

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**

**TRAVIS COUNTY, TEXAS**

**ANNUAL FINANCIAL REPORT**

**FEBRUARY 28, 2019**



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## INDEPENDENT AUDITOR'S REPORT

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

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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.





Board of Directors  
Travis County Municipal  
Utility District No. 10

## **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 February 28, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the 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* 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  
Certified Public Accountants  
Austin, Texas

June 4, 2019



**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED FEBRUARY 28, 2019**

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, 2019. 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 three 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. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED FEBRUARY 28, 2019**

**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 \$544,923 as of February 28, 2019.

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.

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

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED FEBRUARY 28, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

	Summary of Changes in the Statement of Net Position		
	2019	2018	Change Positive (Negative)
Current and Other Assets	\$ 2,125,697	\$ 2,271,130	\$ (145,433)
Capital Assets (Net of Accumulated Depreciation)	<u>7,508,290</u>	<u>7,702,216</u>	<u>(193,926)</u>
Total Assets	<u>\$ 9,633,987</u>	<u>\$ 9,973,346</u>	<u>\$ (339,359)</u>
Deferred Outflows of Resources	<u>\$ 290,877</u>	<u>\$ 309,717</u>	<u>\$ (18,840)</u>
Due to Developers	\$ 3,939,150	\$ 3,939,150	\$
Long -Term Liabilities	5,859,459	6,071,153	211,694
Other Liabilities	<u>244,737</u>	<u>225,457</u>	<u>(19,280)</u>
Total Liabilities	<u>\$ 10,043,346</u>	<u>\$ 10,235,760</u>	<u>\$ 192,414</u>
Deferred Inflows of Resources	<u>\$ 426,441</u>	<u>\$ 368,829</u>	<u>\$ (57,612)</u>
Net Investment in Capital Assets	\$ (1,999,400)	\$ (1,961,524)	\$ (37,876)
Restricted	152,995	202,911	(49,916)
Unrestricted	<u>1,301,482</u>	<u>1,437,087</u>	<u>(135,605)</u>
Total Net Position	<u>\$ (544,923)</u>	<u>\$ (321,526)</u>	<u>\$ (223,397)</u>

The following table provides a summary of the District's operations for the year ended February 28, 2019, and February 28, 2018. The District's net position decreased by \$223,397.

	Summary of Changes in the Statement of Activities		
	2019	2018	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 713,845	\$ 766,181	\$ (52,336)
Charges for Services	228,761	208,396	20,365
Other Revenues	<u>45,620</u>	<u>27,701</u>	<u>17,919</u>
Total Revenues	<u>\$ 988,226</u>	<u>\$ 1,002,278</u>	<u>\$ (14,052)</u>
Expenses for Services	<u>1,211,623</u>	<u>1,167,521</u>	<u>(44,102)</u>
Change in Net Position	\$ (223,397)	\$ (165,243)	\$ (58,154)
Net Position, Beginning of Year	<u>(321,526)</u>	<u>(156,283)</u>	<u>(165,243)</u>
Net Position, End of Year	<u>\$ (544,923)</u>	<u>\$ (321,526)</u>	<u>\$ (223,397)</u>

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED FEBRUARY 28, 2019**

**FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS**

The District's combined fund balances as of February 28, 2019, were \$1,535,471, a decrease of \$210,320 from the prior year.

The General Fund fund balance decreased by \$126,182, primarily due to operating expenditures and capital outlay exceeding service revenues.

The Debt Service Fund fund balance decreased by \$47,334, primarily due to the structure of the District's outstanding debt service requirements.

The Capital Projects Fund fund balance decreased by \$36,804, primarily due to a transfer out to the General Fund to help fund the replacement of the water barge electrical cable.

**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 \$6,919 less than budgeted revenues. Actual expenditures were \$9,665 more than budgeted expenditures. See budget to actual comparison.

**CAPITAL ASSETS**

Capital assets as of February 28, 2019, total \$7,508,290 (net of accumulated depreciation) and included land and land improvements as well as the water, wastewater and drainage systems. See also Note 8.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2019	2018	Change Positive (Negative)
Capital Assets Not Being Depreciated - Land and Land Improvements	\$ 314,338	\$ 314,338	\$
Capital Assets, Net of Accumulated Depreciation:			
Water System	3,431,043	3,433,087	(2,044)
Wastewater System	3,164,838	3,338,392	(173,554)
Drainage System	598,071	616,399	(18,328)
Total Net Capital Assets	<u>\$ 7,508,290</u>	<u>\$ 7,702,216</u>	<u>\$ (193,926)</u>

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED FEBRUARY 28, 2019**

**LONG-TERM DEBT ACTIVITY**

At February 28, 2019, the District had total bond debt payable of \$5,880,000. The changes in the debt position of the District during the year ended February 28, 2019, are summarized as follows:

Bond Debt Payable, March 1, 2018	\$ 6,095,000
Less: Bond Principal Paid	<u>215,000</u>
Bond Debt Payable, February 28, 2019	<u>\$ 5,880,000</u>

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 2020 projects a decrease in General Fund fund balance of \$133,600. Compared to the fiscal year 2019 budget, revenues are expected to decrease by \$31,600 and expenditures are expected to decrease by \$54,000.

**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, 3200 Southwest Freeway, Suite 2600, Houston, TX 77027.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**STATEMENT OF NET POSITION AND**  
**GOVERNMENTAL FUNDS BALANCE SHEET**  
**FEBRUARY 28, 2019**

	General Fund	Debt Service Fund
<b>ASSETS</b>		
Cash	\$ 303,147	\$ 462,474
Investments	1,080,179	131,883
Cash with Paying Agent		98,679
Receivables:		
Property Taxes	10,355	11,657
Penalty and Interest on Delinquent Taxes		
Service Accounts	14,617	
Accrued Interest	3,524	
Due from Other Funds	21,643	
Prepaid Costs	6,011	
Capital Assets (Net of Accumulated Depreciation):		
Land and Land Improvements		
Water, Wastewater and Drainage Systems		
<b>TOTAL ASSETS</b>	<b>\$ 1,439,476</b>	<b>\$ 704,693</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-
<b>TOTAL ASSETS AND DEFERRED     OUTFLOWS OF RESOURCES</b>	<b>\$ 1,439,476</b>	<b>\$ 704,693</b>

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



Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$ 42	\$ 765,663	\$	\$ 765,663
	1,212,062		1,212,062
	98,679		98,679
	22,012		22,012
	14,617	3,129	3,129
	3,524		14,617
	21,643	(21,643)	3,524
	6,011		6,011
		314,338	314,338
		7,193,952	7,193,952
<u>\$ 42</u>	<u>\$ 2,144,211</u>	<u>\$ 7,489,776</u>	<u>\$ 9,633,987</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 290,877</u>	<u>\$ 290,877</u>
<u>\$ 42</u>	<u>\$ 2,144,211</u>	<u>\$ 7,780,653</u>	<u>\$ 9,924,864</u>

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, 2019**

	General Fund	Debt Service Fund
<b>LIABILITIES</b>		
Accounts Payable	\$ 100,594	\$
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		21,643
Due to Taxpayers		8,064
Security Deposits	37,400	
Long-term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
<b>TOTAL LIABILITIES</b>	<b>\$ 137,994</b>	<b>\$ 29,707</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Property Taxes	\$ 10,355	\$ 430,684
 <b>FUND BALANCES</b>		
Nonspendable -		
Prepaid Costs	\$ 6,011	\$
Restricted for Authorized Construction		
Restricted for Debt Service		244,302
Assigned for 2020 Budget Deficit	133,600	
Unassigned	1,151,516	
<b>TOTAL FUND BALANCES</b>	<b>\$ 1,291,127</b>	<b>\$ 244,302</b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,439,476</b>	<b>\$ 704,693</b>
 <b>NET POSITION</b>		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
 <b>TOTAL NET POSITION</b>		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
\$	\$ 100,594	\$	\$ 100,594
		98,679	98,679
		3,939,150	3,939,150
	21,643	(21,643)	
	8,064		8,064
	37,400		37,400
		220,000	220,000
		<u>5,639,459</u>	<u>5,639,459</u>
<u>\$ -0-</u>	<u>\$ 167,701</u>	<u>\$ 9,875,645</u>	<u>\$ 10,043,346</u>
<u>\$ -0-</u>	<u>\$ 441,039</u>	<u>\$ (14,598)</u>	<u>\$ 426,441</u>
\$	\$ 6,011	\$ (6,011)	\$
42	42	(42)	
	244,302	(244,302)	
	133,600	(133,600)	
	<u>1,151,516</u>	<u>(1,151,516)</u>	
<u>\$ 42</u>	<u>\$ 1,535,471</u>	<u>\$ (1,535,471)</u>	<u>\$ - 0 -</u>
<u>\$ 42</u>	<u>\$ 2,144,211</u>		
		\$ (1,999,400)	\$ (1,999,400)
		152,995	152,995
		<u>1,301,482</u>	<u>1,301,482</u>
		<u>\$ (544,923)</u>	<u>\$ (544,923)</u>

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, 2019**

Total Fund Balances - Governmental Funds \$ 1,535,471

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. 7,508,290

Deferred inflows of resources related to property tax revenues for the 2017 and prior debt service tax levies and the 2018 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. 17,727

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. 290,877

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	\$ (3,939,150)	
Accrued Interest Payable	(98,679)	
Bonds Payable Within One Year	(220,000)	
Bonds Payable After One Year	<u>(5,639,459)</u>	<u>(9,897,288)</u>
Total Net Position - Governmental Activities		<u>\$ (544,923)</u>

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

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**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, 2019**

	General Fund	Debt Service Fund
<b>REVENUES</b>		
Property Taxes	\$ 354,522	\$ 370,817
Water Service	93,250	
Wastewater Service	65,806	
Grinder Pump Maintenance	44,920	
Penalty and Interest	1,238	10,218
Tap Connection and Inspection Fees	16,900	
Investment Revenues	22,828	4,050
Miscellaneous Revenues	7,617	1,508
<b>TOTAL REVENUES</b>	<b>\$ 607,081</b>	<b>\$ 386,593</b>
<b>EXPENDITURES/EXPENSES</b>		
Service Operations:		
Professional Fees	\$ 95,663	\$ 3,340
Contracted Services	124,952	10,812
Purchased Water Service	12,227	
Utilities	29,222	
Repairs and Maintenance	279,381	
Depreciation		
Other	82,354	1,296
Capital Outlay	155,866	
Debt Service:		
Bond Principal		215,000
Bond Interest		203,479
<b>TOTAL EXPENDITURES/EXPENSES</b>	<b>\$ 779,665</b>	<b>\$ 433,927</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES</b>	<b>\$ (172,584)</b>	<b>\$ (47,334)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In (Out)	\$ 36,800	\$ -0-
Insurance Proceeds	9,602	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ 46,402</b>	<b>\$ -0-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (126,182)</b>	<b>\$ (47,334)</b>
<b>CHANGE IN NET POSITION</b>		
<b>FUND BALANCES/NET POSITION - MARCH 1, 2018</b>	<b>1,417,309</b>	<b>291,636</b>
<b>FUND BALANCES/NET POSITION - FEBRUARY 28, 2019</b>	<b>\$ 1,291,127</b>	<b>\$ 244,302</b>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 725,339	\$ (11,494)	\$ 713,845
	93,250		93,250
	65,806		65,806
	44,920		44,920
	11,456	(3,571)	7,885
	16,900		16,900
15	26,893		26,893
	9,125	9,602	18,727
<u>\$ 15</u>	<u>\$ 993,689</u>	<u>\$ (5,463)</u>	<u>\$ 988,226</u>
\$	\$ 99,003	\$ (6,107)	\$ 92,896
	135,764		135,764
	12,227		12,227
	29,222		29,222
	279,381		279,381
		355,899	355,899
19	83,669		83,669
	155,866	(155,866)	
	215,000	(215,000)	
	203,479	19,086	222,565
<u>\$ 19</u>	<u>\$ 1,213,611</u>	<u>\$ (1,988)</u>	<u>\$ 1,211,623</u>
<u>\$ (4)</u>	<u>\$ (219,922)</u>	<u>\$ (3,475)</u>	<u>\$ (223,397)</u>
\$ (36,800)	\$ -0-	\$ -0-	\$ -0-
	9,602	(9,602)	
<u>\$ (36,800)</u>	<u>\$ 9,602</u>	<u>\$ (9,602)</u>	<u>\$ -0-</u>
\$ (36,804)	\$ (210,320)	\$ 210,320	\$
		(223,397)	(223,397)
<u>36,846</u>	<u>1,745,791</u>	<u>(2,067,317)</u>	<u>(321,526)</u>
<u>\$ 42</u>	<u>\$ 1,535,471</u>	<u>\$ (2,080,394)</u>	<u>\$ (544,923)</u>

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, 2019**

Net Change in Fund Balances - Governmental Funds	\$ (210,320)
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.	(11,494)
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.	(3,571)
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.	(355,899)
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.	161,973
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.	215,000
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.	(22,146)
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.	<u>3,060</u>
Change in Net Position - Governmental Activities	<u>\$ (223,397)</u>

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



**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**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”).

The 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 MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**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 statements. The fund statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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, 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.

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.

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 2018 debt service tax levied in the current year has been deferred until the 2020 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.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 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. Interest costs, including developer interest, engineering fees and certain other costs are 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, 2019.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**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, 2019, the District has assigned fund balance of \$133,600 related to the budgeted decrease in General Fund fund balance for fiscal year 2020.

*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.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**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 2010	Series 2011	Series 2016 Ref.
Amount Outstanding – February 28, 2019	\$ 60,000	\$ 175,000	\$ 5,645,000
Interest Rates	4.40%	3.90% - 4.75%	2.00% - 3.75%
Maturity Dates – Beginning/Ending	September 1, 2019	September 1, 2019/2025	September 1, 2019/2038
Interest Payment Dates	March 1/ September 1	March 1/ September 1	March 1/ September 1
Callable Dates	September 1, 2017*	September 1, 2018*	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.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**NOTE 3. LONG-TERM DEBT (Continued)**

The following is a summary of transactions regarding bonds payable for the year ended February 28, 2019:

	March 1, 2018	Additions	Retirements	February 28, 2019
Bonds Payable	\$ 6,095,000	\$	\$ 215,000	\$ 5,880,000
Unamortized Discounts	(23,847)		(3,306)	(20,541)
Bonds Payable, Net	\$ 6,071,153	\$ -0-	\$ 211,694	\$ 5,859,459
			Amount Due Within One Year	\$ 220,000
			Amount Due After One Year	5,639,459
			Bonds Payable, Net	\$ 5,859,459

As of February 28, 2019, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 220,000	\$ 197,359	\$ 417,359
2021	230,000	191,044	421,044
2022	235,000	185,944	420,944
2023	240,000	180,681	420,681
2024	245,000	173,144	418,144
2025-2029	1,365,000	744,131	2,109,131
2030-2034	1,640,000	500,180	2,140,180
2035-2039	1,705,000	178,501	1,883,501
	\$ 5,880,000	\$ 2,350,984	\$ 8,230,984

As of February 28, 2019, 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.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**NOTE 3. LONG-TERM DEBT (Continued)**

During the year ended February 28, 2019, the District levied an ad valorem debt service tax rate of \$0.42 per \$100 of assessed valuation, which resulted in a tax levy of \$426,441 on the adjusted taxable valuation of \$101,533,595 for the 2018 tax year. The bond resolutions require 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. 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.

**NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS**

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 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**

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 \$1,005,663 and the bank balance was \$1,009,274. Of the bank balance, \$889,413 was covered by federal depository insurance and the remaining balance was covered by collateral pledged in the name of the District and held in a third-party depository.



**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**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, 2019, as listed below:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
GENERAL FUND	\$ 303,147	\$ 240,000	\$ 543,147
DEBT SERVICE FUND	462,474		462,474
CAPITAL PROJECTS FUND	<u>42</u>		<u>42</u>
TOTAL DEPOSITS	<u>\$ 765,663</u>	<u>\$ 240,000</u>	<u>\$ 1,005,663</u>

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.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**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 Investors, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool meets the criteria established in GASB Statement No. 79 and 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.

As of February 28, 2019, 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>					
Texpool	\$ 840,179	\$ 840,179	\$	\$	\$
Certificates of Deposits	240,000	240,000			
<u>DEBT SERVICE FUND</u>					
Texpool	131,883	131,883			
<b>TOTAL INVESTMENTS</b>	<u>\$ 1,212,062</u>	<u>\$ 1,212,062</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At February 28, 2019, 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. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**NOTE 6. INTERFUND PAYABLES, RECEIVABLES AND TRANSFERS**

At February 28, 2019, the Debt Service Fund recorded a payable to the General Fund in the amount of \$21,643 for maintenance tax collections. In accordance with Rule 30 T.A.C. 293.83(c)(3) of the Commission, the District approved the use of surplus Capital Projects Fund monies to fund a portion of the replacement of the water barge electrical cable. The Capital Projects Fund transferred \$36,800 to the General Fund in accordance with this approval.

**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, 2019:

	March 1, 2018	Additions	Retirements	February 28, 2019
Deferred charges on refunding bonds	\$ 309,717	\$ -0-	\$ 18,840	\$ 290,877

**NOTE 8. CAPITAL ASSETS**

Capital asset activity for the year ended February 28, 2019:

	March 1, 2018	Increases	Decreases	February 28, 2019
<b>Capital Assets Not Being Depreciated</b>				
Land and Land Improvements	\$ 314,338	\$	\$	\$ 314,338
<b>Total Capital Assets Not Being Depreciated</b>	\$ 314,338	\$ - 0 -	\$ - 0 -	\$ 314,338
<b>Capital Assets Subject to Depreciation</b>				
Water System	\$ 5,189,431	\$ 161,973	\$	\$ 5,351,404
Wastewater System	5,198,253			5,198,253
Drainage System	824,774			824,774
<b>Total Capital Assets Subject to Depreciation</b>	\$ 11,212,458	\$ 161,973	\$ - 0 -	\$ 11,374,431
<b>Less Accumulated Depreciation</b>				
Water System	\$ 1,756,344	\$ 164,017	\$	\$ 1,920,361
Wastewater System	1,859,861	173,554		2,033,415
Drainage System	208,375	18,328		226,703
<b>Total Accumulated Depreciation</b>	\$ 3,824,580	\$ 355,899	\$ - 0 -	\$ 4,180,479
<b>Total Depreciable Capital Assets, Net of Accumulated Depreciation</b>	\$ 7,387,878	\$ (193,926)	\$ - 0 -	\$ 7,193,952
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	\$ 7,702,216	\$ (193,926)	\$ - 0 -	\$ 7,508,290

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**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, 2019, the District levied an ad valorem maintenance tax rate of \$0.34 per \$100 of assessed valuation, which resulted in a tax levy of \$345,214 on the adjusted taxable valuation of \$101,533,595 for the 2018 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, 2019, it was estimated that the developers have advanced \$3,939,150 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.

**NOTE 11. 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.

**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.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FEBRUARY 28, 2019**

**NOTE 12. WATER SUPPLY CONTRACT (Continued)**

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 \$12,227 related to this agreement.

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**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**

**REQUIRED SUPPLEMENTARY INFORMATION**

**FEBRUARY 28, 2019**





**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, 2019**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Property Taxes	\$ 390,000	\$ 354,522	\$ (35,478)
Water Service	105,000	93,250	(11,750)
Wastewater Service	62,000	65,806	3,806
Grinder Pump Maintenance	35,000	44,920	9,920
Penalty and Interest	1,700	1,238	(462)
Tap Connection and Inspection Fees	8,300	16,900	8,600
Investment Revenues	8,500	22,828	14,328
Miscellaneous Revenues	3,500	7,617	4,117
<b>TOTAL REVENUES</b>	<b>\$ 614,000</b>	<b>\$ 607,081</b>	<b>\$ (6,919)</b>
<b>EXPENDITURES</b>			
Services Operations:			
Professional Fees	\$ 88,500	\$ 95,663	\$ (7,163)
Contracted Services	130,500	124,952	5,548
Purchased Water Service	10,000	12,227	(2,227)
Utilities	29,000	29,222	(222)
Repairs and Maintenance	179,500	279,381	(99,881)
Other	132,500	82,354	50,146
Capital Outlay	200,000	155,866	44,134
<b>TOTAL EXPENDITURES</b>	<b>\$ 770,000</b>	<b>\$ 779,665</b>	<b>\$ (9,665)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (156,000)</b>	<b>\$ (172,584)</b>	<b>\$ (16,584)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	\$ -0-	\$ 36,800	\$ 36,800
Insurance Proceeds	-	9,602	9,602
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>\$ -0-</b>	<b>\$ 46,402</b>	<b>\$ 46,402</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (156,000)</b>	<b>\$ (126,182)</b>	<b>\$ 29,818</b>
<b>FUND BALANCE - MARCH 1, 2018</b>	<b>1,417,309</b>	<b>1,417,309</b>	<b>-</b>
<b>FUND BALANCE - FEBRUARY 28, 2019</b>	<b>\$ 1,261,309</b>	<b>\$ 1,291,127</b>	<b>\$ 29,818</b>

See accompanying independent auditor's report.

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**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**SUPPLEMENTARY INFORMATION REQUIRED BY THE**  
**WATER DISTRICT FINANCIAL MANAGEMENT GUIDE**  
**FEBRUARY 28, 2019**



**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10  
SERVICES AND RATES  
FOR THE YEAR ENDED FEBRUARY 28, 2019**

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

<u>  X  </u>	Retail Water	_____	Wholesale Water	<u>  X  </u>	Drainage
<u>  X  </u>	Retail Wastewater	_____	Wholesale Wastewater	_____	Irrigation
_____	Parks/Recreation	_____	Fire Protection	_____	Security
<u>  X  </u>	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 June 6, 2017.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 35.00	10,000	N	\$ 2.75 \$ 3.00 \$ 7.50 \$10.00	10,001 to 20,000 20,001 to 30,000 30,001 to 59,999 60,000 and up
WASTEWATER:	\$ 50.25		Y		
SURCHARGE:					
Grinder Pump Maintenance	\$ 30.00				

District employs winter averaging for wastewater usage? \_\_\_\_\_   X    
Yes                      No

Total charges per 10,000 gallons usage: Water: \$35.00 Wastewater: \$50.25 Surcharge: \$30.00 Total: \$115.25

See accompanying independent auditor's report.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2019**

**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>
Unmetered			x 1.0	
≤ <sup>3</sup> / <sub>4</sub> "	<u>148</u>	<u>146</u>	x 1.0	<u>146</u>
1"	<u>11</u>	<u>11</u>	x 2.5	<u>28</u>
1½"	<u>1</u>	<u>1</u>	x 5.0	<u>5</u>
2"	<u>2</u>	<u>2</u>	x 8.0	<u>16</u>
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	<u><u>162</u></u>	<u><u>160</u></u>		<u><u>195</u></u>
Total Wastewater Connections	<u><u>151</u></u>	<u><u>149</u></u>	x 1.0	<u><u>149</u></u>

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

Gallons billed to customers:	19,127,000	Water Accountability Ratio: 89.0% (Gallons billed /Gallons purchased)
Gallons purchased:	21,494,000	From: Lower Colorado River Authority

See accompanying independent auditor's report.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**SERVICES AND RATES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2019**

**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 or Counties in which District is located:

Travis County, Texas

Is the District located within a city?

Entirely  Partly  Not at all

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 Lago Vista, Texas  
City of Austin, Texas

Are Board Members appointed by an office outside the District?

Yes  No

See accompanying independent auditor's report.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2019**

PROFESSIONAL FEES:	
Auditing	\$ 8,200
Engineering	56,530
Legal	<u>30,933</u>
TOTAL PROFESSIONAL FEES	<u>\$ 95,663</u>
 PURCHASED SERVICES FOR RESALE -	
Purchased Water Service	<u>\$ 12,227</u>
 CONTRACTED SERVICES:	
Bookkeeping	\$ 12,944
Operations and Billing	<u>78,447</u>
TOTAL CONTRACTED SERVICES	<u>\$ 91,391</u>
 UTILITIES	<u>\$ 29,222</u>
 REPAIRS AND MAINTENANCE	<u>\$ 279,381</u>
 ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 7,800
Dues	650
Insurance	12,125
Office Supplies and Postage	6,552
Payroll Taxes	642
Other	<u>4,119</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 31,888</u>

See accompanying independent auditor's report.



**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**GENERAL FUND EXPENDITURES**  
**FOR THE YEAR ENDED FEBRUARY 28, 2019**

CAPITAL OUTLAY -	
Capitalized Assets	\$ <u>155,866</u>
SOLID WASTE DISPOSAL	\$ <u>33,561</u>
OTHER EXPENDITURES:	
Chemicals	\$ 24,703
Laboratory Fees	18,077
Permit Fees	1,450
Reconnection Fees	194
Inspection Fees	798
Regulatory Assessment	751
Sludge Hauling	<u>4,493</u>
TOTAL OTHER EXPENDITURES	\$ <u>50,466</u>
TOTAL EXPENDITURES	\$ <u><u>779,665</u></u>

See accompanying independent auditor's report.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**INVESTMENTS**  
**FEBRUARY 28, 2019**

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0002	Varies	Daily	\$ 840,179	\$
Certificate of Deposit	XXXX2897	2.00%	06/05/19	<u>240,000</u>	<u>3,524</u>
TOTAL GENERAL FUND				<u>\$ 1,080,179</u>	<u>\$ 3,524</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0001	Varies	Daily	<u>\$ 131,883</u>	<u>\$</u>
TOTAL				<u>\$ 1,212,062</u>	<u>\$ 3,524</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED FEBRUARY 28, 2019**

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
MARCH 1, 2018	\$ 19,778		\$ 18,686	
Adjustments to Beginning				
Balance	<u>(115)</u>	\$ 19,663	<u>(83)</u>	\$ 18,603
Original 2018 Tax Levy	\$ 340,119		\$ 420,147	
Adjustment to 2018 Tax Levy	<u>5,095</u>	<u>345,214</u>	<u>6,294</u>	<u>426,441</u>
TOTAL TO BE				
ACCOUNTED FOR		\$ 364,877		\$ 445,044
TAX COLLECTIONS:				
Prior Years	\$ 15,310		\$ 14,360	
Current Year	<u>339,212</u>	<u>354,522</u>	<u>419,027</u>	<u>433,387</u>
TAXES RECEIVABLE -				
FEBRUARY 28, 2019		<u>\$ 10,355</u>		<u>\$ 11,657</u>
TAXES RECEIVABLE BY				
YEAR:				
2018		\$ 6,002		\$ 7,414
2017		2,613		2,472
2016		857		791
2015		593		768
2014		<u>290</u>		<u>212</u>
TOTAL		<u>\$ 10,355</u>		<u>\$ 11,657</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**TAXES LEVIED AND RECEIVABLE**  
**FOR THE YEAR ENDED FEBRUARY 28, 2019**

	2018	2017	2016	2015
<b>PROPERTY VALUATIONS:</b>				
Land	\$ 43,880,970	\$ 48,621,991	\$ 51,609,469	\$ 50,556,645
Improvements	67,923,835	66,137,546	61,591,312	57,989,673
Personal Property	98,637	208,201	266,554	268,400
Exemptions	<u>(10,369,847)</u>	<u>(9,588,114)</u>	<u>(6,532,749)</u>	<u>(6,851,532)</u>
<b>TOTAL PROPERTY VALUATIONS</b>	<u><u>\$ 101,533,595</u></u>	<u><u>\$ 105,379,624</u></u>	<u><u>\$ 106,934,586</u></u>	<u><u>\$ 101,963,186</u></u>
<b>TAX RATES PER \$100 VALUATION:</b>				
Debt Service	\$ 0.42	\$ 0.35	\$ 0.36	\$ 0.44
Maintenance**	<u>0.34</u>	<u>0.37</u>	<u>0.39</u>	<u>0.34</u>
<b>TOTAL TAX RATES PER \$100 VALUATION</b>	<u><u>\$ 0.76</u></u>	<u><u>\$ 0.72</u></u>	<u><u>\$ 0.75</u></u>	<u><u>\$ 0.78</u></u>
<b>ADJUSTED TAX LEVY*</b>	<u><u>\$ 771,655</u></u>	<u><u>\$ 758,734</u></u>	<u><u>\$ 802,009</u></u>	<u><u>\$ 795,313</u></u>
<b>PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED</b>	<u>98.26 %</u>	<u>99.33 %</u>	<u>99.79 %</u>	<u>99.83 %</u>

\* 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, 2019**

S E R I E S - 2 0 1 0

<u>Due During Fiscal Years Ending February 28</u>	<u>Principal Due September 1</u>	<u>Interest Due March 1/ September 1</u>	<u>Total</u>
2020	\$ 60,000	\$ 2,640	\$ 62,640
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
	<u>\$ 60,000</u>	<u>\$ 2,640</u>	<u>\$ 62,640</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2019**

S E R I E S - 2 0 1 1

<u>Due During Fiscal Years Ending February 28</u>	<u>Principal Due September 1</u>	<u>Interest Due March 1/ September 1</u>	<u>Total</u>
2020	\$ 25,000	\$ 7,588	\$ 32,588
2021	25,000	6,613	31,613
2022	25,000	5,613	30,613
2023	25,000	4,550	29,550
2024	25,000	3,463	28,463
2025	25,000	2,338	27,338
2026	25,000	1,188	26,188
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
	<u>\$ 175,000</u>	<u>\$ 31,353</u>	<u>\$ 206,353</u>

See accompanying independent auditor's report.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2019**

SERIES - 2016 REFUNDING

<u>Due During Fiscal Years Ending February 28</u>	<u>Principal Due September 1</u>	<u>Interest Due March 1/ September 1</u>	<u>Total</u>
2020	\$ 135,000	\$ 187,131	\$ 322,131
2021	205,000	184,431	389,431
2022	210,000	180,331	390,331
2023	215,000	176,131	391,131
2024	220,000	169,681	389,681
2025	230,000	163,081	393,081
2026	240,000	156,181	396,181
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
	<u>\$ 5,645,000</u>	<u>\$ 2,316,991</u>	<u>\$ 7,961,991</u>

See accompanying independent auditor's report.

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**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**LONG-TERM DEBT SERVICE REQUIREMENTS**  
**FEBRUARY 28, 2019**

ANNUAL REQUIREMENTS  
FOR ALL SERIES

Due During Fiscal Years Ending February 28	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2020	\$ 220,000	\$ 197,359	\$ 417,359
2021	230,000	191,044	421,044
2022	235,000	185,944	420,944
2023	240,000	180,681	420,681
2024	245,000	173,144	418,144
2025	255,000	165,419	420,419
2026	265,000	157,369	422,369
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
	<u>\$ 5,880,000</u>	<u>\$ 2,350,984</u>	<u>\$ 8,230,984</u>

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, 2019**

Description	Original Bonds Issued	Bonds Outstanding March 1, 2018
Travis County Municipal Utility District No. 10 Unlimited Tax and Revenue Bonds - Series 2010	3,570,000	120,000
Travis County Municipal Utility District No. 10 Unlimited Tax and Revenue Bonds - Series 2011	1,150,000	200,000
Travis County Municipal Utility District No. 10 Unlimited Tax and Revenue Refunding Bonds - Series 2016	<u>5,800,000</u>	<u>5,775,000</u>
<b>TOTAL</b>	<b><u>\$ 10,520,000</u></b>	<b><u>\$ 6,095,000</u></b>
<b>Bond Authority:</b>	<b>New Issue Bonds*</b>	<b>Refunding Bonds*</b>
Amount Authorized by Voters	\$ 20,300,000	\$ 13,200,000
Amount Issued	<u>6,640,000</u>	<u>590,000</u>
Remaining to be Issued	<u>\$ 13,660,000</u>	<u>\$ 12,610,000</u>
* 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, 2019:		<u>\$ 693,036</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 411,549</u>

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

See accompanying independent auditor's report.

<u>Current Year Transactions</u>				
<u>Bonds Sold</u>	<u>Retirements</u>		<u>Bonds Outstanding February 28, 2019</u>	
	<u>Principal</u>	<u>Interest</u>		
	60,000	5,160	60,000	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
	25,000	8,588	175,000	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
	<u>130,000</u>	<u>189,731</u>	<u>5,645,000</u>	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
<u>\$ - 0 -</u>	<u>\$ 215,000</u>	<u>\$ 203,479</u>	<u>\$ 5,880,000</u>	

See accompanying independent auditor's report.

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

	Amounts		
	2019	2018	2017
<b>REVENUES</b>			
Property Taxes	\$ 354,522	\$ 406,641	\$ 413,711
Water Service	93,250	89,898	84,059
Wastewater Service	65,806	63,085	61,456
Grinder Pump Maintenance	44,920	36,110	29,360
Penalty and Interest	1,238	1,298	1,596
Tap Connection and Inspection Fees	16,900	8,440	
Investment Revenues	22,828	11,732	5,413
Miscellaneous Revenues	7,617	12,898	11,726
<b>TOTAL REVENUES</b>	<b>\$ 607,081</b>	<b>\$ 630,102</b>	<b>\$ 607,321</b>
<b>EXPENDITURES</b>			
Service Operations:			
Professional Fees	\$ 95,663	\$ 104,785	\$ 78,803
Contracted Services	124,952	130,880	110,910
Purchased Water Service	12,227	12,664	11,022
Utilities	29,222	27,807	42,771
Repairs and Maintenance	279,381	189,647	175,223
Other	82,354	105,061	112,612
Capital Outlay	155,866	68,414	
<b>TOTAL EXPENDITURES</b>	<b>\$ 779,665</b>	<b>\$ 639,258</b>	<b>\$ 531,341</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (172,584)</b>	<b>\$ (9,156)</b>	<b>\$ 75,980</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In (Out)	\$ 36,800	\$ - 0 -	\$ - 0 -
Insurance Proceeds	9,602		
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>\$ 46,402</b>	<b>\$ - 0 -</b>	<b>\$ - 0 -</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (126,182)</b>	<b>\$ (9,156)</b>	<b>\$ 75,980</b>
<b>BEGINNING FUND BALANCE</b>	<b>1,417,309</b>	<b>1,426,465</b>	<b>1,350,485</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 1,291,127</b>	<b>\$ 1,417,309</b>	<b>\$ 1,426,465</b>

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2016	2015	2019	2018	2017	2016	2015
\$ 338,081	\$ 457,665	58.4 %	64.5 %	68.2 %	62.6 %	69.2 %
82,671	87,257	15.4	14.3	13.8	15.3	13.2
61,014	56,243	10.8	10.0	10.1	11.3	8.5
35,210	36,070	7.4	5.7	4.8	6.5	5.5
1,647	1,375	0.2	0.2	0.3	0.3	0.2
9,130	7,940	2.8	1.3		1.7	1.2
3,845	4,170	3.8	1.9	0.9	0.7	0.6
8,508	10,316	1.2	2.1	1.9	1.6	1.6
<u>\$ 540,106</u>	<u>\$ 661,036</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 76,266	\$ 112,066	15.8 %	16.6 %	13.0 %	14.1 %	17.0 %
110,428	150,978	20.6	20.8	18.3	20.4	22.8
13,170	11,992	2.0	2.0	1.8	2.4	1.8
39,146	38,551	4.8	4.4	7.0	7.2	5.8
198,624	134,591	46.0	30.1	28.9	36.8	20.4
81,489	67,936	13.5	16.7	18.5	15.1	10.3
	5,750	25.7	10.9			0.9
<u>\$ 519,123</u>	<u>\$ 521,864</u>	<u>128.4 %</u>	<u>101.5 %</u>	<u>87.5 %</u>	<u>96.0 %</u>	<u>79.0 %</u>
<u>\$ 20,983</u>	<u>\$ 139,172</u>	<u>(28.4) %</u>	<u>(1.5) %</u>	<u>12.5 %</u>	<u>4.0 %</u>	<u>21.0 %</u>
\$ - 0 -	\$ - 0 -					
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ 20,983	\$ 139,172					
<u>1,329,502</u>	<u>1,190,330</u>					
<u>\$ 1,350,485</u>	<u>\$ 1,329,502</u>					

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		
	2019	2018	2017
<b>REVENUES</b>			
Property Taxes	\$ 370,817	\$ 385,208	\$ 448,061
Penalty and Interest	10,218	13,383	15,441
Investment Revenues	4,050	3,020	901
Miscellaneous Revenues	1,508		
<b>TOTAL REVENUES</b>	\$ 386,593	\$ 401,611	\$ 464,403
<b>EXPENDITURES</b>			
Tax Collection Expenditures	\$ 15,448	\$ 18,750	\$ 21,989
Debt Service Principal	215,000	175,000	145,000
Debt Service Interest	203,479	231,646	160,206
Bond Issuance Costs			229,161
<b>TOTAL EXPENDITURES</b>	\$ 433,927	\$ 425,396	\$ 556,356
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (47,334)	\$ (23,785)	\$ (91,953)
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds of Refunding Bonds	\$	\$	\$ 5,800,000
Payment to Refunding Bond Escrow Agent			(5,550,015)
Bond Discount			(16,852)
<b>TOTAL OTHER FINANCING SOURCES</b>	\$ - 0 -	\$ - 0 -	\$ 233,133
<b>NET CHANGE IN FUND BALANCE</b>	\$ (47,334)	\$ (23,785)	\$ 141,180
<b>BEGINNING FUND BALANCE</b>	291,636	315,421	174,241
<b>ENDING FUND BALANCE</b>	\$ 244,302	\$ 291,636	\$ 315,421
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	160	158	157
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	149	143	153

See accompanying independent auditor's report.

		Percentage of Total Revenue				
<u>2016</u>	<u>2015</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 320,314	\$ 269,034	95.9 %	95.9 %	96.5 %	97.8 %	95.0 %
5,711	12,885	2.6	3.3	3.3	1.7	4.5
739	1,482	1.1	0.8	0.2	0.2	0.5
819		0.4			0.3	
<u>\$ 327,583</u>	<u>\$ 283,401</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 20,218	\$ 13,132	4.0 %	4.7 %	4.7 %	6.2 %	4.6 %
140,000	130,000	55.6	43.5	31.2	42.7	45.9
300,111	305,894	52.6	57.7	34.5	91.6	107.9
				49.4		
<u>\$ 460,329</u>	<u>\$ 449,026</u>	<u>112.2 %</u>	<u>105.9 %</u>	<u>119.8 %</u>	<u>140.5 %</u>	<u>158.4 %</u>
<u>\$ (132,746)</u>	<u>\$ (165,625)</u>	<u>(12.2) %</u>	<u>(5.9) %</u>	<u>(19.8) %</u>	<u>(40.5) %</u>	<u>(58.4) %</u>
\$	\$					
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ (132,746)	\$ (165,625)					
<u>306,987</u>	<u>472,612</u>					
<u>\$ 174,241</u>	<u>\$ 306,987</u>					
<u>152</u>	<u>153</u>					
<u>75</u>	<u>147</u>					

See accompanying independent auditor's report.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10**  
**BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS**  
**FEBRUARY 28, 2019**

District Mailing Address - Travis County Municipal Utility District No. 10  
c/o Allen Boone Humphries Robinson LLP  
3200 Southwest Freeway, Suite 2600  
Houston, TX 77027

District Telephone Number - (713) 860-6400

<b>Board Members</b>	Term of Office (Elected or Appointed)	Fees of Office for the year ended February 28, 2019	Expense Reimbursements for the year ended February 28, 2019	Title
Harvey Reiter	05/18 05/22 (Elected)	\$ 1,500	\$ 68	President
Ray Archer	05/16 05/20 (Elected)	\$ 1,500	\$ -0-	Vice President
Vance Taylor	05/16 05/20 (Elected)	\$ 1,650	\$ -0-	Secretary
Robert Ernst	05/16 05/20 (Elected)	\$ 1,650	\$ -0-	Assistant Vice President
Dan Eckermann	06/18 05/22 (Appointed)	\$ 1,200	\$ -0-	Assistant Secretary

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 (TWC Sections 36.054 and 49.054):  
June 5, 2018.

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) on September 9, 2003. 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, 2019**

<b>Consultants:</b>	<u>Date Hired</u>	<u>Fees for the year ended February 28, 2019</u>	<u>Title</u>
Allen Boone Humphries Robinson LLP	07/28/03	\$ 30,933	Attorney
McCall Gibson Swedlund Barfoot PLLC	09/12/00	\$ 8,200	Auditor
Myrtle Cruz, Inc.	08/11/98	\$ 15,044	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/14/00	\$ 3,340	Delinquent Tax Attorney
Jones & Carter, Inc.	02/12/02	\$ 83,805	Engineer
Rathmann & Associates, L.P.	04/21/03	\$ -0-	Financial Advisor
Mary Jarmon	03/09/04	\$ -0-	Investment Officer
AWR Services, Inc.	05/01/05	\$ 385,599	Operator
Tommy Lee, R.T.A.	10/01/01	\$ 5,000	Tax Assessor/ Collector

See accompanying independent auditor's report.

