal year 2027 projects a decrease in General Fund fund balance of $45,050. Compared to the fiscal year 2026 budget, revenues are expected to decrease by approximately $112,000 and expenditures are expected to increase by approximately $402,000.

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 Municipal Utility District No. 10, c/o Allen Boone Humphries Robinson LLP, 919 Congress Avenue, Suite 1500, Austin, Texas 78701.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
FEBRUARY 28, 2026

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 102,348	$ 532,418
Investments	1,917,844	273,311
Cash with Paying Agent		74,491
Receivables:		
Property Taxes	156,004	63,165
Penalty and Interest on Delinquent Taxes		
Service Accounts	30,933	
Accrued Interest	6,596	
Due from Other Funds	245,023	
Prepaid Costs	14,410	
Capital Assets (Net of Accumulated Depreciation):		
Land and Land Improvements		
Construction in Progress		
Water, Wastewater and Drainage Systems		
TOTAL ASSETS	$ 2,473,158	$ 943,385
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	$ -0-	$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,473,158	$ 943,385

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

Total	Adjustments	Statement of Net Position
$ 634,766	$	$ 634,766
2,191,155		2,191,155
74,491		74,491
219,169		219,169
	21,458	21,458
30,933		30,933
6,596		6,596
245,023	(245,023)	
14,410		14,410
	312,524	312,524
	165,312	165,312
	6,699,440	6,699,440
$ 3,416,543	$ 6,953,711	$ 10,370,254
$ -0-	$ 158,896	$ 158,896
$ 3,416,543	$ 7,112,607	$ 10,529,150

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

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
FEBRUARY 28, 2026

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 162,568	$
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		245,023
Due to Taxpayers		10,916
Security Deposits	54,600	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 217,168	$ 255,939
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 156,004	$ 512,504
FUND BALANCES		
Nonspendable -		
Prepaid Costs	$ 14,410	$
Restricted for Debt Service		174,942
Assigned for 2027 Budget Deficit	45,050	
Unassigned	2,040,526	
TOTAL FUND BALANCES	$ 2,099,986	$ 174,942
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,473,158	$ 943,385
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Total	Adjustments	Statement of Net Position
$ 162,568	$	$ 162,568
	74,491	74,491
	5,927,561	5,927,561
245,023	(245,023)	
10,916		10,916
54,600		54,600
	275,000	275,000
	3,905,470	3,905,470
$ 473,107	$ 9,937,499	$ 10,410,606
$ 668,508	$ (165,538)	$ 502,970
$ 14,410	$ (14,410)	$
174,942	(174,942)	
45,050	(45,050)	
2,040,526	(2,040,526)	
$ 2,274,928	$ (2,274,928)	$ - 0 -
$ 3,416,543		
	$ (2,771,859)	$ (2,771,859)
	131,443	131,443
	2,255,990	2,255,990
	$ (384,426)	$ (384,426)

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

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
FEBRUARY 28, 2026

Total Fund Balances - Governmental Funds		$ 2,274,928
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		7,177,276
Deferred inflows of resources related to property tax revenues for the 2024 and prior debt service tax levies and the 2025 and prior maintenance tax levies became part of recognized revenue in the governmental activities of the District. In addition, uncollected penalty and interest revenue became part of recognized revenue in the governmental activities of the District.		186,996
Interest paid in advance as part of a refunding bond sale is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		158,896
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:		
Due to Developer	$ (5,927,561)	
Accrued Interest Payable	(74,491)	
Bonds Payable Within One Year	(275,000)	
Bonds Payable After One Year	(3,905,470)	(10,182,522)
Total Net Position - Governmental Activities		$ (384,426)

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED FEBRUARY 28, 2026

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 1,160,034	$ 262,233
Water Service	152,040	
Wastewater Service	111,692	
Grinder Pump Maintenance	63,038	
Penalty and Interest	1,470	11,250
Tap Connection and Inspection Fees	5,790	
Investment Revenues	57,224	11,979
Miscellaneous Revenues	5,545	19,573
TOTAL REVENUES	$ 1,556,833	$ 305,035
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 215,766	$ 3,206
Contracted Services	187,858	20,121
Purchased Water Service	18,435	
Utilities	52,990	
Repairs and Maintenance	222,590	
Depreciation		
Other	242,658	5,056
Capital Outlay	37,630	
Debt Service:		
Bond Principal		265,000
Bond Interest		157,369
TOTAL EXPENDITURES/EXPENSES	$ 977,927	$ 450,752
NET CHANGE IN FUND BALANCES	$ 578,906	$ (145,717)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - MARCH 1, 2025	1,521,080	320,659
FUND BALANCES/NET POSITION - FEBRUARY 28, 2026	$ 2,099,986	$ 174,942

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

Total	Adjustments	Statement of Activities
$ 1,422,267	$ 43,845	$ 1,466,112
152,040		152,040
111,692		111,692
63,038		63,038
12,720	8,323	21,043
5,790		5,790
69,203		69,203
25,118		25,118
$ 1,861,868	$ 52,168	$ 1,914,036
$ 218,972	$	$ 218,972
207,979		207,979
18,435		18,435
52,990		52,990
222,590		222,590
	329,813	329,813
247,714		247,714
37,630	(37,630)	
265,000	(265,000)	
157,369	15,779	173,148
$ 1,428,679	$ 42,962	$ 1,471,641
$ 433,189	$ (433,189)	$
	442,395	442,395
1,841,739	(2,668,560)	(826,821)
$ 2,274,928	$ (2,659,354)	$ (384,426)

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

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED FEBRUARY 28, 2026

Net Change in Fund Balances - Governmental Funds	$ 433,189
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.	43,845
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.	8,323
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.	(329,813)
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.	37,630
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.	265,000
Governmental funds report deferred charges on refunding bonds, bond premiums and bond discounts as other financing sources in the year paid and received. However, in the Statement of Net Position, deferred charges on refunding bonds, bond premiums and bond discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.	(19,972)
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.	4,193
Change in Net Position - Governmental Activities	$ 442,395

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

NOTE 1. CREATION OF DISTRICT

Point Venture II Municipal Utility District, located in Travis County, Texas (the "District"), was created effective May 17, 1989, by an Order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the "Commission"). On November 20, 1998, the District received approval from the Commission to change its name to Travis County Municipal Utility District No. 10. Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, wastewater service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on June 9, 1989.

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 (the "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. The GASB has established 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:

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.

Fund Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

The District has two 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, costs and general 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.

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.

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 inflows of resources related to property 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. Recognition of revenues for the 2025 debt service tax levied in the current year has been deferred until the 2027 fiscal year.

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was not amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, 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. Engineering fees and certain other costs are capitalized as part of the asset. In accordance with GASB Statement No. 89, interest costs, including developer interest, are not capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost of $10,000 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:

	Years
Water System	10-45
Wastewater System	10-45
Drainage System	10-45

Service 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 believes all accounts were collectible at February 28, 2026.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances. At February 28, 2026, the District had $45,050 of assigned fund balance in the General Fund pertaining to the projected fiscal year 2027 budgeted deficit.

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that fees of office received by Directors are considered to be wages subject to federal income tax withholding for payroll purposes only.

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.

NOTE 3. LONG TERM DEBT

	Series 2016 Ref.
Amount Outstanding – February 28, 2026	$4,190,000
Interest Rates	3.00% - 3.75%
Maturity Dates – Beginning/Ending	September 1, 2026/2038
Interest Payment Dates	March 1/ September 1
Callable Dates	September 1, 2023*

* Or on any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2016 term bonds maturing September 1, 2031, and September 1, 2038, are subject to mandatory redemption beginning September 1, 2030, and September 1, 2036, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended February 28, 2026:

	March 1, 2025	Additions	Retirements	February 28, 2026
Bonds Payable	$ 4,455,000	$	$ 265,000	$ 4,190,000
Unamortized Discounts	(10,662)		(1,132)	(9,530)
Bonds Payable, Net	$ 4,444,338	$ -0-	$ 263,868	$ 4,180,470

Amount Due Within One Year	$ 275,000
Amount Due After One Year	3,905,470
Bonds Payable, Net	$ 4,180,470

As of February 28, 2026, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2027	$ 275,000	$ 148,981	$ 423,981
2028	280,000	140,731	420,731
2029	290,000	131,631	421,631
2030	305,000	122,206	427,206
2031	315,000	111,531	426,531
2032-2036	1,790,000	380,256	2,170,256
2037-2039	935,000	64,688	999,688
	$ 4,190,000	$ 1,100,024	$ 5,290,024

As of February 28, 2026, the District had authorized but unissued bonds in the amount of $13,660,000 for utility facilities and $12,610,000 for refunding bonds.

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, and are further payable from and secured by a lien on and pledge of the net revenues to be received from the operation of the District's waterworks and wastewater system.

NOTE 3. LONG-TERM DEBT (Continued)

During the year ended February 28, 2026, the District levied an ad valorem debt service tax rate of $0.20 per $100 of assessed valuation, which resulted in a tax levy of $502,970 on the adjusted taxable valuation of $251,484,924 for the 2025 tax year. The bond resolution requires the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 9 for maintenance tax levy.

All property values and exempt status, if any, are determined by the appraisal district. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The bond resolution states 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 state information depository. 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.

NOTE 5. DEPOSITS AND INVESTMENTS

<u>Deposits</u>

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 held by a third-party depository and 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 $864,766 and the bank balance was $868,601. Of the bank balance, $583,913 was covered by federal depository insurance and the remaining balance was covered by collateral pledged in the name of the District and held by a third-party depository. The District was not exposed to custodial credit risk at year-end.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at February 28, 2026, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 102,348	$ 230,000	$ 332,348
DEBT SERVICE FUND	532,418		532,418
TOTAL DEPOSITS	$ 634,766	$ 230,000	$ 864,766

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 prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and 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. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District's investment policy may be more restrictive than the Public Funds Investment Act.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of their portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

Certificates of deposit are recorded at acquisition cost.

As of February 28, 2026, the District had the following investments and maturities.

		Maturities in Years			
Fund and Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
GENERAL FUND					
Texpool	$ 1,687,844	$ 1,687,844	$	$	$
Certificates of Deposit	230,000	230,000			
DEBT SERVICE FUND					
Texpool	273,311	273,311			
TOTAL INVESTMENTS	$ 2,191,155	$ 2,191,155	$ - 0 -	$ - 0 -	$ - 0 -

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At February 28, 2026, the District's investment in TexPool was rated "AAAm" by Standard and Poor's. The District also manages credit risk by typically investing in certificates of deposit with balances below FDIC coverage.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool 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. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

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.

NOTE 6. INTERFUND PAYABLES, RECEIVABLES AND TRANSFERS

At February 28, 2026, the Debt Service Fund recorded a payable to the General Fund in the amount of $245,023 for maintenance tax collections.

NOTE 7. DEFERRED OUTFLOWS OF RESOURCES

The following is a summary of changes in the deferred outflows of resources for the year ended February 28, 2026:

	March 1, 2025	Additions	Retirements	February 28, 2026
Deferred charges on refunding bonds	$ 177,736	$ -0-	$ 18,840	$ 158,896

NOTE 8. CAPITAL ASSETS

Capital asset activity for the year ended February 28, 2026:

	March 1, 2025	Increases	Decreases	February 28, 2026
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 312,524	$	$	$ 312,524
Construction in Progress	158,310	7,002		165,312
Total Capital Assets Not Being Depreciated	$ 470,834	$ 7,002	$ - 0 -	$ 477,836
Capital Assets Subject to Depreciation				
Water System	$ 6,092,766	$	$	$ 6,092,766
Wastewater System	6,125,567	30,628		6,156,195
Drainage System	816,317			816,317
Total Capital Assets Subject to Depreciation	$ 13,034,650	$ 30,628	$ - 0 -	$ 13,065,278
Less Accumulated Depreciation				
Water System	$ 2,997,785	$ 178,414	$	$ 3,176,199
Wastewater System	2,712,968	133,259		2,846,227
Drainage System	325,272	18,140		343,412
Total Accumulated Depreciation	$ 6,036,025	$ 329,813	$ - 0 -	$ 6,365,838
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 6,998,625	$ (299,185)	$ - 0 -	$ 6,699,440
Total Capital Assets, Net of Accumulated Depreciation	$ 7,469,459	$ (292,183)	$ - 0 -	$ 7,177,276

NOTE 9. MAINTENANCE TAX

On August 12, 1989, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.00 per $100 of assessed valuation of taxable property within the District. During the year ended February 28, 2026, the District levied an ad valorem maintenance tax rate of $0.479 per $100 of assessed valuation, which resulted in a tax levy of $1,204,613 on the adjusted taxable valuation of $251,484,924 for the 2025 tax year. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and sanitary sewer system.

NOTE 10. DUE TO DEVELOPERS AND UNREIMBURSED COSTS

The District has entered into development financing agreements whereby the District's developers agreed to fund costs associated with water, wastewater and drainage facilities, utilities construction and operating advances until such time as the District can sell bonds. As of February 28, 2026, it was estimated that the developers have advanced $5,927,561 on behalf of the District in connection with water, wastewater and drainage facilities to serve the District. These costs are to be funded from a future bond issue and are subject to regulatory approvals prior to the sale of bonds.

The following is a summary of transactions regarding the changes in developer advances for the year ended February 28, 2026:

Due to Developer, beginning of year	$	5,927,561
Current Year Additions		-
Current Year Reimbursements		-
Due to Developer, end of year	$	5,927,561

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; 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.

NOTE 12. WATER SUPPLY CONTRACT

The District has entered into a contract with the Lower Colorado River Authority ("LCRA") for the right to divert up to 17.921 million gallons (the maximum annual quantity) of raw water per annum from the Colorado River/Lake Travis in Travis County, Texas. This contract has been null and void. On May 1, 2012 the District entered into a contract with the LCRA for the right to a maximum diversion as stated in the contract. The term of this contract is 40 years.

On a monthly basis, the District agrees to pay an amount equal to the water rate determined by the Board of Directors of LCRA to then be in effect for all sales of water for municipal purposes times the amount of water diverted during the previous month. Also on a monthly basis, the District agrees to pay a monthly reservation charge, which is equal to the reservation rate determined by the Board of Directors of the LCRA multiplied by one-twelfth of the maximum annual quantity of raw water diverted from the Colorado River/Lake Travis. In addition, the District agrees to pay, on a calendar basis, an amount equal to the rate determined by the Board of Directors of LCRA, to then be in effect for diversion of water in amounts in excess of the maximum annual quantity. During the current year, the District recorded expenditures of $18,435 related to this agreement.

NOTE 13. EMERGENCY WATER SUPPLY AGREEMENT

On March 5, 2024, the District and Travis County Water Control and Improvement District – Point Venture ("WCID-PV") entered into an Emergency Water Supply Agreement whereby each district shall furnish the other district with emergency water. The district receiving emergency water shall pay for the water at the rate published in the WCID-PV rate table for Surplus Water Sales as stated in the WCID-PV rate order on the date the emergency is declared. As of February 28, 2026, the surplus water sales rate per the WCID-PV rate order is $12.00 per 1,000 gallons of metered water supplied. The Emergency Water Supply Agreement shall remain in force until cancelled by either district with sixty days' notice.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

REQUIRED SUPPLEMENTARY INFORMATION

FEBRUARY 28, 2026

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED FEBRUARY 28, 2026

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 1,364,000	$ 1,160,034	$ (203,966)
Water Service	140,000	152,040	12,040
Wastewater Service	98,000	111,692	13,692
Grinder Pump Maintenance	53,900	63,038	9,138
Penalty and Interest	1,300	1,470	170
Tap Connection and Inspection Fees	2,800	5,790	2,990
Investment Revenues	29,000	57,224	28,224
Miscellaneous Revenues	6,800	5,545	(1,255)
TOTAL REVENUES	$ 1,695,800	$ 1,556,833	$ (138,967)
EXPENDITURES			
Service Operations:			
Professional Fees	$ 227,100	$ 215,766	$ 11,334
Contracted Services	194,200	187,858	6,342
Purchased Water Service	20,000	18,435	1,565
Utilities	52,500	52,990	(490)
Repairs and Maintenance	264,000	222,590	41,410
Other	253,950	242,658	11,292
Capital Outlay	215,000	37,630	177,370
TOTAL EXPENDITURES	$ 1,226,750	$ 977,927	$ 248,823
NET CHANGE IN FUND BALANCE	$ 469,050	$ 578,906	$ 109,856
FUND BALANCE - MARCH 1, 2025	1,521,080	1,521,080	
FUND BALANCE - FEBRUARY 28, 2026	$ 1,990,130	$ 2,099,986	$ 109,856

See accompanying independent auditor’s report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

FEBRUARY 28, 2026

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
SERVICES AND RATES
FOR THE YEAR ENDED FEBRUARY 28, 2026

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

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

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

Based on the rate order effective July 16, 2025.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 37.00	10,000	N	$ 3.50	10,001 to 20,000
				$ 4.50	20,001 to 30,000
				$ 9.50	30,001 to 59,999
				$15.00	60,000 and up
WASTEWATER:	$ 55.00		Y		
SURCHARGE: Grinder Pump Maintenance	$ 32.00				

District employs winter averaging for wastewater usage? ____ Yes X No

Total charges per 10,000 gallons usage: Water: $37.00 Wastewater: $55.00 Surcharge: $32.00 Total: $124.00

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
SERVICES AND RATES
FOR THE YEAR ENDED FEBRUARY 28, 2026

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	180	179	x 1.0	179.0
1"	29	29	x 2.5	72.5
1½"	1	1	x 5.0	5.0
2"	2	2	x 8.0	16.0
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	212	211		272.5
Total Wastewater Connections	207	202	x 1.0	202.0

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

Gallons billed to customers:	26,164,000	Water Accountability Ratio: 72.9% * (Gallons billed /Gallons purchased)
Gallons purchased:	35,909,000	From: Lower Colorado River Authority

* Following the 2025 July 4th floods in Central Texas, Lake Travis levels rose quickly causing unusually high amounts of debris and dirt in the water. With the water turbidity much higher than normal, the District had to flush and back wash more frequently to get the water quality back down to safe levels. This lasted several months before normal turbidity was visible. In addition, in preparing for the winter storm that hit Central Texas in late January 2026, the District filled storage tanks and shut off the water plant pursuant to the District's freeze protocol. Once the freeze was over, the excess water was discarded to avoid unsafe levels of Trihalomethanes from developing in the sitting water.

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

Does the District have Debt Service standby fees? Yes __ No _X_

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes _X_ No ____

County or Counties in which District is located:

Travis County, Texas

Is the District located within a city?

Entirely ____ Partly ____ Not at all _X_

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

Entirely ____ Partly _X_ Not at all ____

ETJ's in which District is located:

City of Lago Vista, Texas
City of Austin, Texas

Are Board Members appointed by an office outside the District?

Yes ____ No _X_

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED FEBRUARY 28, 2026

PROFESSIONAL FEES:		
Auditing	$	10,250
Engineering		149,406
Legal		56,110
TOTAL PROFESSIONAL FEES	$	215,766
PURCHASED SERVICES FOR RESALE -		
Purchased Water Service	$	18,435
CONTRACTED SERVICES:		
Bookkeeping	$	17,425
Operations and Billing		116,145
TOTAL CONTRACTED SERVICES	$	133,570
UTILITIES	$	52,990
REPAIRS AND MAINTENANCE	$	222,590
ADMINISTRATIVE EXPENDITURES:		
Director Fees	$	10,200
Dues		750
Insurance		29,114
Legal Notices		423
Office Supplies and Postage		12,038
Payroll Taxes		611
Travel and Meetings		2,808
Other		1,570
TOTAL ADMINISTRATIVE EXPENDITURES	$	57,514

See accompanying independent auditor’s report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED FEBRUARY 28, 2026

CAPITAL OUTLAY -		
Capitalized Assets	$	37,630
TAP CONNECTIONS	$	39,458
SOLID WASTE DISPOSAL	$	54,288
OTHER EXPENDITURES:		
Chemicals	$	42,651
Laboratory Fees		33,757
Permit Fees		1,795
Inspection Fees		86
Sludge Hauling		66,136
TOTAL OTHER EXPENDITURES	$	145,686
TOTAL EXPENDITURES	$	977,927

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
INVESTMENTS
FEBRUARY 28, 2026

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
TexPool	XXXX0002	Varies	Daily	$ 1,687,844	$
Certificate of Deposit	XXXX4857	3.95%	06/08/26	230,000	6,596
TOTAL GENERAL FUND				$ 1,917,844	$ 6,596
DEBT SERVICE FUND					
TexPool	XXXX0001	Varies	Daily	$ 273,311	$
TOTAL				$ 2,191,155	$ 6,596

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED FEBRUARY 28, 2026

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - MARCH 1, 2025	$ 113,171		$ 27,943	
Adjustments to Beginning Balance	(1,386)	$ 111,785	(344)	$ 27,599
Original 2025 Tax Levy	$ 1,093,400		$ 456,534	
Adjustment to 2025 Tax Levy	111,213	1,204,613	46,436	502,970
TOTAL TO BE ACCOUNTED FOR		$ 1,316,398		$ 530,569
TAX COLLECTIONS:				
Prior Years	$ 84,228		$ 18,065	
Current Year	1,076,166	1,160,394	449,339	467,404
TAXES RECEIVABLE - FEBRUARY 28, 2026		$ 156,004		$ 63,165
TAXES RECEIVABLE BY YEAR:				
2025		$ 128,447		$ 53,631
2024		18,006		3,481
2023		4,246		1,681
2022		1,466		669
2021 and prior		3,839		3,703
TOTAL		$ 156,004		$ 63,165

See accompanying independent auditor’s report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED FEBRUARY 28, 2026

	2025	2024	2023	2022
PROPERTY VALUATIONS:				
Land	$ 173,686,890	$ 176,836,552	$ 125,667,989	$ 106,547,694
Improvements	145,819,257	157,403,704	157,260,701	163,071,279
Personal Property	405,003	683,626	652,688	164,462
Exemptions	(68,426,226)	(95,297,698)	(60,301,505)	(60,783,177)
TOTAL PROPERTY VALUATIONS	$ 251,484,924	$ 239,626,184	$ 223,279,873	$ 209,000,258
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.200	$ 0.110	$ 0.19	$ 0.21
Maintenance**	0.479	0.569	0.48	0.46
TOTAL TAX RATES PER $100 VALUATION	$ 0.679	$ 0.679	$ 0.67	$ 0.67
ADJUSTED TAX LEVY*	$ 1,707,583	$ 1,627,062	$ 1,495,975	$ 1,400,302
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	89.34 %	98.68 %	99.60 %	99.85 %

* Based upon adjusted tax at time of audit for the period in which the tax was levied.

** Maintenance Tax – Maximum tax rate of $1.00 per $100 of assessed valuation approved by voters on August 12, 1989.

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
LONG-TERM DEBT SERVICE REQUIREMENTS
FEBRUARY 28, 2026

	S E R I E S - 2 0 1 6 R E F U N D I N G		
Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total
2027	$ 275,000	$ 148,981	$ 423,981
2028	280,000	140,731	420,731
2029	290,000	131,631	421,631
2030	305,000	122,206	427,206
2031	315,000	111,531	426,531
2032	325,000	100,506	425,506
2033	340,000	89,131	429,131
2034	355,000	76,806	431,806
2035	375,000	63,938	438,938
2036	395,000	49,875	444,875
2037	415,000	35,063	450,063
2038	250,000	19,500	269,500
2039	270,000	10,125	280,125
	$ 4,190,000	$ 1,100,024	$ 5,290,024

See accompanying independent auditor’s report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED FEBRUARY 28, 2026

Description	Original Bonds Issued	Bonds Outstanding March 1, 2025
Travis County Municipal Utility District No. 10 Unlimited Tax and Revenue Bonds - Series 2011	$ 1,150,000	$ 25,000
Travis County Municipal Utility District No. 10 Unlimited Tax and Revenue Refunding Bonds - Series 2016	5,800,000	4,430,000
TOTAL	$ 6,950,000	$ 4,455,000

Bond Authority:	New Issue Bonds*	Refunding Bonds*
Amount Authorized by Voters	$ 20,300,000	$ 13,200,000
Amount Issued	6,640,000	590,000
Remaining to be Issued	$ 13,660,000	$ 12,610,000

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

Debt Service Fund cash, investments and paying agent balance as of February 28, 2026:	$ 880,220
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 406,925

See Note 3 for interest rate, interest payment dates and maturity dates.

See accompanying independent auditor’s report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED FEBRUARY 28, 2026

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	February 28, 2026	
	$ 25,000	$ 1,188	$ - 0 -	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
	240,000	156,181	4,190,000	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
$ - 0 -	$ 265,000	$ 157,369	$ 4,190,000	

See accompanying independent auditor’s report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$ 1,160,034	$ 1,297,367	$ 1,078,139
Water Service	152,040	140,559	178,792
Wastewater Service	111,692	101,686	92,459
Grinder Pump Maintenance	63,038	59,999	47,397
Penalty and Interest	1,470	1,391	1,827
Tap Connection and Inspection Fees	5,790	7,888	55,976
Investment Revenues	57,224	55,852	62,881
Miscellaneous Revenues	5,545	6,596	8,725
TOTAL REVENUES	$ 1,556,833	$ 1,671,338	$ 1,526,196
EXPENDITURES			
Service Operations:			
Professional Fees	$ 215,766	$ 291,286	$ 246,298
Contracted Services	187,858	193,444	154,107
Purchased Water Service	18,435	15,292	16,179
Utilities	52,990	52,612	47,220
Repairs and Maintenance	222,590	298,106	430,475
Other	242,658	231,143	207,670
Capital Outlay	37,630	692,930	537,647
TOTAL EXPENDITURES	$ 977,927	$ 1,774,813	$ 1,639,596
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ 578,906	$ (103,475)	$ (113,400)
OTHER FINANCING SOURCES (USES)			
Insurance Proceeds	$ - 0 -	$ 38,846	$ - 0 -
TOTAL OTHER FINANCING SOURCES	$ - 0 -	$ 38,846	$ - 0 -
NET CHANGE IN FUND BALANCE	$ 578,906	$ (64,629)	$ (113,400)
BEGINNING FUND BALANCE	1,521,080	1,585,709	1,699,109
ENDING FUND BALANCE	$ 2,099,986	$ 1,521,080	$ 1,585,709

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2023	2022	2026	2025	2024	2023	2022
$ 930,941	$ 574,243	74.5 %	77.6 %	70.6 %	70.1 %	62.9 %
171,349	122,018	9.8	8.4	11.7	12.9	13.4
86,680	77,157	7.2	6.1	6.1	6.5	8.5
75,714	78,950	4.0	3.6	3.1	5.7	8.6
1,822	897	0.1	0.1	0.1	0.1	0.1
33,963	47,738	0.4	0.5	3.7	2.6	5.2
21,793	1,211	3.7	3.3	4.1	1.7	0.1
5,504	10,519	0.3	0.4	0.6	0.4	1.2
$ 1,327,766	$ 912,733	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 169,352	$ 151,340	13.9 %	17.4 %	16.1 %	12.8 %	16.6 %
156,810	133,436	12.1	11.6	10.1	11.8	14.6
21,095	14,147	1.2	0.9	1.1	1.6	1.5
40,178	36,213	3.4	3.2	3.1	3.0	4.0
351,839	357,133	14.3	17.8	28.2	26.5	39.1
165,191	108,313	15.5	13.8	13.6	12.4	11.9
128,543	5,693	2.4	41.5	35.2	9.7	0.6
$ 1,033,008	$ 806,275	62.8 %	106.2 %	107.4 %	77.8 %	88.3 %
$ 294,758	$ 106,458	37.2 %	(6.2) %	(7.4) %	22.2 %	11.7 %
$ - 0 -	$ - 0 -					
$ - 0 -	$ - 0 -					
$ 294,758	$ 106,458					
1,404,351	1,297,893					
$ 1,699,109	$ 1,404,351					

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$ 262,233	$ 418,093	$ 431,382
Penalty and Interest	11,250	13,840	26,865
Investment Revenues	11,979	21,589	20,961
Miscellaneous Revenues	19,573		3,798
TOTAL REVENUES	$ 305,035	$ 453,522	$ 483,006
EXPENDITURES			
Tax Collection and Other Expenditures	$ 28,383	$ 27,632	$ 26,026
Debt Service Principal	265,000	255,000	245,000
Debt Service Interest	157,369	165,419	173,144
TOTAL EXPENDITURES	$ 450,752	$ 448,051	$ 444,170
NET CHANGE IN FUND BALANCE	$ (145,717)	$ 5,471	$ 38,836
BEGINNING FUND BALANCE	320,659	315,188	276,352
ENDING FUND BALANCE	$ 174,942	$ 320,659	$ 315,188
TOTAL ACTIVE RETAIL WATER CONNECTIONS	211	211	206
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	202	207	189

See accompanying independent auditor's report.

2023	2022	2026	2025	2024	2023	2022
		Percentage of Total Revenue				
$ 442,289	$ 435,576	86.0 %	92.2 %	89.3 %	95.1 %	90.7 %
14,370	24,368	3.7	3.0	5.6	3.1	5.1
8,226	372	3.9	4.8	4.3	1.8	0.1
	19,983	6.4		0.8		4.1
$ 464,885	$ 480,299	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 41,576	$ 31,033	9.3 %	6.1 %	5.4 %	8.9 %	6.5 %
240,000	235,000	86.9	56.2	50.7	51.6	48.9
180,681	185,944	51.6	36.5	35.9	38.9	38.7
$ 462,257	$ 451,977	147.8 %	98.8 %	92.0 %	99.4 %	94.1 %
$ 2,628	$ 28,322	(47.8) %	1.2 %	8.0 %	0.6 %	5.9 %
273,724	245,402					
$ 276,352	$ 273,724					
200	195					
185	173					

See accompanying independent auditor’s report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
FEBRUARY 28, 2026

District Mailing Address	-	Travis County Municipal Utility District No. 10 c/o Allen Boone Humphries Robinson LLP 919 Congress Avenue, Suite 1500 Austin, TX 78701
District Telephone Number	-	(512) 518-2424

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended February 28, 2026	Expense Reimbursements for the year ended February 28, 2026	Title
John Sneed	05/22 05/26 (Elected)	$ 1,950	$ 41	President
Andrew Fawthrop	05/24 05/28 (Appointed)	$ 1,950	$ -0-	Executive Vice President
Chris-Lei Fox	01/25 05/28 (Appointed)	$ 1,950	$ -0-	Secretary
Dan Eckermann	05/22 05/26 (Elected)	$ 2,550	$ 1,331	Vice President/ Assistant Secretary
Gerald Wines	05/24 05/28 (Elected)	$ 1,800	$ -0-	Treasurer

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.

Submission date of most recent District Registration Form: February 10, 2025

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.

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
FEBRUARY 28, 2026

Consultants:	Date Hired	Fees for the year ended February 28, 2026	Title
Allen Boone Humphries Robinson LLP	07/28/03	$ 56,110	Attorney
McCall Gibson Swedlund Barfoot Ellis PLLC	09/12/00	$ 10,250	Auditor
Myrtle Cruz, Inc.	08/11/98	$ 19,863	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/14/00	$ 3,206	Delinquent Tax Attorney
Gray Engineering, Inc.	02/06/25	$ 156,452	Engineer
Rathmann & Associates, L.P.	04/21/03	$ -0-	Financial Advisor
Mary Jarmon	03/09/04	$ -0-	Investment Officer
SiEnvironmental, LLC	05/01/05	$ 527,826	Operator
Assessments of the Southwest, Inc.	10/01/01	$ 8,600	Tax Assessor/ Collector

See accompanying independent auditor's report.