

**WILLIAMSON-TRAVIS COUNTIES
MUNICIPAL UTILITY DISTRICT NO. 1**

WILLIAMSON AND TRAVIS COUNTIES, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2025

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET	9-10
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION	11
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	12
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	13
NOTES TO THE FINANCIAL STATEMENTS	14-22
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND	24
SUPPLEMENTARY INFORMATION REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE	
NOTES REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE (Included in the notes to the financial statements)	
SERVICES AND RATES	26-28
GENERAL FUND EXPENDITURES	29-30
INVESTMENTS	31
TAXES LEVIED AND RECEIVABLE	32-33
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS	34-37
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	38-39

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
Williamson-Travis Counties Municipal Utility District No. 1
Williamson and Travis Counties, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and major fund of Williamson-Travis Counties Municipal Utility District No. 1 (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 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

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

January 30, 2026

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Management’s discussion and analysis of Williamson-Travis Counties Municipal Utility District No. 1 (the “District”) financial performance provides an overview of the District’s financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District’s financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The Statement of Activities reports how the District’s net position changed during the current fiscal year. All current year revenues and expenditures are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has one governmental fund type. The General Fund accounts for resources not accounted for in another fund, customer service revenues, maintenance tax revenues, costs and general expenditures.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information (“RSI”) and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District’s financial position. In the case of the District, assets exceeded liabilities by \$14,886,056 as of September 30, 2025. This compares with assets exceeding liabilities by \$14,392,087 in the prior fiscal year.

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

The following is a comparative analysis of the Statement of Net Position as of September 30, 2025, and September 30, 2024:

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	\$ 6,190,515	\$ 5,155,764	\$ 1,034,751
Capital Assets (Net of Accumulated Depreciation)	<u>9,629,916</u>	<u>9,935,545</u>	<u>(305,629)</u>
Total Assets	<u>\$ 15,820,431</u>	<u>\$ 15,091,309</u>	<u>\$ 729,122</u>
Total Liabilities	<u>\$ 934,375</u>	<u>\$ 699,222</u>	<u>\$ (235,153)</u>
Net Position:			
Net Investment in Capital Assets	\$ 9,629,916	\$ 9,935,545	\$ (305,629)
Unrestricted	<u>5,256,140</u>	<u>4,456,542</u>	<u>799,598</u>
Total Net Position	<u>\$ 14,886,056</u>	<u>\$ 14,392,087</u>	<u>\$ 493,969</u>

The District net position increased by \$493,969, accounting for a 3.4% increase in net position. The following table provides a comparative analysis of the District's operations for the years ending September 30, 2025, and September 30, 2024:

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	\$ 2,451,825	\$ 2,430,247	\$ 21,578
Charges for Services	2,772,108	2,502,862	269,246
Other Revenues	<u>368,762</u>	<u>730,002</u>	<u>(361,240)</u>
Total Revenues	<u>\$ 5,592,695</u>	<u>\$ 5,663,111</u>	<u>\$ (70,416)</u>
Expenses for Services	<u>5,098,726</u>	<u>4,790,919</u>	<u>(307,807)</u>
Change in Net Position	\$ 493,969	\$ 872,192	\$ (378,223)
Net Position, Beginning of Year	<u>14,392,087</u>	<u>13,519,895</u>	<u>872,192</u>
Net Position, End of Year	<u>\$ 14,886,056</u>	<u>\$ 14,392,087</u>	<u>\$ 493,969</u>

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

FINANCIAL ANALYSIS OF THE DISTRICT’S GOVERNMENTAL FUND

The General Fund fund balance increased by \$791,029, primarily due to property tax and service revenues exceeding operating and capital costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current fiscal year. Actual revenues net of expenditures were \$640,170 more than budgeted. See the budget to actual comparison for additional information.

CAPITAL ASSETS

The District’s capital assets as of September 30, 2025, amount to \$9,629,916 (net of accumulated depreciation). These capital assets include land, as well as the water and wastewater systems, recreational and detention facilities, fences and capital recovery fees.

Capital Assets At Year-End, Net of Accumulated Depreciation			
	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	\$ 84,052	\$ 84,052	\$
Construction in Progress	314,851	79,891	234,960
Capital Assets, Net of Accumulated Depreciation:			
Water and Wastewater System	6,804,388	7,187,903	(383,515)
Park and Detention Facilities	2,383,942	2,513,395	(129,453)
District Fences	8,539	16,405	(7,866)
Capital Recovery Fees	34,144	53,899	(19,755)
Total Net Capital Assets	\$ 9,629,916	\$ 9,935,545	\$ (305,629)

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Williamson-Travis Counties Municipal Utility District No. 1, c/o Coats Rose, P.C., Terrace 2, 2700 Via Fortuna, Suite 350, Austin, Texas 78746

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2025

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Net Position</u>
ASSETS			
Cash	\$ 314,747	\$	\$ 314,747
Investments	5,495,008		5,495,008
Receivables:			
Property Taxes	76,877		76,877
Service Accounts	296,571		296,571
Other	7,312		7,312
Land		84,052	84,052
Construction in Progress		314,851	314,851
Capital Assets (Net of Accumulated Depreciation)		<u>9,231,013</u>	<u>9,231,013</u>
TOTAL ASSETS	<u>\$ 6,190,515</u>	<u>\$ 9,629,916</u>	<u>\$ 15,820,431</u>

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET
SEPTEMBER 30, 2025

	General Fund	Adjustments	Statement of Net Position
LIABILITIES			
Accounts Payable	\$ 556,308	\$	\$ 556,308
Security Deposits	378,067		378,067
TOTAL LIABILITIES	\$ 934,375	\$ -0-	\$ 934,375
 DEFERRED INFLOWS OF RESOURCES			
Property Taxes	\$ 76,877	\$ (76,877)	\$ -0-
 FUND BALANCE			
Unassigned	\$ 5,179,263	\$ (5,179,263)	\$ -0-
TOTAL FUND BALANCE	\$ 5,179,263	\$ (5,179,263)	\$ -0-
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	 \$ 6,190,515		
 NET POSITION			
Net Investment in Capital Assets		\$ 9,629,916	\$ 9,629,916
Unrestricted		5,256,140	5,256,140
TOTAL NET POSITION		\$ 14,886,056	\$ 14,886,056

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUND
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Fund Balance - Governmental Fund \$ 5,179,263

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

Land, construction in progress and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. 9,629,916

Deferred inflows of resources related to property tax revenues on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District. 76,877

Total Net Position - Governmental Activities \$ 14,886,056

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Adjustments	Statement of Activities
REVENUES			
Property Taxes	\$ 2,443,256	\$ 8,569	\$ 2,451,825
Water and Wastewater Service	2,057,310		2,057,310
Fire Protection Fee	680,845		680,845
Penalty and Interest	33,953		33,953
Investment Revenues	223,288		223,288
Miscellaneous Revenues	145,474		145,474
TOTAL REVENUES	\$ 5,584,126	\$ 8,569	\$ 5,592,695
EXPENDITURES/EXPENSES			
Service Operations:			
Professional Fees	\$ 385,334	\$	\$ 385,334
Contracted Services	1,988,958		1,988,958
Purchased Water and Wastewater Service	1,379,135		1,379,135
Utilities	50,632		50,632
Repairs and Maintenance	505,382	50,000	555,382
Depreciation		635,578	635,578
Other	103,707		103,707
Capital Outlay	379,949	(379,949)	
TOTAL EXPENDITURES/EXPENSES	\$ 4,793,097	\$ 305,629	\$ 5,098,726
NET CHANGE IN FUND BALANCE	\$ 791,029	\$ (791,029)	\$
CHANGE IN NET POSITION		493,969	493,969
FUND BALANCE/NET POSITION - OCTOBER 1, 2024	4,388,234	10,003,853	14,392,087
FUND BALANCE/NET POSITION - SEPTEMBER 30, 2025	\$ 5,179,263	\$ 9,706,793	\$ 14,886,056

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

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Net Change in Fund Balance - Governmental Fund	\$	791,029
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.</p>		8,569
<p>Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.</p>		(635,578)
<p>Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.</p>		<u>329,949</u>
Change in Net Position - Governmental Activities	\$	<u><u>493,969</u></u>

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1. CREATION OF DISTRICT

Williamson-Travis Counties Municipal Utility District No. 1 (the “District”) was created effective March 27, 1985, by an Order of the Texas Water Commission, presently known as the Texas Commission on Environmental Quality (the “Commission”). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to establish, operate and maintain a fire department to perform all fire-fighting activities within the District.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting (“GASB Codification”).

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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.

Government-Wide Financial Statements

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

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

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Funds

The District has one governmental fund and considers it to be a major fund.

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

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenue reported in governmental funds to be available if they are collectable within 60 days of year end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Fund Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than \$5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water and wastewater facilities	30-40
Park and detention facilities:	
Park improvements and pavilion	5-30
District office	30
Office furniture	10
Detention ponds	30
District fences	15
Capital recovery fees	23-33

Budgeting

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

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 tax purposes only.

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the balance sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental funds types increases and decreases in available spendable resources. Fund balances in governmental funds are classified using the following hierarchy:

Nonspendable: amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

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. The District does not have any restricted fund balances.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

Assigned: amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have assigned fund balances.

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 3. LONG – TERM DEBT

As of September 30, 2025, the District has authorized but unissued tax bonds in the amount of \$5,813,671.

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits

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

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District’s deposits was \$314,747 and the bank balance was \$381,169 and fully covered by a combination of federal depository insurance and sweep account arrangements. The District was not exposed to custodial credit risk at year end.

The carrying values of the deposits are included in the Governmental Fund Balance Sheet and the Statement of Net Position at September 30, 2025, as listed below:

	<u>Cash</u>
GENERAL FUND	<u>\$ 314,747</u>

Investments

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 4. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest. This policy is reviewed annually. The District’s investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexPool, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool meets the criteria established in GASB Statement No. 79 and 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.

As of September 30, 2025, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 year
<u>GENERAL FUND</u>		
TexPool	<u>\$ 5,495,008</u>	<u>\$ 5,495,008</u>

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2025, the District’s investment in TexPool was rated AAAM by Standard and Poor’s.

Interest rate risk is the risk the changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexPool to have a maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the District.

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2025:

	October 1, 2024	Increases	Decreases	September 30, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	\$ 84,052	\$	\$	\$ 84,052
Construction in Progress	<u>79,891</u>	<u>379,949</u>	<u>144,989</u>	<u>314,851</u>
Total Capital Assets Not Being Depreciated	<u>\$ 163,943</u>	<u>\$ 379,949</u>	<u>\$ 144,989</u>	<u>\$ 398,903</u>
Capital Assets Subject to Depreciation				
Water and Wastewater System	\$ 18,289,940	\$	\$	\$ 18,289,940
Park and Detention Facilities	5,212,587	94,989		5,307,576
District Fences	1,741,657			1,741,657
Capital Recovery Fees	<u>1,112,422</u>			<u>1,112,422</u>
Total Capital Assets Subject to Depreciation	<u>\$ 26,356,606</u>	<u>\$ 94,989</u>	<u>\$ -0-</u>	<u>\$ 26,451,595</u>
Less Accumulated Depreciation				
Water and Wastewater System	\$ 11,102,037	\$ 383,515	\$	\$ 11,485,552
Park and Detention Facilities	2,699,192	224,442		2,923,634
District Fences	1,725,252	7,866		1,733,118
Capital Recovery Fees	<u>1,058,523</u>	<u>19,755</u>		<u>1,078,278</u>
Total Accumulated Depreciation	<u>\$ 16,585,004</u>	<u>\$ 635,578</u>	<u>\$ -0-</u>	<u>\$ 17,220,582</u>
Total Depreciable Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,771,602</u>	<u>\$ (540,589)</u>	<u>\$ -0-</u>	<u>\$ 9,231,013</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 9,935,545</u>	<u>\$ (160,640)</u>	<u>\$ 144,989</u>	<u>\$ 9,629,916</u>

NOTE 6. MAINTENANCE TAX

On June 18, 1985, the voters of the District approved the levy and collection of a maintenance tax not to exceed \$1.50 of assessed valuation of taxable property within the District. During the year ended September 30, 2025, the District levied an ad valorem maintenance tax rate of \$0.2733 per \$100 of assessed valuation, which resulted in a tax levy of \$2,457,665 on the adjusted taxable valuation of \$899,218,636 for the 2024 tax year. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's waterworks and sanitary sewer system.

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

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 7. WHOLESALE WATER AND WASTEWATER SERVICE AGREEMENT

Effective September 22, 2015, the District and the City of Cedar Park, Texas (the “City”) entered into a Wholesale Water and Wastewater Service Agreement (the “Agreement”). The Agreement was amended on November 1, 2016. Per the Agreement, the City has agreed to provide the District with a wholesale water supply and wholesale wastewater treatment services. The Agreement established wholesale rates for water and wastewater services provided and further provided mechanisms for calculating increases in the respective rates. The current rate being charged by the City is \$4.75 per 1,000 gallons of water purchased and \$3.99 per 1,000 gallons of wastewater services purchased. During the current fiscal year, the District recorded \$940,680 for purchased water services and \$438,455 for purchased wastewater services.

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for its fidelity bonds and participates in the Texas Municipal League Intergovernmental Risk Pool (TML) to provide property, general liability, automobile, boiler and machinery, errors and omissions and law enforcement liability coverage. The District, along with other participating entities, contributes annual amounts determined by TML’s management. As claims arise they are submitted and evaluated and denied or allowed by TML. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**WILLIAMSON-TRAVIS COUNTIES
MUNICIPAL UTILITY DISTRICT NO. 1**

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	\$ 2,375,349	\$ 2,443,256	\$ 67,907
Water and Wastewater Service	1,814,400	2,057,310	242,910
Fire Protection Fee	700,600	680,845	(19,755)
Penalty and Interest	28,600	33,953	5,353
Investment Revenues	75,250	223,288	148,038
Miscellaneous Revenues	<u>17,500</u>	<u>145,474</u>	<u>127,974</u>
TOTAL REVENUES	<u>\$ 5,011,699</u>	<u>\$ 5,584,126</u>	<u>\$ 572,427</u>
EXPENDITURES			
Service Operations:			
Professional Fees	\$ 242,250	\$ 385,334	\$ (143,084)
Contracted Services	1,888,775	1,988,958	(100,183)
Purchased Water and Wastewater Service	1,221,100	1,379,135	(158,035)
Utilities	61,000	50,632	10,368
Repairs and Maintenance	668,975	505,382	163,593
Other	102,372	103,707	(1,335)
Capital Outlay	<u>676,368</u>	<u>379,949</u>	<u>296,419</u>
TOTAL EXPENDITURES	<u>\$ 4,860,840</u>	<u>\$ 4,793,097</u>	<u>\$ 67,743</u>
NET CHANGE IN FUND BALANCE	\$ 150,859	\$ 791,029	\$ 640,170
FUND BALANCE - OCTOBER 1, 2024	<u>4,388,234</u>	<u>4,388,234</u>	<u></u>
FUND BALANCE - SEPTEMBER 30, 2025	<u>\$ 4,539,093</u>	<u>\$ 5,179,263</u>	<u>\$ 640,170</u>

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES
MUNICIPAL UTILITY DISTRICT NO. 1**

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

SEPTEMBER 30, 2025

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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

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

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 3/4” METER (OR EQUIVALENT):

Based on the rate order effective June 16, 2025.

	<u>Minimum Charge</u>	<u>Minimum Usage</u>	<u>Flat Rate Y/N</u>	<u>Rate per 1,000 Gallons over Minimum Use</u>	<u>Usage Levels</u>
WATER:	\$ 25.00*	N/A	N	\$ 4.94 \$ 5.94 \$ 7.12 \$ 10.68	0,001 to 10,000 10,001 to 15,000 15,001 and 20,000 20,000 and up
WASTEWATER:		N/A	N	\$ 4.84	0,001 and up
FIRE PROTECTION	\$34.89				
SURCHARGE:	\$0.05% of water and wastewater bill				
Regulatory Assessment Fee					

District employs winter averaging for wastewater usage? X
Yes
No

Total monthly charges per 10,000 gallons usage: Water: \$74.39 Wastewater: \$48.40 Fire Protection: \$34.89
Surcharge: \$0.61

* Base fee of \$25.00

See accompanying independent auditor’s report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

<u>Meter Size</u>	<u>Total Connections</u>	<u>Active Connections</u>	<u>ESFC Factor</u>	<u>Active ESFCs</u>
Unmetered	_____	_____	x 1.0	_____
≤ ³ / ₄ "	<u>1,892</u>	<u>1,888</u>	x 1.0	<u>1,888</u>
1"	<u>20</u>	<u>20</u>	x 2.5	<u>50</u>
1½"	<u>10</u>	<u>10</u>	x 5.0	<u>50</u>
2"	<u>2</u>	<u>2</u>	x 8.0	<u>16</u>
3"	<u>4</u>	<u>4</u>	x 15.0	<u>60</u>
4"	_____	_____	x 25.0	_____
6"	_____	_____	x 50.0	_____
8"	_____	_____	x 80.0	_____
10"	_____	_____	x 115.0	_____
Total Water Connections	<u><u>1,928</u></u>	<u><u>1,924</u></u>		<u><u>2,064</u></u>
Total Wastewater Connections	<u><u>1,917</u></u>	<u><u>1,913</u></u>	x 1.0	<u><u>1,913</u></u>

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

Gallons billed to customers: 167,905,000 Water Accountability Ratio: 88.86 %
(Gallons billed/Gallons purchased)

Gallons purchased: 188,953,000 From: City of Cedar Park, Texas

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

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

Does the District have Debt Service standby fees? Yes _____ No X

Does the District have Operation and Maintenance standby fees? Yes _____ No X

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes _____ No X

Counties in which District is located:

Williamson and Travis Counties, Texas

Is the District located within a city?

Entirely _____ Partly X Not at all _____

City in which District is partially located:

City of Cedar Park, Texas

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

Entirely X Partly _____ Not at all _____

ETJ in which District is located:

City of Cedar Park, Texas

Is the general membership of the Board appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

PROFESSIONAL FEES:	
Auditing	\$ 17,750
Engineering	100,426
Legal	<u>267,158</u>
TOTAL PROFESSIONAL FEES	<u>\$ 385,334</u>
PURCHASED SERVICES FOR RESALE:	
Purchased Water Service	\$ 940,680
Purchased Wastewater Service	<u>438,455</u>
TOTAL PURCHASED SERVICES FOR RESALE	<u>\$ 1,379,135</u>
CONTRACTED SERVICES:	
Appraisal District	\$ 13,384
Bookkeeping	46,774
Utility Manager	638,210
Solid Waste Disposal	552,106
Security	57,639
Fire Fighting	<u>680,845</u>
TOTAL CONTRACTED SERVICES	<u>\$ 1,988,958</u>
UTILITIES	<u>\$ 50,632</u>
REPAIRS AND MAINTENANCE	<u>\$ 505,382</u>
ADMINISTRATIVE EXPENDITURES:	
Director Fees	\$ 34,728
Election Costs	2,571
Insurance	27,557
Payroll Taxes and Administration	6,388
Other	<u>21,528</u>
TOTAL ADMINISTRATIVE EXPENDITURES	<u>\$ 92,772</u>

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

CAPITAL OUTLAY	<u>\$ 379,949</u>
OTHER EXPENDITURES:	
Permit Fees	\$ 4,743
Regulatory Assessment	<u>6,192</u>
TOTAL OTHER EXPENDITURES	<u>\$ 10,935</u>
TOTAL EXPENDITURES	<u><u>\$ 4,793,097</u></u>

See accompanying independent auditor's report.

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
INVESTMENTS
SEPTEMBER 30, 2025

<u>Funds</u>	<u>Identification or Certificate Number</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at End of Year</u>	<u>Accrued Interest Receivable at End of Year</u>
<u>GENERAL FUND</u>					
TexPool	XXXX0002	Varies	Daily	\$ 5,403,206	\$
TexPool	XXXX0004	Varies	Daily	<u>91,802</u>	<u> </u>
TOTAL GENERAL FUND				<u>\$ 5,495,008</u>	<u>\$ -0-</u>

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	Maintenance Tax	Debt Service Tax
TAXES RECEIVABLE -		
OCTOBER 1, 2024	\$ 49,106	\$ 19,202
Adjustments to Beginning		
Balance	<u>(5,813)</u>	<u>(27)</u>
	\$ 43,293	\$ 19,175
Original 2024 Tax Levy	\$ 2,462,956	\$ -0-
Adjustment to 2024 Tax Levy	<u>(5,291)</u>	<u> </u>
TOTAL TO BE		
ACCOUNTED FOR	\$ 2,500,958	\$ 19,175
 TAX COLLECTIONS:		
Prior Years	\$ (2,957)	\$ 1,495
Current Year	<u>2,444,718</u>	<u> </u>
	2,441,761	1,495
 TAXES RECEIVABLE -		
SEPTEMBER 30, 2025	<u>\$ 59,197</u>	<u>\$ 17,680</u>
 TAXES RECEIVABLE BY		
YEAR:		
2024	\$ 12,947	\$ -0-
2023	6,893	
2022	6,019	160
2021	5,414	494
2020	4,196	705
2019 and prior	<u>23,728</u>	<u>16,321</u>
TOTAL	<u>\$ 59,197</u>	<u>\$ 17,680</u>

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	2024	2023	2022	2021
TOTAL PROPERTY VALUATIONS (a)	<u>\$ 899,218,636</u>	<u>\$ 844,948,303</u>	<u>\$ 824,642,148</u>	<u>\$ 685,249,322</u>
TAX RATES PER \$100 VALUATION:				
Debt Service	\$ 0.0000	\$ 0.0000	\$ 0.0078	\$ 0.0275
Maintenance	<u>0.2733</u>	<u>0.2881</u>	<u>0.2940</u>	<u>0.3016</u>
TOTAL TAX RATES PER \$100 VALUATION	<u>\$ 0.2733</u>	<u>\$ 0.2881</u>	<u>\$ 0.3018</u>	<u>\$ 0.3291</u>
ADJUSTED TAX LEVY*	<u>\$ 2,457,665</u>	<u>\$ 2,432,140</u>	<u>\$ 2,487,008</u>	<u>\$ 2,254,720</u>
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED**	<u>99.47 %</u>	<u>99.72 %</u>	<u>99.75 %</u>	<u>99.74 %</u>

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

Maintenance Tax – Maximum tax rate of \$1.50 per \$100 of assessed valuation was approved by voters on June 18, 1985

See accompanying independent auditor’s report.

WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes,	\$ 2,443,256	\$ 2,426,734	\$ 2,414,090
Water and Wastewater Service	2,091,263	1,835,526	1,913,395
Fire Protection Fee	680,845	667,336	665,984
Investment Revenues	223,288	194,277	155,925
Miscellaneous Revenues	145,474	535,725	26,940
TOTAL REVENUES	\$ 5,584,126	\$ 5,659,598	\$ 5,176,334
EXPENDITURES			
Professional Fees	\$ 385,334	\$ 282,066	\$ 249,242
Contracted Services	1,988,958	1,920,423	1,942,515
Purchased Water and Wastewater Service	1,379,135	1,383,555	1,327,186
Utilities	50,632	66,395	56,413
Repairs and Maintenance	505,382	432,714	760,169
Other	103,707	82,912	115,588
Capital Outlay	379,949	454,795	257,128
TOTAL EXPENDITURES	\$ 4,793,097	\$ 4,622,860	\$ 4,708,241
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 791,029	\$ 1,036,738	\$ 468,093
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	\$ -0-	\$ -0-	\$ 16,560
NET CHANGE IN FUND BALANCE	\$ 791,029	\$ 1,036,738	\$ 484,653
BEGINNING FUND BALANCE	4,388,234	3,351,496	2,866,843
ENDING FUND BALANCE	\$ 5,179,263	\$ 4,388,234	\$ 3,351,496

See accompanying independent auditor's report.

		Percentage of Total Revenue				
<u>2022</u>	<u>2021</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
\$ 2,100,940	\$ 1,828,934	43.7 %	42.9 %	46.6 %	44.0 %	41.8 %
1,961,079	1,880,827	37.5	32.4	37.0	41.0	42.9
636,822	613,790	12.2	11.8	12.9	13.3	14.0
20,580	1,469	4.0	3.4	3.0	0.4	
59,819	58,171	2.6	9.5	0.5	1.3	1.3
<u>\$ 4,779,240</u>	<u>\$ 4,383,191</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>	<u>100.0 %</u>
\$ 341,096	\$ 586,348	6.9 %	5.0 %	4.8 %	7.1 %	13.4 %
1,832,053	1,768,945	35.6	33.9	37.5	38.3	40.4
1,370,993	1,206,982	24.7	24.4	25.6	28.7	27.5
14,007	13,039	0.9	1.2	1.1	0.3	0.3
668,311	599,991	9.1	7.6	14.7	14.0	13.7
108,579	123,854	1.9	1.5	2.2	2.3	2.8
128,540	47,816	6.8	8.0	5.0	2.7	1.1
<u>\$ 4,463,579</u>	<u>\$ 4,346,975</u>	<u>85.9 %</u>	<u>81.6 %</u>	<u>90.9 %</u>	<u>93.4 %</u>	<u>99.2 %</u>
<u>\$ 315,661</u>	<u>\$ 36,216</u>	<u>14.1 %</u>	<u>18.4 %</u>	<u>9.1 %</u>	<u>6.6 %</u>	<u>0.8 %</u>
<u>\$ -0-</u>	<u>\$ -0-</u>					
\$ 315,661	\$ 36,216					
<u>2,551,182</u>	<u>2,514,966</u>					
<u>\$ 2,866,843</u>	<u>\$ 2,551,182</u>					

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS**

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes, including Penalty and Interest	\$	\$	\$ 64,213
Investment Revenues			11,532
Miscellaneous Revenues			514
TOTAL REVENUES	N/A	N/A	\$ 76,259
EXPENDITURES			
Tax Collection Expenditures	\$	\$	\$ 1,425
Debt Service Principal			185,000
Debt Service Interest and Fees			7,400
TOTAL EXPENDITURES	N/A	N/A	\$ 193,825
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	N/A	N/A	\$ (117,566)
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	N/A	N/A	\$ (16,560)
NET CHANGE IN FUND BALANCE	N/A	N/A	\$ (134,126)
BEGINNING FUND BALANCE			134,126
ENDING FUND BALANCE	N/A	N/A	\$ - 0 -
TOTAL ACTIVE RETAIL WATER CONNECTIONS	1,924	1,931	1,932
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	1,913	1,913	1,914

See accompanying independent auditor's report.

		Percentage of Total Revenue						
<u>2022</u>	<u>2021</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>		
\$ 200,935	\$ 305,198		%	%	84.2 %	99.0 %	99.9 %	
1,943	293				15.1	1.0	0.1	
					0.7			
<u>\$ 202,878</u>	<u>\$ 305,491</u>	<u>N/A</u>	%	<u>N/A</u>	%	<u>100.0</u>	% <u>100.0</u>	% <u>100.0</u>
\$ 2,502	\$ 2,426		%	%	1.9 %	1.2 %	0.8 %	
175,000	345,000				242.6	86.3	112.9	
14,400	27,270				9.7	7.1	8.9	
<u>\$ 191,902</u>	<u>\$ 374,696</u>	<u>N/A</u>	%	<u>N/A</u>	%	<u>254.2</u>	% <u>94.6</u>	% <u>122.6</u>
<u>\$ 10,976</u>	<u>\$ (69,205)</u>	<u>N/A</u>	%	<u>N/A</u>	%	<u>(154.2)</u>	% <u>5.4</u>	% <u>(22.6)</u>
<u>\$ -0-</u>	<u>\$ -0-</u>							
\$ 10,976	\$ (69,205)							
123,150	192,355							
<u>\$ 134,126</u>	<u>\$ 123,150</u>							
<u>1,932</u>	<u>1,929</u>							
<u>1,932</u>	<u>1,924</u>							

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025**

District Mailing Address - Williamson-Travis Counties Municipal Utility District No. 1
c/o Coats Rose, P.C.
Terrace 2, 2700 Via Fortuna, Suite 350
Austin, TX 78746

District Telephone Number - (512) 541-3593

Board Members	<u>Term of Office (Elected or Appointed)</u>	<u>Fees of Office for the year ended September 30, 2025</u>	<u>Expense Reimbursements for the year ended September 30, 2025</u>	<u>Title</u>
Beth Jones	11/22 11/26 (Elected)	\$ 8,177	\$ 1,124	President
Hanoi Avila	11/22 11/26 (Elected)	\$ 7,198	\$ -0-	Vice President/ Treasurer
Christopher Rocco	11/24 11/28 (Elected)	\$ 7,198	\$ 864	Secretary
David Flores	11/22 11/26 (Elected)	\$ 4,199	\$ -0-	Assistant Secretary
Carroll Norrell	11/24 11/28 (Elected)	\$ 6,188	\$ -0-	Assistant Secretary
Linda Fabre	11/20 11/24 (Elected)	\$ 663	\$ -0-	Former Treasurer
Kelley Masters	04/23 11/24 (Appointed)	\$ 1,105	\$ -0-	Former Secretary

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

Submission Date of most recent District Registration Form: January 6, 2025

The limit on Fees of Office that a Director may receive during a fiscal year is \$7,200 as set by Board Resolution. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year. As noted above, one Director exceeded the maximum allowed amount of \$7,200 during the current fiscal year due to the transition of bookkeepers and the overage is to be withheld from future per diems.

See accompanying independent auditor's report.

**WILLIAMSON-TRAVIS COUNTIES MUNICIPAL UTILITY DISTRICT NO. 1
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025**

Consultants:	<u>Date Hired</u>	<u>Fees for the year ended September 30, 2025</u>	<u>Title</u>
Coats Rose, P.C.	03/29/23	\$ 148,172	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	10/18/23	\$ 17,750	Auditor
Artesian Financial Services, LLC	06/27/23	\$ 56,812	Bookkeeper
Westwood Professional Services, Inc.	10/18/23	\$ 214,079	Engineer
Inframark, LLC	1991	\$ 789,776	District Manager
Williamson County Tax Assessor/Collector		\$ 691	Tax Assessor/ Collector
Travis County Tax Assessor/Collector		\$ 1,097	Tax Assessor/ Collector

See accompanying independent auditor's report.

