

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

TRAVIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FEBRUARY 29, 2020

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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 29, 2020, 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 29, 2020, 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

McCall Gibson Swedlund Barfoot PLLC
Certified Public Accountants
Austin, Texas

June 2, 2020

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED FEBRUARY 29, 2020**

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 29, 2020. 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. During the year ended February 29, 2020, the Capital Projects Fund was closed out.

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED FEBRUARY 29, 2020**

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 \$484,684 as of February 29, 2020.

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 29, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	<u>Summary of Changes in the Statement of Net Position</u>		
	2020	2019	Change Positive (Negative)
Current and Other Assets	\$ 2,180,448	\$ 2,125,697	\$ 54,751
Capital Assets (Net of Accumulated Depreciation)	<u>7,272,500</u>	<u>7,508,290</u>	<u>(235,790)</u>
Total Assets	<u>\$ 9,452,948</u>	<u>\$ 9,633,987</u>	<u>\$ (181,039)</u>
Deferred Outflows of Resources	<u>\$ 272,038</u>	<u>\$ 290,877</u>	<u>\$ (18,839)</u>
Due to Developers	\$ 3,939,150	\$ 3,939,150	\$
Long -Term Liabilities	5,641,870	5,859,459	217,589
Other Liabilities	<u>203,580</u>	<u>244,737</u>	<u>41,157</u>
Total Liabilities	<u>\$ 9,784,600</u>	<u>\$ 10,043,346</u>	<u>\$ 258,746</u>
Deferred Inflows of Resources	<u>\$ 425,070</u>	<u>\$ 426,441</u>	<u>\$ 1,371</u>
Net Investment in Capital Assets	\$ (2,036,482)	\$ (1,999,400)	\$ (37,082)
Restricted	161,348	152,995	8,353
Unrestricted	<u>1,390,450</u>	<u>1,301,482</u>	<u>88,968</u>
Total Net Position	<u>\$ (484,684)</u>	<u>\$ (544,923)</u>	<u>\$ 60,239</u>

The following table provides a summary of the District's operations for the year ended February 29, 2020, and February 28, 2019. The District's net position increased by \$60,239.

	<u>Summary of Changes in the Statement of Activities</u>		
	2020	2019	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 838,498	\$ 713,845	\$ 124,653
Charges for Services	265,600	228,761	36,839
Other Revenues	<u>38,924</u>	<u>45,620</u>	<u>(6,696)</u>
Total Revenues	<u>\$ 1,143,022</u>	<u>\$ 988,226</u>	<u>\$ 154,796</u>
Expenses for Services	<u>1,082,783</u>	<u>1,211,623</u>	<u>128,840</u>
Change in Net Position	\$ 60,239	\$ (223,397)	\$ 283,636
Net Position, Beginning of Year	<u>(544,923)</u>	<u>(321,526)</u>	<u>(223,397)</u>
Net Position, End of Year	<u>\$ (484,684)</u>	<u>\$ (544,923)</u>	<u>\$ 60,239</u>

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED FEBRUARY 29, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of February 29, 2020, were \$1,604,394, an increase of \$68,923 from the prior year.

The General Fund fund balance increased by \$67,119, primarily due to service revenues exceeding operating expenditures and capital outlay.

The Debt Service Fund fund balance increased by \$1,846, primarily due to the structure of the District's outstanding debt service requirements.

The Capital Projects Fund fund balance decreased by \$42, primarily due to a transfer out to the General Fund of all remaining surplus bond proceeds.

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 \$99,642 more than budgeted revenues. Actual expenditures were \$101,035 less than budgeted expenditures. See budget to actual comparison.

CAPITAL ASSETS

Capital assets as of February 29, 2020, total \$7,272,500 (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			
	2020	2019	Change Positive (Negative)
Capital Assets Not Being Depreciated - Land and Land Improvements	\$ 314,338	\$ 314,338	\$
Capital Assets, Net of Accumulated Depreciation:			
Water System	3,325,342	3,431,043	(105,701)
Wastewater System	3,053,127	3,164,838	(111,711)
Drainage System	579,693	598,071	(18,378)
Total Net Capital Assets	\$ 7,272,500	\$ 7,508,290	\$ (235,790)

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED FEBRUARY 29, 2020**

LONG-TERM DEBT ACTIVITY

At February 29, 2020, the District had total bond debt payable of \$5,660,000. The changes in the debt position of the District during the year ended February 29, 2020, are summarized as follows:

Bond Debt Payable, March 1, 2019	\$ 5,880,000
Less: Bond Principal Paid	<u>220,000</u>
Bond Debt Payable, February 29, 2020	<u>\$ 5,660,000</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 2021 projects a decrease in General Fund fund balance of \$191,500. Compared to the fiscal year 2020 budget, revenues are expected to increase by \$65,500 and expenditures are expected to increase by \$123,400.

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 29, 2020

	General Fund	Debt Service Fund
ASSETS		
Cash	\$ 310,052	\$ 440,916
Investments	1,097,733	137,509
Cash with Paying Agent		95,522
Receivables:		
Property Taxes	32,204	33,173
Penalty and Interest on Delinquent Taxes		
Service Accounts	15,429	
Accrued Interest	4,864	
Due from Other Funds	30,595	
Prepaid Costs	6,258	
Capital Assets (Net of Accumulated Depreciation):		
Land and Land Improvements		
Water, Wastewater and Drainage Systems		
TOTAL ASSETS	\$ 1,497,135	\$ 707,120
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	\$ -0-	\$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,497,135	\$ 707,120

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

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$	\$ 750,968	\$	\$ 750,968
	1,235,242		1,235,242
	95,522		95,522
	65,377		65,377
		6,788	6,788
	15,429		15,429
	4,864		4,864
	30,595	(30,595)	
	6,258		6,258
		314,338	314,338
		<u>6,958,162</u>	<u>6,958,162</u>
<u>\$ -0-</u>	<u>\$ 2,204,255</u>	<u>\$ 7,248,693</u>	<u>\$ 9,452,948</u>
<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 272,038</u>	<u>\$ 272,038</u>
<u>\$ -0-</u>	<u>\$ 2,204,255</u>	<u>\$ 7,520,731</u>	<u>\$ 9,724,986</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 29, 2020

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	\$ 65,285	\$
Accrued Interest Payable		
Due to Developers		
Due to Other Funds		30,595
Due to Taxpayers		1,373
Security Deposits	41,400	
Long-term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	\$ 106,685	\$ 31,968
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	\$ 32,204	\$ 429,004
FUND BALANCES		
Nonspendable -		
Prepaid Costs	\$ 6,258	\$
Restricted for Debt Service		246,148
Assigned for 2021 Budget Deficit	191,500	
Unassigned	1,160,488	
TOTAL FUND BALANCES	\$ 1,358,246	\$ 246,148
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,497,135	\$ 707,120
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.

<u>Capital Projects Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
\$	\$ 65,285	\$	\$ 65,285
		95,522	95,522
		3,939,150	3,939,150
	30,595	(30,595)	
	1,373		1,373
	41,400		41,400
		230,000	230,000
		5,411,870	5,411,870
<u>\$ -0-</u>	<u>\$ 138,653</u>	<u>\$ 9,645,947</u>	<u>\$ 9,784,600</u>
<u>\$ -0-</u>	<u>\$ 461,208</u>	<u>\$ (36,138)</u>	<u>\$ 425,070</u>
\$	\$ 6,258	\$ (6,258)	\$
	246,148	(246,148)	
	191,500	(191,500)	
	1,160,488	(1,160,488)	
<u>\$ - 0 -</u>	<u>\$ 1,604,394</u>	<u>\$ (1,604,394)</u>	<u>\$ - 0 -</u>
<u>\$ - 0 -</u>	<u>\$ 2,204,255</u>		
		\$ (2,036,482)	\$ (2,036,482)
		161,348	161,348
		1,390,450	1,390,450
		<u>\$ (484,684)</u>	<u>\$ (484,684)</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 29, 2020

Total Fund Balances - Governmental Funds	\$	1,604,394
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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.		7,272,500
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Deferred inflows of resources related to property tax revenues for the 2018 and prior debt service tax levies and the 2019 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.		42,926
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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.		272,038
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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	(95,522)	
Bonds Payable Within One Year	(230,000)	
Bonds Payable After One Year	<u>(5,411,870)</u>	(9,676,542)
Total Net Position - Governmental Activities		<u><u>\$ (484,684)</u></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 29, 2020

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 391,517	\$ 425,441
Water Service	101,354	
Wastewater Service	68,782	
Grinder Pump Maintenance	58,090	
Penalty and Interest	954	4,441
Tap Connection and Inspection Fees	28,320	
Investment Revenues	24,103	5,899
Miscellaneous Revenues	8,922	
	<u>682,042</u>	<u>435,781</u>
TOTAL REVENUES	\$ 682,042	\$ 435,781
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	\$ 139,217	\$ 4,427
Contracted Services	125,545	9,091
Purchased Water Service	13,447	
Utilities	33,684	
Repairs and Maintenance	153,380	
Depreciation		
Other	89,626	3,058
Capital Outlay	60,066	
Debt Service:		
Bond Principal		220,000
Bond Interest		197,359
	<u>614,965</u>	<u>433,935</u>
TOTAL EXPENDITURES/EXPENSES	\$ 614,965	\$ 433,935
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES/EXPENSES	\$ 67,077	\$ 1,846
OTHER FINANCING SOURCES (USES)		
Transfers In (Out)	\$ 42	\$ -0-
TOTAL OTHER FINANCING SOURCES (USES)	\$ 42	\$ -0-
NET CHANGE IN FUND BALANCES	\$ 67,119	\$ 1,846
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - MARCH 1, 2019	<u>1,291,127</u>	<u>244,302</u>
FUND BALANCES/NET POSITION - FEBRUARY 29, 2020	<u><u>1,358,246</u></u>	<u><u>246,148</u></u>

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
\$	\$ 816,958	\$ 21,540	\$ 838,498
	101,354		101,354
	68,782		68,782
	58,090		58,090
	5,395	3,659	9,054
	28,320		28,320
	30,002		30,002
	8,922		8,922
<u>\$ - 0 -</u>	<u>\$ 1,117,823</u>	<u>\$ 25,199</u>	<u>\$ 1,143,022</u>
\$	\$ 143,644	\$	\$ 143,644
	134,636		134,636
	13,447		13,447
	33,684		33,684
	153,380		153,380
	92,684	295,856	295,856
	60,066	(60,066)	92,684
	220,000	(220,000)	
	197,359	18,093	215,452
<u>\$ - 0 -</u>	<u>\$ 1,048,900</u>	<u>\$ 33,883</u>	<u>\$ 1,082,783</u>
<u>\$ -0-</u>	<u>\$ 68,923</u>	<u>\$ (8,684)</u>	<u>\$ 60,239</u>
<u>\$ (42)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>\$ (42)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
\$ (42)	\$ 68,923	\$ (68,923)	\$
		60,239	60,239
<u>42</u>	<u>1,535,471</u>	<u>(2,080,394)</u>	<u>(544,923)</u>
<u>\$ -0-</u>	<u>\$ 1,604,394</u>	<u>\$ (2,089,078)</u>	<u>\$ (484,684)</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 29, 2020**

Net Change in Fund Balances - Governmental Funds	\$	68,923
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
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.		21,540
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.		3,659
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.		(295,856)
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.		60,066
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.		220,000
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.		(21,250)
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.		3,157
		<hr style="width: 100%;"/>
Change in Net Position - Governmental Activities	\$	<u><u>60,239</u></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 29, 2020

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:

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
FEBRUARY 29, 2020

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 29, 2020

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. During the current year, the Capital Projects Fund was closed out.

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 2019 debt service tax levied in the current year has been deferred until the 2021 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 29, 2020

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. 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 29, 2020.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
FEBRUARY 29, 2020

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 29, 2020, the District has assigned fund balance of \$191,500 related to the budgeted decrease in General Fund fund balance for fiscal year 2021.

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 29, 2020

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 2011	Series 2016 Ref.
Amount Outstanding – February 29, 2020	\$ 150,000	\$ 5,510,000
Interest Rates	4.00% - 4.75%	2.00% - 3.75%
Maturity Dates – Beginning/Ending	September 1, 2020/2025	September 1, 2020/2038
Interest Payment Dates	March 1/ September 1	March 1/ September 1
Callable Dates	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 29, 2020

NOTE 3. LONG-TERM DEBT (Continued)

The following is a summary of transactions regarding bonds payable for the year ended February 29, 2020:

	March 1, 2019	Additions	Retirements	February 29, 2020
Bonds Payable	\$ 5,880,000	\$	\$ 220,000	\$ 5,660,000
Unamortized Discounts	(20,541)	_____	(2,411)	(18,130)
Bonds Payable, Net	\$ 5,859,459	\$ -0-	\$ 217,589	\$ 5,641,870
			Amount Due Within One Year	\$ 230,000
			Amount Due After One Year	5,411,870
			Bonds Payable, Net	\$ 5,641,870

As of February 29, 2020, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
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
2026-2030	1,415,000	700,918	2,115,918
2031-2035	1,710,000	441,912	2,151,912
2036-2039	1,330,000	114,563	1,444,563
	\$ 5,660,000	\$ 2,153,625	\$ 7,813,625

As of February 29, 2020, 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 29, 2020

NOTE 3. LONG-TERM DEBT (Continued)

During the year ended February 29, 2020, the District levied an ad valorem debt service tax rate of \$0.40 per \$100 of assessed valuation, which resulted in a tax levy of \$425,070 on the adjusted taxable valuation of \$106,267,466 for the 2019 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.

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 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 \$990,968 and the bank balance was \$995,197. Of the bank balance, \$884,356 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 29, 2020

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 29, 2020, as listed below:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
GENERAL FUND	\$ 310,052	\$ 240,000	\$ 550,052
DEBT SERVICE FUND	440,916		440,916
CAPITAL PROJECTS FUND			
TOTAL DEPOSITS	<u>\$ 750,968</u>	<u>\$ 240,000</u>	<u>\$ 990,968</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 29, 2020

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 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 29, 2020, 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	\$ 857,733	\$ 857,733	\$	\$	\$
Certificates of Deposits	240,000	240,000			
<u>DEBT SERVICE FUND</u>					
Texpool	137,509	137,509			
TOTAL INVESTMENTS	<u>\$ 1,235,242</u>	<u>\$ 1,235,242</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 29, 2020, 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.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
FEBRUARY 29, 2020

NOTE 6. INTERFUND PAYABLES, RECEIVABLES AND TRANSFERS

At February 29, 2020, the Debt Service Fund recorded a payable to the General Fund in the amount of \$30,595 for maintenance tax collections. During the year ended February 29, 2020, the Capital Projects Fund transferred \$42 of remaining surplus fund balance to the General Fund.

NOTE 7. DEFERRED OUTFLOWS OF RESOURCES

The following is a summary of changes in the deferred outflows of resources for the year ended February 29, 2020:

	March 1, 2019	Additions	Retirements	February 29, 2020
Deferred charges on refunding bonds	\$ 290,877	\$ -0-	\$ 18,839	\$ 272,038

NOTE 8. CAPITAL ASSETS

Capital asset activity for the year ended February 29, 2020:

	March 1, 2019	Increases	Decreases	February 29, 2020
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 314,338	\$	\$	\$ 314,338
Total Capital Assets Not Being Depreciated	\$ 314,338	\$ - 0 -	\$ - 0 -	\$ 314,338
Capital Assets Subject to Depreciation				
Water System	\$ 5,351,404	\$ 60,066	\$	\$ 5,411,470
Wastewater System	5,198,253			5,198,253
Drainage System	824,774			824,774
Total Capital Assets Subject to Depreciation	\$ 11,374,431	\$ 60,066	\$ - 0 -	\$ 11,434,497
Less Accumulated Depreciation				
Water System	\$ 1,920,361	\$ 165,767	\$	\$ 2,086,128
Wastewater System	2,033,415	111,711		2,145,126
Drainage System	226,703	18,378		245,081
Total Accumulated Depreciation	\$ 4,180,479	\$ 295,856	\$ - 0 -	\$ 4,476,335
Total Depreciable Capital Assets, Net of Accumulated Depreciation	\$ 7,193,952	\$ (235,790)	\$ - 0 -	\$ 6,958,162
Total Capital Assets, Net of Accumulated Depreciation	\$ 7,508,290	\$ (235,790)	\$ - 0 -	\$ 7,272,500

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
FEBRUARY 29, 2020

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 29, 2020, the District levied an ad valorem maintenance tax rate of \$0.39 per \$100 of assessed valuation, which resulted in a tax levy of \$414,443 on the adjusted taxable valuation of \$106,267,466 for the 2019 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 29, 2020, 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.

The following is a summary of transactions regarding the changes in developer advances for the year ended February 29, 2020:

Due to Developer, beginning of year	\$ 3,939,150
Current Year Additions	-
Current Year Reimbursements	-
Due to Developer, end of year	<u>\$ 3,939,150</u>

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.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
NOTES TO THE FINANCIAL STATEMENTS
FEBRUARY 29, 2020

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 \$13,447 related to this agreement.

NOTE 13. UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the COVID-19 virus a global pandemic. As a result, economic uncertainties have arisen which could have an impact on the operations of the District. The District is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty, as the potential financial impact of this pandemic is unknown at this time.

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TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

REQUIRED SUPPLEMENTARY INFORMATION

FEBRUARY 29, 2020

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 29, 2020

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 341,000	\$ 391,517	\$ 50,517
Water Service	110,000	101,354	(8,646)
Wastewater Service	63,000	68,782	5,782
Grinder Pump Maintenance	35,000	58,090	23,090
Penalty and Interest	1,500	954	(546)
Tap Connection and Inspection Fees	8,200	28,320	20,120
Investment Revenues	21,000	24,103	3,103
Miscellaneous Revenues	<u>2,700</u>	<u>8,922</u>	<u>6,222</u>
TOTAL REVENUES	<u>\$ 582,400</u>	<u>\$ 682,042</u>	<u>\$ 99,642</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 136,000	\$ 139,217	\$ (3,217)
Contracted Services	133,500	125,545	7,955
Purchased Water Service	12,500	13,447	(947)
Utilities	31,000	33,684	(2,684)
Repairs and Maintenance	207,000	153,380	53,620
Other	131,000	89,626	41,374
Capital Outlay	<u>65,000</u>	<u>60,066</u>	<u>4,934</u>
TOTAL EXPENDITURES	<u>\$ 716,000</u>	<u>\$ 614,965</u>	<u>\$ 101,035</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (133,600)</u>	<u>\$ 67,077</u>	<u>\$ 200,677</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>\$ -0-</u>	<u>\$ 42</u>	<u>\$ 42</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -0-</u>	<u>\$ 42</u>	<u>\$ 42</u>
NET CHANGE IN FUND BALANCE	\$ (133,600)	\$ 67,119	\$ 200,719
FUND BALANCE - MARCH 1, 2019	<u>1,291,127</u>	<u>1,291,127</u>	<u></u>
FUND BALANCE - FEBRUARY 29, 2020	<u>\$ 1,157,527</u>	<u>\$ 1,358,246</u>	<u>\$ 200,719</u>

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 29, 2020

**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
SERVICES AND RATES
FOR THE YEAR ENDED FEBRUARY 29, 2020**

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 July 3, 2018.

	<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 29, 2020

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	
≤ ³ / ₄ "	<u>152</u>	<u>152</u>	x 1.0	<u>152.0</u>
1"	<u>13</u>	<u>13</u>	x 2.5	<u>32.5</u>
1½"	<u>1</u>	<u>1</u>	x 5.0	<u>5.0</u>
2"	<u>3</u>	<u>3</u>	x 8.0	<u>24.0</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>169</u></u>	<u><u>169</u></u>		<u><u>213.5</u></u>
Total Wastewater Connections	<u><u>156</u></u>	<u><u>155</u></u>	x 1.0	<u><u>155</u></u>

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

Gallons billed to customers:	23,027,000	Water Accountability Ratio: 86.0% (Gallons billed /Gallons purchased)
Gallons purchased:	26,761,000	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 29, 2020

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 29, 2020

PROFESSIONAL FEES:	
Auditing	\$ 7,750
Engineering	84,728
Legal	<u>46,739</u>
TOTAL PROFESSIONAL FEES	<u>\$ 139,217</u>
PURCHASED SERVICES FOR RESALE -	
Purchased Water Service	<u>\$ 13,447</u>
CONTRACTED SERVICES:	
Bookkeeping	\$ 12,956
Operations and Billing	<u>82,915</u>
TOTAL CONTRACTED SERVICES	<u>\$ 95,871</u>
UTILITIES	<u>\$ 33,684</u>
REPAIRS AND MAINTENANCE	<u>\$ 153,380</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 8,250
Dues	675
Insurance	13,430
Office Supplies and Postage	9,898
Payroll Taxes	860
Travel and Meetings	277
Other	<u>4,218</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 37,608</u>

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED FEBRUARY 29, 2020

CAPITAL OUTLAY -	
Capitalized Assets	\$ <u>60,066</u>
SOLID WASTE DISPOSAL	\$ <u>29,674</u>
OTHER EXPENDITURES:	
Chemicals	\$ 24,003
Laboratory Fees	19,116
Permit Fees	1,965
Reconnection Fees	765
Inspection Fees	5,348
Regulatory Assessment	<u>821</u>
TOTAL OTHER EXPENDITURES	\$ <u>52,018</u>
TOTAL EXPENDITURES	\$ <u>614,965</u>

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
INVESTMENTS
FEBRUARY 29, 2020

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
<u>GENERAL FUND</u>					
TexPool	XXXX0002	Varies	Daily	\$ 857,733	\$
Certificate of Deposit	XXXX2897	2.75%	06/05/20	<u>240,000</u>	<u>4,864</u>
TOTAL GENERAL FUND				<u>\$ 1,097,733</u>	<u>\$ 4,864</u>
<u>DEBT SERVICE FUND</u>					
TexPool	XXXX0001	Varies	Daily	<u>\$ 137,509</u>	<u>\$</u>
TOTAL				<u><u>\$ 1,235,242</u></u>	<u><u>\$ 4,864</u></u>

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED FEBRUARY 29, 2020

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE -				
MARCH 1, 2019	\$	10,355	\$	11,657
Adjustments to Beginning				
Balance		<u>(1,238)</u>	\$	<u>10,349</u>
Original 2019 Tax Levy	\$	371,547	\$	381,074
Adjustment to 2019 Tax Levy		<u>42,896</u>	<u>414,443</u>	<u>425,070</u>
TOTAL TO BE				
ACCOUNTED FOR		\$	423,560	\$
				435,419
TAX COLLECTIONS:				
Prior Years	\$	5,421	\$	6,415
Current Year		<u>385,935</u>	<u>391,356</u>	<u>402,246</u>
TAXES RECEIVABLE -				
FEBRUARY 29, 2020		<u>\$</u>	<u>32,204</u>	<u>\$</u>
				<u>33,173</u>
TAXES RECEIVABLE BY				
YEAR:				
2019	\$	28,508	\$	29,239
2018		1,125		1,389
2017		1,580		1,495
2016		510		471
2015 and prior		<u>481</u>		<u>579</u>
TOTAL	\$	<u>32,204</u>	\$	<u>33,173</u>

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED FEBRUARY 29, 2020

	2019	2018	2017	2016
PROPERTY VALUATIONS:				
Land	\$ 43,776,850	\$ 43,880,970	\$ 48,621,991	\$ 51,609,469
Improvements	72,618,947	67,923,835	66,137,546	61,591,312
Personal Property	880,999	98,637	208,201	266,554
Exemptions	<u>(11,009,330)</u>	<u>(10,369,847)</u>	<u>(9,588,114)</u>	<u>(6,532,749)</u>
TOTAL PROPERTY VALUATIONS	<u>\$ 106,267,466</u>	<u>\$ 101,533,595</u>	<u>\$ 105,379,624</u>	<u>\$ 106,934,586</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.40	\$ 0.42	\$ 0.35	\$ 0.36
Maintenance**	<u>0.39</u>	<u>0.34</u>	<u>0.37</u>	<u>0.39</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.79</u>	<u>\$ 0.76</u>	<u>\$ 0.72</u>	<u>\$ 0.75</u>
ADJUSTED TAX LEVY*	<u>\$ 839,513</u>	<u>\$ 771,655</u>	<u>\$ 758,734</u>	<u>\$ 802,009</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	<u>93.12 %</u>	<u>99.67 %</u>	<u>99.59 %</u>	<u>99.88 %</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 29, 2020

S E R I E S - 2 0 1 1			
Due During Fiscal Years Ending February 28/29	Principal Due September 1	Interest Due March 1/ September 1	Total
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			
	\$ 150,000	\$ 23,765	\$ 173,765

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
LONG-TERM DEBT SERVICE REQUIREMENTS
FEBRUARY 29, 2020

SERIES - 2016 REFUNDING

<u>Due During Fiscal Years Ending February 28/29</u>	<u>Principal Due September 1</u>	<u>Interest Due March 1/ September 1</u>	<u>Total</u>
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>\$ 5,510,000</u>	<u>\$ 2,129,860</u>	<u>\$ 7,639,860</u>

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
LONG-TERM DEBT SERVICE REQUIREMENTS
FEBRUARY 29, 2020

ANNUAL REQUIREMENTS
FOR ALL SERIES

Due During Fiscal Years Ending February 28/29	Total Principal Due	Total Interest Due	Total Principal and Interest Due
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>\$ 5,660,000</u>	<u>\$ 2,153,625</u>	<u>\$ 7,813,625</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 29, 2020

Description	Original Bonds Issued	Bonds Outstanding March 1, 2019
Travis County Municipal Utility District No. 10 Unlimited Tax and Revenue Bonds - Series 2010	\$ 3,570,000	\$ 60,000
Travis County Municipal Utility District No. 10 Unlimited Tax and Revenue Bonds - Series 2011	1,150,000	175,000
Travis County Municipal Utility District No. 10 Unlimited Tax and Revenue Refunding Bonds - Series 2016	<u>5,800,000</u>	<u>5,645,000</u>
TOTAL	<u>\$ 10,520,000</u>	<u>\$ 5,880,000</u>
Bond Authority:	New Issue Bonds*	Refunding Bonds*
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 29, 2020:		<u>\$ 673,947</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 411,243</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 29, 2020</u>	
	<u>Principal</u>	<u>Interest</u>		
\$ - 0 -	\$ 60,000	\$ 2,640	\$ - 0 -	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
	25,000	7,588	150,000	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
	135,000	187,131	5,510,000	The Bank of New York Mellon Trust Company, N.A. Dallas, Texas
<u>\$ - 0 -</u>	<u>\$ 220,000</u>	<u>\$ 197,359</u>	<u>\$ 5,660,000</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		
	2020	2019	2018
REVENUES			
Property Taxes	\$ 391,517	\$ 354,522	\$ 406,641
Water Service	101,354	93,250	89,898
Wastewater Service	68,782	65,806	63,085
Grinder Pump Maintenance	58,090	44,920	36,110
Penalty and Interest	954	1,238	1,298
Tap Connection and Inspection Fees	28,320	16,900	8,440
Investment Revenues	24,103	22,828	11,732
Miscellaneous Revenues	8,922	7,617	12,898
TOTAL REVENUES	\$ 682,042	\$ 607,081	\$ 630,102
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 139,217	\$ 95,663	\$ 104,785
Contracted Services	125,545	124,952	130,880
Purchased Water Service	13,447	12,227	12,664
Utilities	33,684	29,222	27,807
Repairs and Maintenance	153,380	279,381	189,647
Other	89,626	82,354	105,061
Capital Outlay	60,066	155,866	68,414
TOTAL EXPENDITURES	\$ 614,965	\$ 779,665	\$ 639,258
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 67,077	\$ (172,584)	\$ (9,156)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ 42	\$ 36,800	\$ - 0 -
Insurance Proceeds	-	9,602	-
TOTAL OTHER FINANCING SOURCES	\$ 42	\$ 46,402	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 67,119	\$ (126,182)	\$ (9,156)
BEGINNING FUND BALANCE	1,291,127	1,417,309	1,426,465
ENDING FUND BALANCE	\$ 1,358,246	\$ 1,291,127	\$ 1,417,309

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2017	2016	2020	2019	2018	2017	2016
\$ 413,711	\$ 338,081	57.4 %	58.4 %	64.5 %	68.2 %	62.6 %
84,059	82,671	14.9	15.4	14.3	13.8	15.3
61,456	61,014	10.1	10.8	10.0	10.1	11.3
29,360	35,210	8.5	7.4	5.7	4.8	6.5
1,596	1,647	0.1	0.2	0.2	0.3	0.3
	9,130	4.2	2.8	1.3		1.7
5,413	3,845	3.5	3.8	1.9	0.9	0.7
11,726	8,508	1.3	1.2	2.1	1.9	1.6
<u>\$ 607,321</u>	<u>\$ 540,106</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 78,803	\$ 76,266	20.4 %	15.8 %	16.6 %	13.0 %	14.1 %
110,910	110,428	18.4	20.6	20.8	18.3	20.4
11,022	13,170	2.0	2.0	2.0	1.8	2.4
42,771	39,146	4.9	4.8	4.4	7.0	7.2
175,223	198,624	22.5	46.0	30.1	28.9	36.8
112,612	81,489	13.2	13.5	16.7	18.5	15.1
		8.8	25.7	10.9		
<u>\$ 531,341</u>	<u>\$ 519,123</u>	<u>90.2 %</u>	<u>128.4 %</u>	<u>101.5 %</u>	<u>87.5 %</u>	<u>96.0 %</u>
\$ 75,980	\$ 20,983	<u>9.8 %</u>	<u>(28.4) %</u>	<u>(1.5) %</u>	<u>12.5 %</u>	<u>4.0 %</u>
\$ - 0 -	\$ - 0 -					
<u>\$ - 0 -</u>	<u>\$ - 0 -</u>					
\$ 75,980	\$ 20,983					
1,350,485	1,329,502					
<u>\$ 1,426,465</u>	<u>\$ 1,350,485</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		
	2020	2019	2018
REVENUES			
Property Taxes	\$ 425,441	\$ 370,817	\$ 385,208
Penalty and Interest	4,441	10,218	13,383
Investment Revenues	5,899	4,050	3,020
Miscellaneous Revenues		1,508	
TOTAL REVENUES	\$ 435,781	\$ 386,593	\$ 401,611
EXPENDITURES			
Tax Collection and Other Expenditures	\$ 16,576	\$ 15,448	\$ 18,750
Debt Service Principal	220,000	215,000	175,000
Debt Service Interest	197,359	203,479	231,646
Bond Issuance Costs			
TOTAL EXPENDITURES	\$ 433,935	\$ 433,927	\$ 425,396
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,846	\$ (47,334)	\$ (23,785)
OTHER FINANCING SOURCES (USES)			
Proceeds of Refunding Bonds	\$ - 0 -	\$ - 0 -	\$ - 0 -
Payment to Refunding Bond Escrow Agent			
Bond Discount			
TOTAL OTHER FINANCING SOURCES	\$ - 0 -	\$ - 0 -	\$ - 0 -
NET CHANGE IN FUND BALANCE	\$ 1,846	\$ (47,334)	\$ (23,785)
BEGINNING FUND BALANCE	244,302	291,636	315,421
ENDING FUND BALANCE	\$ 246,148	\$ 244,302	\$ 291,636
TOTAL ACTIVE RETAIL WATER CONNECTIONS	169	160	158
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	155	149	143

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2017	2016	2020	2019	2018	2017	2016
\$ 448,061	\$ 320,314	97.6 %	95.9 %	95.9 %	96.5 %	97.8 %
15,441	5,711	1.0	2.6	3.3	3.3	1.7
901	739	1.4	1.1	0.8	0.2	0.2
	819		0.4			0.3
<u>\$ 464,403</u>	<u>\$ 327,583</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 21,989	\$ 20,218	3.8 %	4.0 %	4.7 %	4.7 %	6.2 %
145,000	140,000	50.5	55.6	43.5	31.2	42.7
160,206	300,111	45.3	52.6	57.7	34.5	91.6
229,161					49.4	
<u>\$ 556,356</u>	<u>\$ 460,329</u>	<u>99.6 %</u>	<u>112.2 %</u>	<u>105.9 %</u>	<u>119.8 %</u>	<u>140.5 %</u>
<u>\$ (91,953)</u>	<u>\$ (132,746)</u>	<u>0.4 %</u>	<u>(12.2) %</u>	<u>(5.9) %</u>	<u>(19.8) %</u>	<u>(40.5) %</u>
\$ 5,800,000	\$ - 0 -					
(5,550,015)						
(16,852)						
<u>\$ 233,133</u>	<u>\$ - 0 -</u>					
\$ 141,180	\$ (132,746)					
174,241	306,987					
<u>\$ 315,421</u>	<u>\$ 174,241</u>					
<u>157</u>	<u>152</u>					
<u>153</u>	<u>75</u>					

See accompanying independent auditor's report.

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 10
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
FEBRUARY 29, 2020

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

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended February 29, 2020	Expense Reimbursements for the year ended February 29, 2020	Title
Harvey Reiter	05/18 05/22 (Elected)	\$ 1,800	\$ 277	President
Ray Archer	05/16 05/20 (Elected)	\$ 1,500	\$ -0-	Vice President
Vance Taylor	05/16 05/20 (Elected)	\$ 1,500	\$ -0-	Secretary
Robert Ernst	05/16 05/20 (Elected)	\$ 1,800	\$ -0-	Assistant Vice President
Dan Eckermann	06/18 05/22 (Appointed)	\$ 1,650	\$ -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 29, 2020

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended February 29, 2020</u>	<u>Title</u>
Allen Boone Humphries Robinson LLP	07/28/03	\$ 46,739	Attorney
McCall Gibson Swedlund Barfoot PLLC	09/12/00	\$ 7,750	Auditor
Myrtle Cruz, Inc.	08/11/98	\$ 15,056	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/14/00	\$ 1,926	Delinquent Tax Attorney
Jones & Carter, Inc.	02/12/02	\$ 84,728	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	\$ 281,532	Operator
Tommy Lee, R.T.A.	10/01/01	\$ 5,000	Tax Assessor/ Collector

See accompanying independent auditor's report.

