

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2**

**FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
SEPTEMBER 30, 2025**

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2**

**TABLE OF CONTENTS**

	<u>Page</u>
<i>Annual Filing Affidavit</i> .....	1
<i>Independent Auditor's Report</i> .....	2
<i>Management's Discussion and Analysis</i> .....	MDA-1
 <i>Financial Statements</i>	
Statement of Net Position and Governmental Funds Balance Sheet .....	FS-1
Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances .....	FS-2
<i>Notes to the Financial Statements</i> .....	FS-3
 <i>Required Supplementary Information</i>	
Budgetary Comparison Schedule - General Fund .....	FS-23
 <i>Texas Supplementary Information (TSI)</i>	
Services and Rates .....	TSI-1
General Fund Expenditures .....	TSI-2
Temporary Investments .....	TSI-3
Taxes Levied and Receivable .....	TSI-4
Long-Term Debt Service Requirements - By Years .....	TSI-5
Changes in Long-Term Bonded Debt .....	TSI-6
Comparative Schedule of Revenues and Expenditures General Fund and Debt Service Fund - Five Years .....	TSI-7
Board Members, Key Personnel and Consultants .....	TSI-8
 <i>Other Supplementary Information (OSI)</i>	
Principal Taxpayers .....	OSI-1
Assessed Value by Classification .....	OSI-2

# **ANNUAL FILING AFFIDAVIT**

# ANNUAL FILING AFFIDAVIT

STATE OF TEXAS

COUNTY OF TRAVIS

I, Wilmer Roberts, President, Board of Directors of the  
(Name of Duly Authorized District Representative)

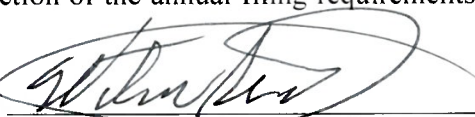
**TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2**  
(Name of District)

hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the **4th day of February, 2026**, its annual audit report for the fiscal period ended **September 30, 2025** and that copies of the annual audit report have been filed in the District's office, located at:

100 Congress Ave., Suite 1300  
Austin, Texas 78701  
(Address of District's Office)

This annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of the annual filing requirements of Texas Water Code Section 49.194.

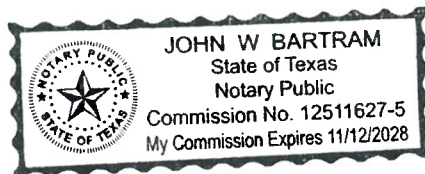
Date: February 4, 2026

By:   
(Signature of District Representative)

Wilmer Roberts, President, Board of Directors  
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this 4th day of February, 2026.

(SEAL)



  
(Signature of Notary)

My Commission Expires On: Nov. 12, 2028.  
Notary Public in the State of Texas

# **INDEPENDENT AUDITOR'S REPORT**

# ***McCall Gibson Swedlund Barfoot Ellis PLLC***

*Certified Public Accountants*

*Chris Swedlund  
Noel W. Barfoot  
Joseph Ellis  
Ashlee Martin*

*Mike M. McCall  
(retired)  
Debbie Gibson  
(retired)*

## **INDEPENDENT AUDITOR’S REPORT**

Board of Directors  
Travis County Municipal Utility District No. 2  
Travis County, Texas

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of Travis County Municipal Utility District No. 2 (the “District”) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Prior Period Adjustment**

As discussed in Note 7 to the financial statements, the District recognized capital assets that were previously recognized as expenditures in fiscal year 2024 resulting in the restatement of the District’s government wide financial statements as of and for the year ended September 30, 2024. Our opinions are not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

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

### **Responsibilities of Management for the Financial Statements (continued)**

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Budgetary Comparison Schedule - General Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas 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 information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

### **Other Information**

Management is responsible for the Other Supplementary Information included in the annual report. The Other Supplementary Information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Other Supplementary Information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*McCall Gibson Swedlund Barfoot Ellis PLLC*

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

February 4, 2026



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### SEPTEMBER 30, 2025

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the management of Travis County Municipal Utility District No. 2 (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the year ended September 30, 2025. Since this information is designed to focus on current year's activities, resulting changes, and currently known facts, it should be read in conjunction with the District's financial statements that follow.

#### FINANCIAL HIGHLIGHTS

- *General Fund:* At the end of the current fiscal year, the total nonspendable and unassigned fund balance was \$6,032,575, an increase of \$586,903 from the previous fiscal year. General fund revenues increased from \$2,940,145 in the previous fiscal year to \$3,160,387. Operating transfers out decreased from \$1,384,790 in the previous year to \$1,356,004 in the current fiscal year.
- *Special Revenue Fund:* Fund balance restricted for contracted Master District expenditures was unchanged for the fiscal year. The District incurred \$3,047,413 in contract charges to the Master District during the current fiscal year. Revenues increased from \$1,698,104 in the previous fiscal year to \$1,703,065 as a result of increased property tax revenues generated from an increase in the District's assessed valuation.
- *Debt Service Fund:* Fund balance restricted for debt service increased from \$589,340 in the previous fiscal year to \$655,442 in the current fiscal year. Debt service fund revenues decreased from \$1,264,957 in the previous fiscal year to \$1,250,663 in the current fiscal year due to a decrease in the tax rate allocated to the Debt Service Fund.
- *Capital Projects Fund:* Fund balance restricted for capital projects increased from \$807,726 in the previous fiscal year to \$839,104 in the current fiscal year.
- *Governmental Activities:* On a government-wide basis for governmental activities, the District had revenues net of expenses of \$1,267,160. Net position increased from \$4,611,663 (which includes a restatement of prior year fund balance by \$385,389) to \$5,878,823.

# **TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 MANAGEMENT’S DISCUSSION AND ANALYSIS SEPTEMBER 30, 2025**

## **OVERVIEW OF THE DISTRICT**

The District, a political subdivision of the State of Texas, was created by order of the Texas Water Commission, a predecessor of the Texas Commission on Environmental Quality, on December 13, 1983 and confirmed pursuant to an election held within the District on August 25, 1984. The District was created to provide water, wastewater, and storm drainage facilities to serve approximately 375 acres located within its boundaries and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended. Since creation, the District’s Board of Directors has approved two exclusions of land from the District and four annexations of land into the District resulting in a total of approximately 404 acres. The District is located partially within the city limits of the City of Manor and partially within the extraterritorial jurisdiction of the City of Manor and entirely within Travis County, Texas. The District is located approximately ten miles northeast of the central business district of the City of Austin, lies adjacent to the city limits of Manor, and is bounded by U.S. Highway 290 on the south. The District is one of four political subdivisions, including Cottonwood Creek Municipal Utility District No. 1, Wilbarger Creek Municipal Utility District No. 1, and Wilbarger Creek Municipal Utility District No. 2 (the “Participant Districts”), created to provide water, wastewater, and storm drainage to approximately 1,514 acres located within Travis County, Texas. Under this arrangement, Wilbarger Creek Municipal Utility District No. 2 serves as the “Master District” for the purpose of coordinating the design, construction, ownership, operation, and maintenance of the water distribution and treatment, wastewater collection and treatment, drainage, and water quality facilities to serve the Participant Districts.

# **TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2**

## **MANAGEMENT’S DISCUSSION AND ANALYSIS**

### **SEPTEMBER 30, 2025**

#### **USING THIS ANNUAL REPORT**

This annual report consists of five parts:

1. *Management’s Discussion and Analysis* (this section)
2. *Basic Financial Statements* (Including the Notes to the Financial Statements)
3. *Required Supplementary Information*
4. *Texas Supplementary Information* (required by the Texas Commission on Environmental Quality (the TSI section))
5. *Other Supplementary Information* (the OSI section)

For purposes of GASB 34, the District is considered a special purpose government. This allows the District to present the required fund and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the “Governmental Funds Total” column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled “Governmental Funds Total”) that represents a balance sheet prepared using the modified accrual basis of accounting. This method measures cash and all other financial assets that can be readily converted to cash. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District’s net position will indicate financial health.

The *Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* includes a column (titled “Governmental Funds Total”) that derives the change in fund balances resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances*.

The *Required Supplementary Information* presents a comparison statement between the District’s adopted budget and its actual results.

# **TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2** **MANAGEMENT’S DISCUSSION AND ANALYSIS** **SEPTEMBER 30, 2025**

## **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

### **Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

#### Summary Statement of Net Position

	Governmental Activities		Change Increase (Decrease)
	2025	2024*	
Current and other assets	\$ 8,324,628	\$ 7,454,193	\$ 870,435
Capital assets	13,456,829	13,661,403	(204,574)
Total Assets	21,781,457	21,115,596	665,861
Deferred Outflows of Resources	94,025	107,336	(13,311)
Current Liabilities	1,489,086	1,332,470	156,616
Long-term Liabilities	14,507,573	15,278,799	(771,226)
Total Liabilities	15,996,659	16,611,269	(614,610)
Net Investment in Capital Assets	(679,647)	(1,239,366)	559,719
Restricted	701,593	593,360	108,233
Unrestricted	5,856,877	5,257,669	599,208
Total Net Position	\$ 5,878,823	\$ 4,611,663	\$ 1,267,160

\* As restated

The District’s net position increased from \$4,611,663 in the previous fiscal year to \$5,878,823 in the current fiscal year. Some of the District’s assets are restricted for particular purposes, such as debt service and capital projects. The District’s unrestricted net position, which can be used to finance day to day operations, totaled \$5,856,877.

# **TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2** **MANAGEMENT’S DISCUSSION AND ANALYSIS** **SEPTEMBER 30, 2025**

## **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)**

### **Revenues and Expenses:**

#### Summary Statement of Activities

	Governmental Activities		Change Increase (Decrease)
	2025	2024*	
Property Tax	\$ 3,857,452	\$ 3,769,551	\$ 87,901
Service Accounts	1,993,323	1,759,732	233,591
Other	353,468	421,094	(67,626)
<b>Total Revenues</b>	<b>6,204,243</b>	<b>5,950,377</b>	<b>253,866</b>
Contracted Master District services	3,047,413	3,071,950	(24,537)
Contracted Services	818,374	629,983	188,391
Professional Services	142,397	114,301	28,096
Other	95,397	96,191	(794)
Debt Service	436,809	466,122	(29,313)
Depreciation	396,693	330,207	66,486
<b>Total Expenses</b>	<b>4,937,083</b>	<b>4,708,754</b>	<b>228,329</b>
<b>Change in Net Position</b>	<b>1,267,160</b>	<b>1,241,623</b>	<b>25,537</b>
<b>Beginning Net Position</b>	<b>4,611,663</b>	<b>3,370,040</b>	<b>1,241,623</b>
<b>Ending Net Position</b>	<b>\$ 5,878,823</b>	<b>\$ 4,611,663</b>	<b>\$ 1,267,160</b>

\*As restated

Revenues were \$6,204,243 for the fiscal year ended September 30, 2025 while expenses were \$4,937,083. Net position increased by \$1,267,160.

Property tax revenues in the current fiscal year totaled \$3,857,452. Property tax revenue is derived from taxes being levied based upon the assessed value of real and personal property within the District. Property taxes levied for the 2024 tax year (September 30, 2025 fiscal year) were based upon a current assessed value of \$484,432,261 and a tax rate of \$0.7925 per \$100 of assessed valuation. Property taxes levied for the 2023 tax year (September 30, 2024 fiscal year) were based upon an adjusted assessed value of \$473,732,742 and a tax rate of \$0.7925 per \$100 of assessed valuation. The District’s primary revenue sources are property taxes and service accounts.

# **TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2** **MANAGEMENT’S DISCUSSION AND ANALYSIS** **SEPTEMBER 30, 2025**

## **ANALYSIS OF GOVERNMENTAL FUNDS**

	<u>Governmental Funds by Year</u>		
	2025	2024	2023
Cash	\$ 493,106	\$ 182,416	\$ 445,883
Cash equivalents/investments	7,406,426	6,977,356	6,180,949
Receivables and prepaids	457,163	340,043	282,121
Total Assets	<u>\$ 8,356,695</u>	<u>\$ 7,499,815</u>	<u>\$ 6,908,953</u>
Accounts payable	132,611	126,128	69,018
Refundable deposits	200,652	193,777	191,727
Interfund payables	35,424	49,725	3,665
Intergovernmental payables	356,836	236,837	227,489
Total Liabilities	<u>725,523</u>	<u>606,467</u>	<u>491,899</u>
Deferred Inflows of Resources	<u>104,051</u>	<u>50,610</u>	<u>45,604</u>
Nonspendable	953	722	1,242
Restricted	1,494,546	1,397,066	1,282,038
Assigned	-	-	10,278
Unassigned	6,031,622	5,444,950	5,077,892
Total Fund Balance	<u>7,527,121</u>	<u>6,842,738</u>	<u>6,371,450</u>
Total Liabilities and Fund Balances	<u>\$ 8,356,695</u>	<u>\$ 7,499,815</u>	<u>\$ 6,908,953</u>

For the fiscal year ended September 30, 2025, the District’s governmental funds reflect a combined fund balance of \$7,527,121.

This fund balance includes a \$586,903 increase in the General Fund.

The Special Revenue Fund reflects no change in fiscal year 2025. The Special Revenue Fund incurred Master District monthly charges of \$3,047,413 and received operating transfers in from the General Fund of \$1,356,004.

The Debt Service Fund reflects an increase of \$66,102 in fiscal year 2025. The Debt Service Fund remitted bond principal of \$740,000 and bond interest of \$428,719. More detailed information about the District’s debt is presented in the *Notes to the Financial Statements*.

The Capital Projects Fund purchases the District’s infrastructure. The Capital Projects Fund had a \$31,378 increase in fund balance for fiscal year 2025.

# TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2

## MANAGEMENT’S DISCUSSION AND ANALYSIS

### SEPTEMBER 30, 2025

#### BUDGETARY HIGHLIGHTS

The *General Fund* pays for daily operating expenditures. On September 4, 2024, the Board of Directors approved a budget projecting revenues of \$2,864,256 as compared to expenses of \$1,014,085 and operating transfers out of \$1,772,177. When comparing actual to budget, the District had a positive variance of \$508,909. More detailed information about the District’s budgetary comparison is presented in the *Required Supplementary Information*.

#### CAPITAL ASSETS

The District’s governmental activities had invested \$13,456,829 in infrastructure. The detail is reflected in the following schedule:

##### Summary of Capital Assets, net

	9/30/2025	9/30/2024
Capital Assets:		
Water/Wastewater/Drainage	\$ 17,524,583	\$ 17,332,464
Less: Accumulated Depreciation	(4,067,754)	(3,671,061)
Total Net Capital Assets	<u>\$ 13,456,829</u>	<u>\$ 13,661,403</u>

More detailed information about the District’s capital assets is presented in the *Notes to the Financial Statements*.

#### LONG-TERM DEBT

The District has the following balances outstanding on unlimited tax bonds:

	Bonds Payable
Series 2015	\$ 2,060,000
Series 2017	4,775,000
Series 2019	2,130,000
Series 2020	1,330,000
Series 2020A	4,760,000
Total	<u>\$ 15,055,000</u>

The District owes approximately \$15 million to bondholders. During the year, the District made principal balance payments of \$740,000. The ratio of the District’s long-term debt to the total 2024 taxable assessed valuation (\$484,432,261) is 3.1%. The District’s estimated population is 3,240. More detailed information about the District’s long-term debt is presented in the *Notes to the Financial Statements*.



# **TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 2**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **SEPTEMBER 30, 2025**

#### **CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS**

The amount of assessed value of property within the District for the 2025 tax year (September 30, 2026 fiscal year) is approximately \$456 million and the tax rate levied was \$0.831 per \$100 of assessed valuation. Approximately 26% of the property tax will fund general operating expenses, approximately 42% will fund contracted Master District activity and approximately 32% of the property tax will be set aside for debt service.

The adopted budget for fiscal year 2026 projects an operating fund balance increase of \$364,009.

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas 78701.

# **FINANCIAL STATEMENTS**

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET  
SEPTEMBER 30, 2025**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Statement of Net Position
<b>ASSETS</b>							
Cash and cash equivalents:							
Cash	\$ 493,106	\$ -	\$ -	\$ -	\$ 493,106	\$ -	\$ 493,106
Cash equivalents	5,884,420	25,648	651,945	844,413	7,406,426	-	7,406,426
Receivables:							
Service accounts, net of allowance for doubtful accounts of \$ - 0 -	303,159	-	-	-	303,159	-	303,159
Taxes	23,913	45,017	35,121	-	104,051	-	104,051
Interfund	27,243	-	8,181	-	35,424	(35,424)	-
Other	4,576	-	-	-	4,576	-	4,576
Prepaid costs	953	-	-	9,000	9,953	3,357	13,310
Capital assets, net of accumulated depreciation:							
Water/Wastewater/Drainage System	-	-	-	-	-	13,456,829	13,456,829
<b>TOTAL ASSETS</b>	<b>6,737,370</b>	<b>70,665</b>	<b>695,247</b>	<b>853,413</b>	<b>8,356,695</b>	<b>13,424,762</b>	<b>21,781,457</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred charges on refunding	-	-	-	-	-	94,025	94,025
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>94,025</b>	<b>94,025</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 6,737,370</b>	<b>\$ 70,665</b>	<b>\$ 695,247</b>	<b>\$ 853,413</b>	<b>\$ 8,356,695</b>	<b>\$ 13,518,787</b>	<b>\$ 21,875,482</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 132,611	\$ -	\$ -	\$ -	\$ 132,611	\$ -	\$ 132,611
Accrued interest payable	-	-	-	-	-	33,987	33,987
Refundable deposits	200,652	-	-	-	200,652	-	200,652
Interfund payables	-	16,431	4,684	14,309	35,424	(35,424)	-
Intergovernmental payables	347,619	9,217	-	-	356,836	-	356,836
Due to developer	-	-	-	-	-	202,968	202,968
Bonds payable:							
Due within one year	-	-	-	-	-	765,000	765,000
Due after one year	-	-	-	-	-	14,304,605	14,304,605
<b>TOTAL LIABILITIES</b>	<b>680,882</b>	<b>25,648</b>	<b>4,684</b>	<b>14,309</b>	<b>725,523</b>	<b>15,271,136</b>	<b>15,996,659</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Property taxes	23,913	45,017	35,121	-	104,051	(104,051)	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>23,913</b>	<b>45,017</b>	<b>35,121</b>	<b>-</b>	<b>104,051</b>	<b>(104,051)</b>	<b>-</b>
<b>FUND BALANCES / NET POSITION</b>							
Fund balances:							
Nonspendable	953	-	-	-	953	(953)	-
Restricted for Debt Service	-	-	655,442	-	655,442	(655,442)	-
Restricted for Capital Projects	-	-	-	839,104	839,104	(839,104)	-
Unassigned	6,031,622	-	-	-	6,031,622	(6,031,622)	-
<b>TOTAL FUND BALANCES</b>	<b>6,032,575</b>	<b>-</b>	<b>655,442</b>	<b>839,104</b>	<b>7,527,121</b>	<b>(7,527,121)</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 6,737,370</b>	<b>\$ 70,665</b>	<b>\$ 695,247</b>	<b>\$ 853,413</b>	<b>\$ 8,356,695</b>		
<b>NET POSITION:</b>							
Net investment in capital assets						(679,647)	(679,647)
Restricted for Contracted Master District services						45,017	45,017
Restricted for debt service						656,576	656,576
Unrestricted						5,856,877	5,856,877
<b>TOTAL NET POSITION</b>						<b>\$ 5,878,823</b>	<b>\$ 5,878,823</b>

*The accompanying notes are an integral part of this statement.*

**TRAVIS COUNTY**  
**MUNICIPAL UTILITY DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT**  
**OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**SEPTEMBER 30, 2025**

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Statement of Activities
<b>REVENUES:</b>							
Property taxes, including penalties	\$ 921,442	\$ 1,679,851	\$ 1,202,718	\$ -	\$ 3,804,011	\$ 53,441	\$ 3,857,452
Service accounts, including penalties	1,993,323	-	-	-	1,993,323	-	1,993,323
Interest and other	245,622	23,214	47,945	36,687	353,468	-	353,468
<b>TOTAL REVENUES</b>	<b>3,160,387</b>	<b>1,703,065</b>	<b>1,250,663</b>	<b>36,687</b>	<b>6,150,802</b>	<b>53,441</b>	<b>6,204,243</b>
<b>EXPENDITURES / EXPENSES:</b>							
Current:							
Contracted Master District services	-	3,047,413	-	-	3,047,413	-	3,047,413
Garbage expenditures	279,833	-	-	-	279,833	-	279,833
Repairs/maintenance	359,578	-	-	-	359,578	-	359,578
Operations / management fee	169,619	-	-	-	169,619	-	169,619
Meters and inspection fees	9,344	-	-	-	9,344	-	9,344
Director fees, including payroll taxes	15,184	-	-	-	15,184	-	15,184
Legal fees	50,189	-	-	-	50,189	-	50,189
Engineering fees	29,608	-	-	-	29,608	-	29,608
Audit fees	16,750	-	-	-	16,750	-	16,750
Bookkeeping fees	42,025	-	-	-	42,025	-	42,025
Financial advisor fees	927	1,689	1,209	-	3,825	-	3,825
Tax appraisal/collection	5,468	9,967	7,133	-	22,568	-	22,568
Insurance	10,978	-	-	-	10,978	-	10,978
Bank fees	19,576	-	-	-	19,576	-	19,576
Other	16,282	-	5,500	5,309	27,091	-	27,091
Debt service:							
Principal	-	-	740,000	-	740,000	(740,000)	-
Interest	-	-	428,719	-	428,719	6,090	434,809
Fiscal agent fees and other	-	-	2,000	-	2,000	-	2,000
Capital outlay	192,119	-	-	-	192,119	(192,119)	-
Depreciation	-	-	-	-	-	396,693	396,693
<b>TOTAL EXPENDITURES / EXPENSES</b>	<b>1,217,480</b>	<b>3,059,069</b>	<b>1,184,561</b>	<b>5,309</b>	<b>5,466,419</b>	<b>(529,336)</b>	<b>4,937,083</b>
Excess of revenues over expenditures/expenses	1,942,907	(1,356,004)	66,102	31,378	684,383	582,777	1,267,160
<b>OTHER FINANCING SOURCES (USES)-</b>							
Operating transfers in (out)	(1,356,004)	1,356,004	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,356,004)</b>	<b>1,356,004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>586,903</b>	<b>-</b>	<b>66,102</b>	<b>31,378</b>	<b>684,383</b>	<b>(684,383)</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>						<b>1,267,160</b>	<b>1,267,160</b>
<b>FUND BALANCES / NET POSITION:</b>							
Beginning of the year, as reported	5,445,672	-	589,340	807,726	6,842,738	(2,616,464)	4,226,274
Prior period adjustment	-	-	-	-	-	385,389	385,389
Beginning of the year, as restated	5,445,672	-	589,340	807,726	6,842,738	(2,231,075)	4,611,663
End of the year	<u>\$ 6,032,575</u>	<u>\$ -</u>	<u>\$ 655,442</u>	<u>\$ 839,104</u>	<u>\$ 7,527,121</u>	<u>\$ (1,648,298)</u>	<u>\$ 5,878,823</u>

*The accompanying notes are an integral part of this statement.*

# **NOTES TO THE FINANCIAL STATEMENTS**

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**1. SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of Travis County Municipal Utility District No. 2 (the “District”) relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles (“GAAP”) as applied to governmental entities. Generally accepted accounting principles for local governments include those principles prescribed by the *Governmental Accounting Standards Board* (“GASB”), which constitutes the primary source of GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

**Reporting Entity** - The District was created effective December 13, 1983, by an Order of the Texas Water Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”) and confirmed pursuant to an election held within the District on August 25, 1984. The District was created pursuant to Article 16, Section 59 of the Texas Constitution, and operates under Chapters 49 and 54 of the Texas Water Code. The reporting entity of the District encompasses those activities and functions over which the District’s elected officials exercise significant oversight or control. The District is governed by a five member Board of Directors the members of which have been elected by District residents or appointed by the Board of Directors. The District is not included in any other governmental “reporting entity” as defined by GASB standards, since Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in GASB standards which are included in the District’s reporting entity. The Board of Directors held its first meeting on January 27, 1984, and the first bonds were sold December 1, 2004.

**Basis of Presentation - Government-wide and Fund Financial Statements** – 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:

- **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.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued) –**

The financial statements are prepared in conformity with GASB Statement No. 34, and include a column for government-wide (based upon the District as a whole) and fund financial statement presentations. Statement No. 34 also requires as supplementary information Management's Discussion and Analysis, which includes an analytical overview of the District's financial activities. In addition a budgetary comparison statement is presented that compares the adopted General Fund budget with actual results.

- **Government-wide Statements:** The District's Statement of Net Position includes both non-current assets and non-current liabilities of the District. In addition, the government-wide Statement of Activities column reflects depreciation expense on the District's capital assets, including infrastructure.

The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from financial activities of the fiscal period. The focus of the fund financial statements is on the individual funds of the governmental categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

- **Fund Financial Statements:**

Fund based financial statement columns are provided for governmental funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures of either fund category) for the determination of major funds. All of the District's funds are reported as major funds.

***Governmental Fund Types*** - The accounts of the District are organized and operated on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The various funds are grouped by category and type in the financial statements. The District maintains the following fund types:

- **General Fund** - The General Fund accounts for financial resources in use for general types of operations which are not encompassed within other funds. This fund is established to account for resources devoted to financing the general services that the District provides for its residents. Tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund.
- **Special Revenue Fund** - The Special Revenue Fund accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The primary sources of revenues are water, wastewater and water quality service fees to end-users and contributions from the Participant Districts.
- **Debt Service Fund** - The Debt Service Fund is used to account for the resources restricted, committed or assigned for the payment of, debt principal, interest and related costs.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued) –**

***Governmental Fund Types (continued) -***

- **Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources restricted, committed or assigned for the acquisition or construction of major capital facilities.

***Non-current Governmental Assets and Liabilities*** - GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the government-wide financial statement column in the Statement of Net Position.

***Basis of Accounting***

***Government-wide Statements*** - The government-wide financial statement column is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

***Fund Financial Statements*** - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the net current assets. Governmental funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available).

“Measurable” means that the amount of the transaction can be determined and “available” means the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures, if measurable, are generally recognized on the accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include the unmatured principal and interest on general obligation long-term debt which is recognized when due. This exception is in conformity with generally accepted accounting principles.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as deferred inflows of resources. All other revenues of the District are recorded on the accrual basis in all funds.

The District reports deferred inflows of resources on its balance sheet. Deferred inflows arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the liability for deferred inflows is removed from the balance sheet and revenue is recognized.



**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued) –**

***Budgets and Budgetary Accounting*** - A budget was adopted on September 4, 2024, for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board of Directors utilizes the budget as a management tool for planning and cost control purposes. The budget was not amended during the fiscal year.

***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.

***Cash and Cash Equivalents*** - Includes cash on deposit as well as investments with maturities of three months or less. The investments, consisting of common trust funds, money market funds, and obligations in the State Comptroller's Investment Pool are recorded at amortized cost.

***Capital Assets*** – Capital assets, which include Administrative Facilities and Equipment, Common and Recreation Areas, Water Production/Distribution System, Wastewater Collection System, Water Quality Ponds and Organizational Costs are reported in the government-wide column in the Statement of Net Position. Public domain ("infrastructure") capital assets including water, wastewater and drainage systems, are capitalized. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at estimated acquisition value at the time received. Interest incurred during construction of capital facilities is not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u><b>Asset</b></u>	<u><b>Years</b></u>
Water/Wastewater/Drainage System	10 - 50

***Interfund Transactions*** - Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay that amount and if the debtor fund has the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

***Long-Term Debt*** - Unlimited tax bonds, which have been issued to fund capital projects, are to be repaid from tax revenues of the District.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued) –**

***Long-Term Debt (continued) -***

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

***Fund Balance*** – 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 does not have any assigned fund balances.
- *Unassigned*: all other spendable amounts in the General Fund.

When expenditures are incurred for which restricted, committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds.

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

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**2. RECONCILIATION OF THE GOVERNMENTAL FUNDS -**

Adjustments to convert the Governmental Funds Balance Sheet to the Statement of Net Position are as follows:

Fund Balances - Total Governmental Funds		\$ 7,527,121
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds-		
Capital assets	\$ 17,524,583	
Less: Accumulated depreciation	<u>(4,067,754)</u>	13,456,829
Revenue is recognized when earned in the government statements, regardless of availability. Governmental funds report deferred revenue for revenues earned but not available		104,051
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:		
Bonds payable, net of bond discounts/premiums	\$ (15,069,605)	
Deferred charges on refunding, net	94,025	
Bond insurance premium, net	3,357	
Developer advance	(202,968)	
Accrued interest	<u>(33,987)</u>	<u>(15,209,178)</u>
Net Position - Governmental Activities		<u><u>\$ 5,878,823</u></u>

Adjustments to convert the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities are as follows:

Net Change in Fund Balances - Governmental Funds		\$ 684,383
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report:		
Bond principal payments as expenditures	\$ 740,000	
Interest expenditures in year paid	1,741	
Capital outlay in year paid	192,119	
Tax revenue when collected	<u>53,441</u>	987,301
Governmental funds do not report:		
Amortization of premiums, discounts, deferred charges and prepaid insurance	(7,831)	
Depreciation	<u>(396,693)</u>	<u>(404,524)</u>
Change in Net Position - Governmental Activities		<u><u>\$ 1,267,160</u></u>

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**3. CASH AND INVESTMENTS**

The investment policies of the District are governed by State statute and an adopted District investment policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's investment policy include: depositories must be FDIC-insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; securities collateralizing time deposits are held by independent third party trustees.

**Cash** - At September 30, 2025, the carrying amount of the District's deposits was \$493,106 and the bank balance was \$494,690. Of the bank balance, \$387,070 was covered by federal depository insurance and the remaining was covered by other pledged collateral.

**Investments** -

*Interest rate risk.* In accordance with its investment policy, the District manages its exposure to declines in fair values through investment diversification and limiting investments as follows:

- Money market mutual funds are required to have weighted average maturities of 90 days or fewer; and
- Other mutual fund investments are required to have weighted average maturities of less than two years.

*Credit risk.* The District's investment policy requires the application of the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, and considering the probable safety of their capital as well as the probable income to be derived. The District's investment policy requires that District funds be invested in:

- Obligations of the United States Government and or its agencies and instrumentalities;
- Money market mutual funds with investment objectives of maintaining a stable net asset value of \$1 per share;
- Mutual funds rated in one of the three highest categories by a nationally recognized rating agency; and
- Securities issued by a State or local government or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency; and
- Public funds investment pools rated AAA or AAA-m by a nationally recognized rating agency.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**3. CASH AND INVESTMENTS (continued) –**

At September 30, 2025, the District held the following investments:

Investment	Fair Value at 9/30/2025	Governmental Fund				Investment Rating	
		General	Special Revenue	Debt Service	Capital Projects	Rating	Rating Agency
		Unrestricted	Restricted (1)	Restricted (2)	Restricted (3)		
TexPool	\$ 7,406,426	\$ 5,884,420	\$ 25,648	\$ 651,945	\$ 844,413	AAAm	Standard & Poors
	<u>\$ 7,406,426</u>	<u>\$ 5,884,420</u>	<u>\$ 25,648</u>	<u>\$ 651,945</u>	<u>\$ 844,413</u>		

(1) Restricted for payment of contractual Master District obligations.

(2) Restricted for payment of debt service and cost of assessing and collecting taxes.

(3) Restricted for purchase of capital assets.

The District invests in TexPool, an external investment pool that is not SEC-registered. The Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its 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.

*Concentration of credit risk.* In accordance with the District's investment policy, investments in individual securities are to be limited to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. As of September 30, 2025, the District did not own any investments in individual securities.

*Custodial credit risk-deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires that the District's deposits be fully insured by FDIC insurance or collateralized with Obligations of the United States or its agencies and instrumentalities. As of September 30, 2025, the District's bank deposits were fully covered by FDIC insurance or other pledged collateral.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**4. PROPERTY TAXES**

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Travis Central Appraisal District establishes appraised values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Travis County Tax Assessor Collector bills and collects the District's property taxes. The Board of Directors set tax rates for the 2024 tax year on September 4, 2024.

The property tax rates, established in accordance with State law, were based on 100% of the net assessed valuation of real property within the District on the 2024 tax roll. The tax rate, based on total taxable assessed valuation of \$484,432,261 was \$0.7925 on each \$100 valuation and was allocated as follows:

	<u><b>Tax Rate</b></u>
General Fund	\$ 0.1920
Special Revenue Fund	\$ 0.3500
Debt Service Fund	<u>\$ 0.2505</u>
	<u><u>\$ 0.7925</u></u>

The maximum allowable maintenance tax of \$1.50 was established by the voters on May 3, 2003.

Property taxes receivable at September 30, 2025, consisted of the following:

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
Current year levy	\$ 15,865	\$ 28,921	\$ 20,699	\$ 65,485
Prior years' levies	8,048	16,096	14,422	38,566
	<u>\$ 23,913</u>	<u>\$ 45,017</u>	<u>\$ 35,121</u>	<u>\$ 104,051</u>

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

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**5. CONTRACT TAXES**

At an election held on May 3, 2003, voters authorized a contract tax on all property within the District subject to taxation. During the year ended September 30, 2025, the District levied an ad valorem contract tax at the rate of \$0.35 per \$100 of assessed valuation, which resulted in a tax levy of \$1,698,540 on taxable valuation of \$484,432,261 for the 2024 tax year. This contract tax was used to pay for the District's pro rata share of operations and maintenance expenses, reserve requirements, and debt service costs related to the Master District facilities as described in Note 9.

**6. INTERFUND ACCOUNTS**

A summary of interfund accounts at September 30, 2025, is as follows:

	<b>Interfund</b>	
	<b>Receivables</b>	<b>Payables</b>
<b>General Fund:</b>		
Debt Service Fund	\$ 4,684	\$ -
Special Revenue Fund	8,250	-
Capital Projects Fund	14,309	-
<b>Special Revenue Fund:</b>		
General Fund	-	8,250
Debt Service Fund	-	8,181
<b>Debt Service Fund:</b>		
General Fund	-	4,684
Special Revenue Fund	8,181	-
<b>Capital Projects Fund -</b>		
General Fund	-	14,309
	<u>\$ 35,424</u>	<u>\$ 35,424</u>

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**7. CHANGES IN CAPITAL ASSETS**

A summary of changes in capital assets follows:

	Balance 10/1/2024*	Additions	Deletions	Balance 9/30/2025
Capital assets being depreciated:				
Water/Wastewater/Drainage System	\$ 17,332,464	\$ 192,119	\$ -	\$ 17,524,583
Total capital assets being depreciated	17,332,464	192,119	-	17,524,583
Less accumulated depreciation for:				
Water/Wastewater/Drainage System	(3,671,061)	(396,693)	-	(4,067,754)
Total accumulated depreciation	(3,671,061)	(396,693)	-	(4,067,754)
Total capital assets being depreciated, net of accumulated depreciation	13,661,403	(204,574)	-	13,456,829
Total capital assets, net	\$ 13,661,403	\$ (204,574)	\$ -	\$ 13,456,829

\*As restated

Meters purchased in fiscal year 2024 for \$385,389 were recognized during the current fiscal year in capital assets which resulted in a prior period adjustment.

**8. BONDED DEBT**

The following is a summary of bond transactions of the District for the year ended September 30, 2025:

	<b>Combination Unlimited Tax Bonds</b>
Bonds payable at October 1, 2024	\$ 15,795,000
Bonds retired	(740,000)
Subtotal	15,055,000
Less: Bond Discounts/Premiums, net of amortization	14,605
Bonds payable at September 30, 2025	\$ 15,069,605



**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**8. BONDED DEBT (continued) -**

Bonds payable at September 30, 2025, were comprised of the following individual issues:

**Unlimited Tax Bonds:**

\$4,775,000 - 2017 Unlimited Tax Bonds paid serially through the year 2036 at interest rates which range from 3.375% to 3.625%. Bonds maturing on or after September 1, 2025 are redeemable on September 1, 2024 or on any date thereafter. Bonds maturing on September 1, 2028 and 2030, are subject to mandatory sinking fund redemption.

\$2,130,000 - 2019 Unlimited Tax Bonds paid serially through the year 2037 at interest rates which range from 2.25% to 4.25%. Bonds maturing on or after September 1, 2025 are redeemable on September 1, 2024 or on any date thereafter. Bonds maturing on September 1, 2030 and 2037, are subject to mandatory sinking fund redemption.

\$4,760,000 – 2020A Unlimited Tax Bonds paid serially through the year 2039 at interest rates which range from 1.25% to 3.25%. Bonds maturing on or after September 1, 2026 are redeemable on September 1, 2025 or on any date thereafter. Bonds maturing on September 1, 2032, 2034, 2036 and 2038, are subject to mandatory sinking fund redemption.

**Unlimited Tax Refunding Bonds:**

\$2,060,000 - 2015 Unlimited Tax Refunding Bonds paid serially through the year 2035 at interest rates which range from 3.00% to 3.50%. Bonds maturing on or after September 1, 2027 are redeemable on September 1, 2026 or on any date thereafter. Bonds maturing on September 1, 2030 and 2037, are subject to mandatory sinking fund redemption.

\$1,330,000 - 2020 Unlimited Tax Refunding Bonds paid serially through the year 2030 at an interest rate of 2.00%. Bonds maturing on or after September 1, 2028 are redeemable on September 1, 2027 or on any date thereafter.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**8. BONDED DEBT (continued) –**

The annual requirement to amortize all bonded debt at September 30, 2025, including interest, is as follows:

<b>Year Ended September 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 765,000	\$ 407,831	\$ 1,172,831
2027	785,000	386,043	1,171,043
2028	815,000	363,893	1,178,893
2029	845,000	342,169	1,187,169
2030	900,000	319,755	1,219,755
2031-2035	5,490,000	1,142,094	6,632,094
2036-2039	5,455,000	296,900	5,751,900
	<u>\$ 15,055,000</u>	<u>\$ 3,258,685</u>	<u>\$ 18,313,685</u>

\$655,442 is available in the Debt Service Fund to service the bonded debt. Bonds authorized but not issued totaled to \$16,465,000 for utilities and \$3,500,000 for parks and recreation at September 30, 2025.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**9. FINANCING AND OPERATION OF REGIONAL FACILITIES**

On March 6, 2003, the District entered into an Amended and Restated Contract for Financing and Operation of Regional Waste Collection, Treatment and Disposal Facilities; Regional Water Supply and Delivery Facilities and Regional Drainage, Including Water Quality Facilities (the “Master District Contract”). In addition to the District, parties to the Master District Contract include Wilbarger Creek Municipal Utility District No. 2 (“Wilbarger Creek MUD No. 2”), Cottonwood Creek Municipal Utility District No. 1 (“Cottonwood Creek MUD No. 1”), and Wilbarger Creek Municipal Utility District No. 1 (“Wilbarger Creek MUD No. 1”), all together known as the “Participant Districts”. This Master District Contract amended and restated a prior contract entered into between the Participant Districts that was not submitted to the voters for approval.

**General**

The District along with the other three Participant Districts were created as conservation and reclamation districts for the purpose of providing water, wastewater and drainage facilities and services to the acreage within their respective boundaries. Pursuant to an election held within the boundaries of each Participant District, each Participant District approved the Master District Contract, which designates Wilbarger Creek MUD No. 2 as the “Master District” for purposes of coordinating the design, construction, ownership, operation, and maintenance of certain regional water, wastewater, and storm drainage, including water quality, facilities to serve development within the Participants Districts. The Master District Contract also authorizes the Master District to issue contract tax bonds to acquire, purchase, construct and maintain Master District facilities to serve the Participants Districts. The Master District owns and operates the Master District facilities.

Each of the Participant Districts has executed the Master District Contract with the Master District and obtained the approval of the Master District Contract from the voters of each Participant District at elections held separately within the boundaries of each Participant District. The Master District Contract requires all Participant Districts to pay a pro rata share of debt service on the Master District bonds, based upon each Participant District’s assessed valuation as a percentage of the total certified assessed valuation in the Master District’s service area. Each Participant District is obligated to pay its pro rata share of the annual debt service payments from the proceeds of an annual ad valorem contract tax which is not limited as to rate or amount which includes the charges and costs of paying agents, registrars, and trustees utilized in connection with the Master District bonds, the principal, interest and redemption requirements of the Master District bonds and all amounts required to establish and maintain funds established under any related bond resolution or trust indenture. Each Participant District’s pro rata share of debt service requirements will be calculated annually by the Master District; however, the levy of a contract tax or other available means of payment is the sole responsibility of each Participant District for the purpose of paying its pro rata share of debt service on the Master District’s bonds. The Master District Contract also provides for operation and maintenance costs for facilities constructed or acquired pursuant to the Contract; duties of the parties; establishment and maintenance of funds; assignment; arbitration; amendments; force majeure; insurance; and other provisions.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**9. FINANCING AND OPERATION OF REGIONAL FACILITIES (continued)**

**Master District Service Area**

The chart below more completely describes the Participant Districts, including each Participant District's acreage and projected ultimate living unit equivalents ("LUEs") based on current land use plans.

Participant	Acreage <sup>(a)</sup>	Existing LUEs <sup>(b)</sup>	Projected Ultimate LUEs <sup>(c)</sup>
The District	404.11	1,099	1,247
Cottonwood Creek MUD No. 1	417.70	1,655	2,216
Wilbarger Creek MUD No. 1	300.42	1,129	1,555
Wilbarger Creek MUD No. 2	<u>392.10</u>	<u>—</u>	<u>1,449</u>
<b>Sub-Total</b>	1,514.33	3,883	6,467
Park & Irrigation	<u>—</u>	<u>—</u>	<u>100</u>
<b>Total</b>	<b><u>1,514.33</u></b>	<b><u>3,883</u></b>	<b><u>6,567</u></b>

(a) Gross acreage includes all easements, rights-of-way and any other undevelopable acreage.

(b) As of September 30, 2025.

(c) Provided by the Developers and represents the existing land use plan. The District makes no representation that property within the Master District or within the Participant Districts will develop as shown above.

The Participant Districts and Metro H2O, Ltd., now known as Metro Water Systems, Inc. ("Metro"), originally entered into (i) an "Amended and Restated Regional Sewage Disposal Capacity and Services Agreement for a Portion of Northeastern Travis County, Texas" (the "Wastewater Treatment Contract") whereby Metro agreed to construct certain wastewater treatment facilities sufficient to serve up to 6,010 LUEs of wastewater from the Participant Districts; and (ii) an "Amended and Restated Regional Water Capacity and Supply Agreement for a Portion of Northeastern Travis County, Texas" (as amended, the "Water Supply Contract") whereby Metro agreed to provide up to 6,010 LUEs of potable water supply capacity to the Participant Districts. Pursuant to an "Assignment and Assumption of Rights and Obligations under Regional Water and Sewer Contracts; Operations Agreement; and Capacity Reservation Agreement" dated effective October 1, 2005 (the "Capacity Assignment"), the Participant Districts assigned all of their rights and obligations with respect to wastewater treatment capacity under the Wastewater Treatment Contract and water supply capacity under the Water Supply Contract to the Master District, which, in turn, reserved wastewater treatment capacity and water supply capacity in favor of the Participants at full build-out in the amounts set forth in the Wastewater Treatment Contract the Water Supply Contract, respectively, and will allocate such capacity on an interim basis fairly and equitably among the Participant Districts.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**9. FINANCING AND OPERATION OF REGIONAL FACILITIES (continued)**

Under the Wastewater Treatment Contract, Metro completed construction of a 500,000 gallons per day ("gpd") wastewater treatment plant and lift station (the "Wastewater Treatment Plant"). The Master District subsequently negotiated to purchase the Wastewater Treatment Plant from Metro pursuant to an Asset Purchase Agreement dated November 20, 2008. The closing of such transaction occurred on December 31, 2008, at which time Metro transferred ownership of the Wastewater Treatment Plant and its interest in the Wastewater Treatment Contract to the Master District. The Master District intends to finance future expansions of the Wastewater Treatment Plant through the issuance of bonds. Therefore, no further LUE Fees will be charged for wastewater treatment capacity under the Wastewater Treatment Contract. Because the Wastewater Treatment Plant is now owned and operated by the Master District, the Participant Districts elected to terminate the Wastewater Treatment Contract effective February 22, 2022 after the first 20-year term thereof. Thereafter, the Wastewater Treatment Plant has been and will continue to be operated by the Master District as a Master District Facility under the Master District Contract.

Under the Water Supply Contract, as affected by the Capacity Assignment, the Master District was originally contractually obligated to purchase water capacity from Metro at the time of each connection and on a quarterly basis through the payment of water LUE fees. However, pursuant to a "First Amendment Amended and Restated Regional Water Capacity and Supply Agreement for a Portion of Northeastern Travis County, Texas" dated August 9, 2011, (the "Water Supply Contract Amendment"), in consideration of the payment of \$250,000 to Metro, the obligation to make water LUE fee payments to Metro terminated until the number of LUEs actually connected to the water system serving the Master District's service area exceeds 2,610, at which point water LUE fees are required to be paid on a connection by connection basis. According to the Master District's utility operator, the Master District's service area exceeded 2,610 LUE's in early 2019, thus triggering the obligation to pay water LUE fees on a connection by connection basis.

The currently estimated 6,567 LUEs projected to be developed within the Participant Districts are in excess of the 6,010 LUEs currently reserved for the Participant Districts under the Water Supply Contract and the Wastewater Treatment Contract. The Participant Districts intend to commence negotiations with Metro with respect to amending the Water Supply Contract to, among other things, increase the existing water LUE capacity. After the Wastewater Treatment Contract terminated on February 12, 2022, capacity in the Wastewater Treatment Plant is managed by the Master District under the Master District Contract and the Capacity Assignment.

The Master District facilities constructed or acquired to date have been acquired or constructed with funds provided by the Developers and proceeds of the Master District's Series 2006, Series 2008, Series 2017, Series 2018, Series 2019 and Series 2021 Bonds. Future water LUE Fee payments required under the Water Supply Contract, as amended, are expected to be paid by builders on a connection by connection basis.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**9. FINANCING AND OPERATION OF REGIONAL FACILITIES (continued) –**

The chart below further describes the Participant Districts and their respective pro rata share of the Bonds based upon their certified 2025 Assessed Valuation.

Participant	2025 Certified Assessed Valuation <sup>(a)</sup>	Pro Rata Share of Master District Debt	Pro Rata Share of Average Annual Debt of \$2,507,750 <sup>(b)</sup>
The District	\$ 455,817,135	32.8%	\$ 822,966
Cottonwood Creek MUD No. 1	531,970,868	38.3%	960,461
Wilbarger Creek MUD No. 2	3,662,213	0.3%	6,612
Wilbarger Creek MUD No. 1	397,519,771	28.6%	717,712
	<u>\$ 1,388,969,987</u>	<u>100.0%</u>	<u>\$ 2,507,750</u>

(a) Assessed valuations as of January 1, 2025 as certified by the Appraisal District.

(b) Preliminary; subject to change.

The Master District owns and operates the Master District facilities. Each Participant District within the Master District service area (including the Master District in its capacity as provider of internal water distribution, wastewater collection and storm drainage to serve the acreage within its boundaries) will own the internal water distribution, wastewater collection and storm drainage lines within its boundaries. Additionally, the Participant Districts are required to operate, maintain and provide retail billing and collection for their respective internal facilities. The internal facilities have been or are expected to be financed with unlimited tax bonds sold by each of the Participant Districts, including the Master District in its role as Participant District. It is anticipated that the Master District facilities will be acquired or constructed in stages to meet the needs of a continually expanding population within the Master District service area. In the event that the Master District fails to meet its obligations to provide Master District facilities as required by the Master District Contract, each Participant District has the right pursuant to the Master District Contract to design, acquire, construct, or expand the Master District facilities needed to provide service to each Participant District, and convey such Master District Facilities to the Master District in consideration of payment by the Master District of the actual reasonable necessary capital costs expended by each Participant District for such Master District facilities.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**9. FINANCING AND OPERATION OF REGIONAL FACILITIES (continued) –**

Each Participant District is further obligated to pay monthly charges to the Master District for water and sewer services rendered pursuant to the Master District Contract (“Monthly Charges”). The Monthly Charges to be paid by each Participant District to the Master District will be used to pay each Participant District’s share of operation and maintenance costs and to provide for an operation and maintenance reserve equal to three months of operation and maintenance costs or such other amount as determined by the Master District’s financial advisor. For fiscal year 2025, the Master District’s financial advisor recommended maintenance of a three-month operation and maintenance reserve set aside in a separate fund by the Master District, as well as maintenance of funds equal to approximately two months’ budgeted expenses in the Master District’s general fund. Each Participant District’s share of operation and maintenance costs and reserve requirements is calculated by the Master District based upon the following categories of costs: (i) direct costs, including LUE fee payments and other costs directly incurred by the Participant District; (ii) volume-related costs, including actual usage fees related to water supply and wastewater collection and treatment; and (iii) all other costs, including administrative costs.

Pursuant to the Master District Contract, each Participant District is obligated to establish and maintain rates, fees and charges for services provided by each Participant District’s water distribution system and wastewater collection system, which, together with taxes levied and funds received from any other lawful sources, are sufficient at all times to pay each Participant District’s operation and maintenance costs, and each Participant District’s obligations pursuant to the Master District Contract, and its obligations pursuant to the Master District Contract, including its pro rata share of the Master District’s debt service requirements and Monthly Charges. All sums payable by each Participant District to the Master District pursuant to the Master District Contract are to be paid without set off, counterclaim, abatement, suspension or diminution. If any Participant District fails to pay its share of these costs in a timely manner, the Master District Contract provides that the Master District shall be entitled to withhold, in whole or in part, any reservation or allocation of capacity in the Master District’s facilities by such Participant District in addition to the Master District’s other remedies pursuant to the Master District Contract. Under certain conditions the Master District may, with the consent of all Participant Districts, extend the Master District service area and provide services to other parties who will become Participant Districts and agree to assume their pro rata share of the bonded indebtedness of the Master District facilities in the same manner as the existing Participant Districts. In addition, the Master District may, with the consent of all Participant Districts, provide services to others as long as the providing of such services does not impair the right of a Participant District to receive service from the Master District.

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

**9. FINANCING AND OPERATION OF REGIONAL FACILITIES (continued) –**

***Transaction Summary – Master District Operations & Maintenance***

Transactions for the year ended September 30, 2025, are summarized as follows:

	Receivable/ (Payable) Balance, 10/1/2024	Current Fiscal Year		Receivable/ (Payable) Balance, 9/30/2025
		Billings	Payments	
The District	\$ 209,150	\$ 1,345,533	\$ (1,207,064)	\$ 347,619
Cottonwood Creek MUD No. 1	227,806	1,492,483	(1,523,892)	196,397
Wilbarger Creek MUD No. 1	219,205	1,276,544	(1,202,704)	293,045
Wilbarger Creek MUD No. 2	(159,795)	78,534	(18,447)	(99,708)
	<u>\$ 496,366</u>	<u>\$ 4,193,094</u>	<u>\$ (3,952,107)</u>	<u>\$ 737,353</u>

***Transaction Summary – Master District Debt Service***

Transactions for the year ended September 30, 2025, are summarized as follows:

	Receivable/ (Payable) Balance, 10/1/2024	Current Fiscal Year		Receivable/ (Payable) Balance, 9/30/2025
		Billings	Payments	
The District	\$ 27,687	\$ 1,691,409	\$ (1,709,879)	\$ 9,217
Cottonwood Creek MUD No. 1	596	1,802,567	(1,805,133)	(1,970)
Wilbarger Creek MUD No. 1	786	1,458,016	(1,463,189)	(4,387)
Wilbarger Creek MUD No. 2	(3,300)	69,281	(65,161)	820
	<u>\$ 25,769</u>	<u>\$ 5,021,273</u>	<u>\$ (5,043,362)</u>	<u>\$ 3,680</u>

**10. COMMITMENTS AND CONTINGENCIES**

The developers of the land within the District have incurred costs for construction of facilities, as well as costs pertaining to the creation and operation of the District. Claims for reimbursement of construction costs and operational advances will be evaluated upon receipt of adequate supporting documentation and proof of contractual obligation. Such costs may be reimbursable to the developers by the District from proceeds of future District bond issues, subject to approval by the Texas Commission on Environmental Quality, or from operations. On May 3, 2003, a bond election held within the District, voters approved the issuance of \$38,580,000 of bonds to fund costs of proposed works, improvements, facilities, plants, equipment, appliances and non-construction costs based upon the District's engineer's report. On February 7, 2004, voters authorized a total of \$3,500,000 for park and recreational facilities. As of September 30, 2025, the District has issued \$22,115,000 of Unlimited Tax Bonds to reimburse developers. At September 30, 2025, the District recorded a developer liability of \$202,968 related to operating advances.



**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2025**

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**11. RISK MANAGEMENT**

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained coverage from commercial insurance companies and the Texas Municipal League Intergovernmental Risk Pool (the “TML Pool”) to effectively manage its risk. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

The TML Pool was established by various political subdivisions in Texas to provide self-insurance for its members and to obtain lower costs for insurance. TML Pool members pay annual contributions to obtain the insurance. Annual contribution rates are determined by the TML Pool Board. Rates are estimated to include all claims expected to occur during the policy including claims incurred but not reported. The TML Pool has established Claims Reserves for each of the types of insurance offered. Although the TML Pool is a self-insured risk pool, members are not contingently liable for claims filed above the amount of the fixed annual contributions. If losses incurred are significantly higher than actuarially estimated, the TML Pool adjusts the contribution rate for subsequent years. Members may receive returns of contributions if actual results are more favorable than estimated.

**12. DEFICIT IN NET INVESTMENT IN CAPITAL ASSETS**

Net investment in capital assets had a deficit balance of \$679,647 at September 30, 2025. This is primarily attributable to capitalized interest, bond proceeds transferred to the General Fund and depreciation/amortization expense associated with the District’s bond issues.

# **REQUIRED SUPPLEMENTARY INFORMATION**

**TRAVIS COUNTY**  
**MUNICIPAL UTILITY DISTRICT NO. 2**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**SEPTEMBER 30, 2025**

	<u>Actual</u>	<u>Original Budget</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES:</b>			
Property taxes, including penalties	\$ 921,442	\$ 912,371	\$ 9,071
Service accounts	1,993,323	1,771,885	221,438
Interest and other	245,622	180,000	65,622
<b>TOTAL REVENUES</b>	<u>3,160,387</u>	<u>2,864,256</u>	<u>296,131</u>
<b>EXPENDITURES:</b>			
Current:			
Garbage expenditures	279,833	260,263	(19,570)
Repairs/maintenance	359,578	246,590	(112,988)
Operations / management fee	169,619	175,608	5,989
Meters and inspection fees	9,344	50,000	40,656
Director fees, including payroll taxes	15,184	15,225	41
Legal fees	50,189	63,800	13,611
Engineering fees	29,608	27,000	(2,608)
Audit fees	16,750	16,500	(250)
Bookkeeping fees	42,025	41,000	(1,025)
Financial advisor fees	927	1,000	73
Tax appraisal/collection	5,468	5,500	32
Other consulting fees	-	7,500	7,500
Insurance	10,978	9,200	(1,778)
Bank fees	19,576	21,000	1,424
Other	16,282	31,399	15,117
Capital outlay	192,119	42,500	(149,619)
<b>TOTAL EXPENDITURES</b>	<u>1,217,480</u>	<u>1,014,085</u>	<u>(203,395)</u>
Excess of revenues over expenditures	<u>1,942,907</u>	<u>1,850,171</u>	<u>92,736</u>
<b>OTHER FINANCING USES -</b>			
Operating transfers out	<u>(1,356,004)</u>	<u>(1,772,177)</u>	<u>416,173</u>
<b>TOTAL OTHER FINANCING USES</b>	<u>(1,356,004)</u>	<u>(1,772,177)</u>	<u>416,173</u>
<b>NET CHANGE IN FUND BALANCE</b>	586,903	<u>\$ 77,994</u>	<u>\$ 508,909</u>
Beginning of the year	<u>5,445,672</u>		
End of the year	<u>\$ 6,032,575</u>		

# **TEXAS SUPPLEMENTARY INFORMATION**

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
TSI-1. SERVICES AND RATES  
SEPTEMBER 30, 2025**

**1. Services Provided by the District during the Fiscal Year:**

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

**2. Retail Service Providers**

**a. Retail Rates Based on 5/8" Meter (or equivalent):**

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	\$ 50.15	N/A	N	\$ 8.06 *	0 to 15,000 gallons
				\$ 9.61 *	Over 15,000 gallons
WASTEWATER:	\$ -	N/A	N	\$ 7.50	per 1,000 gallons
SURCHARGE:	\$ -	-	-	\$ -	

\* Effective December 1, 2025, the 0 to 15,000 gallons increased to \$8.28 and the over 15,001 increased to \$9.83.

District employs winter averaging for wastewater usage? Yes ☒ No ☐

Total charges per 10,000 gallons usage:      Water      \$ 130.75      Wastewater      \$ 75.00

**b. Water and Wastewater Retail Connections:**

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC's
Unmetered	-	-	1	-
< 3/4"	1,088	1,088	1	1,088
1"	2	2	2.5	5
1 1/2"	-	-	5	-
2"	3	3	8	24
3"	-	-	15	-
4"	-	-	25	-
6"	-	-	50	-
8"	-	-	80	-
10"	-	-	115	-
Total Water	1,093	1,093		1,117
Total Wastewater	1,092	1,092	1	1,092

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
TSI-1. SERVICES AND RATES  
SEPTEMBER 30, 2025**

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**3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):**

Gallons pumped into system: \_\_\_\_\_<sup>(1)</sup>

Gallons billed to customers: \_\_\_\_\_ 94,668,000

**Water Accountability Ratio**

(Gallons billed / Gallons Pumped)  
(1)

**4. Standby Fees** (authorized only under TWC Section 49.231):

Does the District assess standby fees? Yes ☐ No ☒

If yes, Date of the most recent Commission Order: \_\_\_\_\_

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

If yes, Date of the most recent Commission Order: \_\_\_\_\_

**5. Location of District**

County(ies) in which district is located: \_\_\_\_\_ Travis

Is the District located entirely within one county? Yes ☒ No ☐

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

City(ies) in which district is located: \_\_\_\_\_ City of Manor

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

Entirely ☐ Partly ☒ Not at all ☐

ETJ's in which district is located: \_\_\_\_\_ City of Manor

Are Board members appointed by an office outside the district?

Yes ☐ No ☒

If Yes, by whom? \_\_\_\_\_

<sup>(1)</sup> District services provided by Wilbarger Creek M.U.D. No. 2 (Master District).

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
TSI-2. GENERAL FUND EXPENDITURES  
SEPTEMBER 30, 2025**

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Personnel Expenditures (including benefits)	\$ -
Professional Fees:	
Auditing	16,750
Legal	50,189
Engineering	29,608
Financial Advisor	927
Purchased Services For Resale -	
Bulk Water and Wastewater Purchases	-
Contracted Services:	
Bookkeeping	42,025
General Manager	169,619
Appraisal District	4,704
Tax Collector	764
Other Contracted Services	9,344
Utilities	-
Repairs and Maintenance	359,578
Administrative Expenditures:	
Directors' Fees	15,184
Office Supplies	-
Insurance	10,978
Other Administrative Expenditures	35,858
Capital Outlay:	
Capitalized Assets	192,119
Expenditures not Capitalized	-
Tap Connection Expenditures	-
Solid Waste Disposal	279,833
Fire Fighting	-
Parks and Recreation	-
Other Expenditures	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,217,480</b>

Number of persons employed by the District:

☐ Full-Time

☐ Part-Time

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
TSI-3. TEMPORARY INVESTMENTS  
SEPTEMBER 30, 2025**

<b>Funds</b>	<b>Identification or Certificate Number</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Balance at End of Year</b>	<b>Accrued Interest Receivable at End of Year</b>
<b>General Fund -</b>					
State Investment Pool	XXX0001	Varies	N/A	\$ 5,884,420	\$ -
Total				5,884,420	-
<b>Special Revenue Fund -</b>					
State Investment Pool	XXX0002	Varies	N/A	25,648	-
Total				25,648	-
<b>Debt Service Fund -</b>					
State Investment Pool	XXX0003	Varies	N/A	651,945	-
Total				651,945	-
<b>Capital Projects Fund:</b>					
State Investment Pool	XXX0005	Varies	N/A	27,732	-
State Investment Pool	XXX0007	Varies	N/A	285,272	-
State Investment Pool	XXX0008	Varies	N/A	320,185	-
State Investment Pool	XXX0010	Varies	N/A	211,224	-
Total				844,413	-
Total - All Funds				\$ 7,406,426	\$ -



**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
TSI-4. TAXES LEVIED AND RECEIVABLE  
SEPTEMBER 30, 2025**

	<b>Maintenance Taxes</b>	<b>Contract Taxes</b>	<b>Debt Service Taxes</b>
<b>Taxes Receivable, Beginning of Year:</b>	\$ 10,862	\$ 21,320	\$ 18,428
2024 Original Tax Levy	931,770	1,698,540	1,215,669
Adjustments - current year	(1,660)	(3,027)	(2,166)
Adjustments - prior year	514	953	746
Total to be accounted for	<u>941,486</u>	<u>1,717,786</u>	<u>1,232,677</u>
Tax collections:			
Prior years	3,328	6,177	4,752
Current year	914,245	1,666,592	1,192,804
Total collections	<u>917,573</u>	<u>1,672,769</u>	<u>1,197,556</u>
<b>Taxes Receivable, End of Year</b>	<u><u>\$ 23,913</u></u>	<u><u>\$ 45,017</u></u>	<u><u>\$ 35,121</u></u>
<b>Taxes Receivable, By Years:</b>			
2023 and before	\$ 8,048	\$ 16,096	\$ 14,422
2024	<u>15,865</u>	<u>28,921</u>	<u>20,699</u>
<b>Taxes Receivable, End of Year</b>	<u><u>\$ 23,913</u></u>	<u><u>\$ 45,017</u></u>	<u><u>\$ 35,121</u></u>

	<b>2024</b>	(a)	<b>2023</b>	(a)	<b>2022</b>	(a)	<b>2021</b>	(a)
<b>Property Valuations:</b>								
Land and improvements	<u>\$ 484,432,261</u>		<u>\$ 473,732,742</u>		<u>\$ 445,457,650</u>		<u>\$ 336,927,102</u>	
<b>Total Property Valuations</b>	<u><u>\$ 484,432,261</u></u>		<u><u>\$ 473,732,742</u></u>		<u><u>\$ 445,457,650</u></u>		<u><u>\$ 336,927,102</u></u>	
<b>Tax Rates per \$100 Valuation:</b>								
Contract tax rates	\$ 0.3500		\$ 0.3500		\$ 0.3500		\$ 0.3500	
Debt Service tax rates	0.2505		0.2550		0.2880		0.3500	
Maintenance tax rates	<u>0.1920</u>		<u>0.1875</u>		<u>0.1900</u>		<u>0.1820</u>	
<b>Total Tax Rates per \$100 Valuation</b>	<u><u>\$ 0.7925</u></u>		<u><u>\$ 0.7925</u></u>		<u><u>\$ 0.8280</u></u>		<u><u>\$ 0.8820</u></u>	
<b>Original Tax Levy</b>	<u><u>\$ 3,845,979</u></u>		<u><u>\$ 3,773,348</u></u>		<u><u>\$ 3,688,389</u></u>		<u><u>\$ 2,971,697</u></u>	
<b>Percent of Taxes Collected to Taxes Levied **</b>	<u><u>98.3%</u></u>		<u><u>99.7%</u></u>		<u><u>99.7%</u></u>		<u><u>99.8%</u></u>	
<b>Maximum Maintenance Tax Rate Approved by Voters:</b>	<u><u>\$ 1.50 on 5/3/2003</u></u>							

\*\*Calculated as taxes collected in current and previous years divided by tax levy.

(a) Valuations are provided by the appropriate Appraisal District. Due to various factors including tax protests and disputes, such valuations change over time; therefore, they may vary slightly from those disclosed in the District's bond offering documents or the District's annual bond disclosure filings.

**TRAVIS COUNTY**  
**MUNICIPAL UTILITY DISTRICT NO. 2**  
**TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS**  
**SEPTEMBER 30, 2025**

Fiscal Year Ending	Unlimited Tax Refunding Bonds Series 2015			Unlimited Tax Bonds Series 2017			Unlimited Tax Bonds Series 2019		
	Principal Due	Interest Due	Total	Principal Due	Interest Due	Total	Principal Due	Interest Due	Total
	9/01	3/01, 9/01		9/01	3/01, 9/01		9/01	3/01, 9/01	
2026	\$ 240,000	\$ 65,431	\$ 305,431	\$ 100,000	\$ 167,844	\$ 267,844	\$ 90,000	\$ 59,550	\$ 149,550
2027	245,000	58,231	303,231	110,000	164,468	274,468	90,000	55,725	145,725
2028	250,000	50,881	300,881	110,000	160,756	270,756	95,000	52,125	147,125
2029	265,000	43,381	308,381	105,000	157,044	262,044	95,000	48,325	143,325
2030	275,000	35,100	310,100	255,000	153,368	408,368	100,000	45,000	145,000
2031	285,000	26,163	311,163	455,000	144,444	599,444	100,000	41,500	141,500
2032	120,000	16,900	136,900	645,000	128,518	773,518	105,000	38,250	143,250
2033	120,000	13,000	133,000	675,000	105,944	780,944	105,000	34,837	139,837
2034	130,000	9,100	139,100	695,000	82,318	777,318	105,000	31,425	136,425
2035	130,000	4,500	134,500	730,000	57,994	787,994	105,000	28,800	133,800
2036	-	-	-	895,000	32,444	927,444	105,000	25,650	130,650
2037	-	-	-	-	-	-	1,035,000	23,287	1,058,287
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
	<u>\$ 2,060,000</u>	<u>\$ 322,687</u>	<u>\$ 2,382,687</u>	<u>\$ 4,775,000</u>	<u>\$ 1,355,142</u>	<u>\$ 6,130,142</u>	<u>\$ 2,130,000</u>	<u>\$ 484,474</u>	<u>\$ 2,614,474</u>

Fiscal Year Ending	Unlimited Tax Refunding Bonds			Unlimited Tax Bonds			Annual Requirements for All Series		
	Series 2020			Series 2020A					
	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due	Interest Due	Total
2026	\$ 280,000	\$ 26,600	\$ 306,600	\$ 55,000	\$ 88,406	\$ 143,406	\$ 765,000	\$ 407,831	\$ 1,172,831
2027	285,000	21,000	306,000	55,000	86,619	141,619	785,000	386,043	1,171,043
2028	295,000	15,300	310,300	65,000	84,831	149,831	815,000	363,893	1,178,893
2029	305,000	9,400	314,400	75,000	84,019	159,019	845,000	342,169	1,187,169
2030	165,000	3,300	168,300	105,000	82,987	187,987	900,000	319,755	1,219,755
2031	-	-	-	185,000	81,544	266,544	1,025,000	293,651	1,318,651
2032	-	-	-	190,000	78,769	268,769	1,060,000	262,437	1,322,437
2033	-	-	-	195,000	75,919	270,919	1,095,000	229,700	1,324,700
2034	-	-	-	205,000	72,750	277,750	1,135,000	195,593	1,330,593
2035	-	-	-	210,000	69,419	279,419	1,175,000	160,713	1,335,713
2036	-	-	-	220,000	65,744	285,744	1,220,000	123,838	1,343,838
2037	-	-	-	230,000	61,894	291,894	1,265,000	85,181	1,350,181
2038	-	-	-	1,455,000	57,581	1,512,581	1,455,000	57,581	1,512,581
2039	-	-	-	1,515,000	30,300	1,545,300	1,515,000	30,300	1,545,300
	<u>\$ 1,330,000</u>	<u>\$ 75,600</u>	<u>\$ 1,405,600</u>	<u>\$ 4,760,000</u>	<u>\$ 1,020,782</u>	<u>\$ 5,780,782</u>	<u>\$ 15,055,000</u>	<u>\$ 3,258,685</u>	<u>\$ 18,313,685</u>

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
TSI-6. CHANGES IN LONG-TERM BONDED DEBT  
SEPTEMBER 30, 2025**

	Bond Issues					Total
	Series 2015	Series 2017	Series 2019	Series 2020	Series 2020A	
Interest Rate	3.00% - 3.50%	3.375% - 3.625%	2.25% - 4.25%	2.00%	1.25% - 3.25%	
Dates Interest Payable	3/1, 9/1	3/1, 9/1	3/1, 9/1	3/1, 9/1	3/1, 9/1	
Maturity Dates	9/1/2035	9/1/2036	9/1/2037	9/1/2030	9/1/2039	
Bonds Outstanding at Beginning of Current Fiscal Year	\$ 2,290,000	\$ 4,875,000	\$ 2,215,000	\$ 1,605,000	\$ 4,810,000	\$ 15,795,000
Bonds Sold During the Current Fiscal Year	-	-	-	-	-	-
Refunded During the Current Fiscal Year	-	-	-	-	-	-
Retirements During the Current Fiscal Year-Principal	(230,000)	(100,000)	(85,000)	(275,000)	(50,000)	(740,000)
Bonds Outstanding at End of Current Fiscal Year	<u>\$ 2,060,000</u>	<u>\$ 4,775,000</u>	<u>\$ 2,130,000</u>	<u>\$ 1,330,000</u>	<u>\$ 4,760,000</u>	<u>\$ 15,055,000</u>
Interest Paid During the Current Fiscal Year	<u>\$ 72,331</u>	<u>\$ 171,095</u>	<u>\$ 63,162</u>	<u>\$ 32,100</u>	<u>\$ 90,031</u>	<u>\$ 428,719</u>
Paying Agent's Name and Address:	UMB Bank Austin, TX	UMB Bank Austin, TX	UMB Bank Austin, TX	UMB Bank Austin, TX	UMB Bank Austin, TX	
Bond Authority:	Tax Bonds*	Park & Recreation	Refunding Bonds			
Amount Authorized by Voters	\$ 38,580,000	\$ 3,500,000	\$ 57,870,000			
Amount Issued	22,115,000	-	854,401			
Remaining To Be Issued	<u>\$ 16,465,000</u>	<u>\$ 3,500,000</u>	<u>\$ 57,015,599</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 and Temporary Investments balances as of September 30, 2025:				<u>\$ 651,945</u>		
Average Annual Debt Service Payment (Principal and Interest) for the remaining term of all debt:				<u>\$ 1,308,120</u>		

**TRAVIS COUNTY**  
**MUNICIPAL UTILITY DISTRICT NO. 2**  
**TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES**  
**GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS**  
**SEPTEMBER 30, 2025**

	Amounts					Percent of Fund Total Revenues				
	2025	2024	2023	2022	2021	2025	2024	2023	2022	2021
<b>GENERAL FUND REVENUES:</b>										
Property taxes, including penalties	\$ 921,442	\$ 890,382	\$ 846,631	\$ 611,978	\$ 395,247	29.1%	30.3%	29.0%	23.9%	17.6%
Service revenues	1,993,323	1,759,732	1,847,100	1,917,567	1,788,055	63.1%	59.9%	63.3%	75.0%	79.8%
Tap connection / inspection fees	-	3,890	4,975	-	51,800	0.0%	0.1%	0.2%	-	2.3%
Interest and other	245,622	286,141	219,530	28,409	7,775	7.8%	9.7%	7.5%	1.1%	0.3%
<b>TOTAL GENERAL FUND REVENUES AND OTHER FINANCING SOURCES</b>	<b>3,160,387</b>	<b>2,940,145</b>	<b>2,918,236</b>	<b>2,557,954</b>	<b>2,242,877</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>GENERAL FUND EXPENDITURES:</b>										
Current:										
Garbage expenditures	279,833	249,272	248,944	249,928	225,882	8.9%	8.5%	8.5%	9.8%	10.1%
Repairs/maintenance	359,578	218,196	100,326	114,056	126,359	11.4%	7.4%	3.4%	4.5%	5.6%
Operations / management fee	169,619	162,370	153,765	154,147	130,896	5.4%	5.5%	5.3%	6.0%	5.8%
Meters and inspection fees	9,344	385,534	250	-	11,909	0.3%	13.1%	-	-	0.5%
Director fees, including payroll taxes	15,184	15,324	11,081	9,689	9,527	0.5%	0.5%	0.4%	0.4%	0.4%
Legal fees	50,189	41,488	49,491	47,735	46,400	1.6%	1.4%	1.7%	1.9%	2.1%
Engineering fees	29,608	13,660	15,429	23,999	20,315	0.9%	0.5%	0.5%	0.9%	0.9%
Audit fees	16,750	16,000	15,750	15,000	14,500	0.5%	0.5%	0.5%	0.6%	0.6%
Bookkeeping fees	42,025	40,563	35,750	35,250	34,400	1.3%	1.4%	1.2%	1.4%	1.5%
Financial advisor fees	927	613	569	512	438	-	-	-	-	-
Tax appraisal/collection	5,468	5,250	4,299	3,124	1,918	0.2%	0.2%	0.1%	0.1%	0.1%
Other consulting fees	-	-	4,550	3,600	-	-	-	0.1%	0.1%	-
Insurance	10,978	9,633	7,460	7,149	5,703	0.3%	0.3%	0.3%	0.3%	0.3%
Bank fees	19,576	27,262	46,247	44,227	37,481	0.6%	0.9%	1.6%	1.7%	1.7%
Public notice	-	-	-	-	3,527	-	-	-	-	0.2%
Other	16,282	13,930	10,575	7,344	3,335	0.5%	0.5%	0.4%	0.3%	0.1%
Operating transfer	1,356,004	1,384,790	1,517,441	1,068,172	1,541,091	42.9%	47.1%	52.0%	41.8%	68.7%
Capital outlay	192,119	-	-	-	-	6.1%	-	-	-	-
<b>TOTAL GENERAL FUND EXPENDITURES AND OTHER FINANCING USES</b>	<b>2,573,484</b>	<b>2,583,885</b>	<b>2,221,927</b>	<b>1,783,932</b>	<b>2,213,681</b>	<b>81.4%</b>	<b>87.8%</b>	<b>76.0%</b>	<b>69.8%</b>	<b>98.6%</b>
<b>EXCESS OF GENERAL FUND REVENUES &amp; OTHER FINANCING SOURCES OVER EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>\$ 586,903</b>	<b>\$ 356,260</b>	<b>\$ 696,309</b>	<b>\$ 774,022</b>	<b>\$ 29,196</b>	<b>18.6%</b>	<b>12.2%</b>	<b>24.0%</b>	<b>30.2%</b>	<b>1.4%</b>
<b>DEBT SERVICE FUND REVENUES:</b>										
Property taxes, including penalties	\$ 1,202,718	\$ 1,211,976	\$ 1,286,507	\$ 1,177,306	\$ 1,005,951	96.2%	95.8%	96.6%	99.4%	100.0%
Interest	47,945	52,981	44,940	6,871	326	3.8%	4.2%	3.4%	0.6%	-
<b>TOTAL DEBT SERVICE FUND REVENUES AND OTHER FINANCING SOURCES</b>	<b>1,250,663</b>	<b>1,264,957</b>	<b>1,331,447</b>	<b>1,184,177</b>	<b>1,006,277</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>DEBT SERVICE FUND EXPENDITURES:</b>										
Tax appraisal/collection	7,133	7,140	6,515	6,009	4,879	0.5%	0.6%	0.5%	0.5%	0.5%
Financial advisor fees	1,209	833	863	984	1,115	0.1%	0.1%	0.1%	0.1%	0.1%
Bond principal	740,000	725,000	710,000	685,000	665,000	59.2%	57.5%	53.5%	58.0%	66.1%
Bond interest	428,719	449,269	468,656	487,269	507,839	34.3%	35.5%	35.2%	41.1%	50.5%
Fiscal agent fees and other	7,500	3,750	2,000	2,500	2,900	0.6%	0.3%	0.2%	0.2%	0.3%
<b>TOTAL DEBT SERVICE FUND EXPENDITURES AND OTHER FINANCING USES</b>	<b>1,184,561</b>	<b>1,185,992</b>	<b>1,188,034</b>	<b>1,181,762</b>	<b>1,181,733</b>	<b>94.7%</b>	<b>94.0%</b>	<b>89.5%</b>	<b>99.9%</b>	<b>117.6%</b>
<b>EXCESS (DEFICIENCY) OF DEBT SERVICE REVENUES &amp; OTHER FINANCING SOURCES OVER / (UNDER) EXPENDITURES &amp; OTHER FINANCING USES</b>	<b>\$ 66,102</b>	<b>\$ 78,965</b>	<b>\$ 143,413</b>	<b>\$ 2,415</b>	<b>\$ (175,456)</b>	<b>5.3%</b>	<b>6.0%</b>	<b>10.5%</b>	<b>0.1%</b>	<b>-17.6%</b>
<b>TOTAL ACTIVE RETAIL WATER CONNECTIONS</b>	<b>1,093</b>	<b>1,100</b>	<b>1,097</b>	<b>1,101</b>	<b>1,098</b>					
<b>TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS</b>	<b>1,092</b>	<b>1,087</b>	<b>1,085</b>	<b>1,087</b>	<b>1,084</b>					

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS  
SEPTEMBER 30, 2025**

Complete District Mailing Address: 100 Congress Ave., Ste 1300, Austin, TX 78701

District Business Telephone Number: (512) 435-2300

Submission Date of the most recent District  
Registration Form (TWC Sections 36.054 and 49.054): August 6, 2025

Limits on Fees of Office that a Director may receive  
during a fiscal year: (Set by Board Resolution  
TWC Section 49.060) \$7,200

<b>Name and Address:</b>	<b>Term of Office (Elected or Appointed) or Date Hired</b>	<b>Fees of Office Paid *</b> <b>09/30/25</b>	<b>Expense Reimbursements</b> <b>09/30/25</b>	<b>Title at Year End</b>
<b><u>Board Members:</u></b>				
<b>Wilmer Roberts</b>	(Elected) 11/5/2024 - 11/7/2028	\$ 4,862	\$ 1,462	President
<b>Raymond C. Mura</b>	(Elected) 11/8/2022 - 11/3/2026	\$ 3,978	\$ 1,506	Vice-President
<b>Tracy T. Johnson</b>	(Elected) 11/8/2022 - 11/3/2026	\$ 2,210	\$ 1,812	Secretary
<b>Daffney A. Henry</b>	(Elected) 11/8/2022 - 11/3/2026	\$ 1,547	\$ 160	Asst. Secretary
<b>Sarah Rossig</b>	(Elected) 11/5/2024 - 11/7/2028	\$ 1,326	\$ 137	Asst. Secretary
<b><u>Consultants:</u></b>				
<b>Crossroads Utility Services LLC</b>	11/11/2010	\$ 501,851	\$ -	Operator
<b>Armbrust &amp; Brown, PLLC</b>	6/26/2002	\$ 45,346	\$ -	Attorney
<b>Jones-Heroy &amp; Associates, Inc.</b>	6/4/2025	\$ 8,679	\$ -	Engineer
<b>Schroeder Engineering Co.</b>	6/26/2002	\$ 13,044	\$ -	Former Engineer
<b>Bott &amp; Douthitt, PLLC</b>	7/1/2010	\$ 42,529	\$ -	District Accountant
<b>Public Finance Group LLC</b>	5/3/2014	\$ 3,825	\$ -	Financial Advisor
<b>McCall Gibson Swedlund Barfoot Ellis PLLC</b>	8/5/2009	\$ 16,750	\$ -	Auditor
<b>McCall Parkhurst &amp; Horton, LLP</b>	6/26/2002	\$ -	\$ -	Bond Counsel
<b>Travis County Tax Collector</b>	11/4/1997	\$ 3,155	\$ -	Tax Collector

\* *Fees of Office* are the amounts actually paid to a director during the District's fiscal year.

# **OTHER SUPPLEMENTARY INFORMATION**

**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
OSI-1. PRINCIPAL TAXPAYERS  
SEPTEMBER 30, 2025**

Taxpayer	Type of Property	Tax Roll Year		
		2025	2024	2023
ASC Medical 8 Holdings LLC	Real Land & Improvements	\$ 8,347,383	\$ 8,286,581	\$ 8,521,112
HFS Brothers Investments LLC	Real Land & Improvements	3,500,000	3,359,000	3,100,000
Homeowner	Real Land & Improvements	857,119	-	-
Homeowner	Real Land & Improvements	807,227	755,156	740,807
Homeowner	Real Land & Improvements	759,616	-	-
Homeowner	Real Land & Improvements	690,261	-	-
Homeowner	Real Land & Improvements	649,604	-	763,428
Homeowner	Real Land & Improvements	641,357	-	645,925
Homeowner	Real Land & Improvements	612,539	666,131	-
Homeowner	Real Land & Improvements	609,327	-	-
Homeowner	Real Land & Improvements	-	656,695	-
Homeowner	Real Land & Improvements	-	649,280	-
Homeowner	Real Land & Improvements	-	630,857	-
Homeowner	Real Land & Improvements	-	616,185	-
Homeowner	Real Land & Improvements	-	601,485	-
Homeowner	Real Land & Improvements	-	597,214	-
Perry Homes LLC	Real Land & Improvements	-	-	1,491,109
Phau-Shadowglen 22 LLC	Real Land & Improvements	-	-	888,822
Homeowner	Real Land & Improvements	-	-	661,647
Homeowner	Real Land & Improvements	-	-	645,429
Homeowner	Real Land & Improvements	-	-	640,850
<b>Total</b>		<b>\$ 17,474,433</b>	<b>\$ 16,818,584</b>	<b>\$ 18,099,129</b>
Percent of Assessed Valuation		<b>3.8%</b>	<b>3.5%</b>	<b>3.8%</b>



**TRAVIS COUNTY  
MUNICIPAL UTILITY DISTRICT NO. 2  
OSI-2. ASSESSED VALUE BY CLASSIFICATION  
SEPTEMBER 30, 2025**

Type of Property	Tax Roll Year					
	2025		2024		2023	
	Amount	%	Amount	%	Amount	%
Single Family Residence	\$ 478,248,068	104.9%	\$ 532,665,444	110.0%	\$ 576,504,586	121.7%
Vacant Lot	386,802	0.1%	58,911	-	53,801	-
Non-Qualified Land	26,096	-	26,096	-	914,918	0.2%
Commercial Real Property	11,847,383	2.6%	11,972,281	2.5%	11,947,812	2.5%
Telephone Company	4,381	0.0%	4,302	-	7,610	-
Commercial Personal Property	1,029,625	0.2%	1,046,131	0.2%	1,129,390	0.2%
Residential Inventory	-	-	242,221	0.1%	2,250,928	0.5%
Tangible Personal	16,767	-	15,884	-	2,619	-
Totally Exempt Property	910,501	0.2%	997,412	0.2%	759,786	0.2%
Less: Adjustments	(36,652,488)	(8.0)%	(62,596,421)	(13.0)%	(119,838,708)	(25.3)%
Total Taxable	<u>\$ 455,817,135</u>	<u>100.0%</u>	<u>\$ 484,432,261</u>	<u>100.0%</u>	<u>\$ 473,732,742</u>	<u>100.0%</u>