

**MEYER RANCH MUNICIPAL UTILITY
DISTRICT OF COMAL COUNTY**

COMAL COUNTY, TEXAS

FINANCIAL REPORT

September 30, 2025

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Independent Auditor's Report

Board of Directors
Meyer Ranch Municipal Utility District of Comal County
Comal County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Meyer Ranch Municipal Utility District of Comal County (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 Meyer Ranch Municipal Utility District of Comal County, as of September 30, 2025, and the respective changes in financial position thereof 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.

***Board of Directors
Meyer Ranch Municipal Utility District of Comal County
Comal County, Texas***

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 budgetary comparison information 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

*Board of Directors
Meyer Ranch Municipal Utility District of Comal County
Comal County, Texas*

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 schedules are presented for purposes of additional analysis and are 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 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 Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



Houston, Texas
January 9, 2026

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Management's Discussion and Analysis

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***Meyer Ranch Municipal Utility District of Comal County
Management's Discussion and Analysis
September 30, 2025***

Using this Annual Report

This section of the financial report of Meyer Ranch Municipal Utility District of Comal County (the "District") provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2025. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

***Meyer Ranch Municipal Utility District of Comal County
Management’s Discussion and Analysis
September 30, 2025***

The *Statement of Activities* reports how the District’s net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District’s use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District’s net position at September 30, 2025, was negative \$40,352,379. The District’s net position is negative because the District incurs debt to construct road facilities which it conveys to Comal County and water facilities which it conveys to Texas Water Company. A comparative summary of the District’s overall financial position, as of September 30, 2025 and 2024, is as follows:

	2025	2024
Current and other assets	\$ 4,198,554	\$ 3,972,587
Capital assets	35,019,850	24,022,414
Total assets	39,218,404	27,995,001
Current liabilities	1,288,486	1,061,141
Long-term liabilities	78,282,297	62,692,996
Total liabilities	79,570,783	63,754,137
Net position		
Net investment in capital assets	(8,255,672)	(7,240,756)
Restricted	1,455,370	1,502,602
Unrestricted	(33,552,077)	(30,020,982)
Total net position	\$ (40,352,379)	\$ (35,759,136)

**Meyer Ranch Municipal Utility District of Comal County
Management’s Discussion and Analysis
September 30, 2025**

The total net position of the District decreased during the current fiscal year by \$4,593,243. A comparative summary of the District’s *Statement of Activities* for the past two fiscal years is as follows:

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 2,866,881	\$ 2,461,567
Sewer service	945,544	799,537
Other	336,061	289,533
Total revenues	<u>4,148,486</u>	<u>3,550,637</u>
Expenses		
Current service operations	1,563,660	1,504,922
Debt interest and fees	1,811,204	1,410,258
Developer interest		3,617,540
Debt issuance costs		2,043,223
Depreciation and amortization	762,526	515,154
Total expenses	<u>4,137,390</u>	<u>9,091,097</u>
Change in net position before other item	11,096	(5,540,460)
Other item		
Transfer of road and water facilities	<u>(4,604,339)</u>	<u>(3,505,854)</u>
Change in net position	(4,593,243)	(9,046,314)
Net position, beginning of year	<u>(35,759,136)</u>	<u>(26,712,822)</u>
Net position, end of year	<u>\$ (40,352,379)</u>	<u>\$ (35,759,136)</u>

Financial Analysis of the District’s Funds

The District’s combined fund balances, as of September 30, 2025, were \$3,914,446, which consists of \$1,341,306 in the General Fund, \$1,685,339 in the Debt Service Fund and \$887,801 in the Capital Projects Fund.

***Meyer Ranch Municipal Utility District of Comal County
Management’s Discussion and Analysis
September 30, 2025***

General Fund

A comparative summary of the General Fund’s financial position as of September 30, 2025 and 2024, is as follows:

	<u>2025</u>	<u>2024</u>
Total assets	<u>\$ 1,589,563</u>	<u>\$ 1,322,479</u>
Total liabilities	\$ 247,666	\$ 243,209
Total deferred inflows	591	2,669
Total fund balance	<u>1,341,306</u>	<u>1,076,601</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 1,589,563</u>	<u>\$ 1,322,479</u>

A comparative summary of the General Fund’s activities for the current and prior fiscal year is as follows:

	<u>2025</u>	<u>2024</u>
Total revenues	\$ 1,728,115	\$ 1,601,083
Total expenditures	<u>(1,463,410)</u>	<u>(1,416,232)</u>
Revenues over expenditures	<u>\$ 264,705</u>	<u>\$ 184,851</u>

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District’s primary financial resources in the General Fund are from a property tax levy, the provision of sewer services to customers within the District and tap connection fees charged to homebuilders in the District. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. While assessed values in the District increased from the prior year, property tax revenues decreased because the District decreased the maintenance component of the levy.
- Sewer revenues are dependent upon the number of connections in the District, which fluctuates based on the number of occupied homes in the District, and on water usage by residents.
- Tap connection fees fluctuate with homebuilding activity within the District.

***Meyer Ranch Municipal Utility District of Comal County
Management’s Discussion and Analysis
September 30, 2025***

Debt Service Fund

A comparative summary of the Debt Service Fund’s financial position as of September 30, 2025 and 2024, is as follows:

	2025	2024
Total assets	\$ 1,694,672	\$ 1,730,534
Total liabilities	\$ 7,470	\$ 2,538
Total deferred inflows	1,863	8,422
Total fund balance	1,685,339	1,719,574
Total liabilities, deferred inflows and fund balance	\$ 1,694,672	\$ 1,730,534

A comparative summary of the Debt Service Fund’s activities for the current and prior fiscal year is as follows:

	2025	2024
Total revenues	\$ 2,387,459	\$ 1,927,659
Total expenditures	(2,421,694)	(1,603,329)
Revenues over/(under) expenditures	(34,235)	324,330
Other changes in fund balance		417,344
Net change in fund balance	\$ (34,235)	\$ 741,674

The District’s financial resources in the Debt Service Fund in both the current and prior fiscal year are from property tax revenues. During the prior fiscal year, financial resources also included capitalized interest from the sale of bonds. The difference between these financial resources and debt service requirements resulted in changes in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

Capital Projects Fund

A comparative summary of the Capital Projects Fund’s financial position as of September 30, 2025 and 2024, is as follows:

	2025	2024
Total assets	\$ 914,319	\$ 920,855
Total liabilities	\$ 26,518	\$ 1,281
Total fund balance	887,801	919,574
Total liabilities and fund balance	\$ 914,319	\$ 920,855

**Meyer Ranch Municipal Utility District of Comal County
Management’s Discussion and Analysis
September 30, 2025**

A comparative summary of activities in the Capital Projects Fund for the current and prior fiscal year is as follows:

	2025	2024
Total revenues	\$ 41,549	\$ 25,860
Total expenditures	(73,322)	(26,225,615)
Revenues under expenditures	(31,773)	(26,199,755)
Other changes in fund balance		27,201,156
Net change in fund balance	\$ (31,773)	\$ 1,001,401

The District did not have any significant capital asset activity in the current year. During the prior fiscal year, capital asset activity was financed with proceeds from the issuance of its Series 2023 and Series 2024 Unlimited Tax Bonds.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

Since the District’s budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was \$242,562 greater than budgeted. The *Budgetary Comparison Schedule* on page 34 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developers for the financing of the construction of capital assets within the District. Developers will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District’s financial statements upon completion of construction.

Capital assets held by the District at September 30, 2025 and 2024, are summarized as follows:

	2025	2024
Capital assets not being depreciated		
Land and improvements	\$ 3,896,330	\$ 3,268,107
Capital assets being depreciated		
Infrastructure	34,313,627	23,181,888
Less accumulated depreciation	(3,190,107)	(2,427,581)
Depreciable capital assets, net	31,123,520	20,754,307
Capital assets, net	\$ 35,019,850	\$ 24,022,414

***Meyer Ranch Municipal Utility District of Comal County
Management’s Discussion and Analysis
September 30, 2025***

Capital asset additions during the current fiscal year include the following:

- Meyer Ranch – wastewater treatment plant expansion
- Meyer Ranch Unit 13 – sewer and drainage facilities
- Meyer Ranch Unit 14 – sewer and drainage facilities

Additionally, Comal County assumes responsibility (after a one-year maintenance period) for road facilities constructed within the boundaries of the County. The District also conveys water projects upon completion and inspection to Texas Water Company (“TWC”) and TWC uses these facilities to provide water service to customers in the District. Accordingly, these facilities are not considered assets of the District. The estimated value of these assets is recorded as transfers of road and water facilities upon completion of construction. This estimated cost is trued-up when the developer is reimbursed. For the year ended September 30, 2025, capital assets in the amount of \$4,604,339 have been recorded as “Transfers of road and water facilities” in the government-wide statements.

Long-Term Debt and Related Liabilities

As of September 30, 2025, the District owes approximately \$34,897,297 to developers for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District’s financial statements upon completion of construction. As discussed in Note 6, the District has an additional commitment in the amount of \$11,380,000 for projects under construction by the developers. As noted, the District will owe its developer for these projects upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At September 30, 2025 and 2024, the District had total bonded debt outstanding as shown below:

Series	2025	2024
2019 Road	\$ 2,515,000	\$ 2,575,000
2020 Road	3,160,000	3,235,000
2021 Road	3,640,000	3,730,000
2022 Road	6,845,000	6,960,000
2023	17,250,000	17,500,000
2024	10,750,000	10,750,000
	<u>\$ 44,160,000</u>	<u>\$ 44,750,000</u>

At September 30, 2025, the District had \$179,425,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District; \$66,695,000 for road improvements and \$437,062,500 for refunding purposes.

***Meyer Ranch Municipal Utility District of Comal County
Management’s Discussion and Analysis
September 30, 2025***

Property Taxes

The District’s property tax base increased approximately \$36,628,000 for the 2025 tax year from \$302,504,927 to \$339,133,137. This increase was primarily due to new construction in the District and increased property values. For the 2025 tax year, the District has levied a maintenance tax rate of \$0.15 per \$100 of assessed value and a debt service tax rate of \$0.80 per \$100 of assessed value, for a total combined tax rate of \$0.95 per \$100 of assessed value. Tax rates for the 2024 tax year were \$0.20 per \$100 for maintenance and operations and \$0.75 per \$100 for debt service for a combined total of \$0.95 per \$100 of assessed value.

Next Year’s Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and sewer services and the projected cost of operating the District and providing services to customers. A comparison of next fiscal year’s budget to current fiscal year actual amounts for the General Fund is as follows:

	<u>2025 Actual</u>	<u>2026 Budget</u>
Total revenues	\$ 1,728,115	\$ 1,716,439
Total expenditures	<u>(1,463,410)</u>	<u>(1,575,241)</u>
Revenues over expenditures	264,705	141,198
Beginning fund balance	<u>1,076,601</u>	<u>1,341,306</u>
Ending fund balance	<u><u>\$ 1,341,306</u></u>	<u><u>\$ 1,482,504</u></u>

Basic Financial Statements

Meyer Ranch Municipal Utility District of Comal County
Statement of Net Position and Governmental Funds Balance Sheet
September 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 124,684	\$ -	\$ -	\$ 124,684	\$ -	\$ 124,684
Investments	1,241,503	1,693,072	961,074	3,895,649		3,895,649
Taxes receivable	591	1,863		2,454		2,454
Customer service receivables	175,490			175,490		175,490
Internal balances	47,018	(263)	(46,755)			
Prepaid items	277			277		277
Capital assets not being depreciated					3,896,330	3,896,330
Capital assets, net					31,123,520	31,123,520
Total Assets	\$ 1,589,563	\$ 1,694,672	\$ 914,319	\$ 4,198,554	35,019,850	39,218,404
Liabilities						
Accounts payable	\$ 136,328	\$ -	\$ 26,518	\$ 162,846		162,846
Other payables	111,338	7,470		118,808		118,808
Accrued interest payable					231,832	231,832
Due to developer					34,897,297	34,897,297
Long-term debt						
Due within one year					775,000	775,000
Due after one year					43,385,000	43,385,000
Total Liabilities	247,666	7,470	26,518	281,654	79,289,129	79,570,783
Deferred Inflows of Resources						
Deferred property taxes	591	1,863		2,454	(2,454)	
Fund Balances/Net Position						
Fund Balances						
Nonspendable	277			277	(277)	
Restricted		1,685,339	887,801	2,573,140	(2,573,140)	
Unassigned	1,341,029			1,341,029	(1,341,029)	
Total Fund Balances	1,341,306	1,685,339	887,801	3,914,446	(3,914,446)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,589,563	\$ 1,694,672	\$ 914,319	\$ 4,198,554		
Net Position						
Net investment in capital assets					(8,255,672)	(8,255,672)
Restricted for debt service					1,455,370	1,455,370
Unrestricted					(33,552,077)	(33,552,077)
Total Net Position					\$ (40,352,379)	\$ (40,352,379)

See notes to basic financial statements.

*Meyer Ranch Municipal Utility District of Comal County
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended September 30, 2025*

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Sewer service	\$ 945,544	\$ -	\$ -	\$ 945,544	\$ -	\$ 945,544
Penalties and interest - service	9,452			9,452		9,452
Property taxes	606,439	2,267,039		2,873,478	(6,597)	2,866,881
Penalties and interest - taxes	1,547	5,505		7,052	(2,040)	5,012
Tap connection and inspection	94,200			94,200		94,200
Miscellaneous	19,446	14		19,460		19,460
Investment earnings	51,487	114,901	41,549	207,937		207,937
Total Revenues	1,728,115	2,387,459	41,549	4,157,123	(8,637)	4,148,486
Expenditures/Expenses						
Current service operations						
Purchased services	24,946			24,946		24,946
Professional fees	152,159		73,322	225,481		225,481
Contracted services	585,473	26,928		612,401		612,401
Repairs and maintenance	600,395			600,395		600,395
Administrative	99,530			99,530		99,530
Other	907			907		907
Debt service						
Principal		590,000		590,000	(590,000)	
Interest and fees		1,804,766		1,804,766	6,438	1,811,204
Depreciation					762,526	762,526
Total Expenditures/Expenses	1,463,410	2,421,694	73,322	3,958,426	178,964	4,137,390
Revenues Over (Under)						
Expenditures/Expenses	264,705	(34,235)	(31,773)	198,697	(187,601)	11,096
Other Item						
Transfers to other governments					(4,604,339)	(4,604,339)
Net Change in Fund Balances	264,705	(34,235)	(31,773)	198,697	(198,697)	
Change in Net Position					(4,593,243)	(4,593,243)
Fund Balance/Net Position						
Beginning of the year	1,076,601	1,719,574	919,574	3,715,749	(39,474,885)	(35,759,136)
End of the year	\$ 1,341,306	\$ 1,685,339	\$ 887,801	\$ 3,914,446	\$ (44,266,825)	\$ (40,352,379)

See notes to basic financial statements.

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Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

Note 1 – Summary of Significant Accounting Policies

The accounting policies of Meyer Ranch Municipal Utility District of Comal County (the “District”) conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (“GASB”). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality, dated October 11, 2016, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on February 3, 2017, and the first bonds were issued on December 17, 2019.

The District’s primary activities include construction of water, sewer, drainage and road facilities. As further discussed in Note 9, the District transfers the road facilities to Comal County and water facilities to Texas Water Company for operation and maintenance upon completion of construction. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other 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 statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or “major”

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

funds with non-major funds aggregated in a single column. The District has three governmental funds, which are all considered major funds.

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District's sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and sewer service fees. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's water, sewer and drainage facilities and road improvements.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full 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 revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, interest earned on investments and income from District operations. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

Prepaid Items

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At September 30, 2025, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost that exceeds the capitalization threshold for the asset class and an estimated useful life in excess of one year. Capital assets that individually are below the capitalization threshold but, in the aggregate, are above the threshold are capitalized. Subsequent replacements of these assets that do not exceed the threshold are not capitalized. The District's capitalization threshold for infrastructure assets is \$50,000. The threshold for subscription-based information technology arrangements (SBITAs) is \$100,000.

Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of wastewater and drainage facilities, are depreciated using the straight-line method as follows:

<u>Assets</u>	<u>Useful Life</u>
Infrastructure	10-45 years

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

The District’s storm water retention facilities are considered improvements to land and are non-depreciable.

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District’s investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

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’s nonspendable fund balance consists of prepaid items.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District’s restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund and property taxes levied for debt service in the Debt Service Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. 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 any assigned fund balances.

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the value of unbilled utility revenues and receivables; the useful lives and impairment of capital assets; the value of amounts due to developer; the value of capital assets transferred to Comal County and Texas Water Company and the value of capital assets for which the developer has not been fully reimbursed. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the *Governmental Funds Balance Sheet* to the *Statement of Net Position*

Total fund balance, governmental funds		\$ 3,914,446
--	--	--------------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.

Historical cost		\$ 38,209,957
Less accumulated depreciation		<u>(3,190,107)</u>
		35,019,850

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:

Accrued interest payable		(231,832)
Due to developer		(34,897,297)
Bonds payable		<u>(44,160,000)</u>
		(79,289,129)

Deferred inflows in the fund statements consist of property taxes receivable and related penalties and interest that have been levied and are due, but are not available to pay current period expenditures. These amounts are included in revenues in the government-wide statements.

2,454

Total net position - governmental activities		<u><u>\$ (40,352,379)</u></u>
--	--	-------------------------------

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

Reconciliation of the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* to the *Statement of Activities*

Net change in fund balances - total governmental funds \$ 198,697

Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes and related penalties and interest. (8,637)

Financial reporting for capital assets varies significantly between the fund statements and the government-wide statements. Reporting at the fund level focuses on the impact of transactions on financial resources (i.e., cash), while reporting at the government-wide level seeks to allocate the cost of the acquisition of capital assets over their useful lives and to measure the economic impact of developer financing of capital assets used by the District or conveyed to other governmental entities. Differences during the current fiscal year are for the following:

Transfers of road and water facilities	\$ (4,604,339)	
Depreciation expense	(762,526)	
		(5,366,865)

Financial reporting for certain obligations varies between the fund statements and the government-wide statements. At the fund level, the focus is on increases and decreases of financial resources as debt is issued and repaid. At the government-wide level, the focus is on measuring and reporting on changes in the District's obligation to repay liabilities in the future. Differences during the current fiscal year are for the following:

Principal payments	590,000	
Interest expense accrual	(6,438)	
		583,562

Change in net position of governmental activities \$ (4,593,243)

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District's deposits with financial institutions be covered by federal depository

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The District’s written investment policy establishes additional requirements for collateralization of deposits.

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers’ acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

The District has adopted a written investment policy to establish the principles by which the District’s investment program should be managed. This policy further restricts the types of investments in which the District may invest.

As of September 30, 2025, the District’s investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
TexPool	General	\$ 1,241,503	AAAm	44 days
	Debt Service	1,693,072		
	Capital Projects	961,074		
		<u>\$ 3,895,649</u>		

The District’s investments in certificates of deposit are reported at cost.

TexPool

The District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price and seeks to maintain a constant dollar value per share. Accordingly, the fair value of the District’s position in TexPool is the same as the value of TexPool shares. Investments in TexPool may be withdrawn on a same day basis, as long as the transaction is executed by 3:30 p.m.

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District’s investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at September 30, 2025, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>	<u>Purpose</u>
General Fund	Debt Service Fund	\$ 263	Maintenance tax collections and Debt Service Fund expenditures due to the General Fund
General Fund	Capital Projects Fund	46,755	Bond application fees paid by the General Fund

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended September 30, 2025, is as follows:

	<u>Beginning Balances</u>	<u>Additions/ Adjustments</u>	<u>Ending Balances</u>
Capital assets not being depreciated			
Land and improvements	\$ 3,268,107	\$ 628,223	\$ 3,896,330
Capital assets being depreciated			
Infrastructure	23,181,888	11,131,739	34,313,627
Less accumulated depreciation	(2,427,581)	(762,526)	(3,190,107)
Subtotal depreciable capital assets, net	<u>20,754,307</u>	<u>10,369,213</u>	<u>31,123,520</u>
Capital assets, net	<u>\$ 24,022,414</u>	<u>\$ 10,997,436</u>	<u>\$ 35,019,850</u>

Depreciation expense for the current fiscal year was \$762,526.

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

Note 6 – Due to Developer

The District has entered into a financing agreement with its developer for the financing of the construction of water, sewer and drainage facilities and road improvements. Under the agreement, the developer will construct facilities on behalf of the District. The developer will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete. The initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developer is reimbursed.

The District’s developer has also advanced funds to the District for operating expenses.

Changes in the estimated amount due to developer during the fiscal year is as follows:

Due to developer, beginning of year	\$ 18,532,996
Developer funded construction	<u>16,364,301</u>
Due to developer, end of year	<u><u>\$ 34,897,297</u></u>

In addition, the District will owe the developer approximately \$11,380,000, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District’s auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

	Contract Amount*
Meyer Ranch Unit 16 - utilities and paving	<u>\$ 11,380,000</u>

* Rounded to the nearest \$10,000

Note 7 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	<u><u>\$ 44,160,000</u></u>
Due within one year	<u><u>\$ 775,000</u></u>

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

The District’s bonds payable at September 30, 2025, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/Ending	Interest Payment Dates	Call Dates
2019 Road	\$ 2,515,000	\$ 2,745,000	2.00% - 3.25%	August 15, 2022/2049	February 15, August 15	August 15, 2025
2020 Road	3,160,000	3,375,000	2.00% - 4.00%	August 15, 2023/2050	February 15, August 15	August 15, 2026
2021 Road	3,640,000	3,815,000	2.00% - 3.00%	August 15, 2024/2051	February 15, August 15	August 15, 2026
2022 Road	6,845,000	7,070,000	3.00% - 6.00%	August 15, 2024/2052	February 15, August 15	August 15, 2027
2023	17,250,000	17,500,000	4.25% - 6.75%	August 15, 2025/2053	February 15, August 15	August 15, 2028
2024	10,750,000	10,750,000	4.00% - 6.00%	August 15, 2026/2054	February 15, August 15	August 15, 2029
	<u>\$ 44,160,000</u>					

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

At September 30, 2025, the District had authorized but unissued bonds in the amount of \$179,425,000 for water, sewer and drainage facilities; \$66,695,000 for road facilities; and \$437,062,500 for refunding purposes.

The change in the District’s long-term debt during the year is as follows:

Bonds payable, beginning of year	\$ 44,750,000
Bonds retired	(590,000)
Bonds payable, end of year	<u>\$ 44,160,000</u>

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

As of September 30, 2025, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2026	\$ 775,000	\$ 1,814,341	\$ 2,589,341
2027	815,000	1,774,821	2,589,821
2028	860,000	1,733,352	2,593,352
2029	905,000	1,692,798	2,597,798
2030	955,000	1,650,510	2,605,510
2031	995,000	1,606,646	2,601,646
2032	1,040,000	1,565,588	2,605,588
2033	1,090,000	1,522,091	2,612,091
2034	1,155,000	1,479,491	2,634,491
2035	1,205,000	1,434,292	2,639,292
2036	1,270,000	1,389,992	2,659,992
2037	1,330,000	1,342,899	2,672,899
2038	1,405,000	1,292,462	2,697,462
2039	1,465,000	1,238,632	2,703,632
2040	1,545,000	1,182,445	2,727,445
2041	1,615,000	1,123,132	2,738,132
2042	1,700,000	1,060,107	2,760,107
2043	1,795,000	993,332	2,788,332
2044	1,880,000	921,933	2,801,933
2045	1,985,000	847,089	2,832,089
2046	2,075,000	768,001	2,843,001
2047	2,190,000	685,038	2,875,038
2048	2,295,000	597,388	2,892,388
2049	2,410,000	505,476	2,915,476
2050	2,370,000	408,143	2,778,143
2051	2,295,000	311,024	2,606,024
2052	2,200,000	211,836	2,411,836
2053	1,845,000	113,874	1,958,874
2054	695,000	29,537	724,537
	<u>\$ 44,160,000</u>	<u>\$ 31,296,270</u>	<u>\$ 75,456,270</u>

Note 8 – Property Taxes

On November 7, 2017, the voters of the District authorized the District’s Board of Directors to levy taxes annually for use in financing general operations limited to \$1.00 per \$100 of assessed value. The District’s bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

All property values and exempt status, if any, are determined by the Comal Appraisal District. Assessed values are determined as of January 1 of each year, at which time a tax lien attaches to the related

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

property. Taxes are levied around October/November, are due upon receipt and are delinquent the following February 1. Penalty and interest attach thereafter.

Property taxes are collected based on rates adopted in the year of the levy. The District’s 2025 fiscal year was financed through the 2024 tax levy, pursuant to which the District levied property taxes of \$0.95 per \$100 of assessed value, of which \$0.20 was allocated to maintenance and operations and \$0.75 was allocated to debt service. The resulting tax levy was \$2,875,113 on the adjusted taxable value of \$302,504,927.

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

Current year taxes receivable	\$	6,484
Prior years taxes receivable		(4,030)
Net property taxes receivable		2,454

Note 9 – Transfers of Road and Water Facilities

Comal County assumes responsibility for the maintenance of public roads constructed within the county limits. Accordingly, road facilities are considered to be capital assets of Comal County, not the District. The District also constructs water facilities that are not used by the District to provide services and are, therefore, not considered assets of the District. The estimated cost of each project is trued-up when the developer is subsequently reimbursed. For the year ended September 30, 2025, the District recorded “Transfers of road and water facilities” in the amount of \$4,604,339 for road and water facilities constructed by a developer within the District. See Note 10 for more detail on the conveyance of water facilities.

Note 10 – Utility Agreement with Texas Water Company

On October 4, 2016, the District entered into an agreement, as subsequently amended, with Texas Water Company (“TWC”). Pursuant to the terms of this agreement, the District is required to construct water facilities to serve customers within the service area. TWC is responsible for the operation and maintenance of the water system and is entitled to all revenues derived from the operation of the water system. Accordingly, water facilities constructed by the District are not considered capital assets of the District and, as components of the water system are completed, the District records the cost of the facilities as transfers on the *Statement of Activities*.

Note 11 – Water Facilities Lease Purchase Agreement

On August 20, 2019, the District entered into an agreement with TWC for the conveyance of water facilities. The District agrees to lease water facilities to TWC until the date that any bonds issued by the District to finance the facilities are no longer outstanding, the dissolution of the District, or the District conveys the facilities to TWC. At this point, these facilities will be considered owned by TWC. During this leased period, TWC will maintain and operate the water facilities for the District.

Meyer Ranch Municipal Utility District of Comal County
Notes to Financial Statements
September 30, 2025

Note 12 – 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 personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 13 – Subsequent Event

On October 14, 2025, the District issued its \$9,500,000 Series 2025 Unlimited Tax Bonds at a net effective rate of 4.710379%. Proceeds from the bonds were used to reimburse the District's developers for infrastructure improvements in the District.

Required Supplementary Information

*Meyer Ranch Municipal Utility District of Comal County
 Required Supplementary Information - Budgetary Comparison Schedule - General Fund
 For the Year Ended September 30, 2025*

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Sewer service	\$ 877,764	\$ 945,544	\$ 67,780
Penalties and interest - service	7,500	9,452	1,952
Property taxes	603,572	606,439	2,867
Penalties and interest - taxes		1,547	1,547
Tap connection and inspection	43,200	94,200	51,000
Miscellaneous	6,480	19,446	12,966
Investment earnings	38,400	51,487	13,087
Total Revenues	<u>1,576,916</u>	<u>1,728,115</u>	<u>151,199</u>
Expenditures			
Current service operations			
Purchased services	18,000	24,946	(6,946)
Professional fees	139,500	152,159	(12,659)
Contracted services	531,263	585,473	(54,210)
Repairs and maintenance	735,200	600,395	134,805
Administrative	106,410	99,530	6,880
Other	24,400	907	23,493
Total Expenditures	<u>1,554,773</u>	<u>1,463,410</u>	<u>91,363</u>
Revenues Over Expenditures	22,143	264,705	242,562
Fund Balance			
Beginning of the year	<u>1,076,601</u>	<u>1,076,601</u>	
End of the year	<u>\$ 1,098,744</u>	<u>\$ 1,341,306</u>	<u>\$ 242,562</u>

Meyer Ranch Municipal Utility District of Comal County
Notes to Required Supplementary Information
September 30, 2025

Budgets and Budgetary Accounting

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. There were no amendments to the budget during the year.

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Texas Supplementary Information

Meyer Ranch Municipal Utility District of Comal County
TSI-1. Services and Rates
September 30, 2025

1. Services provided by the District During the Fiscal Year:

- | | | | |
|---|---|--|--|
| <input type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input type="checkbox"/> Solid Waste / Garbage | <input checked="" type="checkbox"/> Drainage |
| <input checked="" type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks / Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Roads | <input type="checkbox"/> Security |
| <input 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 for a 5/8" meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
Wastewater:	\$ 69.00	2,000	N	\$ 6.00	2,001 to no limit

District employs winter averaging for wastewater usage? Yes No

Total charges per 10,000 gallons usage: Wastewater \$ 117.00

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered	_____	_____	x 1.0	_____
less than 3/4"	_____	_____	x 1.0	_____
1"	_____	_____	x 2.5	_____
Total Wastewater	949	949	x 1.0	949

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County
TSI-1. Services and Rates
September 30, 2025

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

Gallons pumped into system:	<u> N/A </u>	Water Accountability Ratio:
		(Gallons billed / Gallons pumped)
Gallons billed to customers:	<u> N/A </u>	<u> N/A </u>

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

Does the District have Debt Service 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:

Is the District located entirely within one county? Yes No

County(ies) in which the District is located: Comal County, Texas

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

City(ies) in which the District is located: _____

Is the District located within a city's extra territorial jurisdiction (ETJ)?
 Entirely Partly Not at all

ETJs in which the District is located: _____

Are Board members appointed by an office outside the district? Yes No

If Yes, by whom? _____

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County
TSI-2. General Fund Expenditures
For the Year Ended September 30, 2025

Purchased services	<u>\$ 24,946</u>
Professional fees	
Legal	29,196
Audit	18,000
Financial advisor	632
Engineering	<u>104,331</u>
	<u>152,159</u>
Contracted services	
Bookkeeping	23,078
Operator	115,257
Tax collector fees	6,549
Garbage collection	214,466
Sewer billing services	85,119
Sludge removal	<u>141,004</u>
	<u>585,473</u>
Repairs and maintenance	<u>600,395</u>
Administrative	
Directors fees	11,950
Insurance	3,297
Other	<u>84,283</u>
	<u>99,530</u>
Other	<u>907</u>
Total expenditures	<u><u>\$ 1,463,410</u></u>

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County
TSI-3. Investments
September 30, 2025

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
TexPool	Variable	N/A	\$ 1,241,503
Debt Service			
TexPool	Variable	N/A	377
TexPool	Variable	N/A	1,692,695
			<u>1,693,072</u>
Capital Projects			
TexPool	Variable	N/A	2,242
TexPool	Variable	N/A	1,695
TexPool	Variable	N/A	840
TexPool	Variable	N/A	1,486
TexPool	Variable	N/A	601,632
TexPool	Variable	N/A	353,179
			<u>961,074</u>
Total - All Funds			<u>\$ 3,895,649</u>

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County

TSI-4. Taxes Levied and Receivable

September 30, 2025

	Maintenance Taxes	Debt Service Taxes	Totals	
Taxes Receivable, Beginning of Year	\$ 2,669	\$ 6,382	\$ 9,051	
Adjustments to Prior Year Tax Levy	(926)	(7,306)	(8,232)	
Adjusted Receivable	1,743	(924)	819	
2024 Original Tax Levy	586,944	2,201,039	2,787,983	
Adjustments	18,343	68,787	87,130	
Adjusted Tax Levy	605,287	2,269,826	2,875,113	
Total to be accounted for	607,030	2,268,902	2,875,932	
Tax collections:				
Current year	603,922	2,264,707	2,868,629	
Prior years	2,517	2,332	4,849	
Total Collections	606,439	2,267,039	2,873,478	
Taxes Receivable, End of Year	\$ 591	\$ 1,863	\$ 2,454	
Taxes Receivable, By Years				
2024	\$ 1,365	\$ 5,119	\$ 6,484	
2023	(1,686)	(4,722)	(6,408)	
2022	1,199	1,649	2,848	
2021 and prior	(287)	(183)	(470)	
Taxes Receivable, End of Year	\$ 591	\$ 1,863	\$ 2,454	
	2024	2023	2022	2021
Property Valuations:				
Land	\$ 125,859,740	\$ 103,841,197	\$ 78,619,368	\$ 42,141,509
Improvements	234,988,177	194,096,883	106,009,194	58,326,340
Personal Property	1,683,040	815,774	902,410	822,288
Exemptions	(60,026,030)	(45,709,498)	(26,053,509)	(10,479,250)
Total Property Valuations	\$ 302,504,927	\$ 253,044,356	\$ 159,477,463	\$ 90,810,887
Tax Rates per \$100 Valuation:				
Maintenance tax rates	\$ 0.20	\$ 0.25	\$ 0.40	\$ 0.575
Debt service tax rates	0.75	0.70	0.55	0.375
Total Tax Rates per \$100 Valuation	\$ 0.95	\$ 0.95	\$ 0.95	\$ 0.950
Adjusted Tax Levy:	\$ 2,875,113	\$ 2,403,921	\$ 1,515,036	\$ 862,703
Percentage of Taxes Collected to Taxes Levied **	99.77%	100.27%	99.81%	100.05%

* Maximum Maintenance Tax Rate Approved by Voters: \$1.00 on November 7, 2017

** Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County
TSI-5. Long-Term Debt Service Requirements
Series 2019 Road--by Years
September 30, 2025

<u>Due During Fiscal Years Ending</u>	<u>Principal Due August 15</u>	<u>Interest Due February 15, August 15</u>	<u>Total</u>
2026	\$ 65,000	\$ 77,276	\$ 142,276
2027	65,000	75,781	140,781
2028	70,000	74,221	144,221
2029	75,000	72,471	147,471
2030	75,000	70,521	145,521
2031	80,000	68,496	148,496
2032	80,000	66,256	146,256
2033	85,000	63,856	148,856
2034	90,000	61,306	151,306
2035	90,000	58,606	148,606
2036	95,000	55,906	150,906
2037	100,000	52,938	152,938
2038	105,000	49,813	154,813
2039	105,000	46,531	151,531
2040	110,000	43,250	153,250
2041	115,000	39,813	154,813
2042	120,000	36,075	156,075
2043	125,000	32,175	157,175
2044	130,000	28,113	158,113
2045	135,000	23,888	158,888
2046	140,000	19,500	159,500
2047	145,000	14,950	159,950
2048	155,000	10,238	165,238
2049	160,000	5,201	165,201
	<u>\$ 2,515,000</u>	<u>\$ 1,147,181</u>	<u>\$ 3,662,181</u>

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County
TSI-5. Long-Term Debt Service Requirements
Series 2020 Road--by Years
September 30, 2025

<u>Due During Fiscal Years Ending</u>	<u>Principal Due August 15</u>	<u>Interest Due February 15, August 15</u>	<u>Total</u>
2026	\$ 75,000	\$ 94,777	\$ 169,777
2027	80,000	93,202	173,202
2028	80,000	91,442	171,442
2029	85,000	89,602	174,602
2030	90,000	87,563	177,563
2031	95,000	85,313	180,313
2032	95,000	82,938	177,938
2033	100,000	80,444	180,444
2034	105,000	77,444	182,444
2035	110,000	74,294	184,294
2036	115,000	70,994	185,994
2037	115,000	67,544	182,544
2038	120,000	64,094	184,094
2039	125,000	60,344	185,344
2040	130,000	56,438	186,438
2041	135,000	52,375	187,375
2042	140,000	48,156	188,156
2043	150,000	43,781	193,781
2044	155,000	39,094	194,094
2045	160,000	34,250	194,250
2046	165,000	29,250	194,250
2047	175,000	23,888	198,888
2048	180,000	18,200	198,200
2049	185,000	12,350	197,350
2050	195,000	6,338	201,338
	<u>\$ 3,160,000</u>	<u>\$ 1,484,115</u>	<u>\$ 4,644,115</u>

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County
TSI-5. Long-Term Debt Service Requirements
Series 2021 Road--by Years
September 30, 2025

Due During Fiscal Years Ending	Principal Due August 15	Interest Due February 15, August 15	Total
2026	\$ 90,000	\$ 99,194	\$ 189,194
2027	95,000	97,394	192,394
2028	95,000	95,494	190,494
2029	100,000	93,594	193,594
2030	105,000	91,344	196,344
2031	105,000	88,981	193,981
2032	110,000	86,487	196,487
2033	115,000	83,737	198,737
2034	120,000	80,862	200,862
2035	120,000	77,862	197,862
2036	125,000	74,862	199,862
2037	130,000	71,737	201,737
2038	135,000	68,488	203,488
2039	140,000	64,775	204,775
2040	145,000	60,925	205,925
2041	145,000	56,950	201,950
2042	150,000	52,950	202,950
2043	155,000	48,450	203,450
2044	160,000	43,800	203,800
2045	170,000	39,000	209,000
2046	175,000	33,900	208,900
2047	180,000	28,650	208,650
2048	185,000	23,250	208,250
2049	190,000	17,700	207,700
2050	195,000	12,000	207,000
2051	205,000	6,150	211,150
	<u>\$ 3,640,000</u>	<u>\$ 1,598,536</u>	<u>\$ 5,238,536</u>

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County
TSI-5. Long-Term Debt Service Requirements
Series 2022 Road--by Years
September 30, 2025

Due During Fiscal Years Ending	Principal Due August 15	Interest Due February 15, August 15	Total
2026	\$ 120,000	\$ 266,125	\$ 386,125
2027	125,000	258,925	383,925
2028	135,000	251,738	386,738
2029	140,000	247,687	387,687
2030	150,000	243,488	393,488
2031	155,000	238,987	393,987
2032	165,000	234,338	399,338
2033	170,000	229,386	399,386
2034	180,000	223,861	403,861
2035	190,000	218,012	408,012
2036	200,000	211,599	411,599
2037	210,000	204,599	414,599
2038	225,000	196,199	421,199
2039	235,000	187,200	422,200
2040	245,000	177,800	422,800
2041	260,000	168,000	428,000
2042	275,000	157,600	432,600
2043	290,000	146,600	436,600
2044	305,000	135,000	440,000
2045	320,000	122,800	442,800
2046	335,000	110,000	445,000
2047	355,000	96,600	451,600
2048	370,000	82,400	452,400
2049	390,000	67,600	457,600
2050	410,000	52,000	462,000
2051	435,000	35,600	470,600
2052	455,000	18,200	473,200
	<u>\$ 6,845,000</u>	<u>\$ 4,582,344</u>	<u>\$ 11,427,344</u>

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County
TSI-5. Long-Term Debt Service Requirements
Series 2023--by Years
September 30, 2025

<u>Due During Fiscal Years Ending</u>	<u>Principal Due August 15</u>	<u>Interest Due February 15, August 15</u>	<u>Total</u>
2026	\$ 260,000	\$ 821,681	\$ 1,081,681
2027	275,000	804,131	1,079,131
2028	295,000	785,569	1,080,569
2029	310,000	765,656	1,075,656
2030	330,000	745,506	1,075,506
2031	345,000	724,056	1,069,056
2032	365,000	703,356	1,068,356
2033	385,000	681,456	1,066,456
2034	410,000	662,206	1,072,206
2035	435,000	641,706	1,076,706
2036	460,000	623,219	1,083,219
2037	485,000	603,669	1,088,669
2038	515,000	583,056	1,098,056
2039	540,000	561,169	1,101,169
2040	575,000	538,219	1,113,219
2041	605,000	513,781	1,118,781
2042	640,000	487,313	1,127,313
2043	680,000	459,313	1,139,313
2044	715,000	428,713	1,143,713
2045	760,000	396,538	1,156,538
2046	800,000	362,338	1,162,338
2047	850,000	326,338	1,176,338
2048	895,000	288,088	1,183,088
2049	950,000	247,813	1,197,813
2050	1,005,000	205,062	1,210,062
2051	1,060,000	159,837	1,219,837
2052	1,120,000	109,487	1,229,487
2053	1,185,000	56,287	1,241,287
	<u>\$ 17,250,000</u>	<u>\$ 14,285,563</u>	<u>\$ 31,535,563</u>

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County
TSI-5. Long-Term Debt Service Requirements
Series 2024--by Years
September 30, 2025

Due During Fiscal Years Ending	Principal Due August 15	Interest Due February 15, August 15	Total
2026	\$ 165,000	\$ 455,288	\$ 620,288
2027	175,000	445,388	620,388
2028	185,000	434,888	619,888
2029	195,000	423,788	618,788
2030	205,000	412,088	617,088
2031	215,000	400,813	615,813
2032	225,000	392,213	617,213
2033	235,000	383,212	618,212
2034	250,000	373,812	623,812
2035	260,000	363,812	623,812
2036	275,000	353,412	628,412
2037	290,000	342,412	632,412
2038	305,000	330,812	635,812
2039	320,000	318,613	638,613
2040	340,000	305,813	645,813
2041	355,000	292,213	647,213
2042	375,000	278,013	653,013
2043	395,000	263,013	658,013
2044	415,000	247,213	662,213
2045	440,000	230,613	670,613
2046	460,000	213,013	673,013
2047	485,000	194,612	679,612
2048	510,000	175,212	685,212
2049	535,000	154,812	689,812
2050	565,000	132,743	697,743
2051	595,000	109,437	704,437
2052	625,000	84,149	709,149
2053	660,000	57,587	717,587
2054	695,000	29,537	724,537
	<u>\$ 10,750,000</u>	<u>\$ 8,198,531</u>	<u>\$ 18,948,531</u>

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
September 30, 2025

Due During Fiscal Years Ending	Principal Due August 15	Interest Due February 15, August 15	Total
2026	\$ 775,000	\$ 1,814,341	\$ 2,589,341
2027	815,000	1,774,821	2,589,821
2028	860,000	1,733,352	2,593,352
2029	905,000	1,692,798	2,597,798
2030	955,000	1,650,510	2,605,510
2031	995,000	1,606,646	2,601,646
2032	1,040,000	1,565,588	2,605,588
2033	1,090,000	1,522,091	2,612,091
2034	1,155,000	1,479,491	2,634,491
2035	1,205,000	1,434,292	2,639,292
2036	1,270,000	1,389,992	2,659,992
2037	1,330,000	1,342,899	2,672,899
2038	1,405,000	1,292,462	2,697,462
2039	1,465,000	1,238,632	2,703,632
2040	1,545,000	1,182,445	2,727,445
2041	1,615,000	1,123,132	2,738,132
2042	1,700,000	1,060,107	2,760,107
2043	1,795,000	993,332	2,788,332
2044	1,880,000	921,933	2,801,933
2045	1,985,000	847,089	2,832,089
2046	2,075,000	768,001	2,843,001
2047	2,190,000	685,038	2,875,038
2048	2,295,000	597,388	2,892,388
2049	2,410,000	505,476	2,915,476
2050	2,370,000	408,143	2,778,143
2051	2,295,000	311,024	2,606,024
2052	2,200,000	211,836	2,411,836
2053	1,845,000	113,874	1,958,874
2054	695,000	29,537	724,537
	<u>\$ 44,160,000</u>	<u>\$ 31,296,270</u>	<u>\$ 75,456,270</u>

See accompanying auditor's report.

Meyer Ranch Municipal Utility District of Comal County
TSI-6. Change in Long-Term Bonded Debt
September 30, 2025

	Bond Issue			
	Series 2019 Road	Series 2020 Road	Series 2021 Road	Series 2022 Road
Interest rate	2.00% - 3.25%	2.00% - 4.00%	2.00% - 3.00%	3.00% - 6.00%
Dates interest payable	2/15 ; 8/15	2/15 ; 8/15	2/15 ; 8/15	2/15 ; 8/15
Maturity dates	8/15/22 - 8/15/49	8/15/23 - 8/15/50	8/15/24 - 8/15/51	8/15/24 - 8/15/52
Beginning bonds outstanding	\$ 2,575,000	\$ 3,235,000	\$ 3,730,000	\$ 6,960,000
Bonds retired	(60,000)	(75,000)	(90,000)	(115,000)
Ending bonds outstanding	<u>\$ 2,515,000</u>	<u>\$ 3,160,000</u>	<u>\$ 3,640,000</u>	<u>\$ 6,845,000</u>
Interest paid during fiscal year	<u>\$ 78,596</u>	<u>\$ 96,277</u>	<u>\$ 100,994</u>	<u>\$ 273,025</u>
Paying agent's name and city All Series	<u>BOKF, N.A., Dallas, Texas</u>			

Bond Authority:	Water, Sewer and Drainage Bonds	Road Bonds	Refunding Bonds
	Amount Authorized by Voters	\$ 207,675,000	\$ 83,700,000
Amount Issued	(28,250,000)	(17,005,000)	
Remaining To Be Issued	<u>\$ 179,425,000</u>	<u>\$ 66,695,000</u>	<u>\$ 437,062,500</u>

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investments balance as of September 30, 2025:	<u>\$ 1,693,072</u>
Average annual debt service payment (principal and interest) for remaining term of all debt:	<u>\$ 2,601,940</u>

See accompanying auditor's report.

Bond Issue

Series 2023	Series 2024	Totals
4.25% - 6.75%	4.00% - 6.00%	
2/15 ; 8/15	2/15 ; 8/15	
8/15/25 -	8/15/26 -	
8/15/53	8/15/54	
\$ 17,500,000	\$ 10,750,000	\$ 44,750,000
(250,000)		(590,000)
<u>\$ 17,250,000</u>	<u>\$ 10,750,000</u>	<u>\$ 44,160,000</u>
<u>\$ 838,556</u>	<u>\$ 414,818</u>	<u>\$ 1,802,266</u>

Meyer Ranch Municipal Utility District of Comal County
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2025	2024	2023	2022	2021
Revenues					
Sewer service	\$ 945,544	\$ 799,537	\$ 666,215	\$ 517,076	\$ 305,972
Penalties and interest - service	9,452	7,439	7,150	9,806	3,311
Property taxes	606,439	665,613	640,932	532,434	238,639
Penalties and interest - taxes	1,547	2,241	1,993	1,415	872
Tap connection and inspection	94,200	60,000	52,200	108,600	121,200
Miscellaneous	19,446	12,904	12,600	15,615	16,791
Investment earnings	51,487	53,349	29,920	3,102	24
Total Revenues	1,728,115	1,601,083	1,411,010	1,188,048	686,809
Expenditures					
Current service operations					
Purchased services	24,946	13,890	12,035	11,929	9,122
Professional fees	152,159	142,492	91,316	91,230	89,865
Contracted services	585,473	448,834	376,028	326,814	278,496
Repairs and maintenance	600,395	702,409	471,338	246,160	308,249
Lease					145,950
Administrative	99,530	89,827	70,151	57,675	35,648
Other	907	18,780	31,205	21,492	1,207
Total Expenditures	1,463,410	1,416,232	1,052,073	755,300	868,537
Revenues Over/(Under) Expenditures	264,705	184,851	358,937	432,748	(181,728)
Other Financing Sources					
Developer advances					270,000
Net Change in Fund Balance	264,705	184,851	358,937	432,748	88,272
Fund Balance, Beginning of the year	1,076,601	891,750	532,813	100,065	11,793
End of the year	\$ 1,341,306	\$ 1,076,601	\$ 891,750	\$ 532,813	\$ 100,065

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues

2025	2024	2023	2022	2021
55%	50%	47%	44%	45%
1%	*	1%	1%	*
35%	42%	45%	45%	35%
*	*	*	*	*
5%	4%	4%	9%	18%
1%	1%	1%	1%	2%
3%	3%	2%	*	*
100%	100%	100%	100%	100%
1%	1%	1%	1%	1%
9%	9%	6%	8%	13%
34%	28%	27%	28%	41%
35%	44%	33%	21%	45%
				21%
6%	6%	5%	5%	5%
*	1%	2%	2%	*
85%	89%	74%	65%	126%
15%	11%	26%	35%	(26%)

Meyer Ranch Municipal Utility District of Comal County
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2025	2024	2023	2022	2021
Revenues					
Property taxes	\$ 2,267,039	\$ 1,799,504	\$ 874,762	\$ 340,215	\$ 138,902
Penalties and interest - taxes	5,505	5,351	2,480	906	439
Miscellaneous	14			537	14
Investment earnings	114,901	122,804	55,364	4,243	123
Total Revenues	2,387,459	1,927,659	932,606	345,901	139,478
Expenditures					
Tax collection services	26,928	21,838	10,712	4,852	2,498
Debt service					
Principal	590,000	325,000	125,000	55,000	
Interest and fees	1,804,766	1,256,491	544,073	296,091	149,682
Total Expenditures	2,421,694	1,603,329	679,785	355,943	152,180
Revenues Over/(Under) Expenditures	(34,235)	324,330	252,821	(10,042)	(12,702)
Other Financing Sources					
Proceeds from sale of bonds		417,344		289,175	333,514
Net Change in Fund Balance	(34,235)	741,674	252,821	279,133	320,812
Fund Balance, Beginning of the year	1,719,574	977,900	725,079	445,946	125,134
End of the year	\$ 1,685,339	\$ 1,719,574	\$ 977,900	\$ 725,079	\$ 445,946
Total Active Retail Wastewater Connections	949	795	679	602	416

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues

2025	2024	2023	2022	2021
95%	94%	94%	99%	100%
*	*	*	*	*
*			*	*
5%	6%	6%	1%	*
100%	100%	100%	100%	100%
1%	1%	1%	1%	2%
25%	17%	13%	16%	
76%	65%	58%	86%	107%
102%	83%	72%	103%	109%
(2%)	17%	28%	(3%)	(9%)

***Meyer Ranch Municipal Utility District of Comal County
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended September 30, 2025***

Complete District Mailing Address: 901 South MoPac Expressway Building II Suite 225
Austin, TX 78746

District Business Telephone Number: (512) 328-2008

Submission Date of the most recent District Registration Form
(TWC Sections 36.054 and 49.054): June 2, 2022

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

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse- ments	Title at Year End
Board Members				
Tommy Tucker	5/24 - 5/28	\$ 1,989	\$ -	President
Talley Williams	5/24 - 5/28	2,431	229	Vice President
Madison Inselmann	5/24 - 5/28	2,431		Secretary
Daniel A. Day	5/22 - 5/26	2,210		Assistant Secretary
Michael Slack	5/22 - 5/26	2,431	229	Assistant Secretary
Consultants				
		<u>Amounts Paid</u>		
McLean & Howard, LLP <i>General legal fees</i>	7/2017	\$ 30,642		Attorney
Municipal Operations, Inc.	5/2019	686,530		Operator
Texas Water Company	5/2019	24,946		Billing Consultant
Bott & Douthitt, PLLC	2/2017	23,469		Bookkeeper
Comal County Tax Assesor	11/2017	330		Tax Collector
Comal Appraisal District	Legislation	30,779		Property Valuation
Malone-Wheeler, Inc.	9/2021	116,560		Engineer
McGrath & Co., PLLC	9/2019	18,000		Auditor
Specialized Public Finance, Inc.	7/2017	3,000		Financial Advisor

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

See accompanying auditor's report.

McGRATH & CO., PLLC

Certified Public Accountants

2900 North Loop West, Suite 880

Houston, Texas 77092

January 9, 2026

Board of Directors
Meyer Ranch Municipal Utility District of Comal County
Comal County, Texas

We have audited the financial statements of the governmental activities and each major fund of Meyer Ranch Municipal Utility District of Comal County (the “District”) as of and for the year ended September 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter dated October 14, 2022. Professional standards also require that we communicate to you the following information related to our audit. For the purposes of this letter, the term “management” refers to the Board and/or District consultants.

Significant Audit Matters

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District’s government wide financial statements and the key factors and assumptions underlying these estimates are as follows:

- Due to developer is based on final construction costs plus an estimated 10-15% for engineering and other fees.
- Depreciation of infrastructure assets is based on industry wide accepted estimated useful lives taken on a straight-line basis.

We evaluated the methods, assumptions, and data used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The District's bookkeeper will be provided with all such adjustments. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant Risks

Professional standards require that we identify significant risks of misstatements and communicate those risks to those charged with governance. Significant risks are defined as those requiring special audit considerations. We have identified the following significant risk areas:

- Revenues
- Management override of internal controls

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to perform the following non-attest services for the District: (1) preparation of financial statements and related notes and schedules in conformity with U.S. generally accepted accounting principles, (2) preparation of capital asset schedule, and (3) preparation of entries necessary to prepare government wide statements. These services were performed based on information provided by you. We performed these services in accordance with applicable professional standards. The non-attest services we performed are limited to the those specifically defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Colette Garcia and Tayo Ilori are the engagement partners and are responsible for supervising the engagement and signing the report.

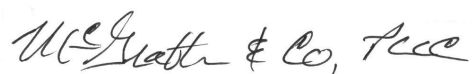
We applied certain limited procedures to the Budgetary Comparison Schedule and Management's Discussion and Analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Texas Supplementary Information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

A handwritten signature in cursive script that reads "McGrath & Co, PLLC".

McGrath & Co., PLLC-CPAs

McGRATH & CO., PLLC

Certified Public Accountants

2900 North Loop West, Suite 880

Houston, Texas 77092

January 9, 2026

Board of Directors
Meyer Ranch Municipal Utility District of Comal County
Comal County, Texas

In planning and performing our audit of the financial statements of governmental activities and each major fund of Meyer Ranch Municipal Utility District of Comal County (the "District"), as of and for the year ended September 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal controls exists when the design or operation of a control does not allow management, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis.

The District's management consists of an elected Board of Directors (the "Directors"). Day-to-day operations are performed by private companies ("Consultants") under contract with the District. The Directors of the District supervise the performance of the Consultants; however, although the Consultants can be part of the District's system of internal control, the Consultants are not members of management. Ultimately, the Directors of the District are responsible for the design and implementation of the system of internal control.

Material Weaknesses

We observed the following matters that we consider to be material weaknesses:

- As is common within the system of internal control of most small organizations, the accounting function of the District does not prepare the financial statements complete with footnotes in accordance with accounting principles generally accepted in the United States of America. This could result in the District's financial statements and related note disclosures not fully or accurately presenting the District's financial position and changes in financial position during the fiscal year in conformity with accounting principles generally accepted in the United States of America.

- During the course of performing an audit, it is not unusual for the auditor to prepare various journal entries to present the financial statements on both the fund basis and the government-wide basis of accounting. Management's reliance upon the auditor to detect and make these necessary adjustments could result in misstatements in the District's financial statements.
- The District's Management relies on the District's auditor to prepare the capital asset schedules and post adjustments related to the presentation of the capital assets in the government-wide financial statements. This reliance on the auditor to perform this function could result in the understatement or overstatement of capital assets and due to developer on the District's *Statement of Net Position* or an error in the amount reported as depreciation expense in the *Statement of Activities*.

Management's Response

The District's financial statements have been prepared in a manner that is consistent with prior years. The Board engages a bonded bookkeeper who possesses industry knowledge and expertise, including a concentration in special districts accounting. The Board also engages a financial advisor and tax assessor/collector who possess industry knowledge and expertise, as well as legal and professional engineering services. The Board has consulted with its independent auditor concerning this "management letter" and the auditor does not recommend any change in the Board's bookkeeping or audit procedures at this time. To the best of its knowledge, the Board conducts the District's business affairs in the same manner as other similarly situated special districts, and, based on the recommendations of its auditor, does not believe that the addition of an employee to oversee the monthly and annual financial reporting process or to prepare financial statements or that undertaking an additional annual audit is necessary or cost effective.

Conclusion

Management's written response to the material weaknesses identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, Board of Directors and the Texas Commission on Environmental Quality and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



McGrath & Co., PLLC-CPAs
Houston, Texas